Atlantic Chemicals Trading GmbH

Sustainability Report 2024

In accordance with the VSME standard

Executive Summary

As an owner-managed and independent trading company with Hanseatic roots, Atlantic Chemicals Trading GmbH (ACT) looks back on a long tradition of reliability and quality. Since our founding in 1985, we have developed into a global partner for quality raw materials, supplying customers in the food and feed, pharmaceutical and cosmetics industries. Our business activities are geared towards securing long-term independence and reacting flexibly to the dynamic requirements of the world markets. This foundation of stability and agility enables us to create sustainable value for our partners.

In a world that is increasingly facing the challenges of climate change and social change, we recognize our responsibility to make our business model future-proof and sustainable. With this first sustainability report in accordance with the Voluntary Standard for SMEs (VSME), we are laying the foundation for transparent and structured reporting on our sustainability performance. As a trading company, our main areas of influence lie in the design of our supply chains, logistics and the responsible selection of our global partners. We see sustainability as a continuous process and a corporate commitment that is firmly anchored in our culture and that we want to shape together with our employees and business partners.

This report provides a comprehensive look at our current environmental, social, and governance (ESG) practices, policies, and goals. It covers both the basic module and the comprehensive module of the VSME standard and documents our progress to date as well as the areas in which we want to develop further. We invite you to join us on this journey and learn more about our commitment to a more sustainable future. Your feedback is a valuable impulse for us for our further path.

Content

Basic Module

B-1 Basis for Preparation

This chapter lays the formal basis for this sustainability report of Atlantic Chemicals Trading GmbH. It defines the reporting framework and standards applied and provides basic information about the company. This creates the necessary transparency to be able to correctly classify and understand the following data and information.

24 Basic Information about ACT's Reporting

The following sections explain the methodological choices on which this report is based. This includes the choice of the reporting module, the handling of potentially sensitive information, the consolidation basis and a detailed presentation of the company profile and locations.

Choice of module: For reporting, the basic module and the comprehensive module of the VSME standard were chosen.

Omission of information: The following items have been omitted from this external version of the report due to privacy and strategic reasons:

- Own workforce - composition according to employment contracts
- Own workforce - composition by country
- Turnover rate
- Description of the most important business relationships

All other relevant data is presented transparently.

Type of Sustainability Report: The report was prepared on an individual basis for Atlantic Chemicals Trading GmbH.

List of subsidiaries: No subsidiaries have been consolidated for this report.

Company profile: The following table provides an overview of the key figures and legal framework of Atlantic Chemicals Trading GmbH

Feature	Specification
Legal form of the company	Ltd
NACE sector classification code(s)	46.75 (Wholesale of chemical products)
Amount of total assets [euro]	55.017.058
Turnover [Euro]	110.000.000
Number of persons employed [FTE]	42,2
Country of main activity	Germany
Geolocations	
Location	Atlantic Chemicals Trading GmbH
Address	Hermannstraße 46
Postal code	20095
City	Hamburg
Land	Germany

25 Sustainability Certifications

Independent third-party certifications are an important indicator of a company's commitment to sustainability. They demonstrate compliance with recognized standards and build trust with customers, partners, and other stakeholders.

Atlantic Chemicals Trading GmbH does not have any formal sustainability certifications. However, we regularly have our sustainability activities assessed by recognized platforms such as Sedex, EcoVadis, Integrity Next and CDP in order to make our performance transparent and identify potential for improvement.

Double Materiality Analysis

In the reporting period, we voluntarily carried out a double materiality analysis (DWA) at Atlantic Chemicals Trading GmbH. In this way, we wanted to prepare ourselves for the requirements of the upcoming CSRD at an early stage. Due to the omnibus procedure and the currently still unclear political requirements, we have completed the analysis but decided to initially implement the reporting on the basis of the VSME standard.

At the beginning, we defined the scope of consolidation and worked out our value chain. To do this, we recorded our business components, key resources and all our internal, upstream and downstream activities and assigned them to the respective stages of our value chain. This foundation was crucial for all further analysis steps.

In the next step, we identified the relevant stakeholders along the value chain and then determined our core stakeholders. They assigned these to the corresponding sustainability topics in accordance with the ESRS in order to integrate their interests into the further analysis. Special attention was paid to stakeholders with a high degree of dependency and nature, which we understood as "silent stakeholders".

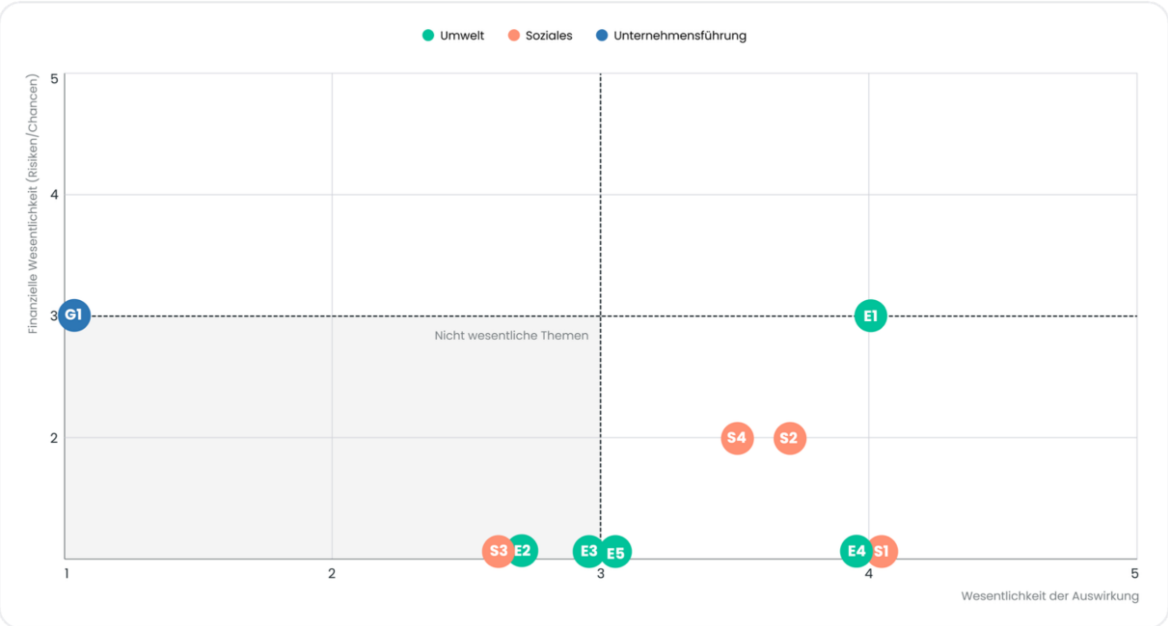
We then analysed the impacts, risks and opportunities (IROs) arising from our activities by systematically reviewing the relevance of each activity to the ESRS topics and possible IROs. We classified the IROs according to type, potential or actuality, positivity or negativity or opportunity or risk, time horizon and a possible reference to human rights.

We then assessed the identified IROs in accordance with the requirements of the ESRS and EFRAG. In terms of impact, we focused on severity, scope, magnitude, immutability, and probability. We assessed risks and opportunities according to their financial extent and – in the case of potential IROs – also according to the probability of occurrence.

To ensure quality, we work in the four-eyes principle. Each step was checked and properly documented by a qualified person. The results were recorded and archived in protocols and assessment overviews in accordance with the ESRS requirements. The following is an overview of the topics and subtopics that we have assessed as essential, presented as a matrix and as a table with an indication of the main types of IROs.

Presentation of Material Topics and IROs

The materiality matrix visualises the ESRS topics that are material for ACT from the double materiality analysis based on their financial and impact-related relevance. Each topic is positioned in the matrix in the place of the subtopic with the highest rating. The main subtopics are listed separately. This is followed by a detailed view of the material topics and IROs.



E1
- ESRS E1.1 Anpassung an den Klimawandel
- ESRS E1.2 Klimaschutz
- ESRS E1.3 Energie

E3
- ESRS E3.1 Wasser

E4
- ESRS E4.1 Direkte Ursachen des Biodiversitätsverlusts
- ESRS E4.3 Auswirkungen auf den Umfang und den Zustand von Ökosystemen

E5
- ESRS E5.3 Abfälle

S1
- ESRS S1.1 Arbeitsbedingungen
- ESRS S1.2 Gleichbehandlung und Chancengleichheit für alle

S2
- ESRS S2.1 Arbeitsbedingungen

S4
- ESRS S4.2 Persönliche Sicherheit von Verbrauchern und/oder Endnutzern

G1
- G1.1 Unternehmenskultur
- G1.5. Management der Beziehungen zu Lieferanten, einschließlich Zahlungspraktiken

Thema	Unterthema	Wesentliche Auswirkungen	IRO-Typ	Finanzielle Wesentlichkeit	IRO-Typ
E1 Klimawandel	Anpassung an den Klimawandel			Chancen	Potentiell
	Klimaschutz	Negative Auswirkungen	Tatsächlich	Risiken	Tatsächlich
	Energie	Negative Auswirkungen	Tatsächlich		
E2 Umwelt-verschmutzung	Luftverschmutzung	Keine wesentlichen IROs			
	Wasserverschmutzung	Keine wesentlichen IROs			
	Bodenverschmutzung	Keine wesentlichen IROs			
	Verschmutzung von lebenden Organismen und Nahrungsressourcen	Keine wesentlichen IROs			
	Besorgniserregende Stoffe	Keine wesentlichen IROs			
	Besonders besorgniserregende Stoffe	Keine wesentlichen IROs			
	Mikroplastik	Keine wesentlichen IROs			
E3 Wasser- und Meeresressourcen	Wasser	Negative Auswirkungen	Tatsächlich		
	Meeresressourcen	Keine wesentlichen IROs			
E4 Biologische Vielfalt und Ökosysteme	Direkte Ursachen des Biodiversitätsverlusts	Negative Auswirkungen	Tatsächlich		
	Auswirkungen auf den Zustand der Arten	Keine wesentlichen IROs			
	Auswirkungen auf den Umfang und den Zustand von Ökosystemen	Negative Auswirkungen	Tatsächlich		
	Auswirkungen und Abhängigkeiten von Ökosystemdienstleistungen	Keine wesentlichen IROs			
E5 Kreislauf-wirtschaft	Ressourcenzuflüsse, einschließlich Ressourcennutzung	Keine wesentlichen IROs			
	Ressourcenabflüsse im Zusammenhang mit Produkten und Dienstleistungen	Keine wesentlichen IROs			
	Abfälle	Negative Auswirkungen	Tatsächlich		

Thema	Unterthema	Wesentliche Auswirkungen	IRO-Typ	Finanzielle Wesentlichkeit	IRO-Typ
S1 Eigene Belegschaft	Arbeitsbedingungen	Positive Auswirkungen	Tatsächlich		
	Gleichbehandlung und Chancengleichheit für alle	Positive Auswirkungen	Tatsächlich		
	Sonstige arbeitsbezogene Rechte	Keine wesentlichen IROs			
S2 Arbeitskräfte in der Wertschöpfungs-kette	Arbeitsbedingungen	Negative Auswirkungen	Tatsächlich		
	Gleichbehandlung und Chancengleichheit für alle	Keine wesentlichen IROs			
	Sonstige arbeitsbezogene Rechte	Keine wesentlichen IROs			
S3 Betroffene Gemeinschaften	Wirtschaftliche, soziale und kulturelle Rechte von Gemeinschaften	Keine wesentlichen IROs			
	Bürgerrechte und politische Rechte von Gemeinschaften	Keine wesentlichen IROs			
	Rechte indigener Völker	Keine wesentlichen IROs			
S4 Verbraucher und Endnutzer	Informationsbezogene Auswirkungen für Verbraucher und/oder Endnutzer	Keine wesentlichen IROs			
	Persönliche Sicherheit von Verbrauchern und/oder Endnutzern	Positive Auswirkungen	Tatsächlich		
	Soziale Inklusion von Verbrauchern und/oder Endnutzern	Keine wesentlichen IROs			

Thema	Unterthema	Wesentliche Auswirkungen	IRO-Typ	Finanzielle Wesentlichkeit	IRO-Typ
G1 Unternehmens-politik	Unternehmenskultur			Chancen	Potentiell
	Schutz von Hinweisgebern (Whistleblowers)	Keine wesentlichen IROs			
	Tierschutz	Keine wesentlichen IROs			
	Politisches Engagement	Keine wesentlichen IROs			
	Management der Beziehungen zu Lieferanten, einschließlich Zahlungspraktiken			Risiken	Tatsächlich
	Korruption und Bestechung	Keine wesentlichen IROs			

B-2 Practices, Policies and Future Initiatives for the Transition to a more Sustainable Economy

As a trading company, our primary influence is not in production, but in the careful selection of our partners and the design of our business processes. This chapter presents the concrete practices, guidelines and initiatives with which Atlantic Chemicals Trading GmbH actively shapes the transition to a more sustainable way of doing business. This includes both measures already implemented and future plans in the areas of environment, social affairs and corporate governance.

26 Specific Sustainability Practices

The following table provides a detailed overview of our existing and planned sustainability practices, broken down by material sustainability topics. It shows in which areas we are already active, whether our guidelines are publicly available and to what extent concrete goals are anchored in them.

Sustainability topic	Existing practices/ policies	Publicly available	Goals addressed	Further explanations
I. Climate change	Yes	No	Yes	Already implemented: Environmental policy Future: Development and review of smart sustainability goals, strategies and measures, including adaptation of internal processes
II. Pollution	No	No	No	The topic is not relevant to our own business activities, as we do not operate any

Sustainability topic	Existing practices/ policies	Publicly available	Goals addressed	Further explanations
				production processes that produce pollutants or wastewater. Indirectly, air pollution from maritime shipping occurs during the transport of our goods. However, these emissions are beyond our immediate control and cannot be significantly reduced at this time.
III. Water and marine resources	No	No	No	The topic is also not relevant to our business activities. We do not operate water-intensive processes; At our location, only the usual consumption in office operations is incurred. However, these effects are beyond our direct control and cannot be materially influenced at this time.
IV. Biodiversity and ecosystems	No	No	No	The topic is not relevant to our own business activities, as we do not operate production processes with land consumption or wastewater discharges that could affect ecosystems. Our location is purely an

Sustainability topic	Existing practices/ policies	Publicly available	Goals addressed	Further explanations
				office operation with no significant impact on natural habitats. Indirectly, international shipping can affect marine ecosystems as part of our transports. However, these effects are beyond our direct control and cannot be materially influenced by us at this time.
V. Circular economy	No	No	No	As a distributor of raw materials, we have no direct influence on the further use or disposal of by-products, waste products and end products. A direct application of circular economy principles is therefore only possible to a limited extent in our business model.
VI. Own workforce	Yes	Yes	in progress	Ergonomic workplaces, flexible working hours, home office, appropriate pay, company pension scheme, offers for professional development and personal development, offers for CHM (Urban Sports) and job bikes.

Sustainability topic	Existing practices/ policies	Publicly available	Goals addressed	Further explanations
VII. Workers in the value chain	Yes	No	No	The Supplier Code of Conduct addresses issues relating to workers in the value chain.
VIII. Affected communities	No	No	No	-
IX. Consumers and End-Users	No	No	No	-
X. Entrepreneurial action	Yes	No	No	In environmental policy, the effects of entrepreneurial action are addressed.

B-3 Energy and Greenhouse Gas Emissions

The recording and management of energy consumption and greenhouse gas emissions are central elements of our sustainability activities. As a retail company, our direct emissions are mainly focused on the energy requirements of our office locations. However, a significant part of our total emissions are in the indirect area (Scope 3), especially from logistics and transport. The following section provides a transparent view of our greenhouse gas emissions.

29 Energy Consumption

The energy consumption of Atlantic Chemicals Trading GmbH results exclusively from the purchase of electricity and district heating for our office location. We have made a conscious decision to have a complete power supply from renewable energies. Our district heating consumption was estimated at 50 MWh.

Energy source	Renewable [MWh]	Non-renewable [MWh]	Total [MWh]
Electrical energy	45	0	45
Fuels	0	0	0
Consumption	**45**	**0**	**45**

30 Greenhouse Gas Emissions

Calculating the corporate carbon footprint is crucial for developing a comprehensive climate protection strategy. The analysis of the CCF makes it possible to identify emission hotspots and potential reduction opportunities, to design suitable measures and to set clear climate protection targets.

For the year 2024, ACT carried out a carbon footprint, accounting in accordance with the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004). The results of the accounting are shown below.

Post	Emissions1	Share of total issuance market-based2	Share of total emissions based on location2
Scope 1		**0,27 %**	**0,27 %**
1.2 Fleet	23.86 t CO2e	0.27 %	0.27 %
Scope 2 (market-based)		**0,15 %**	**-**
2.1 Purchased electricity (market-based)	0.00 t CO2e	0,00%	-
Scope 2 (location-based)		**-**	**0,34 %**
2.1 Purchased electricity (location-based)	17.46 t CO2e	-	0,20 %
2.2 Purchased heating and cooling	10.84 t CO2e	0,12 %	0,12 %
2.4 Vehicle fleet, electric	2.03 t CO2e	0,02 %	0,02 %
Scope 3		**99,58 %**	**99,38 %**
3.1.1 Chemical raw materials and products	0.31 t CO2e	< 0.01 %	< 0.01 %
3.1.2 Wood, paper and cardboard	2.44 t CO2e	0,03 %	0,03 %
3.1.7 Fresh water	0.02 t CO_2e	< 0.01%	< 0.01 %
3.1.8 Electronics	6.52 t CO_2e	0,07 %	0,07 %
3.1.9 Furniture	0.29 t CO_2e	< 0.01%	< 0.01 %
3.1.12 Digital Services and Servers	2.37 t CO2e	0,03 %	0,03 %
3.1.14 Other services	14.46 t CO2e	0,16 %	0,17%
3.3 Fuel and energy-related emissions	7.54 t CO2e (market-based) 8.89 t CO2e (site-based)	0.09 %	0,10 %
3.4 Purchased transport and logistics	8,605.28 t CO2e	98,11 %	97,89 %
3.5 Waste	1.71 t CO2e	0.02 %	0,02 %
3.6 Business trips	77.65 t CO2e	0.89 %	0,88 %
3.6.1 Hotel accommodation	5.08 t CO2e	0.06 %	0.06 %
3.7.1 Employee commuting	6.09 t CO2e	0.07 %	0,07 %
3.7.2 Home office	5.14 t CO2e	0.06 %	0,06 %

Post	Emissions1	Share of total issuance market-based2	Share of total emissions based on location2
Total issuance (market-based)	**8,771.23 t CO2e**	**100 %**	**-**
Total emissions (site-based)	**8,790.49 t CO2e**	**-**	**100 %**

1 Values are rounded.
2 This CO2 balance includes all conventional greenhouse gases in the formulation CO2 equivalents (CO2e). This includes gases such as methane (CH4), nitrous oxide (N2O) and fluorinated gases (HFCs, PFCs, SF6, NF3). The CO2e values take into account the different global warming potentials (GWP) of these gases to enable a uniform representation of the climate impact and refer to the IPCC report of 2021 (AR6) using the Global Warming Potential over 100 years (GWP100).

31 Greenhouse Gas Intensity

Greenhouse gas intensity relates our emissions to our economic success and is an important metric that enables an assessment of our emissions efficiency and shows how we decouple economic growth from our climate impact.

Our company's greenhouse gas intensity is currently calculated based on available emissions data and revenue.

The greenhouse gas intensity of ACT is 0.00007974 t CO_2e per euro of turnover (market-based).

B-4 Pollution of Air, Water and Soil

As a pure retail and office company without its own production facilities, our direct impact on air, water and soil is negligible. Nevertheless, we are monitoring regulatory developments and are aware of our indirect responsibility within the value chain.

32 Pollutant Emissions

Due to our business model, we are not obliged to report pollutant emissions, as there are no relevant emissions.

B-5 Biodiversity

The protection of biodiversity is a global challenge. Even though our direct impact as an office business is small, it is important to us to deal with the topic of biodiversity.

33 Biodiversity-sensitive Sites

Atlantic Chemicals Trading GmbH does not operate any sites located in or near areas classified as biodiversity-sensitive. Our office location in Hamburg is located in an urban environment. The employees of ACT Scandinavia and ACT Czech work exclusively from their home offices. Thus, there are no direct points of contact with ecosystems worthy of protection.

34 Land Use

The company operates only one office in Hamburg with a total area of approx. 500 m². There are no separate production or storage areas. For this reason, the impact of direct land use on the environment and biodiversity is classified as negligible and corresponding key figures are not reported separately.

B-6 Water

The responsible use of water as a resource is a global concern that ACT also pursues. Our water consumption corresponds to that of a typical office operation and is mainly used for sanitary facilities and the office kitchen.

35 Water Withdrawal and Consumption

Our sites are not located in areas with high water stress. The total water withdrawal at all sites in the year under review amounted to 120 m^3. There is no specific water consumption in the sense of consumptive use (e.g. through evaporation or integration into products), which is why consumption is given as 0 m^3. The extracted water is returned to the sewage system after use.

36 Water Consumption in Production Processes

Since we are a pure trading company with an office location and not a manufacturing company, there is no water consumption in the context of production processes. This data point is therefore not applicable to us.

B-7 Resource Use, Circular Economy and Waste Management

The transition from a linear throwaway society to a circular economy is crucial for a sustainable future. This module sheds light on how Atlantic Chemicals Trading GmbH deals with resources, what role the circular economy plays in our business model and how we design our waste management.

37 Application of the Circular Economy

Atlantic Chemicals Trading GmbH does not currently apply any principles of the circular economy. As a distributor of raw materials, we have no direct influence on the further use or disposal of the end products made from our materials. Since our raw materials are mainly used in the production of food, cosmetics and animal feed, it can be assumed that these products are consumed within the scope of their intended use and are not returned to the material cycle. A direct application of circular economy principles is therefore only possible to a limited extent in our business model.

38 Resource Use, Circular Economy and Waste Management

Our waste generation is typical for an office operation. We attach great importance to correct waste separation and strive to avoid waste.

The annual amount of waste generated at the site is mainly due to packaging waste from daily consumption and a low proportion of paper and residual waste. Based on typical consumption values for modern office environments, we estimate the total annual waste generation to be around 0.44 to 0.86 tonnes. There is no hazardous waste. Since we are not a manufacturing company, there are no significant material flows, which is why information on mass flow is not relevant.

Type of waste	Total waste generated [t]	Of which reused or recycled [t]	Of which directly disposed of [t]
Hazardous waste	0	0	0
Non-hazardous waste	0.65	0	0.65

The packaging used by our manufacturers is often still made of materials that are not recycled or do not come from certified, sustainable sources. For the future, we would like to motivate our suppliers to use recyclable packaging and materials from FSC or PEFC-certified sources. Since packaging design is the responsibility of the manufacturers, we have only indirect influence on this development. However, we will take the topic into account more in our queries and demand appropriate evidence.

B-8 Labour Force - General Features

Our employees are the key to our success. Their expertise, commitment and diversity are what make Atlantic Chemicals Trading GmbH stand out. We strive to create an attractive, fair, and supportive work environment where everyone can thrive individually. This chapter provides an overview of the structure of our workforce.

39 Labour Force - General Characteristics

The following tables show the composition of our workforce by contract type, gender and country of employment.

Composition by gender

Sex	Number
male	25
female	21
miscellaneous	0
not specified	0
Total employees	**46**

40 Employee Turnover

Since ACT has fewer than 50 employees, the disclosure of a turnover rate is not mandatory.

B-9 Occupational Health and Safety

The health and safety of our employees is our top priority. We are committed to creating a work environment that minimizes risk and promotes well-being.

41 Workers - Health & Safety

We systematically record and monitor work-related incidents to take preventive measures and ensure a safe working environment.

In the reporting period, there were no accidents at work and no work-related deaths in our company. The accident rate is therefore 0%.

B-10 Labour Force - Remuneration, Collective Bargaining and Training

Fair remuneration, the opportunity for further training and social dialogue are the cornerstones of our personnel policy. This module provides insights into our practices regarding minimum wage, equal pay, collective bargaining coverage and the promotion of our employees through training and development.

42 Labour Force - Remuneration, Collective Bargaining and Training

We confirm that all our employees receive a salary that is above the statutory minimum wage. Since ACT GmbH employs fewer than 100 people, the disclosure of a gender-specific pay gap is not mandatory. There is no collective bargaining agreement for our employees.

We promote the continuous development of our workforce. In the year under review, an average of 7 training courses were carried out per employee. An exact specification of the training hours is not available.

Sex	Average number of training courses per year
Male	7
Female	7
Miscellaneous	0

B-11 Convictions and Fines for Corruption and Bribery

Integrity and ethical business conduct are the basis of our actions. We have a zero-tolerance policy towards corruption and bribery.

43 Convictions and Fines for Corruption and Bribery

In the reporting period, ACT GmbH was not convicted or fined for corruption or bribery.

Comprehensive Module

C-1 Strategy: Business Model and Sustainability Initiatives

Our strategy is aimed at securing and expanding our position as a reliable global trading partner for quality raw materials in the long term. An important part of this strategy is to increasingly integrate sustainability aspects into our business model. We are convinced that responsible business is a prerequisite for sustainable success. This chapter describes our business model in the context of our sustainability efforts.

47 Strategy: Business Model and Sustainability - Related Initiatives

The following sections provide an insight into our operational business and strategic orientation.

Key product and service groups: Atlantic Chemicals Trading GmbH (ACT) is a trading company that sells raw materials for the production of food and animal feed as well as pharmaceutical and cosmetic products.

Description of the main markets: We act in the B2B sector as a distributor of raw materials in wholesale and foreign trade.

Sustainability-related key elements of the corporate strategy: At this time, ACT has not yet anchored any explicit sustainability-related key elements in its formal corporate strategy. However, the integration of sustainability is an ongoing process, driven by the measures and initiatives outlined in this report.

C-2 Description of Practices, Policies and Future Initiatives for Sustainable Transformation

The transformation to a more sustainable economy requires concrete measures and clear responsibilities. This chapter summarises the main sustainability measures of ACT and names the responsible management levels. The detailed practices and initiatives are already listed in Chapter B-2 of this report.

48 & 49 Sustainability Actions and Future Goals

Our sustainability activities are responsible at various levels of the company. Quality Management is responsible for environmental issues such as climate change, sustainability strategy and resource use in consultation with General Management. Actions that affect our own workforce are managed by the Human Resources (HR) department. Overarching topics of entrepreneurial action are the direct responsibility of the general management. Detailed information on the individual measures can be found in the table under data point 26.

As a comparatively small company, we are still at the beginning of our sustainability activities. Our first goal is therefore to transparently record our status quo and to create a reliable basis for future reduction targets and measures. To this end, we are developing a sustainability strategy that includes both the balancing of our CO_2 emissions and the regular preparation of a sustainability report. It is equally important to define and systematically collect relevant key performance indicators (KPIs) so that we can make our progress measurable in the future. Finally, we also want to take a closer look at our supply chain: By collecting and evaluating sustainability data from our suppliers, we are creating a ranking that enables us to classify them according to ESG risks and contributes to greater transparency in the long term.

Company-specific Addition: Climate Requirements for Suppliers

As described above, ACT is currently collecting various sustainability-related key figures in the area of supplier management. The aim is to gain a reliable picture of the climate performance of suppliers and to define concrete development goals based on this. The following indicators are collected as part of the data collection, among others:

- Percentage of suppliers who have signed our Code of Conduct
- Percentage of suppliers with ISO 14001, ISO 50001 and ISO 45001 certifications
- Percentage of suppliers collecting and providing Product Carbon Footprint (PCF) or Corporate Carbon Footprint (CCF) data
- Percentage of Sedex-registered suppliers who have carried out at least one SMETA audit in the last three years

Since the data collection is currently still ongoing, no concrete figures are available at the moment.

C-3 Greenhouse Gas Reduction Targets and Climate Change Strategy

Addressing climate change and reducing greenhouse gas emissions are key challenges of our time. As a trading company with an emission-intensive logistics chain, we are aware of our responsibility. We systematically record our emissions in order to develop an effective climate strategy and reduction targets based on this.

54 Greenhouse Gas Reduction Targets

At present, Atlantic Chemicals Trading GmbH has not yet set quantitative targets for reducing its GHG emissions. The preparation of the CO_2 balance sheet as part of this report is the first step in creating a data basis on the basis of which sensible and ambitious reduction targets are to be defined in the future.

55 Transition Plan for Climate Change Mitigation in Climate-Intensive Sectors

Atlantic Chemicals Trading GmbH is not active in climate-intensive sectors within the meaning of the EU regulation. Our business model includes trading in raw materials for food, animal feed and cosmetic and pharmaceutical products and not in energy products, metals or other particularly emission-intensive goods. Therefore, a specific transition plan for climate action is not required.

56 Transition Plan for Climate Change Mitigation in Climate-Intensive Sectors

This data point is not applicable as we are not operating in a climate-intensive sector.

C-4 Climate Risks

As a globally active trading company, Atlantic Chemicals Trading GmbH is exposed to various climate-related risks. These can be both physical in nature, such as extreme weather events that disrupt our supply chains, or transitory, such as changing regulatory requirements or market expectations. The early identification and assessment of these risks are crucial for securing our long-term business viability.

57 Climate Risks of ACT

We have carried out an initial assessment of our climate risks, which is described below:

Climate-related hazards and transitional events: Physical hazards include, in particular, extreme weather events such as floods, typhoons, and heat waves in manufacturing regions such as China and India, which can affect manufacturing and shipping. Climate-related disruptions to transport routes, for example due to storms or flooding at seaports, also pose a risk. In the long term, consequences such as sea level rise and increasing water scarcity are also relevant. In addition, there are transition risks due to political developments (e.g. supply chain laws) and growing sustainability expectations of customers.

Exposure and sensitivity assessment: Our exposure to physical risks is determined by the geographical location of the manufacturing facilities in Asia. However, our sensitivity is moderate because we do not produce ourselves and have a broad supplier structure. We are moderately exposed to transition risks as European customers and regulators increasingly demand transparency and climate action.

Time horizons: Physical risks such as extreme weather are already relevant today (short to medium term, 0–10 years). Long-term developments such as sea level rise are more likely to have an impact in more than 10 years. Transition risks such as customer requirements are short-term, while regulatory changes are expected in the medium term (3-5 years).

Adaptation measures: To minimise risk, we diversify our suppliers in order to be able to respond to disruptions in individual regions. In the field of logistics, we are dependent on industry innovations, but we are closely following the development of lower-emission transport solutions. In the area of transition risks, we are preparing for future reporting requirements by collecting relevant data in order to be able to derive well-founded sustainability goals.

58 Climate Risks Overview

The following table summarises the identified climate risks and their assessment.

Climate risk	Description	Time horizon	Assessment
Extreme weather in production countries	Floods, heat waves and typhoons (e.g. in China, India) can delay production and deliveries.	Short-term (< 1 year)	Medium risk
Transport disruptions due to weather extremes	Storms or floods can affect logistics routes.	Short-term (< 1 year)	Medium risk
Long-term climatic changes in Asia	Water shortages or higher temperatures can worsen production conditions.	Long-term (5+ years)	Low risk
Sea level rise in port infrastructure	Long-term impact on ports due to rising sea levels.	Long-term (5+ years)	Low risk
Regulatory tightening	New reporting obligations (e.g. CSRD, LkSG) could increase effort and costs.	Medium-term (1-5 years)	Low risk
Market changes due to CO_2 pricing	Future CO_2 costs on international transport could affect logistics costs.	Medium-term (1-5 years)	Medium risk
Reputational risks from customer requirements	Increasing customer expectations of climate protection and transparency.	Short-term (< 1 year)	Medium risk

C-5 Additional Workforce Disclosures

This chapter contains additional information about our workforce that goes beyond the general characteristics. Due to our company size of less than 50 employees, some of the detailed information is voluntary or not applicable.

59 & 60 Additional (General) Characteristics of the Workforce

Due to our company size of less than 50 employees, information on the gender ratio at management level and on the number of self-employed and temporary workers is not mandatory. However, in the interests of transparency, we report that the proportion of women at management level is 37.5%. Self-employed and temporary workers are not employed in our company.

C-6 Human Rights Policies and Processes

Respect for human rights is a fundamental part of our corporate responsibility, especially in the context of our global supply chains. We have established policies and processes to ensure compliance with human rights standards in our own company and with our partners.

61 Additional Information about the Company's own Workforce: Human Rights Policy and Processes

We have a Code of Conduct that applies to all employees. This code covers essential human rights aspects. To report concerns or violations, all employees have access to an open dialogue with the HR department. A whistleblower system is also to be introduced in 2025.

Scope of the Code of Conduct	Uncovered? [Yes/No]
Child labour	Yes
Forced labour	Yes
Human trafficking	Yes
Discrimination	Yes
Accident prevention	Yes
Other (Environment, Business Ethics, Health)	Yes

C-7 Serious Human Rights Violations

The prevention and reappraisal of serious human rights violations are of the utmost importance. In this chapter, we disclose whether there were any confirmed incidents during the reporting period.

62 Serious Negative Incidents in the Field of Human Rights

No confirmed incidents of child labour, forced labour, human trafficking or discrimination were detected in our own workforce during the reporting period. We are also not aware of any confirmed incidents involving workers in our value chain, affected communities or consumers.

C-8 Revenues from Certain Sectors and Exclusion from EU Benchmarks

Our business model focuses exclusively on trading raw materials for the food and feed, pharmaceutical and cosmetics industries. We are not active in any controversial business areas.

63 Revenues from Specific Sectors and Exclusion from EU Benchmarks

Atlantic Chemicals Trading GmbH is not active in any of the sectors classified as controversial. We do not generate revenue from the production or trade of controversial weapons, the cultivation and production of tobacco, the fossil fuel sector, or the production of certain chemicals such as pesticides.

64 Exclusion of EU Reference Benchmarks

Atlantic Chemicals Trading GmbH is not excluded from EU reference benchmarks that are aligned with the Paris Agreement.

C-9 Gender Diversity in Corporate Governance

We strive to promote diversity at all levels of the company. The composition of our governing bodies is an important aspect of this.

65 Gender Ratio on the Supervisory Board

As a limited liability company, Atlantic Chemicals Trading GmbH does not have a supervisory board. This data point is therefore not applicable.

Afterword

With the preparation of this sustainability report in accordance with the VSME standard, we have taken an important first step towards creating a basis for future measures. We are still at the beginning of our sustainability efforts and last year we mainly recorded and analysed the status quo. The implementation of the double materiality analysis (DWA) was a valuable tool for this, which provided us with a structured overview of opportunities and challenges.

As a trading company, we are in a special starting position: we have comparatively few direct sources of emissions, but we bear responsibility for our supply chain and its effects. That is why it is crucial for us to clearly name and actively shape our areas of influence. In areas where we can only influence to a limited extent, we nevertheless want to act responsibly and look for solutions.

We are convinced that we are on the right track. Sustainability is an ongoing process that requires long-term thinking, a willingness to learn and collaboration. Even though we still have many issues ahead of us, we consider the steps taken so far to be an important cornerstone.

In the future, we want to systematically develop our activities, make progress measurable and translate the knowledge gained into concrete measures. We see sustainability not as an obligation, but as an opportunity: for stable partnerships, for the responsible use of resources and for the further development of our company.

Matin Ghaffari – Chief Operating Officer