



# **SUSTAINABILITY REPORT 2021**



EMS-CHEMIE HOLDING AG  
Domat/Ems Schweiz



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

The EMS Group has pioneered sustainability since its foundation. The Holzverzuckerungs AG, founded in 1936, the predecessor of today's EMS-CHEMIE, produced high-quality ethanol from waste timber out of the Grisons' forest, as replacement fuel during the Second World War. The energy required to do this was supplied by EMS' own hydroelectric power station – 100% CO<sub>2</sub>-free.

With the transition to high-performance polymers in the 1960s/1970s it became possible for the first time, to replace components for industrial and consumer applications, manufactured in energy and cost-intensive processes, with parts lighter in weight, less expensive, but just as tough, made of high-performance polymers. Since then and until today, so-called "metal replacement" has been at the centre of the business model of the EMS Group. Components made of EMS specialty products, for example in the automotive industry, make extremely sustainable total cost solutions for our customers possible. Use of EMS high-performance polymers instead of metal for component manufacture, can quickly lead to manufacturing cost savings of 30 – 60%, lower energy consumption by 30 – 60% in the manufacturing process, sales and use, as well as weight – and therefore, CO<sub>2</sub>-reduction of up to 30 – 50%!

In total, the EMS business model with weight-saving system solutions using high-performance

polymers, particularly in the automotive industry, enables savings on fuel consumption and reduction of CO<sub>2</sub> emissions of around 35 000 tons CO<sub>2</sub> each year to be achieved worldwide. EMS' high-performance polymers also contribute in the long-term, towards a more sustainable circular economy: Components made of EMS specialty polymers have an operating life of 30 to 40 years and can be recycled more than 10 times without loss of property values.

But EMS also continually challenges and improves its own activities and the results are impressive! At its main location in Domat/Ems, Switzerland, water consumption has been reduced by 60% since 2001 and energy consumption by 50%. EMS has also been a leader for decades with regard to CO<sub>2</sub> emissions. Through efficiency measures, biomass energy and hydroelectric power, EMS operates CO<sub>2</sub> neutrally worldwide according to Scope 1 + 2 of the Greenhouse Gas Protocol.

The wellbeing of our employees also has priority at EMS: To ensure the health and safety of our employees, company-wide targets are determined, their achievement is periodically monitored and supported by the implementation of programmes and measures. EMS also greatly values practice-oriented education and vocational training – not only for employees.

EMS promotes the interest of children and youngsters for natural sciences and technology already from a preschool age. In MINT (mathematics, informatics, natural sciences, technology) holiday camps in workshops, laboratories, technology centre or in the EMSORAMA, the first Science Centre in the Grisons, they can discover and experience natural science phenomena in a playful way. Laboratory days for school classes, training sequences for secondary-school teachers and equipping of school classrooms with experiment kits supplement MINT education in schools.

We are particularly proud of our vocational training. Since 1943, EMS has been and still is the largest vocational training company in south-east Switzerland providing 140 of its own apprentices and around 100 apprentices from other companies with training in 15 professions. Social activities in local communities in the Grisons and

work placements abroad are just as much a part of EMS' vocational training as the active involvement of EMS apprentices as coaches for the MINT training programmes or as presenters at the EMS media conferences and annual general meetings. Recognition of EMS vocational training with awards such as the "Swiss National Education Prize" and the certification as "Swiss Certified Training Company" by Great Place to Work emphasise our significant contribution towards professionally qualified junior staff.

Being sustainable and making sustainability possible remains an important part of our strategy. In 2021, additional measures were undertaken to promote sustainable and responsible action in the whole organisation. We are proud of the significant progress and improvements we have achieved. In this report, we proudly present the details of our work.



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

As a globally active company, EMS is committed to sustainable development and lives up to this responsibility: With sustainable solutions for varied applications focussed in automotive construction, the electro and electronic industry, in optics as well as in many other industrial sectors and with numerous measures in the areas of economic, social and environmental sustainability.

## Sustainability as part of the long-term strategy

EMS was founded in 1936 and was committed, already in the early years, to a sustainable, long-term company strategy: In the beginning, EMS manufactured ethanol through saccharification of timber and CO<sub>2</sub>-neutral. The company location was therefore chosen to be near the raw material wood, surrounded by the Grisons' forest and near the River Rhine. Even at that time, the energy was gained 100% from CO<sub>2</sub>-free hydroelectricity.

Today, EMS' main business is the manufacture of polymer materials for challenging, high-quality technical applications. These polymers are mainly used to replace heavy metal components in automotive construction as well as in a variety of other industries. The weight savings achieved in this way, make a significant and sustainable contribution towards a reduction of emissions from vehicles and in the manufacture of consumer goods. In this way, EMS achieves significant added value for its customers, meaning that the EMS business model is per se oriented towards environmental compatibility and sustainability so that EMS can make it possible for its customers to save around 35,000 tons of CO<sub>2</sub> each year.

Economical sustainability forms the foundation of the industrial entrepreneurial activities of EMS and continual, positive and long-term development is a focus point.

EMS puts great value in environmentally compatible and sustainable production. To achieve this, in 2006 EMS reduced the CO<sub>2</sub> emissions of its largest production site worldwide at Domat/Ems, Switzerland by 80% with the start of operation of a biomass power station. In addition, since 2020 the electricity supply to Swiss and German production and sales locations is provided to 100% from CO<sub>2</sub>-neutral hydroelectricity.

Through further measures, including purchase of long-term effective CO<sub>2</sub> certificates, EMS production has been CO<sub>2</sub>-free since July 1, 2020.

EMS plans continual reduction of emissions, waste and wastewater and implements this in a target-oriented way through continual plant improvements as well as replacement and expansion investment.

The employees are EMS' most important capital. They ensure innovative strength and competitive ability of EMS. Their safety, health and training are given first priority.

EMS is aware of its social responsibility and supports many activities in the fields of sport, culture or education at its company locations.

## Economical Sustainability

### Long-term success

The primary objective of our company is to achieve our financial targets because lack of success in this target achievement can have far-reaching negative effects for the future.

To take economic sustainability targets into account, EMS annually draws up a medium-term plan for three years which is adjusted to economic, political and technology developments. EMS intends to create long-term values for its interest groups – with innovative products and services, interesting workplaces and attractive revenue for shareholders.

### Investment

In last five years, EMS has invested a total of CHF 301 million (without acquisitions). In the reporting year, most of the money was invested in Domat/Ems, Switzerland, and in Germany. In December 2021, construction of the new high-rack warehouse 4 in Domat/Ems was completed and it started operations.

## Governance

The EMS board of directors carries the responsibility for sustainability and climate protection as well as climate-related risks and chances and decisions on strategy and objectives.

Climate-relevant initiatives and measures are planned in the business areas and determined and approved by executive management during the planning process. The business unit leaders are members of extended executive management. Implementation is carried by line management.

## Stakeholders and risk management

EMS satisfies the requirements of business partners, employees and the environment through responsible, economic, social and ecological behaviour. The requirements of the various interest groups are collated in the integrated quality-management system and goals, measures and priorities are defined and implemented on the level of quality, safety, environment and health. All these goals and measures are planned in the business areas and determined and approved by executive management during the planning process. Implementation is carried out by line management.

EMS is exposed to various risks. For this reason, the company has developed a comprehensive risk management system which is integrated into the planning and leadership process. Risk evaluation is discussed by executive management twice annually with the audit committee and the EMS board of directors, with differentiation between strategic, legal and financial risks.

The goal of risk management is to:

- systematically identify special risks;
- establish processes for monitoring and reduction of risks and, at best, for their prevention;
- find a balance between risks and opportunities.

## Key figures and goals

The target sectors of the EMS strategy on sustainability are: Sustainable solutions, a contribution towards climate protection, social commitment and continual improvements with regard to waste/water, energy and work safety.

EMS continually improves its energy efficiency, adjusts its energy mix and invests in clean technology. EMS reports comprehensively on its activities and emissions including CO<sub>2</sub>. It reports on target achievement in a transparent way so that customers, investors, employees and other interest groups can follow its progress.

## Standards and compliance

Internal revision and the Chief Compliance Officer (CCO) monitor conformity with valid legislation and guidelines as well as the principles of business ethics worldwide. The CCO reports directly to the CEO.

Employees are also bound and business partners urged to report every potential violation to the CCO either by telephone or in writing via a specific compliance email address, to contact the legal affairs department in Männedorf (Switzerland) or to make an anonymous report. A company directive describes the process which must be followed by employees for reporting of this kind of violation and governs the behaviour of positions receiving these reports. Where misconduct is proved, sanctions will be imposed.

Compliance training is carried out under the leadership of the CCO in the individual company subsidiaries. Training on the following subjects is given:

- Combating corruption and bribery;
- Cartel/competition laws;
- Export controls/sanctions;
- Data protection (in particular the EU General Data Protection Regulations, GDPR).

The training programme continually undergoes further development. Employees are obliged to attend training programmes when they join EMS and every two years afterwards. On request, employees receive general or specific legal advice or individual training programmes.

## Combating corruption

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As a member of the United Nations Global Compact, EMS commits itself to a high standard of combating corruption. Corruption is categorically repudiated. There are clear guidelines on prevention and employees are trained in this sector. According to the results of EMS internal audits, there were no cases of corruption by EMS worldwide in 2021.

## Competition

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EMS commits itself to fair competition, with no place for price fixing, cartel or other activities to distort competition. EMS handles its plan and business know-how carefully. In particular, EMS resolutely protects its technical and commercial know-how against loss or unauthorised access.

### UN Global Compact and sustainable development targets

In July 2020, EMS signed the United Nations Global Compact. EMS has committed itself to support the ten principles of human rights, working standards, environmental protection and combating corruption and to make these a part of its strategy, culture and daily work.

The commitment to support the sustainable development goals (SDG) stems from EMS' commitment towards sustainability and its participation in the United Nations Global Compact.

EMS makes a contribution to the UN-Agenda 2030 for sustainable development and in doing so, focuses on 8 of the total 17 goals.

These are:

- SDG 2 (Zero Hunger) → packaging applications;
- SDG 4 (Quality Education and Lifelong Learning) → apprentice training, Great Place to Work;
- SDG 5 (Gender Equality) → Equality laid down in the code of conduct;
- SDG 6 (Clean Water and Sanitation) → company-owned water treatment plant;
- SDG 7 (Affordable and Clean Energy) → Axpo Tegra;
- SDG 8 (Decent Work and Economic Growth) → EMS is the most important industrial employer in the Canton Grisons, Switzerland;
- SDG 9 (Industry, Innovation and Infrastructure) → other companies at the production site profit from the existing infrastructure;

- SDG 15 (Life on Land) → forestry management through use of process steam.

### Audits and inspection

Both EMS' internal auditing and the compliance department as well as the audit system, support the board of directors, resp. the audit committee, in carrying out their monitoring and control functions. Audits and inspections make a major contribution to this and present management at corporate (executive management), business unit and local company level with an assessment independent of line management. This is to the effect of whether the activities involved correspond to external, legal and EMS internal guidelines and stipulations (compliance aspect) and whether the developed processes and controls are effective. Determined faults and potential for improvement are presented in reports with measures and implementation deadlines. Implementation of defined measures is evaluated in follow-up checks.

Audits and inspections are carried out by various positions in the company.

EMS internal auditing is independent of line management and carries out assessments throughout the company with regard to important processes. Focus points are the state and form of internal control systems and the effectiveness of internal audits. Internal experts also carry out internal audits in the areas of legal affairs and taxes (compliance).

In addition to this, inspections are performed by internal experts in line management with regard to product quality, the environment, working safety, health, cleanliness and order at business unit level and in the individual companies. Significant results from these inspections are included in the corporate systematic reporting process and are handled at executive management level in a risk-oriented way.

With regard to suppliers, evaluation processes are carried out before business relations are entered into. In addition, EMS performs risk-oriented audits on suppliers. These audits are carried out by purchasing in cooperation with internal experts (quality, resp. technical experts). This contributes towards a continual improvement process and promotes cooperation with suppliers, also in questions of sustainability. EMS itself, as supplier to major customers – in particular from the automotive and industrial sectors

– is also subject to regular audits. These audits ensure conformance with international working standards in the fields of quality, environment, safety and health.

### Management systems

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

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

The following EFTEC locations have a certified environmental management system according to ISO 14001: EFTEC AG (CH), EFTEC North America LLC (USA), EFTEC Brazil Ltda (BR), EFTEC Systems S.A. (ES), EFTEC (Czech Republic) a.s. (CZ), EFTEC NV (BE), EFTEC Ltd (UK), EFTEC (Elabuga) OOO (RU), EFTEC (Nizhnyi Novgorod) OOO (RU), EFTEC (Romania) S.R.L. (RO).

### Behaviour in tax matters

#### Principle

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EMS follows a long-term sustainable tax strategy taking valid national and international tax legislation into account.

#### Taxation concept

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The Group tax strategy for all tax matters is to conform to the legislation of all countries in which EMS is active, as well as upholding international contracts and guiding principles. EMS does not undertake aggressive tax planning and does not make use of complex structures to minimise the tax obligations. EMS does not rely on formal tax-saving models which have no economic substance whatever. EMS does not use hybrid instrument and/or structures, whether with intention to avoid taxes, for double tax deductions or tax exemptions. EMS may consult external advisors for tax risk management. The company supports open and transparent cooperation with tax authorities. EMS is cooperative during tax audits and makes requested information available immediately.

#### Risk management

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EMS has a proactive approach to tax aspects of business activities and transactions which are continually monitored and inspected. EMS acts according to conventional market principles and follows valid national and international pricing directives for corporate business. All EMS companies keep transfer price documentation as current as possible.

#### Country-by-Country Reporting

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Since the 2018 business year, EMS submits an annual Country-by-Country Report (CbCR) to the Swiss Federal Tax Administration (SFTA). This OECD/G20 standard contains relevant information on result and tax paid by country in which the company is active. The SFTA provides this report to the tax authorities of other countries where EMS is subject to taxation. From this it is evident that EMS complies correctly with the tax obligations in each country.

## Social Sustainability

EMS understands social sustainability to be the responsibilities of an employer and a comprehensive commitment to local community.

### Sustainable personnel policy

#### Attractive employer

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EMS values and promotes its employees and offers them terms of employment in line with the market. For this reason, EMS is committed to having motivated and committed employees as labour force. They make a decisive contribution to the result, because satisfied employees are prepared to make above-average efforts to satisfy customer requirements. This is why EMS is committed to a sustainable personnel policy as well as for diversity in the labour force and structure. This is underlined by the average years of service with the company of around 10.5 years.

The management and leadership tools which form part of employee training and which commit all employees to the same management principles, together with the resulting uniform work and leadership culture, are one of the reasons that EMS achieves its strategic goals.

The employee fluctuation rate lies below 10%. It covers all persons leaving the company including retirement and expiring fixed-term work contracts.

#### Opportunities and equal pay

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Men and women have equal opportunities at EMS. At the end of 2021 the women's quota was 18.4% (previous year 18.8%), 22.5% in management (previous year 22.0%).

In 2021 an equal pay analysis was carried out in all Swiss EMS companies according to the terms of the equality act. The results confirm that equal pay is given for female and male employees and legal requirements are complied with. The certified auditors Ernst&Young monitored and confirmed the analysis was carried out correctly.

#### Employee development

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EMS places great value on practice-oriented further training, which safeguards the employability of the workforce. These in-house courses are based on the employees' daily tasks. The success of this training is mirrored in the increase of quality and efficiency at the workplace. Along with internal courses, EMS also offers support programmes for further education at advanced training colleges or other institutions. EMS makes a generous contribution towards this kind of personal development, which is discussed and defined during annual staff appraisals.

The average training time and the means for internal and external further training measures had not yet reached pre-corona levels, however the trend shows that expenditure will reach competitive levels again in the near future.

#### Junior staff and career advancement

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EMS has carried out vocational training with great success since 1943. A well trained labour force is the cornerstone of success. The major and central importance of vocational training for EMS can be seen from the purposely-built teaching and training facilities with fulltime vocational training staff. EMS invests more than CHF 5 million each year in apprentice training in Switzerland. Around 140 EMS apprentices in 17 different professions and

around 120 apprentices from other companies are trained at the main production site in Domat/Ems making EMS the most important apprentice training company in the Canton Grisons, Switzerland.

Along with vocational training, university education is also a central pillar. EMS follows an unwavering commitment and maintains a close relationship to the University of Applied Sciences of the Grisons and the newly merged Eastern Switzerland University of Applied Sciences OST as well as to other universities and both Swiss federal institutes of technology (ETH). Among other things, EMS offers students practical work experience and promotes cooperation with educational institutions for practice-oriented training and recruitment of junior staff and talent. This includes development work realised in cooperation with advanced training colleges or project weeks at the production site.

#### Health and work safety

To ensure the health and work safety of our employees, company-wide targets are determined, achievement of which is periodically checked and promoted through programmes and measures.

The standards of safety at the workplace are very high. It is also ensured that this remains so through permanent training and further schooling with internal and external instructors. Risk analyses, audits and regular inspections of plants and apparatus, safety experts, management personnel and engineers ensure that the high standards are maintained and can be improved. The involvement of employees in questions of safety is very important to EMS and is promoted in a sustainable way.

EMS has implemented special programmes for reintegration to the work place. EMS supports local initiatives for work safety and health protection and is a member of the Safety Charta of the SUVA (Swiss National Accident Insurance Fund).

EMS reports internally and externally, comprehensively and with transparency on the topic of work safety and health protection. Focus is given to key figures, programmes and measures.

## Social commitment

EMS is active worldwide and deeply rooted at its many locations. The company has placed its voluntary commitment in the service of mankind and makes its capabilities and know-how available for this purpose. As employer, EMS must do justice to a society which is becoming continually older and more diverse, requiring more flexibility and individual solutions – and always with the business result in mind.

EMS concentrates essentially on two core areas in the field of social commitment:

On the one hand, around 30% of the current labour force in Switzerland will retire by 2030. The lack of skilled workers will make itself felt throughout all levels of hierarchy and in all functionals. To cope with this challenge, EMS invests in vocational training and promotes studies to gain college or advanced technical qualifications. In addition, EMS allows school children at all levels of education to gain insights into their future careers with focus on the MINT topics (mathematics, informatics, natural sciences and technology) through various events and projects (MINT weeks, First Lego League, career advice, holiday camps, "Future Day", children's play days, economic week courses for gymnasium students or teacher training ("Simple Science")).

The EMSORAMA and "EMSORAMA mobile" have a special significance. In 2016, under the name EMSORAMA, EMS launched the first and only Grisons Science Center to promote the fascination for natural sciences and technology at the production site in Domat/Ems. The "EMSORAMA mobile" was created in 2019. In contrast to the stationary EMSORAMA, the "EMSORAMA mobile" visits communities in the Grisons region to fascinate children, youngsters and their parents, school classes, associations and the public at general on site.

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

## Environmental sustainability

The business model with weight-reducing system solutions enables EMS' customers to achieve an annual reduction of 35,000 tons in CO<sub>2</sub> emissions.

EMS places great value in the greatest environmentally compatible and sustainable production possible. To this end, already in 2006 EMS started operation of a biomass power station on its largest production site worldwide at Domat/Ems in Switzerland, reducing CO<sub>2</sub> emissions by more than 80%. Since 2020, the energy supply at all Swiss and German production and sales locations is from 100% CO<sub>2</sub>-neutral hydroelectric power. Following implementation of further measures, EMS has operated worldwide and at all locations CO<sub>2</sub>-free since July 2020, and since 2021, EMS is CO<sub>2</sub>-negative worldwide and at all company locations.

EMS plans a continual reduction of emissions, material waste and wastewater, and implements this through goal-oriented operational improvements and with investment in replacement and expansion.

### Energy

EMS actively supports energy efficiency and global climate protection with the goal of sustainably reducing its own energy consumption and associated environmental effects. To achieve this, EMS puts its faith in efficient technology and renewable energy.

EMS sources electricity for the largest production and sales locations in Switzerland and Germany to 100 % from CO<sub>2</sub>-neutral hydroelectric power. Process steam at the largest production location worldwide is generated solely from biomass (timber). On principle, EMS production processes are designed to be as energy efficient as possible. Energy engineers are continually searching for new potential for optimisation to improve energy efficiency. Since 2019, the project "Energy-30", initiated by Executive Management, has been running to reduce energy consumption.

To achieve a medium-term reduction in energy demand and associated greenhouse gas emissions, EMS also develops and manufactures fundamentally new processes, products and technology.

With weight-saving EMS products, customers in the automotive industry can reduce vehicle weight and, in this way, achieve a significant reduction in fleet consumption for their vehicles.

#### Air emissions

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For many years now, EMS has advocated sustainable climate protection with firm conviction. With voluntary participation in the programmes of the Energy Agency, EMS has committed itself to active reduction of CO<sub>2</sub> emissions and optimisation of energy efficiency. EMS' target agreement is recognised worldwide by authorities and partners in industry.

A regular control of exhaust air emissions is an integral part of EMS' environmental management. Along with CO<sub>2</sub> levels, EMS also continually monitors levels of other relevant gaseous emissions in order to identify and make use of potential for improvement. The target is, and will remain, best-possible avoidance of emissions.

Where this is no longer technically possible, other possibilities are implemented to reduce the environmental effects to a minimum. In this way, for example, EMS completely compensates CO<sub>2</sub> emissions which cannot be further reduced, in global climate protection projects. EMS reports on air emissions in its own environmental report within the framework of the Responsible Care Initiative, in national surveys (climate registers, emissions reports) and in the global report of the CDP "Carbon Disclosure Project".

### Water and waste

#### Water

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Water is of great importance for production at EMS where it is needed as a cooling, dissolving and cleaning medium and for transport of goods by ship. EMS commits itself to responsible and sustainable use and handling. The goal is to protect water as a resource and, through continual improvement measures, to use it as efficiently as possible while continually reducing waste.

With its high-performance polymers, EMS provides customers solutions for cleaning and processing water. EMS has a range of different polymers in its

product portfolio which are approved for direct contact with drinking water.

EMS reports comprehensively and with transparency on the topic of water. In addition to its own environmental reports, EMS also communicates on the topic of water within the framework of the Responsible Care Initiative and the non-profit organisation CDP.

#### Wastewater

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Wastewater is generated from use of water as a medium for cooling, dissolving or cleaning. A special factor is that a substantial amount of water is also created as a by-product during the polymerisation process. This so-called "water of reaction" is split from the raw materials and causes the water output of EMS to be larger than the input.

A part of the water used is vaporised and released as steam with exhaust air. The liquid wastewater part is processed after use. Clean cooling water is released directly into natural water after being tested and checked. Dirty wastewater is transferred to the water treatment plant. At its main production location in Domat/Ems, Switzerland, EMS runs its own wastewater treatment plant which cleans not only the wastewater from company production, but also from the surrounding villages.

Through ongoing improvements at the treatment plant, efficiency is continually improved and compared to other industries, is on a very high level.

EMS reports in great detail on the topic of wastewater and wastewater quality. In addition to its own environmental reports, the key figures regarding wastewater can also be found in the reports of the Responsible Care Initiative and other national environment authorities.

#### Waste

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EMS works continually on new solutions for the circular economy and improved recycling. Wherever possible, materials are processed within the company which reduces the amount of waste generated.

Materials which cannot be recycled internally are collected and sent to a material recycling company. The EMS strategy is to maximise recycling. Materials such as polymers, metal, glass, wood, paper and

packaging materials are removed from production waste, sorted homogeneously and sent to be recycled.

Any remaining waste is predominantly polymer waste which has a high heat value and is mainly used for energy recycling. As secondary fuel, this waste is used to replace fossil fuels such as oil or gas, above all in energy-intensive plants in the cement industry. Only the low heat value waste is burned in refuse incineration plants.

For hazardous waste, the goal is to reduce quantities generated through ongoing implementation of optimisation measures (substitution, improved process stability, measurements etc.).

Hazardous waste is disposed of solely by authorized disposal companies and only at specialised facilities located in Switzerland.

#### Recycling and Disposal

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Hazardous goods and chemicals are transported, stored and disposed of after use according to the applicable legal requirements. Through company-internal collection points, employees are enabled to sort waste correctly allowing a large share to be recycled. Specialist companies are commissioned for professional and ecologically optimal recycling of specific materials (e.g. metal).

## Implementation of TCFD Recommendations

The requirements of the Task Force on Climate-related Financial Disclosures (TCFD) include the areas of governance, strategy and risk management as well as metrics and targets. Reporting according to TCFD

is intended to publicise risks and opportunities resulting from climate change in an appropriate way and thus to strengthen the stability of financial markets.

TCFD recommendation	Implementation at EMS	Further information
<b>Governance</b>		
Disclosure of the organization's governance around climate-related risks and opportunities	<ul style="list-style-type: none"> <li>→ The board of directors is responsible for sustainability and climate protection as well as climate-related risks and opportunities. It takes decisions on strategy and goals.</li> <li>→ Climate-relevant initiatives and measures are planned in the business areas and determined and approved by executive management during the planning process. They are implemented via line management.</li> </ul>	p. 5 (Governance) CDP questionnaire (C1.1, C1.1a, C1.1b)
<b>Strategy</b>		
Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning	<ul style="list-style-type: none"> <li>→ Reduction of CO<sub>2</sub> is the core of the EMS business model.</li> <li>→ Through replacement of metal using EMS' specialty polymers, customers can save up to 2/3 of the original part weight, depending on the component involved. This leads, e.g. in the automotive sector, to substantial weight and, therefore, fuel savings, which significantly reduces CO<sub>2</sub> emissions.</li> <li>→ Risks: currently more transitory than physical risks are expected, i.a. about legislation in Switzerland and the European Union (CO<sub>2</sub> pricing); risk of climate-induced customer demands; failure of electricity supply and price increases (exit nuclear power, shortage of electricity from renewable sources).</li> </ul>	p. 4 (Sustainability as part of the long-term strategy) CDP questionnaire (C2.1, C2.1a, C2.2, C2.3a, C2.4, C2.4a, C3.1a, C3.1b, C3.1d, C3.1e)

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## Strategy

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- Opportunities: Replacement of metal using EMS' specialty polymers; use of EMS' polymers for thermal and photovoltaic solar panels, small turbines, etc. and high-loading EMS resins for manufacture of wind turbine rotors for wind power plants; commercialisation of bio based specialty polyamides.

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## Risk Management

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Disclosure of how the organization identifies, assesses and manages climate-related risks

- Climatic risks are fully integrated in company-wide risk management, annual evaluation of all risks by management.

p. 5 (Stakeholders and risk management)  
 CDP questionnaire (C2.2, C2.2a)

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## Metrics and Targets

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Disclosure of the metrics and targets used to assess and manage relevant climate-related risks and opportunities

- Energy consumption, recycling quota, special waste, waste-water load, emissions factor, CO<sub>2</sub> emissions.
- 181.2 kg CO<sub>2</sub> per ton of product (scope 1 + 2), over-compensated by climate protection projects (→ CO<sub>2</sub>-negativ).
- Targets: continual reduction of emissions, waste and waste water; expansion of renewable energy.

p. 14 (Key index figures Environment)  
 CDP questionnaire (C4.1, C4.1a, C4.2, C6.1, C6.3, C6.5, C9.1)

## Key Figures Environment

### Energy consumption

		2021	2020	+/- %	Target 2035
Electricity	[MWh/t product]	0.69	0.76	-8.7%	
Fossil fuel	[MWh/t product]	0.83	0.84	-0.6%	
Renewable fuel (timber)	[MWh/t product]	0.20	0.21	-4.0%	
Total energy consumption	[MWh/t product]	1.72	1.81	-4.9%	< 1.50

### Electricity mix

		Renewable <sup>1)</sup>		Fossil		Nuclear	
		2021	2020	2021	2020	2021	2020
Switzerland <sup>2)</sup>	[%]	100	100	0	0	0	0
Germany <sup>2)</sup>	[%]	100	100	0	0	0	0
Europe (without Switzerland/Germany)	[%]	46.1	51.2	31.7	26.4	22.2	22.4
North and South America	[%]	10.8	9.4	56.1	56.9	33.1	33.7
Asia <sup>3)</sup>	[%]	17.5	16.6	74.0	73.9	8.5	9.5
EMS worldwide	[%]	93.4	93.9	4.8	4.2	1.8	1.9

<sup>1)</sup> Water, sun, wind, geothermics, biomass <sup>2)</sup> Production and sales locations with energy from renewable sources (Proof of origin hydropower)

<sup>3)</sup> without China – no official data available

### Water and waste water

		2021	2020	+/- %	Target 2035
Drinking, river and lake water	[m <sup>3</sup> /t product]	54.0	58.4	-7.5%	< 45
Waste water load	[kg TOC/t product]	0.18	0.19	-5.3%	< 0.15

### CO<sub>2</sub> emissions

		2021	2020	+/- %	Target 2035
CO <sub>2</sub> Scope 1	[kg/t product]	37.0	34.1	+8.5%	
CO <sub>2</sub> Scope 2	[kg/t product]	144.3	142.2	+1.5%	
Total CO <sub>2</sub> <sup>1)</sup>	[kg/t product]	181.2	176.3	+2.8%	
Compensation CO <sub>2</sub> <sup>2)</sup>	[kg/t product]	-183.0	-176.3	+3.8%	
Total CO <sub>2</sub> minus compensation	[kg/t product]	-1.8	0		< 0

<sup>1)</sup> EMS Group (Scope 1+2) <sup>2)</sup> compensation of unavoidable CO<sub>2</sub> emissions through climate-protection projects

### Other emissions

		2021	2020	+/- %	Target 2035
VOC <sup>1)</sup>	[kg/t product]	0.12	0.14	-14.7%	< 0.10
Dust	[kg/t product]	0.039	0.035	+9.8%	< 0.03
Anorg. gases	[kg/t product]	0.008	0.009	-8.8%	< 0.01

1) Volatile organic compounds

### Waste

		2021	2020	+/- %	Target 2035
Waste	[kg/t product]	32.3	32.8	-1.5%	< 30
Recycling quota	[%]	70.6	65.5	+7.8%	> 75

## Key Figures Employees

### Workforce

	2021	Share	2020	Share
Europe	1'631	61.6%	1'512	60.0%
<i>thereof Switzerland</i>	<i>998</i>	<i>37.7%</i>	<i>902</i>	<i>35.8%</i>
North and South America	361	13.6%	355	14.1%
Asia	654	24.7%	654	25.9%
Worldwide	2'646		2'521	

### Diversity

	Management		Employees	
	2021	2020	2021	2020
Percentage of women	22.5%	22.0%	18.4%	18.8%

### Age structure

	2021	2020
> 45 years	41.2%	43.3%
30 – 45 years	45.7%	45.3%
< 30 years	13.1%	11.4%

### Personnel expenditure

	2021 TCHF	2020 TCHF	+/- %
Wages and salaries	179'021	167'101	+7.1%
Subcontractor salaries	16'235	12'053	+34.7%
Expenses for defined benefit plans	9'248	6'787	+36.3%
Legal/contractual social insurance	24'539	22'221	+10.4%
Other personnel expenses	7'126	5'250	+35.7%
<b>Total personnel expenditure</b>	<b>236'169</b>	<b>213'412</b>	<b>+10.7%</b>

### Health and work safety

	2021	2020	+/- %	Target 2035
Work accidents per 100 with working employees time lost	5.0	3.3	+50.9%	< 1



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102–40 to 102–49 align with appropriate sections in the body of the report. For the Content Index Service,



GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report. The service was performed on the German version of the report.

## Universal standards

GRI-reference	GRI-title/comment	page*
GRI 101: 2016	Foundation	
GRI 102: 2016	General disclosures	
	Organizational profile	
102-1	Name of the organization EMS-CHEMIE HOLDING AG	
102-2	Activities, brands, products, and services	AR p. 6
102-3	Headquarters of the organization c/o EMS-CHEMIE AG 7013 Domat/Ems, Schweiz	
102-4	Location of operations	AR p. 68 ff.
102-5	Ownership and legal form	AR p. 9
102-6	Markets served	AR p. 6
102-7	Scale of the organization	AR p. 6
102-8	Information on employees and other workers	p. 16
102-9	Supply chain EMS works closely with suppliers to guarantee continual, inexpensive and reliable sourcing of equipment and raw materials for production. With its More-Supplier-Strategy, EMS reduces the risk of interruptions in manufacture of its products and promotes reliable delivery of the products.	
102-10	Significant changes to the organization and its supply chain None.	
102-11	Precautionary principle All employees and suppliers are instructed to use resources carefully and sparingly (Code of Conduct). In addition, systematic risk management is carried out to minimise different risks, including environmental risks.	
102-12	External initiatives United Nations Global Compact; Sustainability Report according to the Global Reporting Initiative (GRI) Standards; reporting according to the Carbon Disclosure Project (CDP)	

GRI-reference	GRI-title/comment	page*
102-13	Membership of associations Swissmem; Global Compact Network Switzerland	
	<b>Strategy</b>	
102-14	Statement from senior decision-maker	p. 2
102-15	Key impacts, risks and opportunities	p. 12
	<b>Ethics and integrity</b>	
102-16	Values, principles, standards and norms of behavior The revised Code of Conduct has been binding for all employees since 1.1.2020.	
102-17	Mechanisms for advice and concerns about ethics	p. 5
	<b>Governance</b>	
102-18	Governance structure	AR p. 14
102-19	Delegating authority	AR p. 14
102-20	Appointed body accountable for economic, environmental and social topics	p. 5
	<b>Stakeholder engagement</b>	
102-40	List of stakeholder groups Customers, environment, employees, shareholders, suppliers and neighbours at the locations where the companies of the EMS Group have often been based for a very long time and, as reliable employers and partners, promote regional development.	
102-41	Collective bargaining agreements At many locations the employees are covered by tariff contracts (resp. Collective Labor Agreement).	
102-42	Identifying and selecting stakeholders The EMS Group maintains close contact and dialogue with all stakeholders who have an influence on the Group's business success and who have a particular impact on its business activities.	
102-43	Approach to stakeholder engagement The following regular processes are made use of for engagement of stakeholders: Supplier evaluations, customer surveys, employee surveys. In addition, all locations maintain regular contact to the local authorities and government representatives.	
102-44	Key topics and concerns raised Price, quality, delivery periods, conditions of employment, salaries and, increasingly environmental and social aspects as well (Compliance) by shareholders / investors and customers. Concerns are noted and implemented where appropriate.	
	<b>Reporting practices</b>	

GRI-reference	GRI-title/comment	page*
102-45	Entities included in the consolidated financial statements Unless otherwise mentioned, all companies in the EMS Group.	
102-46	Defining report content and topic boundaries EMS evaluates, which topics are particularly relevant for stakeholders and for safeguarding the short, medium and long-term business success. In addition, the company evaluates in which subject areas it has a significant influence on the sustainable development (economic, social and ecological).	
102-47	List of material topics – Customers and suppliers – Finances – Innovation – Production and products – Employees – Environment	
102-48	Restatements of information None.	
102-49	Changes in reporting None.	
102-50	Reporting period 1.1.2021 until 31.12.2021	
102-51	Date of most recent previous report None.	
102-52	Reporting cycle Annual.	
102-53	Contact point for questions regarding the report Dr. Marc Ehrensperger, General Secretary info@ems-group.com	
102-54	Claims of reporting in accordance with the GRI Standards This report was drawn up in accordance with the GRI Standards "Core" option.	
102-55	GRI content index GRI content index	
102-56	External assurance None.	

## Topic-specific standards

GRI-reference	GRI-title/comment	page*
<b>GRI 200</b>	<b>Economic</b>	
<b>GRI 201: 2016</b>	<b>Economic performance</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	AR p. 2
103-2	The management approach and its components	AR p. 2
103-3	Evaluation of the management approach	AR p. 2
201-1	Direct economic value generated and distributed	AR p. 7
201-2	Financial implications and other risks and opportunities due to climate change	p. 12
201-3	Defined benefit plan obligations and other retirement plans	AR p. 34
<b>GRI 203: 2016</b>	<b>Indirect economic impacts</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 12
103-2	The management approach and its components	p. 12
103-3	Evaluation of the management approach	p. 12
203-2	Significant indirect economic impacts	p. 12
<b>GRI 205: 2016</b>	<b>Anti-corruption</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 5
103-2	The management approach and its components	p. 5
103-3	Evaluation of the management approach	p. 5
205-1	Operations assessed for risks related to corruption Not specified per business locations (allocation not significant) and determined risks (confidential information).	
<b>GRI 206: 2016</b>	<b>Anti-competitive behavior</b>	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices No legal actions regarding anti-competitive behavior are known for the reporting year.	
<b>GRI 207: 2019</b>	<b>Tax</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 7
103-2	The management approach and its components	p. 7
103-3	Evaluation of the management approach	p. 7
207-1	Approach to tax	p. 7

GRI-reference	GRI-title/comment	page*
207-2	Tax governance, control, and risk management	p. 7
207-3	Stakeholder engagement and management of concerns related to tax	p. 7
207-4	Country-by-Country reporting	p. 7
<b>GRI 300</b>	<b>Environmental</b>	
<b>GRI 302: 2016</b>	<b>Energy</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 9
103-2	The management approach and its components	p. 9
103-3	Evaluation of the management approach	p. 9
302-1	Energy consumption within the organization	p. 14
302-3	Energy intensity	p. 14
302-4	Reduction of energy consumption	p. 9
302-5	Reduction in energy requirements of products and services	p. 9
<b>GRI 303: 2018</b>	<b>Water and effluents</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 10
103-2	The management approach and its components	p. 10
103-3	Evaluation of the management approach	p. 10
303-1	Interaction with water as a shared resource	p. 10
303-2	Management of water discharge-related impacts	p. 10
303-3	Water withdrawal	p. 10
303-4	Water discharge	p. 10
303-5	Water consumption	p. 14
<b>GRI 305: 2016</b>	<b>Emissions</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 9
103-2	The management approach and its components	p. 9
103-3	Evaluation of the management approach	p. 9
305-1	Direct (Scope 1) GHG emissions	p. 14
305-2	Indirect energy-related (Scope 2) GHG emissions	p. 14
305-4	Intensity of GHG emissions	p. 10
305-5	Reduction of GHG emissions	p. 10

GRI-reference	GRI-title/comment	page*
<b>GRI 306: 2020</b>	<b>Waste</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 10
103-2	The management approach and its components	p. 10
103-3	Evaluation of the management approach	p. 10
306-1	Waste generation and significant waste-related impact	p. 11
306-2	Management of significant waste-related impact	p. 11
306-3	Waste generated	p. 15
306-4	Waste diverted from disposal	p. 11
306-5	Waste directed to disposal	p. 11
<b>GRI 307: 2016</b>	<b>Environmental compliance</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 5
103-2	The management approach and its components	p. 5
103-3	Evaluation of the management approach	p. 5
307-1	Non-compliance with environmental laws and regulations No legal actions have been taken against the EMS Group for non-compliance with environmental legislation or regulations during the reporting year.	
<b>GRI 400</b>	<b>Social</b>	
<b>GRI 401: 2016</b>	<b>Employment</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 7
103-2	The management approach and its components	p. 7
103-3	Evaluation of the management approach	p. 7
401-1	Hiring of new employees and employee turnover	p. 7
<b>GRI 403: 2018</b>	<b>Occupational health and safety</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
403-1	Occupational health and safety management system	p. 8
403-2	Hazard identification, risk assessment, and incident investigation	p. 8
403-3	Occupational health services	p. 8
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 8

GRI-reference	GRI-title/comment	page*
<b>GRI 404: 2016</b>	<b>Training and education</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 8
103-2	The management approach and its components	p. 8
103-3	Evaluation of the management approach	p. 8
404-1	Average hours of training per year and employee	p. 8
404-2	Programs for upgrading employee skills and transition assistance programs	p. 8
404-3	Percentage of employees receiving regular performance and career development reviews All employees are evaluated annually by their superiors.	
<b>GRI 405: 2016</b>	<b>Diversity and equal opportunity</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 7
103-2	The management approach and its components	p. 7
103-3	Evaluation of the management approach	p. 7
405-1	Diversity of governance bodies and employees	p. 16
405-2	Ratio of basic salary and remuneration of women to men	p. 8
<b>GRI 406: 2016</b>	<b>Non-discrimination</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 26
103-2	The management approach and its components	p. 26
103-3	Evaluation of the management approach	p. 26
406-1	Incidents of discrimination and corrective actions taken No complaints of alleged discrimination are known for the reporting year.	
<b>GRI 408: 2016</b>	<b>Child labor</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 27
103-2	The management approach and its components	p. 27
103-3	Evaluation of the management approach	p. 27

GRI-reference	GRI-title/comment	page*
408-1	Operations and suppliers at significant risk for incidents of child labor With its Code of Conduct, introduced in 2020 and its membership in the UN Global Compact, the EMS Group is committed to protecting human rights. This includes categorical repudiation of child labor in all business units. No company locations or suppliers were identified as having a substantial risk of child labor in the reporting year.	
<b>GRI 409: 2016 Forced or compulsory labor</b>		
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 26
103-2	The management approach and its components	p. 26
103-3	Evaluation of the management approach	p. 26
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor With its Code of Conduct, introduced in 2020 and its membership in the UN Global Compact, the EMS Group is committed to protecting human rights. This includes categorical repudiation of forced or compulsory labor in all business units. No company locations or suppliers were identified as having a substantial risk of forced or compulsory labor in the reporting year.	
<b>GRI 412: 2016 Human rights assessment</b>		
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 26
103-2	The management approach and its components	p. 26
103-3	Evaluation of the management approach	p. 26
412-2	Employee training on human rights policies	p. 5
<b>GRI 414: 2016 Supplier social assessment</b>		
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 5
103-2	The management approach and its components	p. 5
103-3	Evaluation of the management approach	p. 5
414-1	New suppliers that were screened using social criteria	p. 5
<b>GRI 416: 2016 Customer Health and Safety</b>		
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 8
103-2	The management approach and its components	p. 8
103-3	Evaluation of the management approach	p. 8
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services No complaints of alleged negative health and safety impacts by products and services of EMS companies are known for the reporting year.	

GRI-reference	GRI-title/comment	page*
<b>GRI 417: 2016</b>	<b>Marketing and labeling</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 25
103-2	The management approach and its components	p. 25
103-3	Evaluation of the management approach	p. 25
417-1	Requirements for product and service information and labeling EMS complies with all valid legislation and regulations governing product safety as well as appropriate product labeling and description. No complaints of supposed violation of product labeling and description in the EMS Group are known for the reporting year.	
<b>GRI 419: 2016</b>	<b>Socioeconomic compliance</b>	
GRI 103: 2016	Management approach	
103-1	Explanation of the material topic and its scope	p. 5
103-2	The management approach and its components	p. 5
103-3	Evaluation of the management approach	p. 5
419-1	EMS is not aware of any legal action regarding non-compliance with laws and regulations in regard to social and economic affairs in the reporting year. EMS can confirm that in 2021, no fines or non-financial sanctions have been imposed against the company.	

\* Page(s) in this report resp. in the Annual Report (AR=EMS Annual Reprt 2021/2022)

## Communication on Progress UN Global Compact

### Human rights

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#### Principle 1:

Support and respect the protection of internationally proclaimed human rights

- When hiring employees and determining their assignment in the company, EMS attaches great importance to qualifications appropriate to the task description. In accordance with their qualifications, the majority of EMS employees at the production sites and sales companies are paid well above the minimum wage range. This considerably reduces the risk of human rights violations.
- The EMS Group's Code of Conduct clearly stipulates that the companies and employees in the Group respect human rights, dignity, privacy and personal rights of every individual.
- EMS does not tolerate any form of discrimination, humiliation, oppression, harassment or offence.
- In the reporting year 2021, the Compliance Officer received no complaints of alleged discrimination in EMS companies.
- In its Code of Conduct, the EMS Group commits to ensuring a safe and healthy working environment.
- EMS is committed to the safe operation of equipment and processes. Before commissioning, all systems are carefully tested, especially monitoring and control equipment. After successful trial operation and only after internal and external experts have inspected the plant and found it to be in reliable and secure condition, operations takes over. Periodic safety checks by operations and safety experts ensure a high safety standard.

#### Principle 2:

Make sure the company is not complicit in human rights abuse

- In its Code of Conduct, the EMS Group commits to open and honest behaviour with integrity.
- The EMS Group gives its suppliers fair contractual terms and reasonable service in return. In exchange, EMS also expects suppliers to treat their employees and suppliers fairly and honestly.
- No cases of human rights abuse were discovered in 2021, nor were any cases revealed during the course of the audits performed among suppliers.

### Labor practices

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#### Principle 3:

Make sure the company is not complicit in human rights abuses

- The EMS Group's Code of Conduct explicitly states that employees are free to join trade unions.
- The EMS companies maintain a constructive dialogue with internal employee representatives.
- Employees of the production site Domat/Ems in Switzerland and of many production sites worldwide are subject to a Collective Bargaining Agreement.

#### Principle 4:

Uphold the elimination of all forms of forced and compulsory labor

- EMS' exposure with respect to forced labor is considered low because of its industry, business model, countries in which business activities are carried out and high quality requirements.

## Labor practices

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### Principle 5: Abolition of child labor

- In its Code of Conduct, the EMS Group is committed to protecting human rights. It categorically rejects the use of forced and compulsory labor.
- No cases of forced and compulsory labor were discovered in 2021, nor were any cases revealed during the course of the audits performed among suppliers.
- EMS exposure with regard to child labor is considered low because of its industry, business model, countries in which business activities are carried out and high quality requirements.
- In its Code of Conduct, the EMS Group is committed to protecting human rights. It categorically rejects all forms of child labor.
- No cases of child labor were discovered in 2021, nor were any cases revealed during the course of the audits performed among suppliers.

### Principle 6: Uphold the elimination of discrimination in respect of employment and occupation

- The Code of Conduct stipulates that EMS does not tolerate any form of discrimination or harassment.
- In the reporting year 2021, the Compliance Officer received no complaints of alleged discrimination in EMS companies.
- EMS salary policy adheres to the principle of fair and equal pay for men and women.
- In 2021, an audit was conducted to assess potential wage gaps between female and male employees at the locations in Switzerland. The audit did not reveal any wage gaps between female and male employees.

## Environmental protection

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### Principle 7: Support a precautionary approach to environmental challenges

- Executive Management of the EMS Group ensures that environmental aspects are taken into account in the corporate strategy and in the activities of EMS. The Business Unit Managers are members of Extended Executive Management.
- For many years, EMS has focused on sustainability in the production of its products. For example, EMS already reduced CO<sub>2</sub> emissions by over 80% in 2006 with the commissioning of a biomass power plant at the Group's largest production site worldwide at Domat/Ems, Switzerland. Since 2020, the power supply at the Swiss and German production and sales sites has also been generated 100% from CO<sub>2</sub>-neutral hydropower. Through further measures, including the purchase of long-term effective CO<sub>2</sub> certificates, EMS has been producing CO<sub>2</sub>-free worldwide since July 1, 2020.
- Thanks to its innovation, EMS helps its customers reduce energy consumption. Polymer materials for demanding technical applications are the main business of EMS. These high-performance polymers are mainly used to replace heavy metal components in automotive engineering applications, but also in a wide range of other industries. The weight reduction that can be achieved in this

## Environmental protection

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### Principle 8:

Undertake initiatives to promote greater environmental responsibility

way makes a significant and sustainable contribution to reducing emissions from vehicles and in the manufacture of consumer goods. In this way, EMS achieves significant added value for its customers. Or in other words: the EMS business model is designed per se for environmental protection and sustainability

- In the reporting year 2021, investments in environment, health and safety measures amounted to 3.5% of the total investments (previous year: 4.6%).
- At the end of 2021, 6 EMS Group companies were recertified according to ISO 14001 (EFTEC AG, EFTEC Systems S.A. (ES), EFTEC North America LLC, EFTEC BRASIL LTDA, EFTEC (Czech Republic) a.s. and EFTEC N.V. BELGIUM).
- Other companies are working towards ISO environmental certification.
- EMS-CHEMIE AG in Domat/Ems follows the principles of the Responsible Care Initiative.
- A wood-fired power plant (Axpo Tegra AG) has been in operation at the site in Domat/Ems since 2006 to supply process steam.

### Principle 9:

Encourage the development and diffusion of environmentally-friendly technologies

- Environmental protection at EMS encompasses both environmentally-friendly production with efficient use of resources, and the development of products that are made of the most environmentally-sound components possible. With its proactive chemical compliance management, the company goes above and beyond legal requirements.
- EMS proactively identifies substances of concern that are particularly hazardous to health and harmful to the environment and prohibits the use of these substances for the development and production of new thermoplastic products.
- In many cases, EMS' products directly help to protect the environment. For example, EMS' products used in automobiles help to save weight and reduce fuel consumption.

## Anti-corruption

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### Principle 10:

Work against corruption in all its forms, including extortion and bribery

- The EMS Group's Code of Conduct strictly prohibits any kind of offer, payment, demand or acceptance of bribes and kickbacks as well as any other kind of financial advantages.
- The Code of Conduct is reiterated to employees regularly during internal training sessions.
- During 2021, no significant fines or non-monetary sanctions were imposed on EMS for non-compliance with laws and regulations during the reporting year.
- The internal auditors regularly monitor compliance with the Code of Conduct in all organisational units of the EMS Group.
- No cases of corruption were discovered in 2021, nor were any cases revealed during the course of the audits performed among suppliers.





HIGH PERFORMANCE POLYMERS  
SPECIALTY CHEMICALS