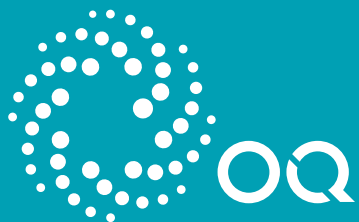


Sustainability Report 2022

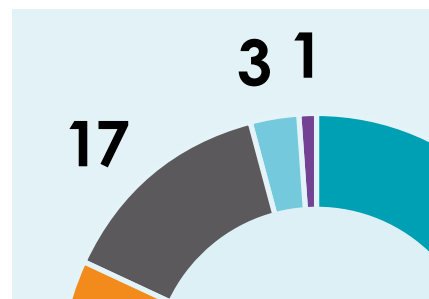
OQ Chemicals



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FOREWORD

Dear Readers,

We look back on a turbulent fiscal year 2022, marked by numerous events: we had to deal with the effects of the war in Ukraine, which has led to high energy prices and raw material costs. The ongoing coronavirus pandemic, the disruption of global supply chains, and extreme weather events like the low water level of the river Rhine last summer also had an impact.

Following the positive business performance in the first half of the year, we saw the aforementioned effects on our business results in the second half of the year. Despite the challenges, we have not lost sight of our strategic goal: OQ Chemicals wants to become climate-neutral by the middle of the century. With that in mind, we intend to systematically pursue our *reduce* program. In 2022, we reached the first milestones in greenhouse gas reduction, for example through the flare optimization project. >> [For more information, please refer to the Lower Emissions, More Energy section](#)

Global challenges such as climate change are pushing us to change and adapt our actions. It is up to us to show that we can still offer a viable business model in tomorrow's world. Our *reduce* program is the foundation for a resilient business model.

In the area of social responsibility, occupational health and safety will continue to be of the highest priority, as will ethical principles – not only in our company, but also throughout the entire value chain. In 2022, all European sites met the requirements of ISO 45001 and were thus able to successfully complete certification, another important step for us in this area.

We are also delighted to confirm our Gold status from EcoVadis again this year as evidence of our sustainability performance.

Given the central role that sustainability plays in our corporate strategy, I am confident that OQ Chemicals is well positioned to meet the challenges ahead.

Best regards,

Oliver Borgmeier

“As OQ Chemicals, our responsibility is to provide the markets with the products they need in a safe and sustainable manner – and we are continuously improving and moving towards greater sustainability. Our reduce program demonstrates this commitment.”



Dr. Oliver Borgmeier, Chief Executive Officer,
Managing Director at OQ Chemicals



COMPANY PROFILE

OQ Chemicals is one of the leading producers of Oxo Intermediates and Oxo Performance Chemicals with production sites and offices around the globe.

OQ Chemicals belongs to OQ, an integrated energy company with roots in Oman. Operating in 13 countries, OQ covers the entire value chain in the hydrocarbon sector from exploration and production through marketing and distribution of its products. OQ Chemicals represents the chemical sector of OQ with a core competency in the production, marketing, and sale of oxo chemicals.

OQ Chemicals' portfolio includes over 70 products supplied to customers globally. These products are used for the production of coating resins, synthetic esters, cosmetics, and printing inks. They find application in various industry segments, such as paints & coatings, lubricants & functional fluids, personal care, flexible packaging, and many more.

Around 1,400 people work for OQ Chemicals worldwide.

1.7 million tons
of production capacity

Annual
revenue of
1.9 billion euros

70
products
shipped to every continent

6
production sites

1,400
employees globally

LOCATIONS



Production Sites

Bishop
approx.
35 employees

Bay City
approx.
180 employees

Amsterdam
approx.
25 employees

Oberhausen
approx.
850 employees

Marl
approx.
70 employees

Nanjing
approx.
50 employees



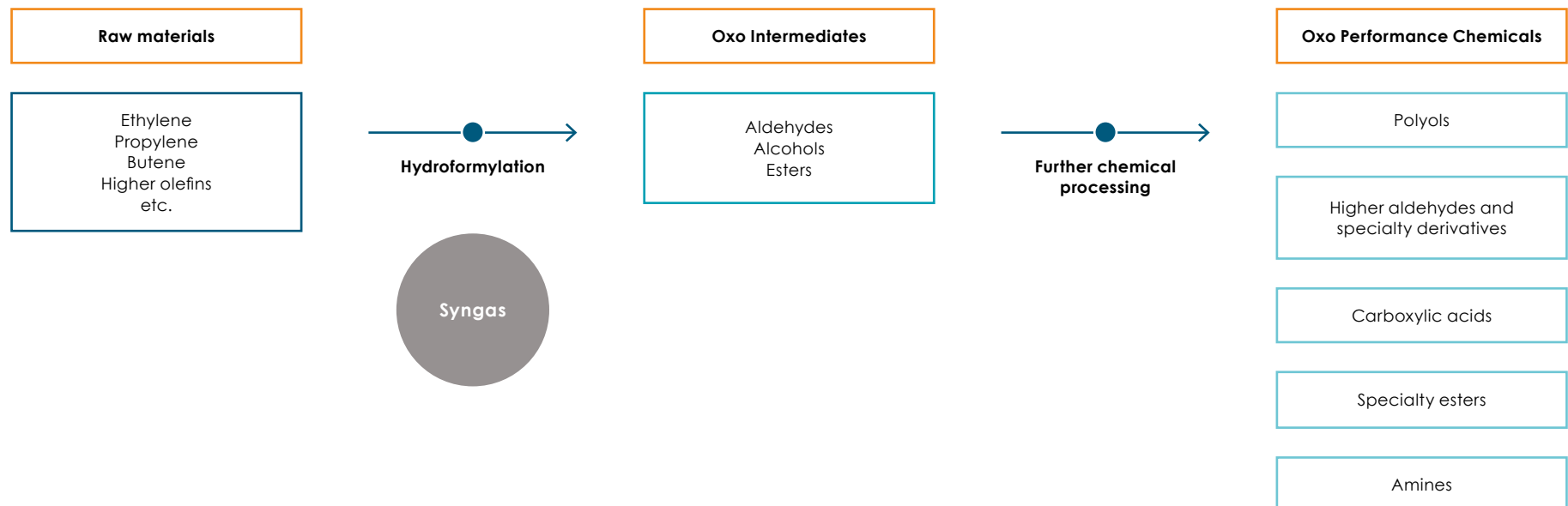
OQ CHEMICALS' VALUE CHAIN

OQ Chemicals produces and sells more than 70 products worldwide. Our products are used in a wide variety of everyday applications and market segments, such as raw materials for coatings and ingredients for personal care formulations. They are also used as a component of safety glasses in the automotive industry, in lubricant formulations for cooling systems, and for the manufacture of printing inks.

OQ Chemicals' highly integrated production platform is based on the oxo process invented in 1938 by Otto Roelen at our site in Oberhausen. The oxo process, otherwise known as the hydroformylation process, transforms olefins, which are unsaturated hydrocarbons such as propylene and ethylene, to aldehydes by adding syngas.

These aldehydes are either sold externally or are used internally (i.e., captive requirements) as precursors for other Oxo Intermediates and Oxo Performance Chemicals such as carboxylic acids, polyols, amines, and specialty esters (see graphic below).

Oxo Process

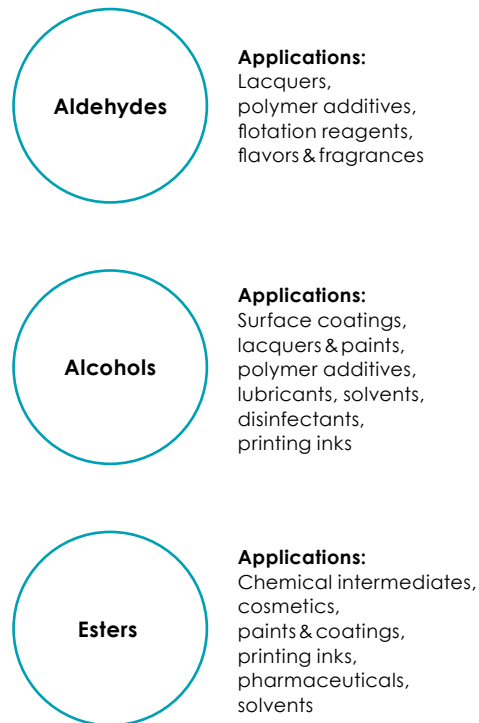




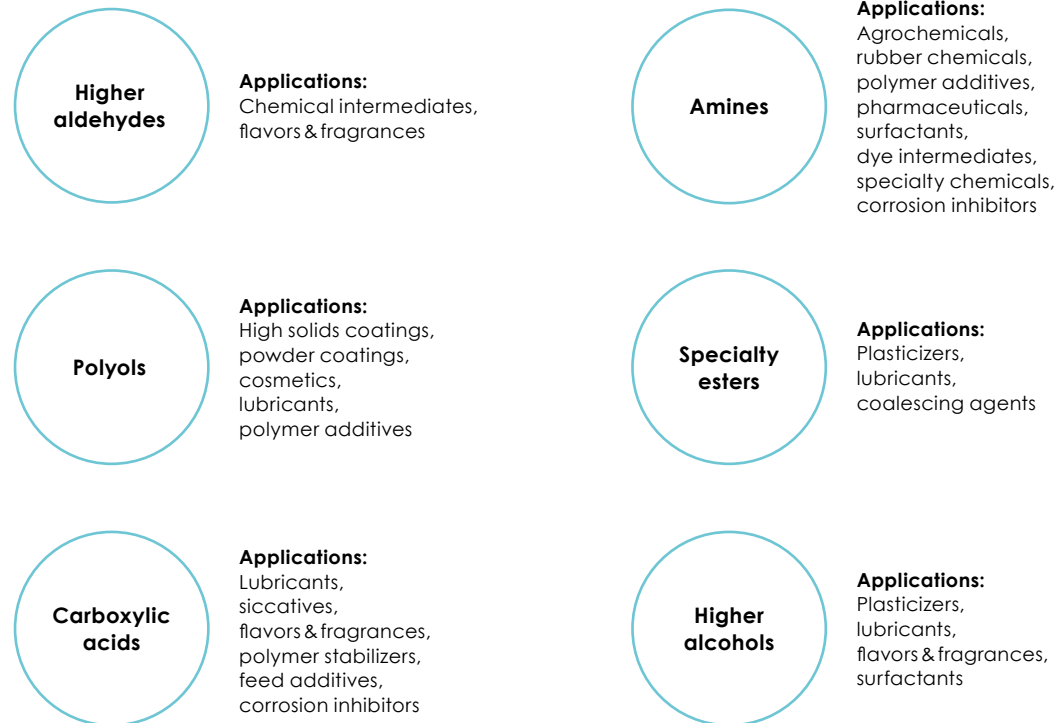
APPLICATIONS

This overview shows applications and market segments that make use of OQ Chemicals' products.

Oxo Intermediates



Oxo Performance Chemicals





PRODUCT OVERVIEW

The product range of QO Chemicals comprises more than 70 chemicals, which are subsequently processed by the industry. This diagram provides an overview of our general product portfolio (excluding customer-tailored products).

Oxo Intermediates	Oxo Performance Chemicals					
Aldehydes / Alcohols / Esters	Carboxylic acids	Polyols	Amines	Higher aldehydes	Higher alcohols	Specialty esters
Propionaldehyde n-Butyraldehyde Isobutyraldehyde n-Butanol Isobutanol n-Propanol n-Propyl acetate n-Butyl acetate Isobutyl acetate 2-Ethylhexanol	Propionic acid (AF) n-Butyric acid (AF) Isobutyric acid Valeric acid (HP) 2-Methylbutyric acid 3-Methylbutyric acid Heptanoic acid (HP) 2-Ethylhexanoic acid Pelargonic acid (HP + HALAL) Isononanoic acid Isopentanoic acid	1,3-Butylene glycol TCD Alcohol DM Nepopentyl Glycol (NPG) Trimethylolpropane (TMP)	2-Ethylhexylamine Di-(2-ethylhexyl) amine Di-n-butylamine Isopropylamine n-Butylamine Tri-n-butylamine n-Octylamine Tri-n-propylamine	n-Undecanal n-Nonanal C13/C15 Aldehyde Isovaleraldehyde Isononanal Valeraldehyde Propionaldehyde	2-Methylbutanol 3-Methylbutanol n-Heptanol 3,5,5-Trimethyl-hexai-sonol (Isononanol) TCD Alcohol M	OXSOF 3G8 OXFILM 351 OXLUBE L9-TMP OXLUBE L7 NPG NPG-Di-Heptanoate (CQ)

Lower Emissions, More Energy

OQ Chemicals has optimized the use of gaseous by-products at its Bay City production site in the United States, reducing CO₂ emissions at the site in the process. The flare optimization project is a successful part of OQ Chemicals' strategic sustainability program reduce and a major step toward the company's goal of becoming climate neutral by the middle of the century.

Lower Emissions,
More Energy

The flare at the OQ Chemicals plant in Bay City, Texas, is visible from afar. It is used to dispose of gaseous by-products that are generated in the butanol and propanol production units that cannot be used elsewhere. These gaseous by-products are sent to the flare along with natural gas and are burned, resulting in CO₂ emissions. As part of the *reduce* program (see info box), a team of Bay City engineers presented an idea to use the gaseous by-products from production to generate energy and reduce the use of the flare.

"We were able to considerably optimize the previous process for handling our gaseous by-products," explained Eric Wright. He is a Technical Manager at the Bay City site and leads a group of engineers who provide technical support and implementation for capital projects there. "As a result, we have greatly improved the supply and consumption of gaseous by-products in our steam boilers." This means that a larger proportion of the gaseous by-products can be used to generate energy and less is sent to the flare.

Lower CO₂ emissions

The success of the flare optimization project has been impressive: in addition to huge economic savings, it has led to a significant reduction in greenhouse gas emissions. "Through our optimizations, we have been able to reduce direct CO₂ emissions at our site by 10% in 2022 compared to the average of previous years," said Wright.

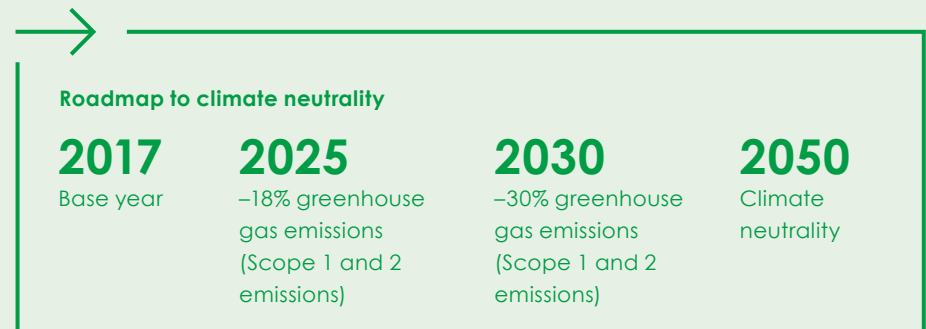


"We were able to considerably optimize the previous process for dealing with our gaseous by-products."

— Eric Wright, Technical Manager, Bay City



employees from all departments worldwide develop ideas for reducing greenhouse gas emissions



**Lower Emissions,
More Energy**



Two people who contributed significantly to this remarkable result are Jason Brumfield and Debra Alley. Brumfield is the Process Automation Lead at the site and implemented the logic in the plant's process control system that automates the supply of gaseous by-products to the steam boilers. Alley is the Instrumentation Electrical Engineering Lead in Bay City and is responsible for the measurement and control technology.

More efficient use

"Thanks to modern computer technology and improvements to the control valves, we have been able to significantly optimize the way we measure and control the flows of our gaseous by-products," explains Brumfield.

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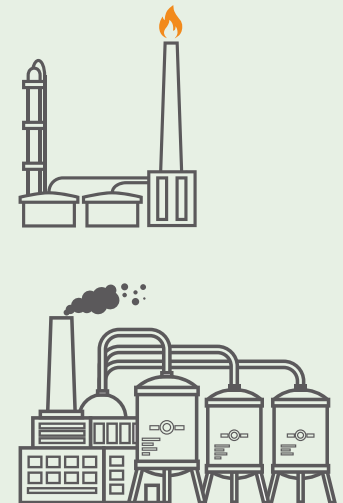
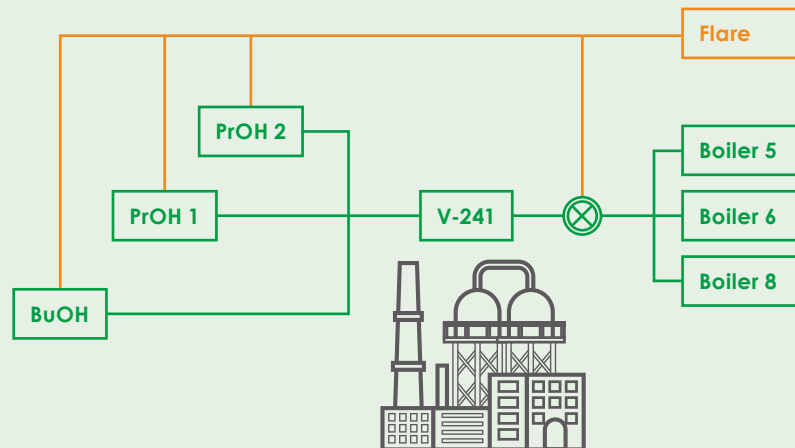
ideas for reducing greenhouse gas emissions have been developed so far

"The specific composition of the gaseous by-products affects how much energy can be generated from them."

— Debra Alley, Instrumentation Electrical Engineering Lead, Bay City

Less combustion via the flare

An optimized process: in Bay City, more of the gaseous by-products from chemical processes are directed to the boilers and used to generate steam.



"As a result, we have improved the supply to our boilers and increased the efficiency with which we can use them to generate steam."

In order for this to succeed, engineers first had to find ways to reliably measure both the quantity and the energy content of the gaseous by-products. "The composition can have a higher or lower hydrogen content, which affects how much energy you can generate with it," Alley explains. The team led by Alley and Brumfield decided to measure the density of the vent gases because it was an economical approach to estimate the hydrogen composition and thus the energy content.

Both Alley and Brumfield are pleased with the results, but also with the process. "Teamwork makes the dream work – that was demonstrated once again here," said Brumfield. The fact that a project of this magnitude could be implemented so smoothly during ongoing operations is largely due to the very good cooperation with external partners and all the departments involved at the site. Wright is also very proud of the joint achievement: "We worked on the instrumentation, on the process controls, and we made structural changes. There wasn't a department at the site that wasn't involved."

10

different workstreams are
part of reduce

Additional improvements

Following the successful implementation, the project is now in the monitoring phase, and the savings are in line with the forecasts. The project to optimize the use of gaseous by-products in Bay City has been a successful part of the *reduce* program. "Our engineers are constantly working to further improve our raw material efficiency," said Wright. "Of course, that will also have an impact on further CO₂ reductions."



"Teamwork makes the dream work – that was demonstrated once again here."

— Jason Brumfield, Process Automation Lead, Bay City

3 questions for ...

... Kevin Hunt, Director of Maintenance and Technical, Bay City



Mr. Hunt, what role does the *reduce* program play for OQ Chemicals?

In order to address the pressing issue of climate change, greenhouse gas emissions must be reduced worldwide. With *reduce*, OQ Chemicals is making its contribution to this global task. The program is an integral part of our corporate strategy and an important tool in achieving our goal of being a climate-neutral company by 2050.

What is the significance of the flare optimization project in Bay City in the context of *reduce*?

We are very proud of the excellent collaboration between our dedicated Engineering and Operations teams and of the result: by making even better use of exhaust gases for energy recovery, we can significantly reduce CO₂ emissions. This is not only a significant contribution to the reduction of climate-damaging emissions, but also a source of optimism for future savings.

Speaking of future savings: are there any other measures that you are already planning as part of *reduce*?

We are continuously looking for further potential savings. At the moment, we are investigating the possibility of a fundamental change in how we recycle CO₂ as a raw material for our processes. This would mean a further significant reduction in CO₂ emissions, which is very exciting. We are currently putting a lot of effort into driving that project forward.



About the *reduce* program

Through the *reduce* program, OQ Chemicals is taking a comprehensive approach that covers all areas of the company's greenhouse gas emissions. OQ Chemicals is committed to reducing its CO₂ footprint in all aspects of its operations. The company aims to become climate-neutral by the middle of the century. With *reduce*, the company focuses on pragmatic solutions that are tailored to concrete challenges, specific local conditions and experiences, and unique opportunities. During the reporting period, *reduce* included more than 30 projects and initiatives with short-, medium-, and long-term goals.



OQ Chemicals' Strategy





OQ CHEMICALS' STRATEGY

We at OQ Chemicals are fully committed to our vision of becoming a more sustainable company and taking responsibility for the social, ecological, and economic impact of our business activities. By transforming our company, we enable sustainable business growth and generate value for our customers, employees, and all our stakeholders. Our strategic *leadUp!* (leading transformation & uplifting results) program bundles all the initiatives that contribute to a sustainable transformation and thus ensures the future success of OQ Chemicals. Sustainability is one of four performance enabler bricks in the *leadUp!* program and forms the basis of OQ Chemicals' corporate strategy.

Our goal is to continue to be the preferred partner for high-quality oxo chemicals and services by responding to our customers' growing interest in sustainable products and providing transparent and reliable information on our sustainability performance and programs.

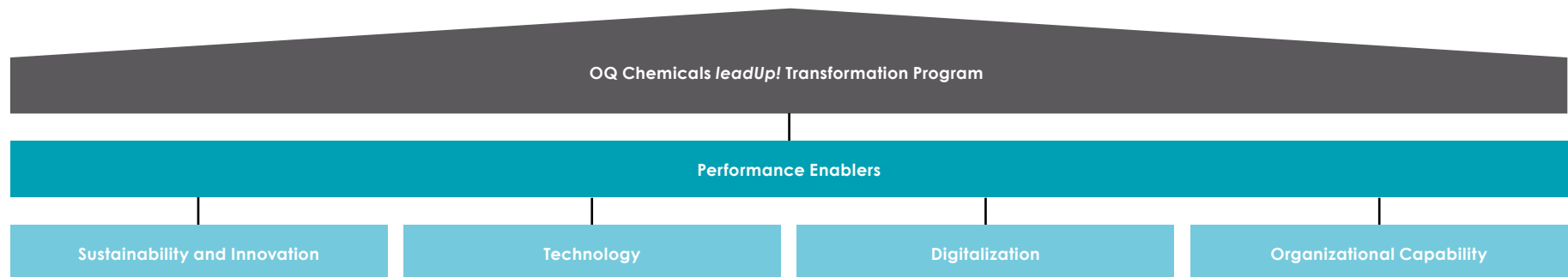
Switching to renewable energy, reducing greenhouse gas emissions, increasing operational efficiency, and understanding customers' future product requirements are areas of OQ Chemicals' sustainability strategy. Our sustainability actions help to deliver on our three strategic pillars: strengthening our Oxo Intermediates, which build the robust backbone of our business on which selective growth of Oxo Performance Chemicals is real-

ized. Functional Excellence is what makes OQ Chemicals successful; we work efficiently and have the right knowledge and tools in place. >> [For more information on *leadUp!* please refer to Sustainability Report 2021](#)

reduce – Our Path to Climate Neutrality

Our global greenhouse gas reduction program *reduce* is an essential part of *leadUp!*.

To be able to contribute to a sustainable future, we implemented our *reduce* program focused on reducing our company's carbon footprint in order to maintain a profitable and competitive business model.





We have integrated *reduce* into the *leadUp!* program to demonstrate the strategic importance of the topic of sustainability and greenhouse gas reduction. Sustainability goals are a top priority, and with the integration, we want to ensure that future investments and growth projects also take the aspect of sustainability (CO₂ impact) into account.

The dovetailing of *leadUp!* and *reduce* will resolve the conflict between growth and greenhouse gas reduction to ensure sustainable growth.

Targets and Ambitions

The following overview shows our main targets and ambitions to advance our sustainability transformation.

Environment	Employee Topics	Value Chain	Corruption & Bribery	Sector-Specific
<ul style="list-style-type: none"> • Environmental Compliance • Safety • Climate & Energy 	<ul style="list-style-type: none"> • Fair working conditions • Development & Training 	<ul style="list-style-type: none"> • Sustainability in the Supply Chain 	<ul style="list-style-type: none"> • Company Ethics 	<ul style="list-style-type: none"> • Product Safety & Stewardship • Customer Relations • Megatrends
<ul style="list-style-type: none"> • Environmental compliance is ensured at all times and is a key priority for OQ Chemicals. • We want to achieve zero HSE incidents within OQ Chemicals. • We want to become a climate-neutral company by the middle of the century. • We want to reduce absolute greenhouse gas emissions (Scope 1, 2) by 18% by 2025 and by 30% by 2030 (base year 2017). • We want to reduce our energy consumption globally by 10% by 2025. • We want to reduce our waste globally, by shifting 5% of the total waste into a higher waste hierarchy level.* 	<ul style="list-style-type: none"> • We see our employees as our most important resource. We want to attract and retain the talent we need in the future because we believe in the value of our employees, and the diversity and experience they bring to OQ Chemicals. • We ensure high-quality training and development of our employees. 	<ul style="list-style-type: none"> • We want to increase the amount of renewable feedstock that we are using in our production of oxo chemicals to contribute to a more circular chemical industry. • We source in a sustainable manner. We screen and select our suppliers based on environmental, social and economic criteria. We want to reach 100% coverage of all raw materials suppliers and service providers. 	<ul style="list-style-type: none"> • We follow strong ethical principles. Our ethical principles are documented and trained based on our Code of Conduct, which sets the standard for conducting business in a responsible and fair manner. 	<ul style="list-style-type: none"> • We secure safe and compliant products and processes and constantly evaluate and improve them to determine risks and opportunities. • We entertain trustful relationships with our customers. • We have identified climate change and thus decarbonization as megatrends that have major impact on OQ Chemicals.

* The European waste hierarchy refers to the five steps included in Article 4 of the Waste Framework Directive; Prevention, Re-use and preparation for re-use, Recycling, Recovery, and Disposal.



Highlights in 2022

Growth Projects

OQ Chemicals and Röhm announced the ground-breaking of Röhm's plant for methyl methacrylate (MMA) at OQ Chemicals' Bay City site in October 2022, for which OQ Chemicals is providing the necessary infrastructure and raw materials through the Propel Project. The partnership with Röhm strengthens our Oxo Intermediates business and the Bay City site as a whole and will enable further site tenant accommodations.

Greenhouse Gas Reduction

At the same time, as part of the *reduce* program, we were able to reduce greenhouse gas emissions at the Bay City site by 10% compared to the total emissions at the site through a flare optimization project.

>> Please refer to the [Lower Emissions, More Energy section](#)

Energy Management

On our path to becoming a climate-neutral company, in 2022 OQ Chemicals switched to electricity from renewable sources, as part of the *reduce* program. Where possible, we already purchase green electricity, at other locations, we use green power certificates (Energy Attribute Certificates – EACs).

By 2030, OQ Chemicals aims to source 100% renewable electricity globally.

Capacity Expansion

At the Oberhausen site, we expanded our capacity for TCD alcohol DM (tricyclodecanedimethanol) and successfully started up the plant. TCD alcohol DM is used in exterior coatings and optical materials as well as in future-oriented business applications such as 3D printing.

New Product Development

In September 2022, we introduced Neopentyl Glycol Diheptanoate for the cosmetics and personal care industry. With our new product, we address the cosmetics market's need for silicone-free formulations.

Implementation of the Sustainable Development Goals (SDGs) at OQ Chemicals

At OQ Chemicals, we have identified four UN Sustainable Development Goals (SDGs) that we specifically have an impact on with our core business activities.



SDG 4 – Quality Education: OQ Chemicals invests in the training and education of its employees throughout the company. In the city of Oberhausen, OQ Chemicals is one of the most important employers in the community and offers vocational training for young people in industry-related occupations.

SDG 8 – Decent Work and Economic Growth: The management structure of the company is set for economic success and sustainable growth based on defined procedures and processes. We adhere to a Company Code of Conduct that objects to any form of discrimination, child labor, or forced labor.

SDG 12 – Responsible Consumption and Production:

At OQ Chemicals, we entertain safe and efficient processes. As the founder of the oxo synthesis, we are experts in our processes. Our goal is to maximize output while minimizing input. All our products are labeled and supplied with the correct documents to guarantee safe handling by the recipient.

SDG 13 – Climate Action: As a manufacturer of chemicals, we acknowledge our responsibility and impact on the environment. We continuously work on the improvement of our energy balance and greenhouse gas emissions worldwide and have set ourselves short-term, mid-term, and long-term goals. >> Please refer to the [Global Climate Change section](#)



Sustainability is an integral part of our company strategy and determines our future business success. It is a commitment to us, not only a program. We believe in sustainability.

We want to fulfill stakeholders' needs while reducing our environmental footprint to sustain a profitable, competitive business model.



Materiality Analysis

The basis for our strategic activities is our materiality analysis conducted in mid-2019. It defines the prioritization of projects and campaigns. The results were confirmed by the materiality analysis of the OQ Group conducted in the year 2020. >> [Please refer to Sustainability Report 2019](#)

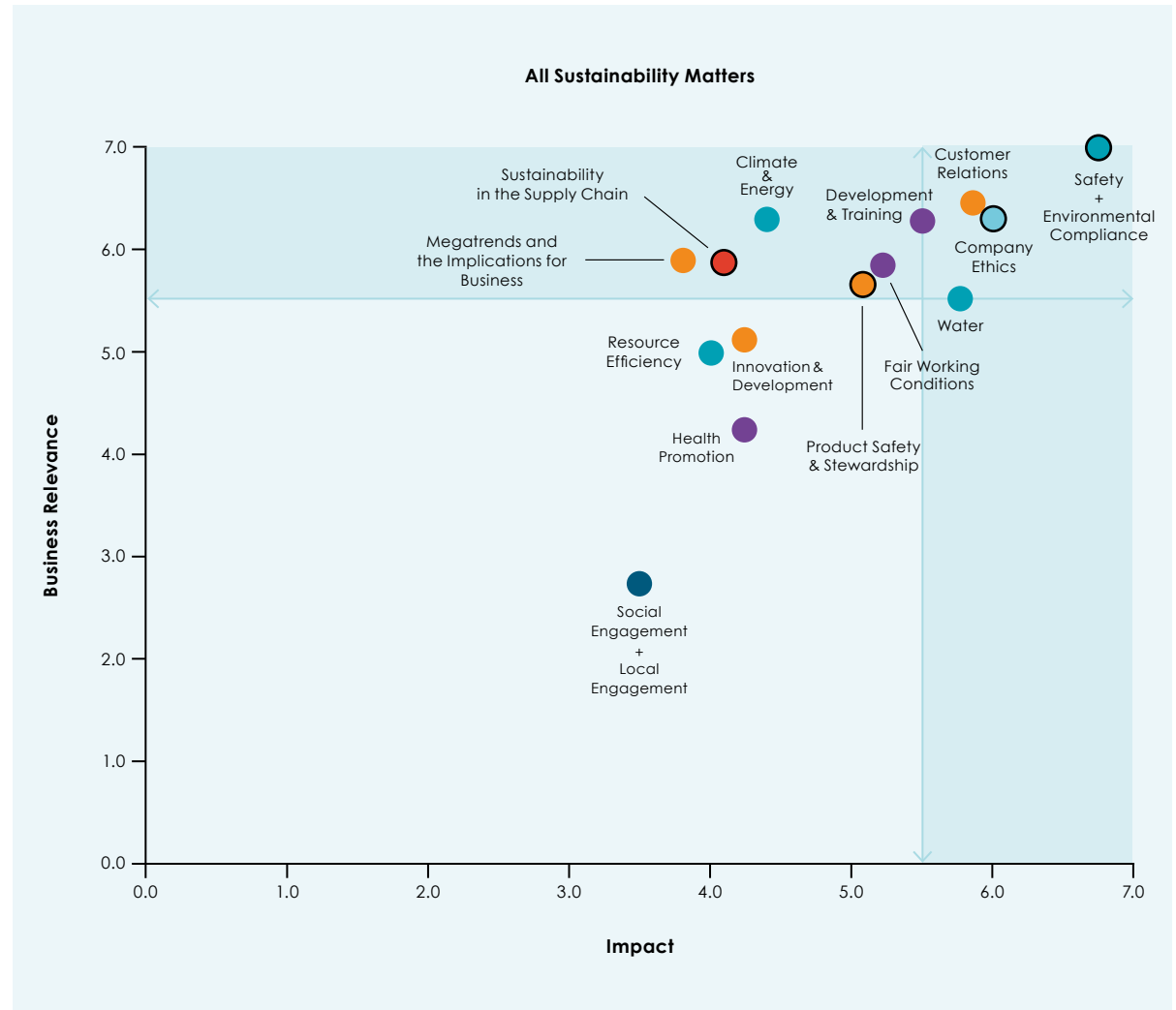
Our targets and activities contributing to our financial, environmental and social performance are described in the various Reporting Sections. They all feed into the achievements of the targets and ambitions, which are aligned with the most material topics for OQ Chemicals.

○ stakeholder relevance ≥ 5.5

Relevant Stakeholders:

Customers, investors/owners, government/regulators, OQ Chemicals employees, suppliers, media, NGOs, consumers

Materiality Analysis





Materiality Analysis – Process

In 2019, OQ Chemicals re-evaluated its material topics to evaluate its targets, related concepts and activities. A materiality analysis builds the basis for the sustainability strategy of the company. It was conducted in a multi-step approach, covering the following stages:

- Generation of a short list of material topics
- Material topics evaluation by OQ Chemicals employees
- Validation of material topics through Leadership Team
- Results of the materiality analysis

Generation of a short list

Based on the GRI Standards 2016, a peer review, and relevant topics for the chemical industry in general, a short list of topics with business relevance for OQ Chemicals was created.

Evaluation of selected material topics

The short list of topics was reviewed, using a three-dimensional evaluation on a seven-point scale determining:

- OQ Chemicals' impact on the topic
- Stakeholders relevant for the topic
- Business relevance of the topic

OQ Chemicals experts, covering 15 different business areas, were free to add or change material topics. As relevant stakeholder groups, we identified: consumers, customers, employees, government/regulators, investors/owners, media, NGOs, and suppliers.

OQ Chemicals employees evaluated the importance of topics according to the three dimensions and also took a stakeholder perspective in the evaluation process. All stakeholders were seen as equally important in this step.

Validation of material topics

The initial results of the analysis were validated by the Leadership Team in a one-day workshop:

Step 1: Evaluation of business relevance and OQ Chemicals impact (per topic). Initial results per topic were replaced by the average results of the Leadership Team evaluation.

Step 2: Rating of relevance of each stakeholder group. The relative relevance was incorporated into the results using the seven-point scale.

Step 3: Check of the top three material topics for each stakeholder. The top three chosen by the Leadership Team were given a relatively higher score in comparison to the former top three topics. No further adjustments were applied.

The following table shows the most important topics for OQ Chemicals:

Material Topics

Environment	Employee Topics	Value Chain	Corruption & Bribery	Sector-Specific
<ul style="list-style-type: none"> • Environmental Compliance • Safety • Climate & Energy 	<ul style="list-style-type: none"> • Fair Working Conditions • Development & Training 	<ul style="list-style-type: none"> • Sustainability in the Supply Chain 	<ul style="list-style-type: none"> • Company Ethics 	<ul style="list-style-type: none"> • Product Safety & Stewardship • Customer Relations • Megatrends



Sustainable Governance





SUSTAINABLE GOVERNANCE

The implementation of our sustainable transformation strategy is based on our Integrated Management System (IMS) and an organizational structure with clearly defined responsibilities.

The Leadership Team of OQ Chemicals holds regular meetings with the Shareholders' Committee. These meetings also cover a wide variety of sustainability-related topics: such as the greenhouse gas reduction program *reduce*, sustainable products, product safety.

Al Muthir Al Kharusi (Chief Executive Strategy & Transformation of the OQ Group) joined the Shareholders' Committee in 2022.

Shareholders' Committee

The Shareholders' Committee is responsible for the financial and non-financial performance, which includes sustainability. The Shareholders' Committee remains the highest decision-making body for OQ Chemicals and consists of representatives of OQ Group shareholders as well as industry experts.

The current Shareholders' Committee consists of:

- Sultan Al Burtmani
- Hilal Al Kharusi (Chairman)
- Al Muthir Al Kharusi
- Monika Engel-Bader
- Luis Fernandez
- Martin Lundin
- Patrick Quarles



Sultan Al Burtmani



Hilal Al Kharusi (Chairman)



Al Muthir Al Kharusi
(Chief Executive Strategy &
Transformation)



Monika Engel-Bader



Luis Fernandez



Martin Lundin



Patrick Quarles



Management Team



**Dr. Oliver
Borgmeier**

Managing Director and
Chief Executive Officer
OQ Chemicals

CEO Dr. Oliver Borgmeier was appointed as Managing Director in December 2018. Dr. Borgmeier has been with the company for more than 15 years and has experience in the fields of operations, strategy, and business management.

Oliver Borgmeier holds a Ph.D. in Chemistry from RWTH Aachen University, Germany, and has worked for various multinational companies in the chemical industry.



**Stefan
Schmidt**

Managing Director and
Chief Financial Officer
OQ Chemicals

Stefan Schmidt was appointed as Managing Director and CFO of OQ Chemicals in November 2015.

In 2008, he joined OQ Chemicals / OXEA as a Director of Finance and Administration and became Vice President of Finance and Global Controlling in 2014. Before joining OQ Chemicals / OXEA, Stefan Schmidt had taken various leading positions in finance in the industry and started his career at Ernst & Young AG in Germany.

Stefan Schmidt holds a Master's in Business Administration (Diplom Kaufmann) from the University of Cologne and is a German public auditor (Wirtschaftsprüfer) and German tax advisor (Steuerberater) by education.

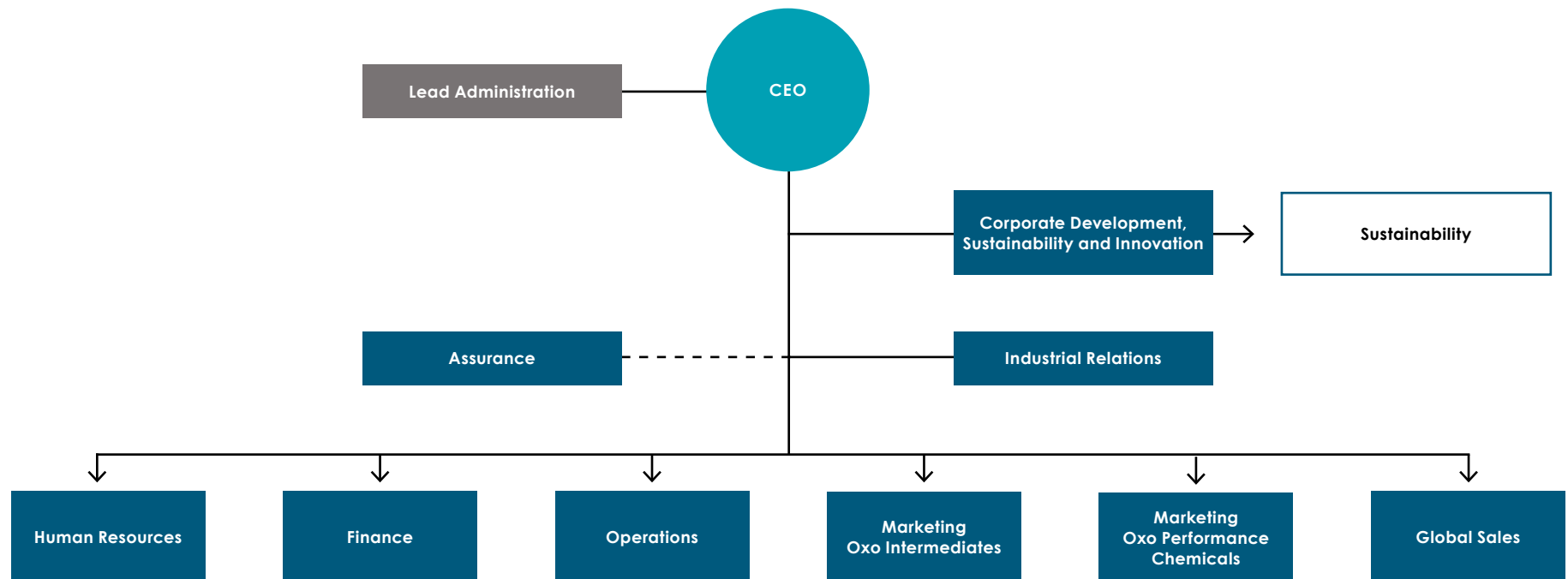


Leadership Team

The Leadership Team is responsible for strategic and operative governance and bears overall responsibility for our sustainability strategy. It forms the highest senior management level and reports to the CEO.

OQ Chemicals' Leadership Team meetings are held frequently, chaired by the CEO. Various reporting tools and business meetings across all organizations ensure a constant flow of information and allow for global monitoring of activities and strategy.

The following graph shows the organizational structure of OQ Chemicals.

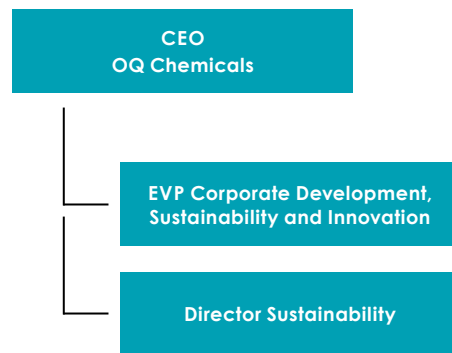




Sustainability Management

Sustainability Management is integrated into the Corporate Development, Sustainability and Innovation organization. The Director of Sustainability is responsible for the operational implementation of OQ Chemicals' sustainability strategy and reports to the Executive Vice President (EVP) of Corporate Development, Sustainability and Innovation.

The EVP of Corporate Development, Sustainability and Innovation is responsible for OQ Chemicals' Corporate Project Management Office, the Technology Center, the *reduce* program, and all matters of Corporate Development. The role reports directly to the CEO.



Integrated Management System

OQ Chemicals uses an Integrated Management System (IMS), which serves to put the policy and strategy guidelines into the context of the organization's legal and standards requirements as well as to put the concerns of interested parties into practice.

The IMS is described in the available management manual, which is appended to the process descriptions and working instructions of all organizational units. It ensures a common understanding of processes and responsibilities throughout the organization and documents them.

Key leaders within OQ Chemicals – including the Managing Directors – periodically carry out a review of the efficacy and performance of the IMS (at least once a year). The preparation and documentation are organized by the appointed Global Management Officer of OQ Chemicals.

Company Scorecard (CSC)

The Company Scorecard (CSC) of OQ Chemicals serves as an overarching monitoring and steering tool displaying the performance of OQ Chemicals. The CSC performance is updated monthly and shows the relative performance according to the different key performance indicators (KPIs) for the fiscal year.

The KPIs for 2022 entailed those for HSE (health, safety, and environment), Profitability (EBITDA), Strategic Priorities (project delivery, financial excellence, improvement of existing business) and the *reduce* program (GHG monitoring system, roadmap development, project delivery).

The goals for the fiscal year were determined by the Leadership Team of OQ Chemicals together with its Shareholder Committee in 2021. >> [Please refer to Sustainability Report 2021](#)

For 2023, a comparable process is being carried out.

The CSC provides the basis for individual performance targets of all employees.

Business Ethics – Compliance Management and Ethical Business Practices

Per legal definition, compliance means "the combination of all measures to avoid violations of the law," and therefore builds the basis for every long-term successful business. Adherence to legal requirements is mandatory for all OQ Chemicals' employees.

OQ Chemicals' Compliance Management is designed to ensure adherence with legal requirements, internal company policies, and ethical business practices.

The Code of Conduct defines the most important corporate principles and is publicly accessible (published on OQ Chemicals' corporate website). Every new employee receives the Code of Conduct and corresponding training depending on the exposure level of the employee's role. Refresher training on the Code of Conduct is to be conducted every two years – also depending on the exposure level of the employee.

Each year, all OQ Chemicals employees are required to complete compliance training on our e-learning platform. In addition, all employees are offered training on specialized topics like bribery prevention and corruption avoidance, as well as antitrust and competition law.

The members of the Legal division are available for all questions related to the Code of Conduct and if a violation of the Code of Conduct needs to be reported. Contact details are accessible on the OQ Chemicals intranet. Both our employees and affected third parties



can also report violations of the Code of Conduct via an anonymous whistleblowing system (available in English, German, and four other languages).

In 2022, the old system was replaced by a new whistleblowing system. The new system ensures that all incoming reports are encrypted and stored in accordance with ISO 27001 specifications. In addition, the solution complies with European data protection requirements and the EU Whistleblowing Directive.

The Code of Conduct sets the standards for the conduction of business in a responsible and fair manner. The scope of the Code of Conduct is: fair treatment of employees, social responsibility and prohibition of child labor, business integrity, handling and communication of company information, environmental protection, preventive health, workplace and plant safety, handling of company property, financial integrity / data security, fair competition, anti-bribery, anti-fraud, charitable donations, political contributions, and trading on international markets.

All OQ Chemicals departments are subject to regular audits according to the IMS and to processes defined in the related risk and internal audit management processes. Every employee is encouraged to report possible breaches of company policies anonymously via the whistleblowing system of OQ Chemicals.

Failure to comply with the Code of Conduct will most likely lead to disciplinary/legal measures, which could even bring about a termination of employment. Illegal behavior will be prosecuted in a court of law. For 2022, no violations were reported.

Supply Chain Management

The Vice President Global Supply Chain is responsible for procurement, logistics, planning & yield accounting, and customer relations. The guidelines and processes for the various functions are described in the IMS.

The purchasing of raw materials is part of an integrated planning approach (S & OP process = Sales & Operations Planning process).

The procurement budget entails the costs of raw and support materials, maintenance and repair operations payments (MRO), and logistics costs. Around 55% of the budget is spent at the production sites in Europe. OQ Chemicals has more than 1,900 suppliers globally – the majority providing MRO services.

Major raw materials >> **Please refer to the OQ Chemicals' Value Chain section** for the production of Oxo Intermediates and Oxo Performance Chemicals are olefines (ethylene, propylene, higher olefines), syngas, and natural gas. Around 70% of the raw materials are sourced locally, close to our production sites.

In general, the qualification process of a new supplier follows a defined process with a focus on the supplier's capability and standards of quality and safety.

OQ Chemicals employs a "supplier evaluation tool" for the rating of its suppliers in the respective procurement organizations. The supplier rating consists of different parameters referring to quality and safety aspects, as well as to environmental parameters.

The supplier evaluation allows for a ranking of suppliers and has an influence on the preference and selection of suppliers. Over 95% of our suppliers (based on volumes and spending) hold ISO certifications.

To ensure sustainable procurement practices throughout the value chain, OQ Chemicals has its own Supplier Code of Conduct in place covering human rights aspects in alignment with the OQ Chemicals Code of Conduct. Related procedures and documentation are set up in the IMS. The scope of the Supplier Code of Conduct currently covers all raw materials suppliers to European production sites.

In addition to our Supplier Code of Conduct, OQ Chemicals has a policy statement on human rights. It is stored in the IMS and publicly accessible (published on the website).

All raw materials suppliers to European and US production sites are screened regarding their CSR / sustainability performance based on publicly available information (risk analysis). The results are documented in the Procurement department and reassessed at least bi-annually. 96% of OQ Chemicals' raw materials suppliers to European production sites (based on total number of suppliers) are based in OECD countries and disclose extensive information on business ethics and practices. Only a minority of 4% are not OECD-based and do not publish information on their business practices. The suppliers for the US sites are 100% based in OECD countries. One-third of suppliers hold EcoVadis certification and 94% of suppliers disclose information publicly about their sustainability performance.



Non-OECD suppliers must provide sufficient evidence of business ethics (e.g., an appropriate code of conduct) or obtain the OQ Chemicals Supplier Code of Conduct for signature.

If a supplier fails to sign or is suspected of not fulfilling the requirements, an escalation process with the ultimate step of termination of business relationships will be started. Every new raw materials supplier is screened when commencing a supply relationship.

Following the expansion of supplier assessment in 2021, we compared our processes of sustainable purchasing with the legal requirements in 2022. In 2023, we will adapt the assessment process to the legal requirements and conduct a basic risk assessment according to the newly adapted process.

Data Management

As a company that takes responsibility for the protection of its customers, employees, and others, OQ Chemicals works to comply with all data security laws and avoids unauthorized transfers of personal information.

No complaints were issued in 2022 regarding data protection.

Risk Management & Internal Audit Approach

OQ Chemicals maintains an Audit and Risk Committee as a sub-committee of the Shareholders' Committee. The committee consists of two members of the Shareholders' Committee and the Chief Executive Assurance of the OQ Group.

The Assurance function, including risk management, reports to the Audit and Risk Committee (ARC) of OQ Chemicals. Relevant risks are submitted quarterly to this committee, which will decide upon countermeasures.

The Assurance function supports the OQ Chemicals ARC in two ways: by providing insights and as independent assurance that the risk management, governance, and internal controls are operating effectively and efficiently.

The goal of risk management is to identify and evaluate risks at the earliest possible stage and to limit such risks through adequate measures, as well as to avoid any risk that might jeopardize our ability to continue our business sustainably.

To ensure the capturing and monitoring of all risks – bottom-up and top-down – OQ Chemicals uses a web-based risk management system (based on R2C = Risk to Chance), into which all departments globally (represented by dedicated risk owners) are invited to enter and update their risks regularly. The process is embedded in OQ Chemicals' IMS, and all employees are notified about all relevant changes by the change management system.

Areas of risk for OQ Chemicals include (please also refer to the Annual Report 2022 by the Oman Oil Holding Europe B.V.) operating, financial, market, and climate change risks (physical risks), as well as risks derived from megatrends.

A climate scenario analysis was planned for 2022 to identify and assess the potential range of plausible business, strategic, and financial impacts of climate change (transition and physical risks), but has been deferred to 2023.

Stakeholder Engagement

Constant exchange with our stakeholders is key to OQ Chemicals' sustainable success by identifying their needs and expectations.

The key stakeholders of OQ Chemicals are customers, investors/owners, employees, government/regulators, and suppliers (as identified in the materiality analysis).

Local communities play an important role as direct neighbors to our production sites, as do the media and NGOs.

A transparent and consistent information flow is key for trusting relationships. At OQ Chemicals, we employ different channels throughout the different organizational levels; the most important one being direct contact.

In the following section, specific examples are provided.

Customers

Conferences, trade shows and fairs, regular customer visits, surveys, and special events like roadshows and the webpages of OQ Chemicals are our major channels for close communication with our business partners.



After 2021 was marked by travel and general contact restrictions due to the coronavirus pandemic, 2022 saw a relaxation of restrictions that made face-to-face contact possible again.

In 2022, important conferences in our industry segments were again held locally. OQ Chemicals participated in several conferences. These included, among others, the American Coatings Show, the New York Society of Cosmetics Chemists, and In-Cosmetics in Sao Paulo.

As part of our *reduce* initiatives, we conducted a customer survey in Europe about sustainability and greenhouse gas reduction to identify risks and opportunities in relation to future requirements for OQ Chemicals' product portfolio. The response rate of 35% alone demonstrates how important the topic of sustainability is to our customers. A comparable survey will be conducted for our US customers in 2023.

Key topics in general: product safety and quality, process safety, (environmental) compliance, sustainability, supply reliability, pricing, relationship management.

Customers (end users of products) are important stakeholders for OQ Chemicals – consumers have the largest impact on product demand in the end market. As a manufacturer of base chemicals, OQ Chemicals' direct involvement with consumers is limited and occurs indirectly through the value chain.

Investors / Owners

OQ Chemicals is owned by Oman Oil Company S.A.O.C. (OOC), a commercial company wholly owned by the Government of Oman. The dialog with the parent company is guaranteed by regular board meetings.

Government / Regulators

Legal compliance has the highest priority and is mandatory for the company and its employees. The dialog with government/regulators occurs through different channels and is maintained according to the different requirements. Through the membership in various industry-relevant associations like the CEFIC (Conseil Européen des Fédérations de l'Industrie Chimique), VCI (Verband der Chemischen Industrie), REACH consortia, and TCC (Texas Chemical Council), OQ Chemicals also communicates with regulatory bodies.

Key topics in general: corporate governance and (environmental) compliance, product and process safety.

Employees

OQ Chemicals maintains close contact with its employees via the intranet, an employee magazine, regular newsletters, town hall meetings – which were held virtually and on-site throughout 2022 – surveys, and other related tools such as performance reviews and formats tailored to the organizations.

The IMPULSE online tool invites OQ Chemicals' employees to submit ideas for improvement in all areas. These suggestions are collected and evaluated by defined

and qualified OQ Chemicals employees on a regular basis. In 2022, 274 ideas were collected (81 more than 2021). 57 ideas were accepted, of which 27 have already been implemented, 156 are currently being evaluated, and 61 have been rejected.

In 2022, an anonymous survey was conducted in Germany to evaluate mental stress at work, exercise, nutrition, and smoking. The results are used to further develop occupational health management.

Furthermore, several surveys were conducted on the information needs and understanding of the strategic programs *leadUp!* and *reduce* to improve future communication and information and therefore enhance identification with the programs.

Key topics in general: fair working conditions, development and training, occupational health and safety, in-house changes, compliance and values, employee satisfaction, business development.

Suppliers

OQ Chemicals maintains long-term and trusting relationships with its suppliers. The supplier base globally entails raw materials suppliers, as well as maintenance, repair operations (MRO), and logistics suppliers. >> **Please refer to the Supply Chain Management section**

Close dialog with suppliers is generally maintained via direct contact, industry-related conferences and meetings, trade shows, and fairs.



In 2022, in addition to virtual meetings and telephone calls, personal contact was also possible again. An important topic of conversation was renewable raw materials and the potential to substitute synthetic raw materials in the future.

Examples of supplier topics addressed: product safety and quality, supply reliability and timing, pricing, (environmental) compliance, renewable feedstock, product carbon footprint.

Local Communities

OQ Chemicals' impact on local communities is manifold; OQ Chemicals represents an important employer – especially in Oberhausen and Bay City, where our major production sites are located – and offers job opportunities and apprenticeships. As a manufacturer of chemicals, OQ Chemicals also has a high level of responsibility for its impact on health, safety, and the environment.

We interact with local communities via regional media and social events like Open House Days, allowing our neighbors to gain an insight into our current activities. Furthermore, we are active in various local organizations with representatives, e.g. the Texas Chemical Council – Outreach committee or as an active mem-

ber of the "EmscherGenossenschaft" in Oberhausen, where OQ Chemicals actively contributes to the ecological restoration project of the Emscher river. In the local organizations, OQ Chemicals and stakeholders work together on the respective projects.

In 2022, site visits were again possible due to the relaxation of pandemic restrictions.

Examples of topics addressed: process and product safety, (environmental) compliance, OQ Chemicals as an employer, local contributions.

Media and NGOs

For OQ Chemicals, it is very important to have transparent and open dialog with the media and NGOs to show what is happening behind the scenes of our chemical plants. Local media in particular are an important stakeholder. For example, if OQ Chemicals plans to build a new unit or a turnaround is coming up (involving a lot of maintenance work), which will likely have an impact on local residents, many neighbors obtain their information through the local press. The media representatives are therefore regularly informed on important topics via press releases, background discussions, or interviews.

In 2022, OQ Chemicals was in close contact with the local media to provide information and updates on the preparation of the turnaround and further developments at the Oberhausen site.

OQ Chemicals is also in contact with NGOs or associations in the neighborhood of its production sites. Depending on the project, OQ Chemicals organizes its own information events or maintains direct contact with the associations.

Examples of topics addressed: process and product safety, (environmental) compliance, local projects, in-house changes.



FOCAL TOPICS AHEAD

Based on our materiality analysis and continuous evaluation of our sustainability performance, we have defined our short- to mid-term focus areas.

Completion of Climate Strategy 	Operational Eco-Efficiency: Water 	People Management 	Human Rights 	Sustainable Procurement 
<p>reduce is our program to become climate-neutral by the middle of the century.</p> <p>We will define and manage physical and transition climate risks according to EU taxonomy regulatory (and CSRD*) guidelines by the end of 2023.</p>	<p>We want to reduce our environmental footprint and source our water in a responsible and efficient manner. Since water usage and consumption will become a pressing topic, we will re-evaluate our approach to water management by the end of 2024.</p>	<p>We see our employees as our most important resource. We will define a new talent management program concept by the end of 2022 (to attract, retain, and develop). >> Please refer to the Social Performance section</p>	<p>We follow strong ethical principles. All our employees are trained according to our Code of Conduct, and we follow a strict human rights policy. We continuously improve our processes and will revise our human rights assessment process by the end of 2024.</p>	<p>We source our raw materials and services in a sustainable manner.</p> <p>We will conduct a basic risk analysis of our major raw materials and service providers on ethical principles according to the LkSG** by the end of 2023.</p>

* The Corporate Sustainability Reporting Directive (CSRD) is the new EU legislation requiring all large companies to publish regular reports on their environmental and social impact activities.

** "Lieferkettensorgfaltspflichtengesetz" (LkSG): Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains



Economic Performance



ECONOMIC PERFORMANCE

Global Economic Development¹

The global economy is facing major challenges. Growth has lost momentum, high inflation is proving persistent, confidence has weakened, and uncertainty is high. Russia's war of aggression against Ukraine continues to destabilize the global economy. The direct economic impact from Russia's war of aggression against Ukraine has been more limited in the United States than in many other OECD countries. It has led to a severe energy crisis in Europe that is sharply increasing the cost of living and hampering economic activity. Gas prices in Europe have increased more than fourfold since 2021, with Russia cutting deliveries to less than 20% of their 2021 levels, raising the prospect of energy shortages over this winter and beyond. Persistent and broadening inflation pressures have triggered a rapid and synchronized tightening of monetary conditions. Global inflation rose from 4.7% in 2021 to 8.8% in 2022.

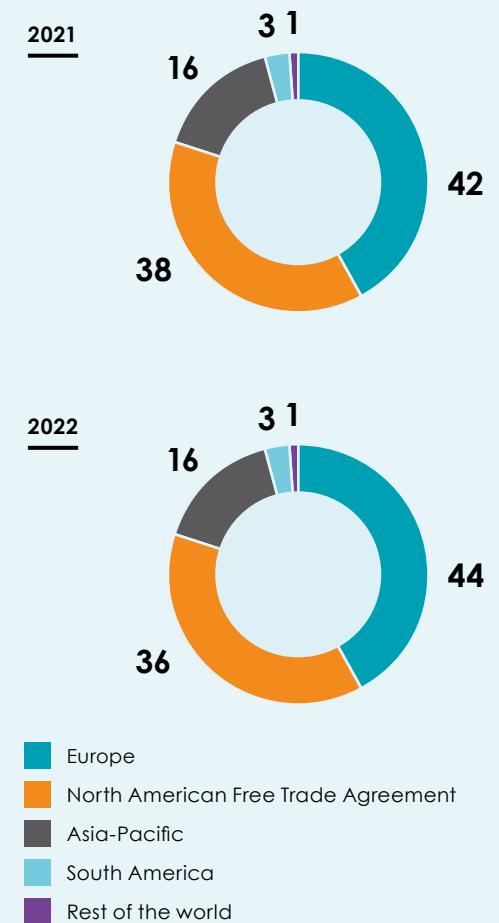
Amid these volatile conditions, recent data releases confirm that the global economy is in a broad-based slow-down as downside risks materialize, although with some conflicting signals. The second quarter of 2022 saw global real GDP modestly contract, with negative growth in China, Russia, and the United States, as well as sharp slowdowns in the eastern European countries most directly affected by the war in Ukraine.

Growth in GDP slowed to 3.2% in 2022, after an increase to 5.9% in 2021.

¹ OQ Chemicals' analysis of the global economy is based on figures and forecasts provided by renowned institutions, such as the Organization for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF).

Revenue by Region

Share of sales in %





Business Development at OQ Chemicals

OQ Chemicals' volumes and financial results were negatively impacted by the challenging economic environment, as mentioned above. However, some unplanned events, such as a compressor outage at the Bay City site, as well as a winter freeze in the United States in late 2022, led to a further drop in volumes. As a result, global volumes dropped by 15% in 2022 compared to the previous year.

The overall variable margin reached €609 million, 2% below the prior year. OQ Chemicals experienced two contrasting halves in 2022, with a peak in demand and financials in H1 driven by a recovery of global markets after the end of COVID-19 restrictions, and a significant drop in demand in H2 driven by the war in Ukraine. Major European OXO Intermediates units were running at low capacities due to the drop in European volumes and demand. On the other hand, the performance of the US business remained strong and was able to make up for some shortfalls in Europe.

Despite a weakening EU Intermediates business and supported by a strong first half of the year in 2022, the EBITDA of €222.8 million was the second largest in the company's history. Capital expenditures amounted to €81.1 million, mainly driven by turnaround activities, growth projects, and capital spending for maintenance of business. Impacted by higher capital spending compared to 2021, as well as higher cash outflow from financing activities, cash flow ended up at €127.3 million for 2022.

Further financial details can be found in the 2022 Financial Statements.

Results of Operations

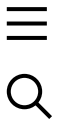
€ million	2021	2022
Net Revenues	1,730.1	1,931.4
Cost of Sales	(1,455.9)	(1,741.7)
Gross Profit	274.2	189.7
SG&A	(58.9)	(55.5)
R&D	(10.0)	(9.5)
Other Operations Income (Expense)	7.1	(6.0)
Operating Result	212.4	118.7
Financial Result	(47.9)	(59.2)
Income Tax	(41.9)	(14.8)
Net Income (Loss)	122.5	44.7
EBITDA	311.7	222.8

Consolidated Income Statement as per Special Purpose Report (OQ Chemicals International Holding GmbH)



Health, Safety, and Environment





HEALTH, SAFETY, AND ENVIRONMENT

Health, safety, and environmental protection (HSE) are collectively ranked our first priority at OQ Chemicals.

At OQ Chemicals, we continue to operate established global HSE and site-specific HSE functions. Historically, OQ Chemicals' HSE organizations have included security matters under the umbrella of "safety" (e.g., emergency management, site security, etc.). The following pages describe our HSE policy and organizational setup and provide an overview of HSE highlights in 2022. >> [Please refer to the Occupational Health and Safety section](#)

OQ Chemicals' HSE Policy

It is OQ Chemicals' policy to design, build, run, and maintain its operational units and processes with a

focus on high environmental and safety standards. OQ Chemicals is committed to the protection of the environment, the reduction of adverse environmental impacts, and to meeting all environmental compliance obligations crucial to its industry. Our products are developed, evaluated, and documented in a responsible manner so that our employees, our customers, the public, and the environment are protected from avoidable risks. We ensure compliance with every relevant regulation and that all employees receive appropriate training, thereby enabling them to effectively contribute to HSE performance and HSE improvement processes. Neighbors, customers, and authorities are informed about our activities including possible risks through direct dialog, media, and various communication channels.

OQ Chemicals' HSE management and standards are documented in our IMS. >> [Please refer to the Sustainable Governance section](#)

Our standards are based on the requirements of national and international regulations, the requirements of ISO 14001, ISO 9001, and ISO 45001, and OQ Chemicals' internal policies. Core requirements of ISO 50001 serve as a guideline for our global energy management. The HSE standards and policies cover all OQ Chemicals' activities and employees. Regular internal audits take place in order to evaluate if processes are fit for purpose. >> [Please refer to the Risk Management and Internal Audit Approach section](#)

Certificates	ISO 9001:2015	ISO 14001:2015	ISO 50001:2018	ISO 45001:2018	SCCP	GMP+ B1	ISCC Plus	FAMI-QS
Europe								
Marl	X	X	X	X			X	
Monheim	X	X	X	X		X	X	X
Oberhausen	X	X	X	X	X		X	
Amsterdam	X	X	X	X				
North America								
Bay City	X	X						
Bishop	X	X						
Houston	X	X						
Asia								
Nanjing	X	X		X				



All our sites are certified according to ISO 9001 and also have an environmental management system in place in accordance with the requirements of ISO 14001.

Having obtained International Sustainability and Carbon Certification (ISCC) under the ISCC Plus scheme for its German sites in Monheim, Oberhausen, and Marl in 2021, OQ Chemicals plans to extend certification to Amsterdam and the US in 2023. Certification under the ISCC Plus scheme testifies to the sustainable use and traceability of biomass, bio-based, or recycled materials throughout the value chain.

After all preparations for the ISO 45001 certifications of the European sites had been completed at the end of 2021, the audit was successfully carried out at the beginning of 2022.

Global HSE Organization

Within the organization of OQ Chemicals, Global HSE provides proposals to senior management to revise and update existing HSE principles, policies, and strategies, which are coordinated with all OQ Chemicals HSE departments.

Global HSE is involved in setting HSE goals and key performance indicators. In cooperation with different functions, Global HSE develops programs and initiatives and ensures that best practices are shared between the sites and organizational units of OQ Chemicals. Furthermore, the organization is the focal and main contact point for OQ Corporate HSSE to ensure exchange and information flow.

The Global HSE organization stands for a continuous improvement of OQ Chemicals' HSE activities.

HSE at the OQ Chemicals Sites

Each OQ Chemicals site has one or more assigned HSE officers. The two biggest sites in Oberhausen and Bay City have HSE site organizations in place with dedicated personnel. The smaller sites have assigned employees who are responsible for HSE topics (e.g., the site directors). They are supported by experts from Global HSE or site HSE experts.

HSE officers consult and support – in cooperation with the Global HSE organization – managers and employees to solve HSE-related issues and to improve HSE performance and culture. Through auditing and controlling, they help to ensure compliance with national regulatory requirements as well as with OQ Chemicals' HSE standards and policies. They also support global cross-site and cross-functional exchange on HSE topics and best practices. Environmental, health, and safety-related risks based on OQ Chemicals' operations and services are evaluated according to defined processes (in the IMS) and are documented in the respective documents or in the risk database. >> [Please refer to the Risk Management and Internal Audit Approach section](#)

At OQ Chemicals, environmental protection, health, and safety are understood to be the responsibility of each employee.

HSE-relevant topics generally cover:

- Environmental protection (water and waste management, energy and emissions (air, noise, odor, and light, soil protection), remediation, emission trading)
- Occupational safety, industrial hygiene, healthcare and medical services
- Process safety
- Fire protection
- Permits
- Security

All OQ Chemicals employees receive appropriate training on the above-mentioned topics, thereby enabling them to effectively contribute to HSE performance and HSE improvement processes. In 2022, 20,833 hours of training were recorded and these hours are also reported monthly to the OQ Group.

The Product Safety and Quality (PSQ) organization is responsible for all matters of product safety and quality management. >> [Please refer to the Product Safety and Labeling section](#)

HSE Committees and Councils

Each OQ Chemicals site has established HSE committees or councils, consisting of a site leadership team, HSE experts, and employee representatives, who jointly work on HSE topics. At the German sites, legally required "Arbeitsschutz- und Umwelt-Ausschüsse" (committees for occupational safety and the environment)



work on HSE programs. At our sites in the US, China, and the Netherlands, similar councils are in place, such as the Employee Safety Councils in the US.

HSE Performance

OQ Chemicals aims to reduce negative impacts on the environment, health, and safety to an absolute minimum. All related policies and processes are described in the IMS, following not only regulatory requirements but also standards and norms as described under "OQ Chemicals HSE policy." Safeguarding of products and services provided by OQ Chemicals is described under [>> Product Safety and Labeling section](#).

Our ultimate key goal within OQ Chemicals is to achieve zero HSE incidents*.

An incident is an "unexpected adverse event that may be associated with damage."

The incident is categorized as an environmental, fire and explosion, or injury incident.

All HSE incidents (including near misses) are reported using the OIS (OQ Chemicals Incident Information System). Incidents are investigated and, if appropriate, measures are implemented based on the identified causes. The OIS database is used for the documentation of incidents worldwide, including categorization and classification. The database also serves as an information platform.

The overall HSE performance is measured and also reflected in the Company Scorecard (CSC).

OQ Chemicals has been using lagging indicators for environmental, health, and safety performance (tracking of incidents) since the late 1990s and leading indicators since 2018.

The following table depicts the HSE performance (lagging indicators) in 2022, 2021, and 2020 within each category:

Number of Incidents			
	2020	2021	2022
Environmental			
Major	0	0	0
Serious	0	2	3
Injuries¹			
LTI ²	6	2	2
MTC ³	4	3	3
RWC ⁴	0	0	1
Fire and Explosion			
Major	0	0	0
Serious	0	0	0

¹ including contractors
²LTI = Lost time incident
³MTC = Injury without lost time (Medical Treatment Case)
⁴RWC = Restricted Work Case

In 2022, there were no serious or major fire and explosion incidents. Two serious environmental incidents resulted from smaller leakages in the cooling water system and condensate system. A power outage at the Bay City plant led to overpressure in a tank causing the activation of a safety valve, resulting in a serious incident. All three incidents were resolved quickly.

Work-related injuries at OQ Chemicals are classified based on the OSHA (Occupational Safety and Health Administration) regulations as an internationally applied standard.

OQ Chemicals not only records injuries to its own employees; contractor injuries are also recorded and included in key figures and statistics.

The OIR rate increased to 0.41 (prior year: 0.27) and the LTIR rate decreased to 0.08 (prior year: 0.18). For the German sites, the "Thousand-Man Quota" in 2022 was 0.94 (prior year: 0.91).

*Environmental incidents include all incidents in all areas of the company (e.g., production facilities, warehouses, workshops, office buildings, and infrastructure facilities) that have an impact on air, water, soil, noise, waste, sewage, light, or human health.

The category fire and explosion (F&E) covers all incidents where fires, explosions, and smoldering fires (smoke) have occurred as a result of unintentional release of flammable substances or unintentional ignition of flammable materials.

The category (personal) injury is assigned to all incidents in which the physical well-being of a person has been compromised or endangered.

Near misses are incidents that fortunately did not happen. Nevertheless, they are also reported and investigated like incidents. The results are incorporated into processes and programs.



For OQ Chemicals employees and contractor employees, the overall frequency of reportable injuries (TRIF) was 1.8 (previous year: 1.54) and the frequency of lost-time injuries (LTIF) was 0.6.

The OIR and LTIR are still significantly lower than the industry average (OIR reference values: Industry Averages "Basic Organic Chemical Manufacturing" (NAICS 325199): 2.5 (2021) and American Chemical Council Responsible Care Members: 0.69 (2021))*.

Our good safety performance continued and improved in 2022. Nevertheless, our goal remains zero incidents.

Typical incidents at OQ Chemicals are "slip, trip, and fall" incidents, as well as cuts and bruises. Incidents directly linked to contact with chemicals, which might be thought to be typical for the chemical industry, are in general less common. As in previous years, there were no fatalities on our premises in 2022.

OQ Chemicals continues to use a reporting classification system for process safety based on API 754, a standard typically used in the oil and gas industry. The key figure records incidents characterized by a release of substance or energy (Loss of Primary Containment (LoPC), i.e. leakage from the first containment) and is classified depending on the impact of the incident. For more information, please visit <https://www.api.org/>.

Incident Rates

	2020	2021	2022
TRIF ¹	3.09	1.54	1.8
LTIF ²	1.86	0.62	0.6
OIR ³	0.42	0.27	0.41
LTIR ⁴	0.34	0.18	0.08
TMQ ⁵	3.49	0.91	0.94

¹ Total recordable incidents per one million employees and contractor working hours

² Lost time incidents per one million employees and contractor working hours

³ OSHA Incident rate = respective incidents per 200,000 working hours

⁴ Lost time incidents per 200,000 working hours

⁵ Thousand-Man Quota = reportable injuries in Germany per thousand employees

Leading indicators are "before-incident measurements" – in contrast to lagging indicators, which evaluate past performance. Safety-related matters are measured to obtain indications on how to improve HSE-related issues in the future. Leading indicators serve to improve the HSE performance, the management system, and, ultimately, OQ Chemicals' safety culture.

The related key performance indicators (leading indicator KPIs) are targeted to have an impact on the overall HSE performance.

OQ Chemicals has implemented Leadership HSE Walkthroughs, HSE Training (number of training sessions in operations), and the HSE Moments (specified meetings including safety moments) as leading indicators since 2018.

In 2022, a new leading indicator was developed – Active HSE dialogs. They maintain contact between different departments and the discussion of HSE topics even under pandemic conditions. In 2022, we expanded the cross-functional walkthroughs and introduced digital MS Teams meetings.

Every employee is encouraged to actively participate under the motto Safety = I. >> [Please refer to the I-Safety Initiative \(or Safety = I\) section](#)

Leading indicators will be followed for a minimum period of one fiscal year and are decided upon by the leadership of OQ Chemicals.

OQ Chemicals has succeeded in working on the further development of its environmental management, health, and safety culture.

Financial Spending on Environmental Protection

We at OQ Chemicals have and will continue to incur substantial ongoing capital and operating expenditures for environmental protection measures.



In 2022, we invested €13,460,594 in environmental protection, compared to €11,968,208 in 2021. The sum includes dedicated expenses for HSE activities and projects (e.g., waste management, emission control, ecological restoration of the Emscher river) and individual cost positions that can be linked to a direct impact on the environmental footprint.

Spending in 2022 was on a higher level than in the years before, since OQ Chemicals further pursued its mission to invest in modernization projects and the *reduce* program.

Costs for REACH, the energy-efficiency program, ISO site (re)certifications, and general product safety, as well as other quality-related costs, are not included in the environmental spending.

There were no incidents related to non-compliance with regulations or environmental laws in 2022.

Initiatives and Highlights 2022

Global HSE Day 2022

The Global HSE Day has been a successful campaign at OQ Chemicals for many years. The events, discussions, and presentations taking place on this day help to deepen the topics of occupational safety, process safety, health, and environmental protection.

In 2022, the global HSE campaign was under the motto: "reduce the impact." The term "reduce" is often associated with our global greenhouse gas reduction program *reduce*. Here, however, it was the task of the sites to create an individual concept for the day and to project the aspect of reduction onto HSE topics.

Among other things, topics such as the prevention of accidents and the reduction of health risks were discussed in various formats, and ideas were collected.

The HSE Day in 2022 again emphasized how the relevant topics of health, safety, and environment are anchored in our working environment.

I-Safety Initiative (or Safety = I) – Success through Safety, Environmental Protection, and Healthcare

One well-established initiative is the "I-Safety initiative" that was started at the end of 2014 and has been developed since.

With the I-Safety initiative (also known as "Safety = I" initiative), OQ Chemicals ensures that proposals, observations, concerns, and any other HSE-related input from each employee is carefully collated and considered. The I-Safety initiative challenges every single employee to ask themselves: what can I contribute to improve safety, environmental protection, or healthcare?

This initiative comprises various projects and aspects tailored to the different organizations and has become an integral part of every employee's daily life. The individual elements are adapted to the needs of the respective sites.

The I-Safety initiative includes monthly SIP meetings (Safety Involvement Program) at the European sites. A monthly SIP agenda for review is distributed to all departments and consists of statistics as well as different operational environmental, health, and safety topics, and can be adapted as needed. The supervisors are expected to provide each of their employees with periodic SIP meetings. Participation is documented and recorded in the respective department.

The I-Safety initiative supports role model behavior from both supervisors and employees.



Healthcare – Pandemic Prevention Plan

As early as 2019, OQ Chemicals implemented a version of the “Pandemic prevention global policy.” This directive describes general rules for prevention and emergency planning in the event of a pandemic, according to the phases described by the WHO (World Health Organization). Based on the Pandemic Prevention Plan, measures for pandemic prevention as well as roles and responsibilities were defined.

In 2022, the 14 rules that OQ Chemicals had defined for pandemic prevention continued to apply. These included the reduction of face-to-face meetings to a minimum and clear verification rules for site visits, among others.

OQ Chemicals' employees were updated regularly via intranet news, broadcasting events by the leadership, and emails. Safety and hygiene rules were displayed at sites and offices in the form of posters, presentations, and handouts. Measures were present everywhere – virtually and physically. Test kits were also provided that allowed employees to perform two coronavirus tests per week.

Due to the diligently implemented measures, no infection routes were caused through work at OQ Chemicals. All operations and business processes were performed without interruptions.

For more information on general healthcare programs >> please refer to the Social Performance section.

OXOLUTION – Competitive. Attractive. Safe. Sustainable.

The *OXOLUTION* initiative at the Oberhausen site was implemented to shape the future as well as improve the overall performance and competitiveness of the site. The project includes many different facets that are bundled in four different blocks. The project was initiated at the end of 2019 with an investment in the double-digit range, focusing on digitization, supply capabilities, and organizational efficiency. The completion of the project is planned for 2023.

The four blocks:

- Safety Culture
- Maintenance and Turnarounds
- Organization and Work Processes
- Digitization, Automation, and Process Optimization

In 2022, we reached a milestone in terms of digitization and automation with the successful implementation of the central control room at the Oberhausen site.

The *OXOLUTION* initiative will be fully completed in 2023.

Awards for Bay City and Bishop

OQ Chemicals received the 2022 Chemical Transportation Safety Pinnacle Award from Union Pacific Railroad. The prestigious award recognizes companies that had zero Non-Accident Releases (NARs) for shipments of regulated hazardous materials in tank cars, confirmed the use of safety best practices, and moved at least 100 rail cars in 2022.

OQ Chemicals' Bay City site has earned the Elite Silver Safety Award from the American Fuel & Petrochemical Manufacturers (AFPM). The award is a special honor and recognizes sites that attained top industry safety performance in 2022 and demonstrated excellent program innovation and leadership over time.

The Bishop and Bay City sites have received multiple awards from the Texas Chemical Council (TCC).

Our sites in both Bay City and Bishop received the Caring for Texas Award for continuous engagement with their employees and the local community. Both sites also received the following awards for 2022:

- Dr. Sam Mannan Award for Zero Process Safety Incidents
- Zero Contractor Incidents
- Zero Employee Incidents

OQ Chemicals and the Energy Efficiency and Climate Protection Network

Since January 2021, the German federal government and 21 industry associations and organizations, as well as other cooperation partners, have been continuing the network initiative as the Energy Efficiency and Climate Protection Network initiative.

OQ Chemicals has been part of the “Energy Efficiency and Climate Protection Network” since 2016 and will continue in the network's new term from 2021 to 2023.

The initiative has set itself ambitious energy reduction targets and is intended to share experience and best



practices as well as to support each member in cross-sectoral cooperations in order to drive energy efficiency projects and a reduction in energy consumption. Accordingly, 300 to 350 new networks are to be initiated by the end of 2025, thus saving nine to eleven terawatt-hours of energy and five to six million tons of greenhouse gas emissions. With these objectives, the initiative is making an essential contribution to achieving the climate and energy policy goals of the German federal government.

OQ Chemicals contributes its knowledge in energy and process management to these initiatives. As part of our ISO 50001 energy management, various measures are being carried out to increase energy efficiency and reduce overall energy consumption. The measures are also part of the *reduce* program and contribute to our corporate CO₂ emission reduction goals.

Hydrogen Project HydrOB (Oberhausen)

Together with other companies, as well as the Fraunhofer Institute and the city of Oberhausen, OQ Chemicals has joined a network dedicated to the hydrogen megatrend.

Green hydrogen is a key technology on the road to climate neutrality. Hydrogen produced with green energy is capable of many things: it is an energy carrier, a storage medium for electricity, a raw material for industry, and an emission-free fuel.

HydrOB combines competencies from business, science, and municipalities and aims to increase the implementation of hydrogen technologies in various applications.

In 2022, the focus of the meetings was on intensifying the dialog with other initiatives in North Rhine-Westphalia to define a common approach beyond urban areas.

Global Climate Change

Global climate change and its consequences represent one of the greatest challenges of our time.

>> [Please refer to the Materiality Analysis section](#)

Climate action demands genuine commitment, clear goals, and pragmatic solutions. With our strategic company-wide program called *reduce* to lower our greenhouse gas emissions, OQ Chemicals has set itself the goal of becoming climate-neutral by the middle of the century.

Ten different workstreams are part of the *reduce* program. With our production sites in Marl, Amsterdam, and Nanjing joining in 2022, we have included all six production sites in the program scope. The program focuses on separate areas, such as operational process optimization, "breakthrough technologies" (e.g., alternative production technologies), the alternative use of waste streams, and the impact of emission reduction on market segments served by OQ Chemicals.

OQ Chemicals has defined global targets for the areas of energy, emissions, and waste reduction, which outline the necessary steps towards climate neutrality. All three matters are strongly interlinked in our setup.

What does climate neutrality entail for OQ Chemicals?

With the goal of climate neutrality by the middle of the century, OQ Chemicals is committed to eliminating

greenhouse gas emissions throughout the organization. As the main framework to guide this transition, *reduce* relies on the standards of the Greenhouse Gas Protocol and encompasses the direct emissions from production activities (Scope 1), the indirect emissions from purchased energy (Scope 2), and indirect emissions associated with, among other areas, raw materials, transportation of products, and commuting by employees (Scope 3). Any emissions that cannot be avoided will be offset via contributions to climate protection projects and nature-based solutions.

In order to contribute to the efforts to reduce CO₂ emissions and reach climate neutrality, OQ Chemicals has established short-, mid-, and long-term targets at its production sites globally:

OQ Chemicals aims to reduce its absolute CO₂ emissions by 18% by the end of 2025 and 30% by the end of 2030 (base year 2017).

OQ Chemicals also aims to reduce its product-specific emissions (kg CO₂/produced t of product) by 25% by the end of 2025 and 40% by the end of 2030 (base year 2017).

OQ Chemicals' global goals are based on the reduction targets of the UN Climate Change Conference in 2015 and the emission reduction targets set by the European Commission as part of the "European Green Deal" with the goal of reaching climate neutrality in 2050.



Corporate Carbon Footprint

In order to understand the impact of our corporate activities on the climate, a complete inventory of the relevant greenhouse gas emissions is essential. We have thus been calculating our direct emissions (Scope 1) and indirect emissions (Scope 2) for several years. To become a climate-neutral company, we also need to consider indirect Scope 3 emissions. These have been included in the calculation of OQ Chemicals' carbon footprint.

The graphic shows OQ Chemicals Corporate Carbon Footprint (CCF) for the year 2022. We use the CCF to monitor our emissions and the effectiveness of our reduction measures within our *reduce* program.

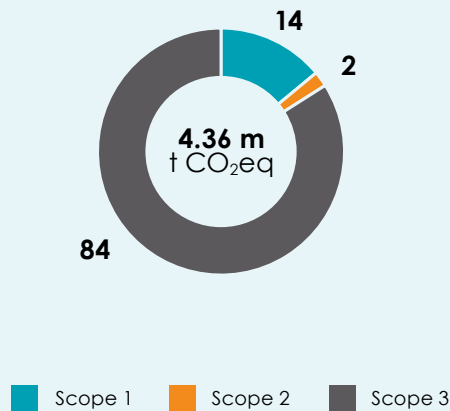
The main contributors to direct CO₂ emissions generated by OQ Chemicals' activities are the generation of energy (steam and electricity) at Oberhausen and the Bay City site based on distillation residues, off-gas, and natural gas. >> **Please refer to the Energy section** At the Bay City site, the generation of synthesis gas (CO/H₂) for the hydroformylation process also contributes to direct CO₂ emissions. Direct emissions account for a total share of 14% of the Corporate Carbon Footprint for 2022. OQ Chemicals purchases additional energy required for its processes in the form of electricity, steam, hot water, or cooling, which causes emissions at its energy suppliers. For OQ Chemicals, these are indirect Scope 2 emissions, which account for 2% of total emissions. Indirect emissions within our supply chain (Scope 3) account for over 80% of our Corporate Carbon Footprint.

The Greenhouse Gas Protocol (GHG Protocol) was selected as the relevant standard for calculating emissions. In accordance with the GHG Protocol, OQ Chemicals chose the "Control Approach" with "Operational Control" for setting the organizational boundary.

In 2022, a total of six production sites and six administrative offices were included within the organizational boundary for OQ Chemicals.

The following table shows the emission sources included in OQ Chemicals' operational boundary.

Corporate Carbon Footprint 2022 (in %)



Emission sources

Scope	Emission Source
Scope 1 – direct emissions	Fuels
	Company-owned vehicles
	Refrigerants
Scope 2 – indirect, energy-related emissions	Electricity
	Steam
Scope 3 – other indirect emissions	Purchased goods
	Business travel
	Employee commuting
	Waste generated in operations
	End-of-life treatment of sold products
	Upstream transportation and distribution
	Indirect emissions related to energy and fuels



For the calculation of emissions, all greenhouse gases defined by the United Nations Framework Convention on Climate Change (UNFCCC), namely carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs), nitrogen trifluoride (NF₃), and perfluorocarbons (PFCs), have been considered.

Emissions to Air – Focus on Scope 1 and 2 Emissions

Direct emissions decreased by 3% in 2022 compared to the 2017 baseline and remained on a comparable level to the previous year. Additionally identified and allocated emissions from the syngas production process in Bay City were integrated into OQ Chemicals Corporate Carbon Footprint for the base year and the 2020–2022 history reported.

Indirect Scope 2 emissions decreased by 45% compared to 2017. The reduction was achieved by significantly increasing the purchase of renewable electricity at production sites and administrative buildings. Our goal is to purchase 100% renewable electricity by 2030 and thus further reduce indirect emissions (Scope 2).

Emissions to Air – Focus on Scope 3

In 2022, we reviewed all 15 Scope 3 categories according to the GHG Protocol Scope 3 Standard and selected 7 categories as material for OQ Chemicals.

The result for 2022 is 3.7 million tCO₂e, which represents 84% of OQ Chemicals' total carbon footprint.

A significant share of Scope 3 emissions comes from the raw materials we purchase from our suppliers. On average, about 80% of the carbon footprint of our

Greenhouse Gas Emissions [tCO ₂ e]				
	2017	2020	2021	2022
Scope 1	624,140	574,402	599,973	604,489
Scope 2*	137,539	134,135	140,180	76,248
Scope 3	–	–	–	3,674,980

* Scope 2 emissions are determined using the market-based approach for all sites.

Other Emissions to Air [metric tons]				
	2017	2020	2021	2022
NOx	502	642	618	564
SOx	5	5	5	4
VOCs	–	404	238	198
Particulate matter	–	117	113	52

products comes from our purchased raw materials (fossil-based).

For this reason, we have set up the Sustainable Procurement workstream within the *reduce* program in order to engage in exchange with our suppliers on how upstream Scope 3 emissions can be reduced and what alternative raw materials are already available today.

Other Emissions to Air

The generation of NOx in 2022 decreased compared to 2021. This decrease is due to the lower run rates of the Oberhausen site and the associated lower incineration of liquid and gaseous waste.

Energy

OQ Chemicals wants to become a climate-neutral company by the middle of the century. To this end, we are working to implement low-emission technologies, replacing fossil fuels such as natural gas with electric power from renewable sources.

In 2019, we set ourselves the following mid- to long-term reduction goals:

OQ Chemicals intends to reduce its energy consumption globally by 10% by 2025 by increasing its energy efficiency and/or reducing its absolute consumption where applicable (base year 2017).



The scope for the implementation of appropriate measures covers the production sites globally. At our largest site in Oberhausen, we operate our own power plant – a key opportunity for the realization of OQ Chemicals' sustainability-driven changes and improvements with a significant impact. The power plant is also the main provider of energy for our site partners – ensuring a fully integrated energy network and reducing the use of primary raw materials. Furthermore, OQ Chemicals' power plant is also an important provider of district heating to "Energieversorgung Oberhausen AG" (evo), contributing to an overall reduction of direct CO₂ emissions in the municipal area.

The most important sources for the generation of energy at OQ Chemicals in Oberhausen are liquid wastes, exhaust gas, distillation residues, and, to a minor extent, natural gas – therefore, the reuse of waste (residues from the production units) in a closed cycle represents by far the largest share for energy generation.

In 2022, a scenario-planning workshop was conducted at the Oberhausen site to identify projects that support the sustainable transformation of the site, considering the interdependencies of energy generation and the availability of liquid waste and exhaust gases.

Key reduce initiatives (Oberhausen site) as a result of the scenario workshop:

- Specific energy and CO₂ analysis on product level
- Partial oxidation of liquid by-products
- Modification of the power plant concept
- Alternative heat supply concept (power-to-heat)

Energy Consumption [GWh]

	2017	2020	2021	2022
Total energy consumption	2,280	2,318	2,344	2,783
Energy consumption from fuel	2,613	2,749	2,663	3,044
Electricity consumption from external sources	317	323	320	321
Heating consumption from external sources	0	0	0	0
Cooling consumption from external sources	0	0	0	0
Steam consumption from external sources	733	595	669	462
Electricity sold	-238	-201	-202	-187
Heating sold	-162	-196	-200	-132
Cooling sold	0	0	0	0
Steam sold	-982	-951	-906	-726

Energy consumption: all energy consumption related to the production units. It does not include energy for transportation between facilities, nor electricity usage in purely administrative offices.

As part of the ISO 50001 energy management system, energy projects at the European sites from 2017 to 2022 resulted in total energy savings of 3.61% (25,644 MWh in total). As a contribution to reducing energy consumption in 2022, the street lighting at the Oberhausen site was converted to LEDs and the specific steam consumption of propyl acetate production was reduced.

We are also working on various initiatives within our *reduce* program at our other production sites to reduce our energy consumption and reduce CO₂ emissions.

In Bay City, OQ Chemicals produces steam for its own production and the entire site based on distillation

residues, waste gas, and natural gas. As part of our *reduce* program, we have started a project to cut steam losses by implementing a steam trap maintenance program, which is expected to be completed by 2024.

Our Amsterdam site has conducted an energy analysis to identify potential for energy savings. As a follow-up, a project was started in 2022 to optimize the thermal oil system, which is the largest consumer of natural gas and electricity at the site.

Total energy consumption from all production sites increased in 2022 compared to the previous year.



While energy consumption at the largest site, Oberhausen, as well as in Marl, decreased due to low production capacity utilization, energy consumption at the Bay City site increased due to higher demand for natural gas needed to generate steam for the Bay City site including site partners.

Renewable Energy

In 2022, OQ Chemicals set a goal for renewable energy:

100% renewable electricity purchase by 2030.

OQ Chemicals is switching to electricity from renewable sources as part of its *reduce* program. We have set up initial contracts with energy suppliers to ensure that the purchased electricity is covered with renewable electricity certificates (RECs).

Currently, 36% of purchased electricity related to all production sites globally is from renewable sources.

Water Consumption

OQ Chemicals' approach is to use water in a responsible and efficient manner. OQ Chemicals ensures that water is recirculated, recycled, and not contaminated with other substances whenever possible. OQ Chemicals sees water usage as a topic of high relevance that will become even more material in the future due to changing climate conditions around the globe.

One major area for the use of water is cooling in the production units. Wherever the heat of the production process cannot be used for energy recovery, it is cooled by recycling cooling water systems, mostly with cooling towers. The water is reused and recycled multiple

Global Water Withdrawal [m ³]				
	2017	2020	2021	2022
Total water withdrawal	8,646,296	11,641,589	8,668,835	10,043,167
Surface water		7,929,523	4,888,835	6,382,062
Groundwater		20,932	25,195	41,492
Rainwater stored by the organization		53,219	53,139	34,394
Wastewater from other organizations		345,886	395,682	323,202
Municipal water supplies or other water utilities		3,292,028	3,306,569	3,262,017

Entails water withdrawal for Bay City and Oberhausen sites including site partners.

times in cooling cycles within our production processes.

Another major use area is the generation of steam. Only a minimal amount of OQ Chemicals' water consumption is used as production process water or cleaning water.

The main source of water is surface water. OQ Chemicals cooperates with local or regional providers for the supply of water.

OQ Chemicals' production sites in Europe and China are located in areas rated as low-risk water stress* locations, whereas the Bay City and Bishop sites are located in low-to-medium-risk water stress locations. OQ Chemicals is in close interaction with the LCRA (Lower Colorado River Association) as water supplier and has a documented water conservation plan in place.

Therefore, OQ Chemicals does not source any water

from high-risk water stress areas.

Wastewater is conditioned or purified and discharged according to regulatory requirements. All processes and policies are documented in the IMS.

In 2022, water consumption increased at the Bay City site due to high ambient temperatures and high production volumes at the site, including partner plants; at all other sites, water consumption was comparable to 2021.

* Tool applied: Aqueduct Water Risk Atlas, Subcategory: Water Stress 2019: Baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses.



Effluents and Waste

Wastewater treatment and waste handling are performed differently at each of our sites according to the applicable requirements and general conditions. At all our sites, contaminated water is treated in wastewater treatment units before its discharge.

In Nanjing, the wastewater pretreatment facility is operated by a contractor company. After pretreatment, the low-concentration wastewater is drained to the contractor's wastewater pipe network for further treatment. Our facilities at Bishop and Marl are connected with the wastewater treatment units of Celanese and Evonik. Our facility in Amsterdam is also serviced by a wastewater treatment unit operated by a third party.

In Bay City, OQ Chemicals runs wastewater treatment units, which comprise a physical and biological cleaning step. Clean water is then released back into the Colorado river.

At the Oberhausen site, OQ Chemicals currently operates a physical wastewater treatment for part of the effluents. Furthermore, the wastewater is treated biologically at the wastewater treatment plant of the "EmscherGenossenschaft (EG)."

With over 80 years of extensive experience in the production of oxo chemicals, OQ Chemicals runs its production units highly efficiently. Our value chain of Oxo Intermediates and Oxo Derivatives is highly integrated, and the by-product of one reaction builds the starting material for another production chain. In this way, the generation of "waste" as materials for disposal is kept to a minimum. OQ Chemicals is dedicated to working

Waste Figures [metric tons]

	2017	2020	2021	2022
Total hazardous waste	60,192	59,164	69,753	63,924
Hazardous waste, recycling		717	81	3,247
Hazardous waste, energy recovery		54,077	64,490	58,951
Hazardous waste, incineration		3,664	3,887	1,636
Hazardous waste, other disposal		725	1,295	88
Total non-hazardous waste	5,594	3,982	6,178	5,050
Non-hazardous waste, recycling		21	331	2,061
Non-hazardous waste, energy recovery		1,583	2,063	0
Non-hazardous waste, incineration		26	34	2,290
Non-hazardous waste, other disposal		2,355	3,750	699

on further improvements in material efficiency in projects across the value chain to minimize the input of raw materials and maximize the output of product. We plan, construct, and operate processes to generate either no waste or as little waste as possible. Where possible, OQ Chemicals recycles generated waste.

With the setting up of the *reduce* project to tackle global climate change, OQ Chemicals has established workstreams for all production sites specifically looking into the alternative use of waste streams generated in our production units, as well as a possible reduction of them.

OQ Chemicals has established the following long-term waste reduction goals:

OQ Chemicals aims to reduce its waste globally by shifting 5% of the total waste (in metric tons) into a "higher-category" waste section* by 2025 (base year 2017).

For the disposal of waste (solid and liquid waste), OQ Chemicals cooperates with qualified and specialized waste disposal companies globally. Each OQ Chemicals site has waste management systems in place. Our sites in Marl and Bishop are connected with the waste management systems of Evonik and Celanese.

* The European waste hierarchy refers to the five steps included in Article 4 of the Waste Framework Directive; Prevention, Reuse and preparation for reuse, Recycling, Recovery, Disposal.



Total waste figures are slightly down on the previous year, but at a similar level.

The increased amount of recycled hazardous waste is due to an adjustment in the calculation. A sulfuric acid stream previously accounted for under "energy recovery" is treated and reused and therefore now accounted for under "recycling of hazardous waste." There was also an adjustment in the recycling of non-hazardous waste, where material recycling was previously not differentiated from thermal differentiation.

The decrease in hazardous waste incinerated is due to lower product loads in 2022 at the Oberhausen site.

Product Safety and Labeling

As a manufacturer of Oxo Intermediates and Oxo Performance Chemicals, OQ Chemicals is responsible for the safe handling and usage of its sales products. All our sales products are therefore tested accordingly and accompanied by appropriate documentation and labeling that allows all people in contact with our products to safely handle them. The responsibility for accurate documentation and labeling lies within the PSQ department of our company.

OQ Chemicals' safety data sheets (SDS) entail all safety-relevant information necessary for the specified usage of the product. Among other things, information on the composition and ingredients of the product are included here.

Safety data sheets are available for all OQ Chemicals' sales products; for each sales product, either the national or a standard SDS is provided for the countries in which the product is marketed. For national SDS, more than 30 languages are supported. Automated electronic distribution ensures that customers receive the latest SDS before the first delivery of a product or once an SDS has been updated. OQ Chemicals' target is to keep all SDS up to date. SDS are therefore re-evaluated at regular intervals. All SDS are published on the company's webpage: www.chemicals.oq.com

In 2022, no incidents were reported related to documentation and labeling of OQ Chemicals products.

REACH

Being an importer and exporter of chemicals in the European Union, OQ Chemicals is responsible for the REACH registration of the company's end products and intermediates and the provision of data regarding product safety and impact on the environment. >> **Please refer to the Product Safety and Labeling section** Responsibility for this activity lies within the PSQ (Product Stewardship and Quality Management) organization.

"REACH (EC 1907/2006) aims to improve the protection of human health and the environment through the better and earlier identification of the intrinsic properties of chemical substances. This is done by the four processes of REACH, namely the registration, evaluation, authorisation and restriction of chemicals".*

As of 2018, the initial registration deadline for existing substances produced or imported in volumes of one ton or more per year had passed. Companies have to have their substances fully registered to continue manufacturing or importing them legally. This follows the general principle of REACH Article 5: "No data, no market."

As an international producer of chemicals, OQ Chemicals also actively pursues registrations of its substances under further jurisdictions, e.g., in South Korea, the UK, or Turkey. KKDİK and UK-REACH are adaptations of the EU REACH regulation by Turkey and the UK, respectively. Korea-REACH (K-REACH) is an independent chemical management framework implemented by South Korea. Like the EU REACH, each of these regulations is designed to ensure the safe handling, registration, and evaluation of chemicals within their respective jurisdictions.

OQ Chemicals currently has three substances registered under K-REACH, and is pursuing further substance registrations in accordance with the K-REACH deadlines. Under KKDİK and UK REACH, the appropriate pre-registrations have been submitted in preparation for the registration deadlines applying within the coming years.

In Europe, 100% of the company's sales products, as well as all interim products/precursors relevant for import and export into and out of Europe, are REACH-registered. OQ Chemicals is the lead registrant for 40% of its sales products.

* Citation from the ECHA website



As a member of CEFIC, OQ Chemicals has taken part in the activities of the "Evaluation Network of Experts," a working group dedicated to the process of improving the quality of the dossiers.

OQ Chemicals acts as an active member of the VCI (Verband der Chemischen Industrie, German Chemicals Industry Association) and is represented in the "Arbeitskreis REACH Umsetzung" (REACH Implementation Working Group) dealing with the implementation of REACH regulatory matters.

Beyond the requirements of the ECHA (European Chemicals Agency), OQ Chemicals proactively checks all relevant product data on a regular basis and evaluates the correctness of the dossiers handed in to ensure the best data quality. OQ Chemicals' self-set target is to evaluate 25% of the REACH dossiers per year.

OQ Chemicals does not have any sales products in its portfolio that are considered SVHCs (substances of very high concern) or PBTs (persistent, bioaccumulative, and toxic).

Biodiversity

OQ Chemicals is committed to the value of biodiversity and seeks to reduce the environmental impact of its operations. At the same time, however, the funding opportunities directly related to OQ Chemicals' sites are limited. This is due to the fact that OQ Chemicals' sites generally do not contain any natural habitats. All OQ Chemicals' production sites are located in established industrial areas and are surrounded by farmland, inhabited areas, or are adjacent to rivers.

At the Oberhausen site, OQ Chemicals provides nesting aids for the peregrine falcon, an endangered bird species, at chimneys. Since 2004, a pair of peregrines has been raising up to four young birds each year. The project is supported by the plant's fire brigade and the "Wanderfalkenschutz NRW" (Peregrine Protection Working Group reg. assoc.).

As a member of the AAV (Verband für Flächenrecycling und Altlastensanierung, association for site recycling and remediation), OQ Chemicals engages in activities supporting clean soil, clean groundwater, and a reduction of land usage together with other industrial companies and the state of North Rhine-Westphalia.

At our Bay City facility, the mature forested areas and wastewater ponds attract different bird species such as the belted kingfisher, as well as other animals. The water quality of the ponds is suitable as a food source for the birds.



Social Performance





SOCIAL PERFORMANCE

***leadUp!* Functional Excellence – Working at OQ Chemicals**

Our employees form our most important resource. OQ Chemicals believes in the value of its employees and the diversity and experience they bring to the company.

With an aging society in the Western hemisphere, OQ Chemicals is also confronted with the challenges of demographic change and rapidly developing world markets. Topics such as age-differentiated employment conditions, employee retention, health management, and the qualification of our employees within the framework of further training and knowledge transfer are material for OQ Chemicals in order to further expand our competitiveness. "Demography" has been identified as one of the four key drivers for OQ Chemicals.

The following functions are subsumed under the HR organization, with the goal of clear differentiation between global and local roles and their responsibilities:

HR PMO (Project Management Office) & Policies is centrally responsible for the planning and execution of all HR projects on a global level. In addition, this function is also responsible for all HR-related policies and procedures stored in our IMS.

Talent Management is responsible for developing and implementing the fit-for-purpose talent acquisition strategy globally. It is also responsible for identifying talents already working for OQ Chemicals in order to develop and promote them for critical functions within the organization. This process is closely linked to OQ Chemicals' succession planning.

Local responsibilities are shared between **HR Services** and our **HR Business Partners**. The HR Services team is the point of contact for day-to-day administrative matters for employees, including, among other tasks, taking care of payroll and time recording.

HR Business Partners work closely together with the management level to help the various OQ Chemicals' organizations implement the HR strategy within their organization (e.g. future staffing needs, training needs, organizational structure).

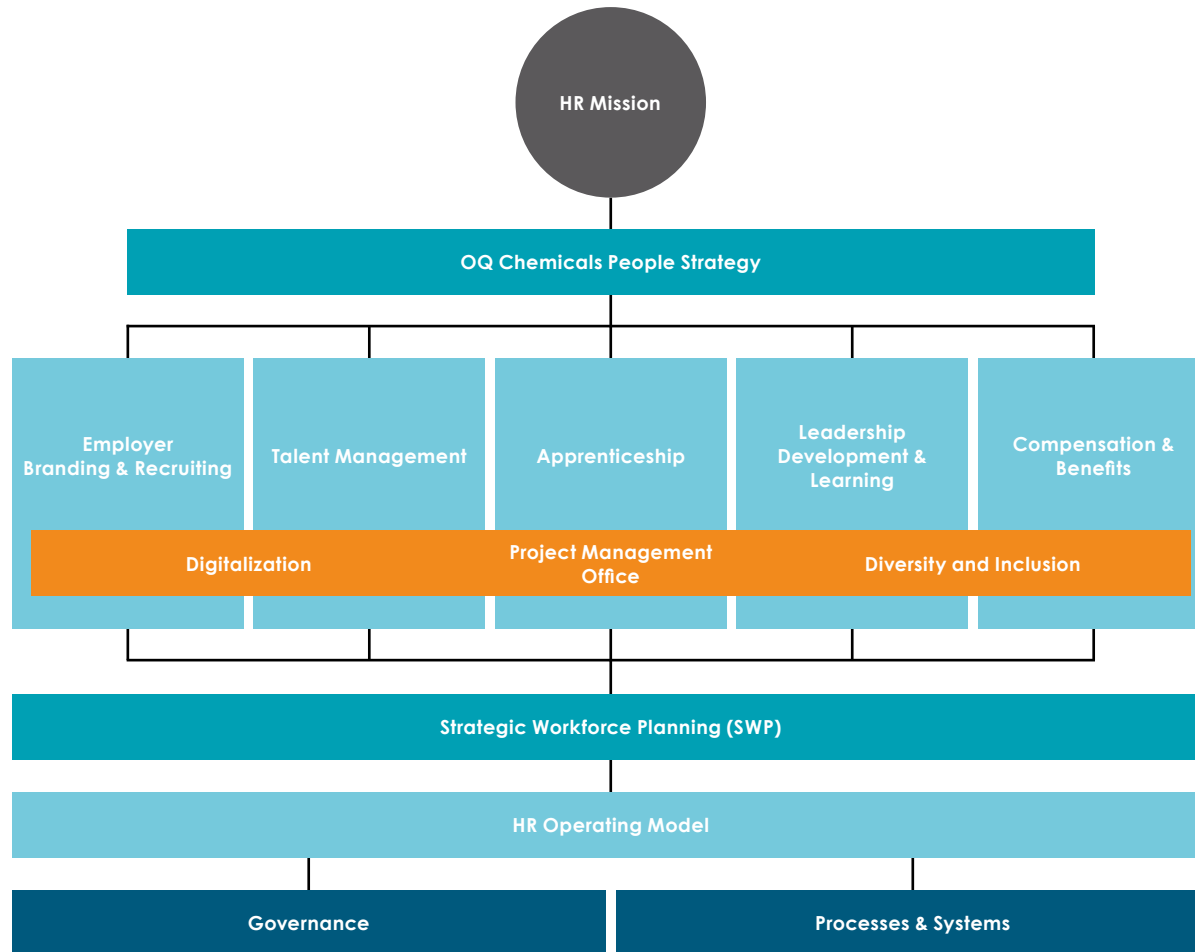
The **Apprenticeship function** is responsible for the development, organization, and implementation of the vocational training required for OQ Chemicals and site partners in Germany. This function is also crucial in order to mitigate the risk of talent shortage in the market.

The purpose of the organizational structure is to enable OQ Chemicals to bring out the best in its workforce's capabilities in order to achieve the overall strategic targets set by the *leadUp!* program.

People Strategy

The HR strategy is closely linked to the overall strategic direction of OQ Chemicals, which is summed up in our *leadUp!* program (Leading transformation – uplifting results). Within *leadUp!*, HR is responsible for the "organizational capability" brick.

The mission of our HR organization is to enable OQ Chemicals to perform at its best by attracting, developing, and retaining the right people with the right skills at the right time and at the right cost.



The fundamental elements of the HR strategy, as shown in the diagram, can be broken down into the following areas:

- Employer Branding & Recruiting (Attract)
- Talent Management (Develop & Retain)
- Apprenticeship (Attract)
- Leadership Development & Learning (Develop)
- Compensation & Benefits (Attract & Retain)

In 2022, the following strategic targets were defined:

- Employer branding: OQ Chemicals is to be perceived as an “employer of choice” among the hidden champions of the chemical industry for certain target groups.
- Implementation of a staffing strategy that promotes timely and targeted decision making.
- Succession planning: identification of key talents within the company and development of these talents into critical (leadership) roles.

Target achievement is tracked by selected KPIs in a newly developed HR dashboard. In addition to financial key figures, the dashboard contains specific key figures on employee structure, sickness rates, and diversity.

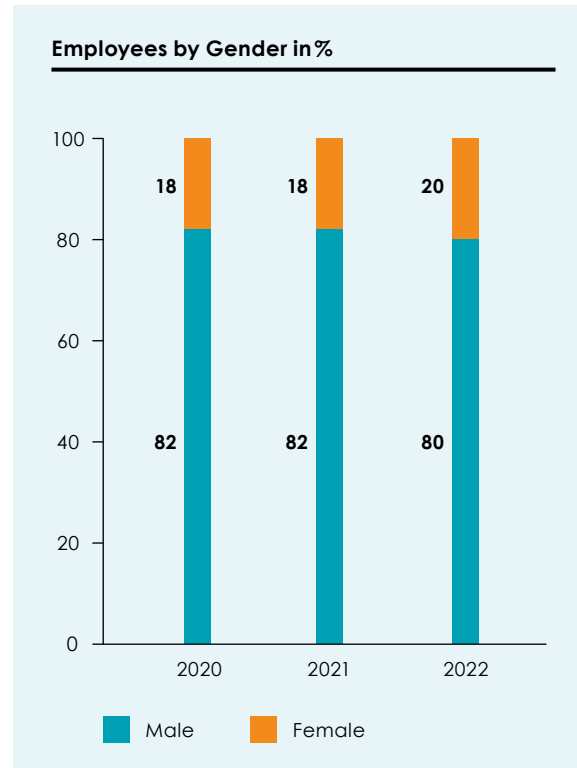


Employee Involvement

In 2022, a survey was conducted in Germany on occupational health management. 60% of German employees participated in the survey. The questionnaire covered the topics of work activity, stressors, resources, and organizational climate. In addition, there were optional questions on exercise, psychological stress, nutrition, and addictive behavior. The survey was focused on Germany due to a legal requirement that demands a psychological risk assessment. In addition, we will use the results to improve occupational health management. To this end, follow-up workshops will be conducted with the leaders of OQ Chemicals' different organizations to develop improvement measures.

Diversity and Inclusion

Fair treatment of all employees in areas such as equal opportunities, ethics, and harassment in the workplace is of the highest importance. OQ Chemicals is aware that its success depends on the competency and involvement of each and every employee. For this reason, we will treat every employee with fairness and respect, as well as advance and challenge his or her responsibilities and abilities in accordance with the highest of professional standards. Furthermore, OQ Chemicals respects the rights of all employees and is obligated to comply with all laws that prohibit discrimination or harassment in the workplace on the grounds of race, skin color, religion, gender, nationality, sexual orientation, age, physical or mental condition, or family status.



During the hiring process, the suitability of potential employees is determined based on objective, justifiable criteria. The rules prohibiting discrimination apply equally to company decisions with respect to internal promotions, furthering education, compensation, and termination of the employment relationship (principles are stated in the Code of Conduct on the OQ Chemicals website).

OQ Chemicals has identified diversity as an important success factor for the future success of the company. As a sign of commitment, OQ Chemicals signed the Diversity Charter (Charta der Vielfalt), an employer initiative to promote diversity in companies and institutions, in 2022.



In 2022, the Diversity Working Group worked together with an external consultancy (specializing in diversity) to develop a roadmap for diversity, equality, and inclusion. A status quo analysis of the current structure and activities was conducted to identify fields of action for OQ Chemicals. Three major fields have been identified: Equality, Diverse Talents in Operations, and Talent Management/Employer Branding. In 2023, a package of measures will be developed for the respective topic areas and the implementation of these measures will be started.

An intranet page has been created to generate greater awareness of diversity, equal opportunities, and inclusion. It informs all employees about relevant topics and allows them to find out about current campaigns.

OQ Chemicals has set up a "diversity" email address, to which all employees can send their own ideas and issues that are important to them regarding diversity.

OQ Chemicals is responsible for preserving the principles of equal opportunities and for creating a culturally diverse working environment. Germany's General Equal Treatment Act (or AGG) is a top priority, and similar rules apply under US law.

Any kind of discrimination may be reported anonymously via the whistleblowing hotline (available languages: English, German, Japanese, Chinese, Dutch, and Spanish) to Compliance Management, a

supervisor, or directly to HR. >> Please refer to the **Sustainable Governance section** No reports were recorded in 2022.

The percentage of female employees of 20% lies within the typical range in the chemical industry. The number increased by 2% compared to 2021.

22% of leadership roles at OQ Chemicals are performed by female employees.

OQ Chemicals offers individualized solutions to employees returning from parental leave. The return rate after parental leave was 100% (100% in 2021) in 2022, with a retention rate of 96% (93% in 2021) after twelve months.

Headcount and Relevant KPIs

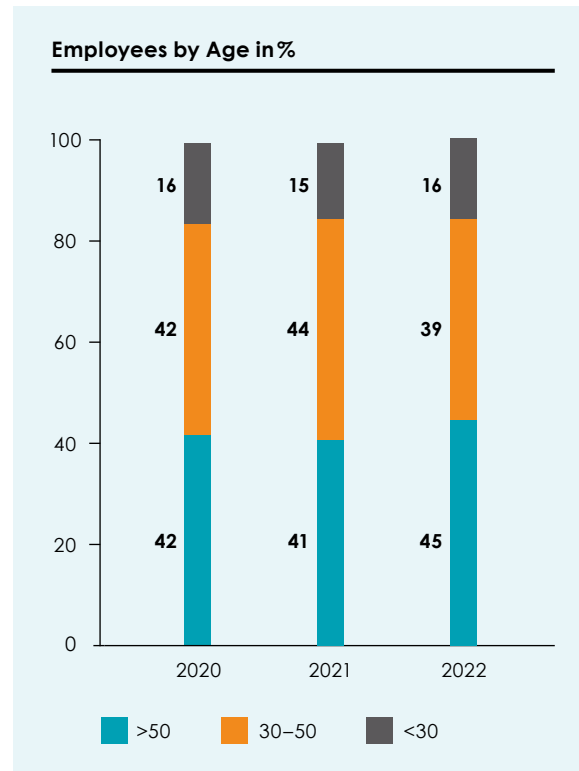
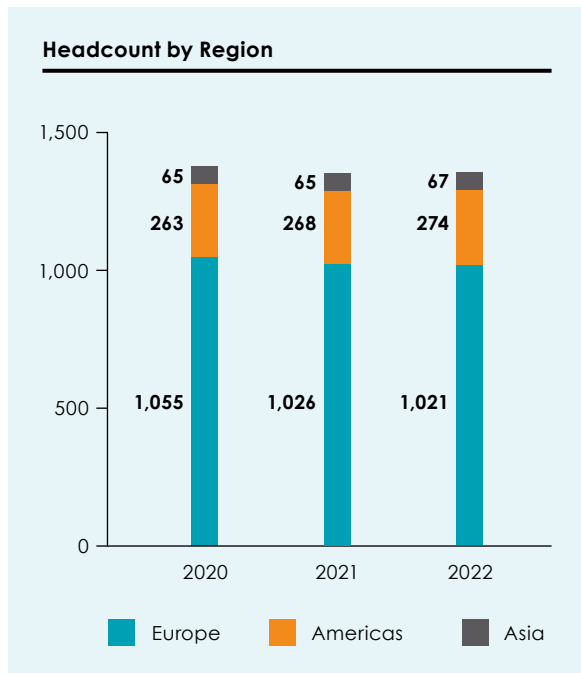
The number of people employed by OQ Chemicals in the 2022 financial year was 1,362 (recording date: December 31, 2022, excluding apprentices). At OQ Chemicals, we hired 75 new qualified staff members worldwide. Approximately 74% of our workforce operates in operations and engineering (76% in 2021).

Talent Management

OQ Chemicals has implemented a dedicated Talent Management team to deal with employee satisfaction, employer branding, and the development of important cooperations to attract the best talent.

In 2022, a new talent management concept was developed based on three strategic pillars:

- Performance Management & Evaluation
- Employee Development
- Talent Management (Identify and promote talents)





Performance Management & Evaluation

All employees receive an annual performance appraisal based on a structured process, which is usually conducted by the employee's direct supervisor and should be accompanied by one obligatory mid-year review.

One of the feedback tools of the performance management system is the employee performance review for managers and staff. The respective employees are assessed using predefined categories. An assessment scale is used to grade the achievement of each category's requirements. The results are officially recorded and evaluated by the Talent Management team to define individual training needs, which will be scheduled and implemented together with the organizational units. All non-managerial staff is covered by feedback sessions with their supervisors.

100% of OQ Chemicals' employees are covered by the annual performance review and/or feedback sessions.

Employee Development

To ensure the best development of OQ Chemicals' employees, training, coaching, and personal development are key components of our personnel policy. Through internal training programs, we provide our employees with state-of-the-art individual development and qualification opportunities.

Training sessions cover a wide variety of topics and range from software training, intercultural training, and job-specific training to OQ Chemicals-specific topics, and can be conducted internally or externally.

OQ Chemicals is using e-learning software to expand learning opportunities for all employees, regardless of time or location. The software is also used as a tool to retain the knowledge of employees retiring in the near future.

OQ Chemicals' Talent Management function is responsible for the definition of training courses. For certain job areas, regular training is mandatory.

Training needs are usually identified and agreed upon together with the direct supervisor and documented in the performance review. Training records are usually kept and tracked in the individual departments.

Key goals are to promote leadership capabilities of individual employees and to define development goals for each person in the best possible way. Overall, an inspiring atmosphere with possibilities for development, extension of the professional network, and more personal responsibility are the main objectives. The consensus at OQ Chemicals is that demonstrating leadership is not the same as carrying out a supervisor role. Instead, leadership is something an individual takes on to inspire others and have a positive impact on them.

Talent Management

Talent management means both identifying people internally who will succeed in key positions and training them, as well as raising OQ Chemicals' profile as an attractive employer among skilled workers in the labor market.

In order to maintain successful talent management, the first step is to define key positions and include them in our workforce planning. The profiles of the key positions are compared with the existing talent pool and this is the basis for succession planning. Subsequently, measures are taken, such as the creation of development plans and the transfer of know-how, as well as other organizational measures.

In addition to in-house talents, we also want to attract external talents. To this end, we have developed a new recruiting strategy. Key positions are sorted into different clusters (Simple, Specialist, Difficult, and Strategic). For every cluster, we defined a specific strategy focusing either on efficiency (e.g Simple hiring) or effectiveness (e.g Specialist hiring).

The new concept is thus more demand-oriented in order to ensure successful strategic HR planning and to develop the future leadership of OQ Chemicals.

Employer Branding

Through our employer branding, we want to retain our employees and strengthen their loyalty to our company in the long term. Furthermore, we want to generate sufficient and qualified applicants and shorten the time to hire. This will lead to more employee referrals and a higher employee satisfaction rate for OQ Chemicals.

In addition to social media activities and our careers website, we also offer opportunities for graduate students to conduct part of their thesis at or with OQ Chemicals. The objective of the collaborations is also to identify talent at an early stage and attract it to OQ Chemicals.



In 2022, we redesigned our careers website to better reach our defined target groups and inspire them to work for OQ Chemicals.



To promote apprenticeships, especially for young girls, we hold an annual Girls' Day at the Oberhausen site. For the first time in two years, the annual Girls' Day was held in person at the site this year. The aim of Girls' Day is to provide young women with targeted information about training and career opportunities in male-dominated technical fields. The focus was on the professions of chemical laboratory assistant, chemical technician, industrial mechanic, and electronics technician.

Apprenticeship – Young Talents

In Oberhausen, OQ Chemicals plays an important role as an employer. Offering apprenticeships in technical and commercial areas makes OQ Chemicals the most important provider of industrial apprenticeships in the city. The apprenticeship model is run as "dual education", offering apprentices the opportunity to work and study at the same time.

Nearly 100% of the apprentices are offered a permanent job within OQ Chemicals once they finish the program successfully. The apprenticeship program is an important pillar to balance out demographic changes. In 2022, 42 apprentices finished their education, and 40 started a permanent job at OQ Chemicals.

With 16 new apprentices, a current total of 62 young people worked and studied at OQ Chemicals' own center for vocational education and on the job in 2022. Compared to 2021 (number of apprentices 91*), this number has decreased by 29 due to workforce planning and a high number of graduates.

Top Employer 2022

In 2022, the German locations of OQ Chemicals were evaluated and subsequently certified as a Top Employer by the Top Employers Institute, which is an independent, globally recognized institute for the certification of companies and their people practices.



The institute was established 30 years ago and assesses and certifies companies in key industries worldwide. For more information, please visit www.top-employers.com.

To become a recognized Top Employer, an organization is evaluated according to specific entry criteria to be eligible for participation (formalized HR and communications practices build the basis).

Once approved, the organization participates in the HR Best Practices Survey based on six domains, comprising the following key topics: "Steer" (strategy and

leadership), "Shape" (governance and structure), "Attract" (talent acquisition, branding, etc.), "Develop" (performance reviews, training, careers), "Engage" (well-being, off-boarding), and "Unite" (company values, sustainability, diversity and inclusion, etc.). The scoring model and weighting of questions and options is reviewed and updated annually, as is the survey itself.

Based on data, documents, and relevant proof provided, the performance is rated in comparison to other companies. Certification is provided if the company ranks in the top 40% of the program.

OQ Chemicals was rated as strong in domains such as the establishment of a good working environment, improvement in the field of diversity & inclusion, and the implementation of a sustainability program. Fields of improvement are digitization and talent acquisition.

The certification is valid for one year.

Compensation & Benefits

Employee compensation is linked to both company and individual performance goals. OQ Chemicals' benefit system reflects national practices and can vary depending on factors such as hierarchy and remuneration levels, duration of employment, etc.

OQ Chemicals offers supplementary health insurance to all employees. Furthermore, OQ Chemicals' employees in Europe can benefit from the programs presented in the following paragraphs.

* Number was revised due to a change in scope



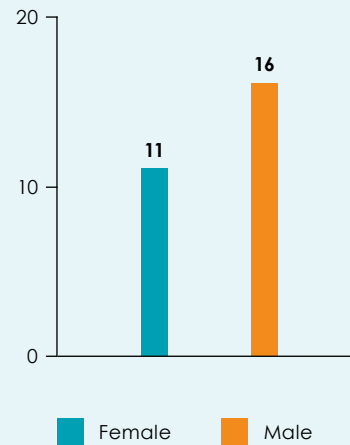
OQ Chemicals provides a defined benefit that will be paid upon retirement. Employees who are employed for more than six months are included in the collective agreement for single payments and retirement provision.

OQ Chemicals also offers flexible working hours (respecting core requirements) and long-term accounts for European employees. This model offers to save up parts of the salary or extra working hours in order to retire prematurely or schedule a personal break while still receiving salary payments. In addition, private accident insurance is provided. The above-mentioned benefits represent only a selection of the range and are offered to permanent full- and part-time employees.

At the US sites, OQ Chemicals offers flexible working hours with certain core requirements. Each employee must work 30 hours a week to be considered a full-time employee and eligible for benefits. Employees are able to receive all provided benefits on date of hire, which include medical, dental, life, and accidental death & dismemberment insurances, as well as short- and long-term disability insurances. Employees must be employed for one year to be eligible for long-term disability. OQ Chemicals participates in the 401(k) retirement plan, where we match up to 5% of employee contributions and contribute an additional 5% of the employee's bi-weekly salary to the account every pay period.

OQ Chemicals encourages both paternity and maternity leave models and provides for the employees according to the national regulations of the countries in which OQ Chemicals operates.

Number of Employees Returning from Parental Leave 2022



Collective Bargaining Agreements

OQ Chemicals adheres to and supports the right to freedom of association.

All European employees of OQ Chemicals are covered by collective agreements and have elected works councils in place. In Amsterdam, employees have elected representatives instead due to the size of the site. These representatives operate in the same manner as a works council. In the event of a violation of employee rights, all employees can turn to the respective works council. In 2022, 64% of all OQ Chemicals employees globally were covered by collective bargaining

agreements (for 2021 an incorrect value was given due to inaccurate allocation, the correct value for 2021 is 65%).

In the case of company measures with a direct impact on OQ Chemicals employees, a reconciliation of interests is defined with the works council and the Management Team. In addition, a social compensation plan is negotiated between the employer and the works council.

Occupational Health and Safety

Occupational health and safety is a top priority at OQ Chemicals as an integral part of our HSE management. >> **Please refer to the Health, Safety, and Environment section** Our target is to enhance the health and well-being of our employees and to protect them from any avoidable risk at their workplace.

Compliance with all regulatory requirements to safeguard the health and safety of our employees worldwide is mandatory, and ISO 45001 serves as a guideline for OQ Chemicals' global Occupational Health and Safety system. All related standards, policies, and processes are documented in our IMS and cover all OQ Chemicals' employees. In addition to our certified production site in Nanjing, all European sites were successfully certified according to ISO 45001 in 2022.

All workplaces are regularly audited and results are documented with regard to potential health and safety impacts to guarantee the initiation of adequate measures when needed. Our activities, such as our Global EHS day or HSE walkthroughs (as part of our leading indicators) are geared toward making



OQ Chemicals a safe and healthy place to work. To foster the health and safety of our employees, we offer different services and programs beyond their work life as described in the following sections.

Medical Services

At our OQ Chemicals sites in Oberhausen and Monheim, we offer medical services to employees, including medical check-ups and vaccinations, as well as the services of an optician and orthopedist through our own medical team. In Marl, those services are provided by the "Chemical Park".

The health data generated by the check-ups and consultations are used to improve occupational health management and to adapt the measures to individual needs.

At our US locations in Bay City, Bishop, and Houston, OQ Chemicals also offers medical services, including vaccinations. Records are kept at the sites with the third-party medical service or the site nurse.

OQ Chemicals conducts training for first responders at all sites.

Corporate Health Promotion Program

Our employees' health and well-being is a priority at OQ Chemicals, and the Corporate Health Promotion program is aimed at promoting physical and mental capabilities both at work and in their personal lives. The Corporate Health Promotion program comprises four pillars and covers the areas of mobility, nutrition, prevention, and relaxation. It offers a wide range of services, activities, and courses from which

OQ Chemicals employees can benefit – either for zero costs or a minor financial contribution – and addresses the whole workforce from managers to operators.

The services include, among others: physical training and preventive courses (physical fitness, relaxation, smoking cessation training, nutritional coaching), participation in public sports events, and sponsored online courses. Program components vary at different OQ Chemicals sites according to the needs and topics that match the specific preferences of the particular site. Remotely located employees can benefit from individualized offerings and online courses.

Activities are promoted through the intranet, informational flyers and posters, in meetings (such as the SIP meeting), email communication, or direct promotion by supervisors, including the necessary registration information. Furthermore, OQ Chemicals uses the online platform "machtfit.de" (see section below).

The Corporate Health Promotion program is currently established at the German and US OQ Chemicals sites. Administrative offices and smaller sites globally offer tailored activities for employees.

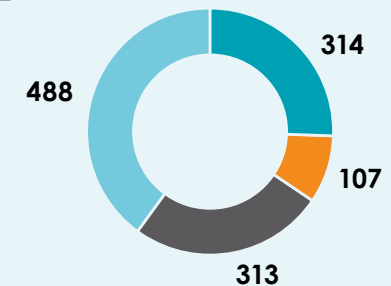
In total, over 80% of OQ Chemicals' workforce is currently covered by the program.

"OQ Chemicals macht fit": Digitally, Locally, and Individually

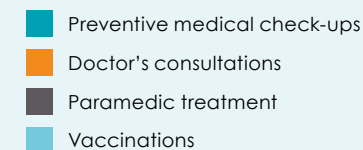
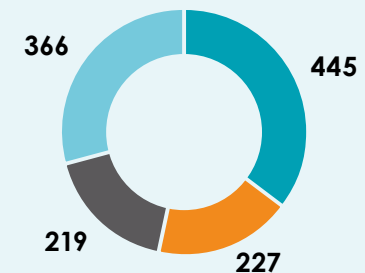
In Germany, OQ Chemicals uses the platform "machtfit.de". Each employee can choose from a wide variety of activities according to their interests and preferred location. All courses are supported by a yearly subsidy.

**Total Number of Medical Appointments
at Oberhausen and Monheim 2021 & 2022**

2021



2022

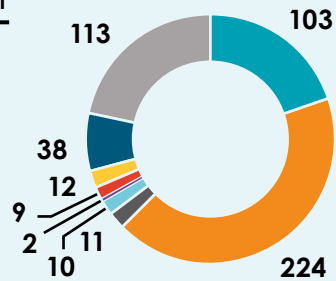




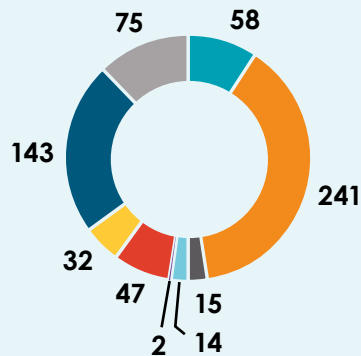
Booked Tickets (Category) in %

Offers that were booked via *machtfit.de*

2021



2022



- Fitness training
- Climbing/Bouldering
- Yoga
- Spinal exercises
- "Aqua Fit"/Pilates
- Stress management
- Memberships¹
- Nutritional advice
- Others/Body analyses

¹ e.g., gym

The platform offers sports activities (e.g. boot camps, Pilates, and spinal exercises), stress management courses (e.g. relaxation training), and areas of nutrition and addiction cessation (e.g. smoking). In addition, all company-internal and external offers, such as company runs, can be viewed and booked in the portal.

Wellness Committee in Bay City

The Wellness Committee in Bay City has established different programs and activities for the Bay City employees in order to support a healthy and satisfying lifestyle (work-life balance). The program also covers the Bishop site and Houston office, with volunteers who champion the activities at the respective location.

With our Wellworks For You – Preventative Care Incentive program, we offer our employees the opportunity to earn an identified Wellness Rate for their insurance. Participating employees can achieve this by providing proof of preventative exams from their physician, such as medical, dermatological, dental, or vision tests.

Our Houston office employees can take advantage of a bike-sharing program and a gym provided by the building.

Furthermore, the Wellness Committee supported the preparation and implementation of the virtual Global HSE Day in 2022. >> [Please refer to the Global HSE Day 2022 section](#)

Local Community Involvement

Growth and success require a solid foundation. At OQ Chemicals, this means trust and responsibility. We appreciate and nurture the trust that our customers and our neighbors have placed in us. We intend to be recognized as a valuable corporate citizen and make every effort to operate responsibly in our local communities.

We take responsibility for the people who work for OQ Chemicals and those who live in the surrounding areas of our sites.

We support projects in cooperation with partners such as communities, associations, local governments, and nearby institutions, and extend financial support to programs covering environmental and social aspects.

Our aim is to be a responsible community partner and corporate citizen by positively impacting social development. OQ Chemicals specifically supports projects and facilities in the surroundings of its sites/offices and concentrates on:

- Social engagement in the field of youth work and support of children
- Scientific projects of general interest
- Environmental protection
- Community projects



We strive to develop a volunteering work culture and encourage our employees to get involved in activities with a positive impact on society. OQ Chemicals fosters "matching gifts", such as doubling of employees' donations for projects being initiated or supported by OQ Chemicals' employees, for example.

Usually, initiatives are posted on the intranet and in paper form at the different sites and offices. Our general concept covers various facilities in the direct neighborhood with smaller support sums, rather than concentrating on one big project.

OQ Chemicals has a guideline in place covering the criteria for donations and sponsoring. Recommendations and ideas can be communicated and handed in by all employees via various communication channels such as the Impulse Tool, their supervisor, or directly to the colleagues at the European and US sites. At the end of each fiscal year, donations and supported projects are communicated to the Management Team of OQ Chemicals and a proposal for next year's activities is handed in.

OQ Chemicals opts for a mix of support worldwide.

In Europe, two major initiatives are supported: the MULTI project and Friedensdorf International.

Every two years, OQ Chemicals supports the MULTI project in Oberhausen. The basic idea of this project is a peaceful meeting of young people from different cultural backgrounds. In shared activities, young people recognize similarities, but also differences. The MULTI project aims to build bridges between the young people and to foster a tolerant, diverse culture.

Another important partner is Friedensdorf International, an institution OQ Chemicals supports annually. Friedensdorf International is an NGO in Oberhausen that brings ill and injured children from war zones and crisis areas to Germany for medical care. After receiving medical treatment, the children return to their families.

Millions of people in Ukraine are suffering from Russia's invasion in 2022, and for children the situation is particularly dramatic. OQ Chemicals supported a UNICEF fundraising campaign in which all OQ Chemicals employees could participate. In addition to €10,000 from OQ Chemicals, our employees donated another €32,346 for the children in Ukraine. A total of €42,346 has been donated.

In the USA, OQ Chemicals' employees are active in regular events together with the non-profit organization United Way. United Way is the world's largest privately funded non-profit organization and works

together with companies, governments, and other organizations to support local communities – not only financially, but also with volunteering, ideas, and in-kind support. The projects are very diverse and include mentoring programs at schools, multi-generation projects, and collective impact initiatives. United Way is dedicated to serving local communities by bringing systemic change through developing and strengthening the lives of families, young people, and seniors.

In addition, we support schools, kindergartens, sports clubs, etc. close to our production sites with various donations.

In 2022, OQ Chemicals donated €17,750 to facilities in and around Oberhausen and Monheim. In the USA, OQ Chemicals supported initiatives with a total amount of US\$23,960 (please see below).

OQ Chemicals' support for activities in 2022 covered, among other things:

- Educational programs (schools and kindergartens)
- Donations to medical and social institutions, as well as charities
- Cooperation with schools and universities
- Hazardous Materials Day (disposal of hazardous materials for Matagorda County)
- United Way (Non-profit organization)



GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Standards. The Global Reporting Initiative (GRI) is the most established framework for sustainability reporting worldwide. The report covers OQ Chemicals as part of the integrated energy company OQ.

GRI-Standards		Page	Comment
GRI Foundation 2021			
GRI 2 General Disclosures 2021			
The organization and its reporting practices			
GRI 2-1	Organizational details	5	
GRI 2-2	Entities included in the organization's sustainability reporting	6–9	
GRI 2-3	Reporting period, frequency and contact point	64	
GRI 2-4	Restatements of information		A few figures were updated with explanatory footnotes under respective disclosures.
GRI 2-5	External assurance		Apart from Annual Report related business figures, information of this report was not reviewed for external assurance.
Activities and workers			
GRI 2-6	Activities, value chain and other business relationships	6–9	
GRI 2-7	Employees	53, 54	
Governance			
GRI 2-9	Governance structure and composition	25	
GRI 2-10	Nomination and selection of the highest governance body	23	
GRI 2-11	Chair of the highest governance body	23	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	23	
GRI 2-16	Communication of critical concerns	27	Critical concerns or complaints can be addressed via our global whistleblowing system (external hotlines), among other channels. In 2022, no violations or critical concerns were reported.



Strategy, policies and practices			
GRI 2-22	Statement on sustainable development strategy	4	Foreword of OQ Chemicals CEO.
GRI 2-23	Policy commitments	26, 27	OQ Chemicals' position on human rights (Declaration of Human Rights) is publicly available on the company's website. All employees are trained on the contents of the Code of Conduct when they join our company. All employees are required to attend refresher training every two years.
GRI 2-25	Processes to remediate negative impacts	20, 21, 26–28	
GRI 2-26	Mechanisms for seeking advice and raising concerns	27	Critical concerns or complaints can be addressed via our global whistleblowing system (external hotlines), among other channels. In 2022, no violations or critical concerns were reported.
GRI 2-27	Compliance with laws and regulations	26, 27	OQ Chemicals' Compliance Management ensures adherence to legal requirements, internal company policies, and ethical business practices.
GRI 2-28	Membership associations	41, 42	OQ Chemicals is a listed member of Responsible Care.
Stakeholder engagement			
GRI 2-29	Approach to stakeholder engagement	28–30	
GRI 2-30	Collective bargaining agreements	57	
GRI 3 Material Topics			
GRI 3-1	Process to determine material topics	21	
GRI 3-2	List of material topics	21	
GRI 3-3	Management of material topics		Please refer to the topic-specific standards of OQ Chemicals material topics.
Material topics			
GRI 201 Economic Performance 2016			
GRI 3-3	Management of material topics	33, 34	
GRI 201-1	Direct economic value generated and distributed	34	
GRI 201-3	Defined benefit plan obligations and other retirement plans	56, 57	
GRI 204 Procurement Practices 2016			
GRI 3-3	Management of material topics	27, 28	
GRI 204-1	Proportion of spending on local suppliers	27	
GRI 205 Anti-corruption 2016			
GRI 3-3	Management of material topics	26, 27	
GRI 205-2	Communication and training about anti-corruption policies and procedures	26, 27	
GRI 205-3	Confirmed incidents of corruption and actions taken	26, 27	



GRI 302	Energy 2016		
GRI 3-3	Management of material topics	36–38, 44–46	
GRI 302-1	Energy consumption within the organization	45	
GRI 303	Water and Effluents 2018		
GRI 3-3	Management of material topics	36–38, 47	
GRI 303-1	Interactions with water as a shared resource	46	
GRI 303-2	Management of water discharge-related impacts	46	
GRI 303-3	Water withdrawal	46	Figures for water withdrawal from areas with water stress are not being published since OQ Chemical sites are located in low to low-medium stress areas.
GRI 304	Biodiversity 2016		
GRI 3-3	Management of material topics	36–38, 49	
GRI 304-3	Habitats protected or restored	49	
GRI 305	Emissions 2016		
GRI 305	Emissions 2016		
GRI 3-3	Management of material topics	36–38, 42–44	
GRI 305-1	Direct (Scope 1) GHG emissions	44	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	44	
GRI 305-3	Other indirect (Scope 3) GHG emissions	44	
GRI 305-5	Reduction of GHG emissions	44	
GRI 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	44	
GRI 306	Waste 2020		
GRI 3-3	Management of material topics	37–39, 49, 50	
GRI 306-1	Waste generation and significant waste-related impacts	37–39, 49, 50	
GRI 306-2	Management of significant waste-related impacts	37–39, 49, 50	
GRI 306-3	Waste generated	49	
GRI 306-4	Waste diverted from disposal	49	
GRI 306-5	Waste directed to disposal	49	
GRI 307	Environmental Compliance		
GRI 3-3	Management of material topics	37–39, 37	
GRI 307-1	Non-compliance with environmental laws and regulations	40	
GRI 401	Employment 2016		
GRI 3-3	Management of material topics	51, 52	
GRI 401-1	New employees hires and employee turnover	54	Rate and figures are currently not available as GRI requires. Improved reporting is intended for future reports.
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	56, 57	
GRI 401-3	Parental leave	54	



GRI 403	Occupational Health and Safety 2018		
GRI 3-3	Management of material topics	36–42	
GRI 403-1	Occupational health and safety management system	36–42	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	36, 37, 40	
GRI 403-3	Occupational health services	40–42	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	38	
GRI 403-5	Worker training on occupational health and safety	37–40	
GRI 403-6	Promotion of worker health	40, 41	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	37–44	
GRI 403-9	Work-related injuries	38	
GRI 404	Training and Education 2016		
GRI 3-3	Management of material topics	51–55	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	51, 55	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	55	
GRI 405	Diversity and Equal Opportunity 2016		
GRI 3-3	Management of material topics	51, 52	
GRI 405-1	Diversity of governance bodies and employees	23, 24	
GRI 406	Non-discrimination 2016		
GRI 3-3	Management of material topics	26, 27, 52	
GRI 406-1	Incidents of discrimination and corrective actions taken	54	
GRI 413	Local Communities 2016		
GRI 3-3	Management of material topics	59, 60	
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	59, 60	
GRI 414	Supplier Social Assessment 2016		
GRI 3-3	Management of material topics	27, 28	
GRI 414	Negative social impacts in the supply chain and actions taken	27	In 2022, no incidents were reported related to negative social impacts in the supply chain and actions taken
GRI 416	Customer Health and Safety 2016		
GRI 3-3	Management of material topics	48, 49	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	48	In 2022, no incidents were reported related to non-compliance concerning the health and safety impacts of products and services.
GRI 417	Marketing and Labeling 2016		
GRI 3-3	Management of material topics	48, 49	
GRI 417-1	Requirements for product and service information and labeling	48, 49	
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	48, 49	
GRI 419	Socioeconomic Compliance 2016		
GRI 3-3	Management of material topics	26–28	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	26–28	

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