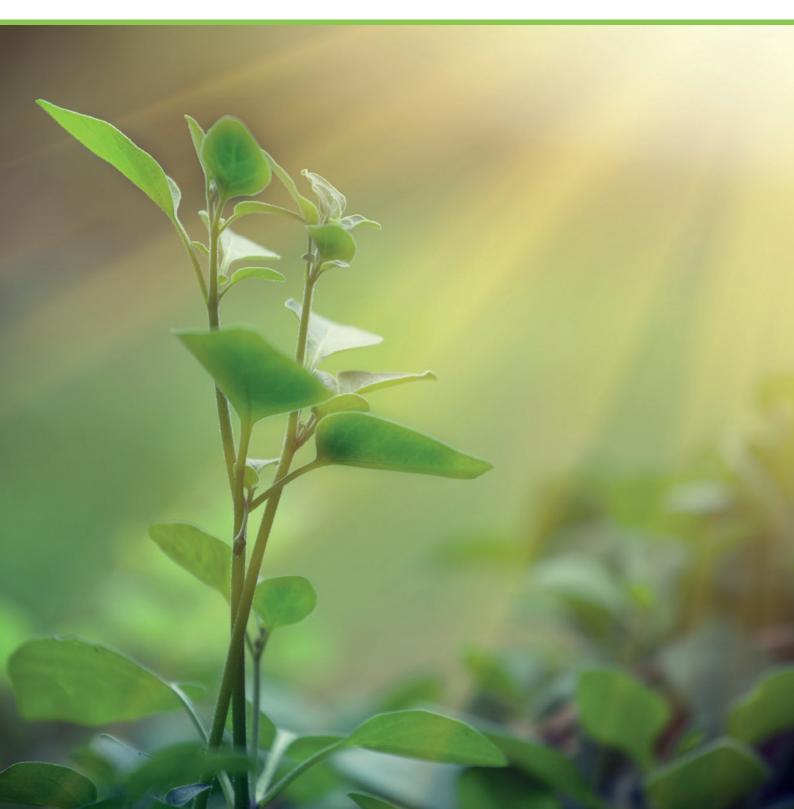


CHARTING THE COURSE

Custom Manufacturing Sustainability Report 2020



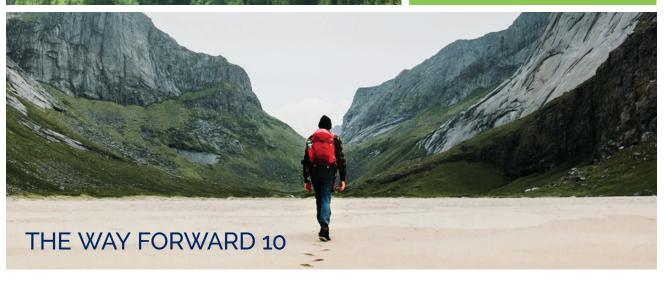
WELCOMING STATEMENT 3







CREATING VALUE 8



WELCOME TO CABB

OPENING MESSAGE FROM OUR CEO

On behalf of our global team, a warm welcome to CABR!

We are in the midst of an era of societal and corporate transformation. People everywhere have become more aware of the environmental footprint each of us leaves behind – whether as a company, as a consumer or simply as a human being on our fragile Earth. This awareness requires us at CABB – one of the world's leading fine chemical custom manufacturers of active ingredients and advanced intermediates – to review in detail where we stand today and what we can and should do better.

Living up to CABB's vision to be "Your Partner in Fine Chemistry" requires us to seek out continuous improvement in all business practices in order to align with the expectations of our customers and stakeholders. We distinguish ourselves by being small enough to focus on attentive partnerships, yet large enough to master complex chemical synthesis.

This pledge also serves as our commitment to the sustainability of our manufacturing processes. I hereby invite you to read our first Sustainability Report and to recognize our team members for their dedication and successes, which you will learn about in the pages that follow. I would also like to extend my personal thanks to our customers for their patronage and support, as we build a new CABB to serve you better.



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"Living up to CABB's vision to be 'Your Partner in Fine Chemistry' requires us to seek out continuous improvement in all business practices."

> Valerie Diele-Braun, CEO, CABB Group

Valerie Diele-Braun

INTRODUCING CABB CUSTOM MANUFACTURING

LEADERSHIP IN FINE CHEMISTRY

CABB's Custom Manufacturing Business Unit serves as a reliable partner for companies seeking to outsource the complex chemical synthesis of high-value active ingredients and advanced intermediates. Our range of services includes assistance in raw material supply; process development and scale-up; operational excellence to improve yields and reduce costs; stringent quality control; expert logistics; and a wide assortment of packaging options, from pails to company-owned tank fleets.

These customized products are used primarily in agrochemicals such as herbicides, fungicides and insecticides; electronics, photovoltaics and smartphones; healthcare, pharmaceuticals, veterinary care; and composite materials such as in aircraft and marine vessels. CABB also offers a portfolio of fine

chemicals to customers active in a broad range of industries.

CABB has an established track record of providing shared value to benefit its stakeholders and team members, as well as governments, communities and society at large, addressing previously cited megatrends.

By safeguarding the environment and engaging with the local community, CABB strives to be a trusted neighbor. In addition to open house events, our collaborations with local businesses and academic institutions – resulting in internships, employment opportunities, and training drills with local emergency responders – have proven to be essential to outreach and goodwill.

UNDERSTANDING GLOBAL MEGATRENDS

INDUSTRY HAS A MANDATE TO ADDRESS THE WORLD'S GROWING POPULATION AND ENSURE QUALITY OF LIFE

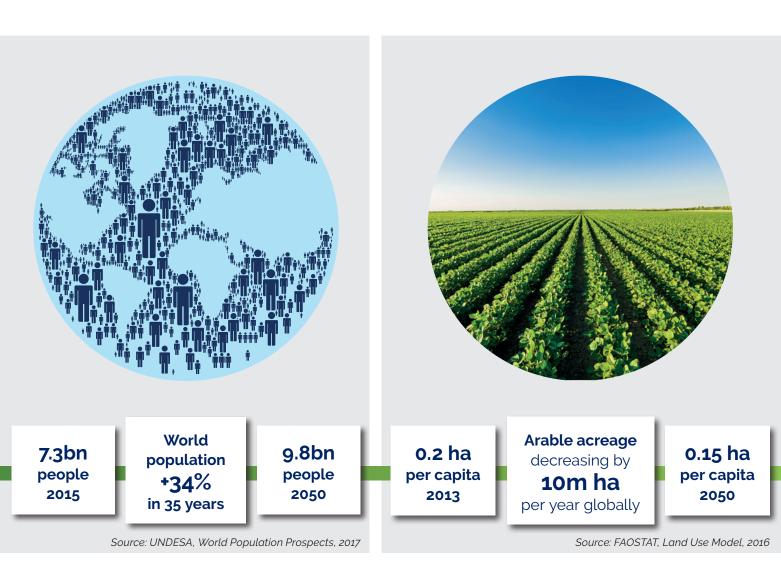
According to the latest UN forecast, global population levels will reach 10 billion by 2050. Living and dietary standards are evolving – particularly in emerging regions.

The World Resources Institute estimates there is a 56% food gap between calories produced in 2010 and

required in 2050 under "business as usual" growth conditions.

The sustainability of the world's growing population will be determined by a complex value chain responsible for food quality and land use productivity, as well as environmental stewardship for future generations.

FEEDING A GROWING GLOBAL POPULATION REQUIRES HIGHER YIELDS PER ACREAGE



CABB has taken the initiative to measure our contribution to sustainability for customers and stakeholders. The company is well-positioned to support the top tier of global agrochemical and industrial players, helping

to make modern agriculture more productive and an improved quality of life more accessible to a growing population.



BLUEPRINT FOR SUSTAINABILITY

IDENTIFYING OPPORTUNITIES FOR GREATER ACHIEVEMENT BY ANALYZING CABB'S CURRENT PRACTICES

CABB's pledge – "Your Partner in Fine Chemistry" – balances commercial success with a social responsibility to safeguard the health and welfare of team members, the public, the environment and customers. This pledge is built upon the following observations and business practices, which serve as the foundation of a sustainability program that we continue to develop:

 CABB's economic and social success is driven by committed team members. Increasing emphasis is placed on continuous individual growth and development across the organization. Engaged team members benefit shareholders, customers and the community.

- Good corporate governance is the bedrock of all business activities. The unwavering promise of CABB leadership ensures ethical compliance with the legislation and relevant codes and policies of each country in which we operate. CABB's Code of Conduct is a key guiding document for sustainability and gives clear guidance on safety, ethics, trust, responsibility and stewardship. Each team member contributes to ensuring that these values are an active part of the company's culture.
- Respect for human rights; condemning child and forced labor; exploitation, slavery and human trafficking and ensuring legally compliant wages and working hours are all commitments embedded in the Code. To further safeguard compliance, a special whistleblowing protocol has been developed for reporting violations to leadership and independent third parties.
- An anti-corruption policy, as well as a separate policies on antitrust and competition law, have been instituted to ensure unified compliance. Every team member pledges to obey all relevant laws and regulations, codes and policies.



"Acting sustainably means reconciling ecological, societal and commercial considerations. That's what we're striving for."

Thomas Eizenhöfer, Head of Custom Manufacturing BU



- As a signatory to the Responsible Care® Global Charter, CABB strives to improve performance in health, safety and environmental protection at all production sites. Resource efficiency, yield improvements and waste minimization are addressed through operational excellence as well as compliance with all applicable laws.
- To ensure suppliers share the same values, a Supplier Code of Conduct that must be accepted prior to becoming a supply partner has been proactively established. Sourcing decisions are made in accordance with sustainability purchasing guidelines. All suppliers are also subject to an annual auditing process.
- As an integral part of all business processes, risk is regularly identified, evaluated and monitored. This beneficial plan allows for work efficiency, a competitive cost position and minimal environmental impact.

- The overall responsibility for the establishment and oversight of risk management lies with the Board of Directors, supported by the Risk Management Committee. Additionally, CABB has an Internal Control System which is regularly audited by independent internal and external parties to evaluate our efficiency and effectiveness. Thorough training in management standards and procedures reinforces an environment in which all team members understand their roles and obligations.
- In recognition of its ongoing efforts in advancing sustainable development, CABB was awarded a prestigious Gold-level status in a third-party assessment of corporate responsibility by EcoVadis. This rating covers economic, social and environmental aspects of corporate responsibility.



CREATING SHARED VALUE

ADVANCING SUSTAINABLE DEVELOPMENT GOALS BENEFITS ALL STAKEHOLDERS

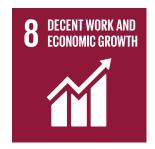
Current practices have been reviewed by CABB leadership, and a fresh focus has been placed on measurable targets in alignment with United Nations Sustainable Development Goals (SDGs). CABB's business activities across the organization contribute to achieving the SDGs. Seven of them – Good Health and Well-being; Affordable and Clean Energy; Decent

Work and Economic Growth; Industry, Innovation and Infrastructure; Responsible Consumption and Production; Climate Action; and Partnerships for the Goals – are especially important to us. These are presented below, with a first look at milestones achieved to-date:

















SAFETY

A THRIVING SAFETY CULTURE FOSTERS SUCCESS

CABB is a signatory to the Responsible Care® Global Charter, the chemical industry's unifying commitment to the safe management of chemicals throughout their life cycle. Safe, secure and reliable production at all plants is essential to the health and well-being of all team members and the community. Capital

expenditures to ensure safety have exceeded \in 30 million over the last three years. The same level of annual funding is planned over the next five-year period. A commitment to safety extends beyond team members and includes contractors and visitors to all sites.

OCCUPATIONAL SAFETY REQUIRES A DEDICATION TO RISK ASSESSMENT

Everyone at CABB is responsible for continuously improving occupational safety performance in their workplace. A dedicated team responsible for the management of occupational safety exists at each site.

All occupational health and safety management systems are certified to ISO 45001. In addition to self-assessments, audits are regularly conducted by certification bodies, authorities and customers.

Risks are continuously assessed and safety inspections regularly conducted, with red risk identification and job hazard assessments (JHAs) as part of ongoing KPIs, such as Lost Time Accidents (LTAs) and the number of spills, leaks or damage incidents. Conscientious work has reduced LTAs to levels better than both European and American averages for the chemical industry, as shown opposite.

Another important metric is occupational safety training, targeting 12 hours per team member per year, throughout the entire organization.

PLANT SAFETY ENSURES CONTINUOUS, INCIDENT-FREE OPERATIONS

For plant safety, hazard analyses (HAZOP) are systematically conducted to ensure process safety for existing and new products. Calorimetric measurements are performed prior to new product implementation to evaluate process conditions in reactions where thermal energy is released.

For process and chemical changes, the Management of Change (MOC) procedure is enacted.

GROUP SAFETY: LOST TIME ACCIDENTS



LTA definition: Lost Time Absence Rate = rate of accidents resulting in absence from work >1 day, normalized to 100 full-time employees (=200,000 worked hours)

An extensive preventative maintenance program is in place to assure the safe and effective performance of all facilities. Process control and separate safety systems (alarms, gas and leakage detection, emergency shutdown) are programmed and tuned to current processes to ensure safe operations in all situations.

To improve safety and performance criteria, employee participation via safety committees, safety walks and initiative systems is regularly encouraged.

OPERATIONAL EXCELLENCE

BREAKTHROUGHS ARE FUELED BY INNOVATION

CABB's Custom Manufacturing business unit encompasses three complementary multi-purpose production sites: Kokkola, Finland; Pratteln, Switzerland; and Galena, Kansas USA ("Jayhawk"). All sites utilize highly automated state-of-the-art technologies for complex chemical synthesis.

- The Kokkola site, situated on 9 hectares accessible by sea, rail and road, is located in the middle of the largest chemical industrial park in Scandinavia, with an ecosystem of shared services for infrastructure, group sourcing of local feedstocks and downstream product sales. Kokkola operates flexible assets with a train concept and a variety of core competencies including chlorination, bromination, Grignard chemistry, lithiation and thioalkylation.
- The operation in Pratteln is located in a large district for major chemical companies, with shared services including wastewater treatment. Pratteln precleans its effluent before discharging it into the shared treatment stream. Closed loop production ("Verbund") plays a significant role in conserving energy and resources and reducing emissions and waste. Many of the building blocks required for production are manufactured on-site, such as chlorine. Based on the requirement to discontinue mercury technology by the end of 2017, electrolysis membrane technology was introduced one year before this deadline to reduce energy costs and minimize safety risks associated with the transport of chlorine.
- The Jayhawk site focuses on batch and semicontinuous complex chemical synthesis. Its core competencies and unit operations include alkylations, oxidations and Grignard chemistry. Production units reside on a 21 hectare footprint with a 324 hectare farmland buffer. Highly hazardous materials handling and storage systems (PSM-covered) reside on site.

Waste is processed via NOx and TOx emission control systems or converted into saleable co-products. Both energy and water are provided via redundant systems.

CABB's integrated global quality and environmental management system is based on ISO 9001 for Quality Management Systems, ISO 14001 for Environmental Management Systems and ISO 45001 for Health and Safety at Work.



DIVERSITY IN THE WORKFORCE ENCOURAGES COLLABORATION AND TEAMWORK

The Custom Manufacturing business employs close to 700 team members (of which more than 60% are in production, with the rest in R&D and commercial





"We continue to reduce our environmental footprint through innovative processes and solutions on all operational levels."

Juha Hiironen, Kokkola Site Director

functions) in Kokkola, Pratteln and Jayhawk, all committed to safety, quality, reliability, profitability and continuous improvement. In addition to the large number of team members with university degrees, all production personnel have completed extensive training in chemical processes. Open dialog with local universities and research institutes cultivates a feeder system for future talent.

A diverse workforce is a more creative workforce. Differences in nationality, age, gender and educational background characterize our team and are a key factor for sustainable success.

Annual performance appraisals are conducted for all team members, during which training, continuing

development and possible job rotations are discussed. We have begun to consider internal candidates first when filling vacancies, and have a target to recruit 50% of open positions internally.

CABB places increasing emphasis on individual and team development. Training programs include fundamentals for younger talents as well as leadership for managers. For example, Kokkola's latest program focused on the development of plant supervisors. At Pratteln, a Six Sigma program was launched across all plants and technical departments. Jayhawk engages future team members through job shadowing for students, STEM education donations, university internships and annual apprenticeship programs, resulting in the successful sourcing of new hires.



PARTNERSHIPS ARE ESSENTIAL TO INNOVATION

CABB has become a trusted partner to many leading agrochemical and specialty chemical companies, providing solutions to their product and application challenges. Enduring customer relationships are the standard, the majority of which exceed ten years, with some longer than 30 years. "Your Partner in Fine Chemistry" is CABB's pledge to closely cooperate with customers, to tailor production processes to fit their requirements, to continuously improve productivity, and to reduce waste, all at the best possible cost position, thereby serving as an extension of the customer's own operations.

Collaboration with research institutes and universities allows for continual access to the best available technologies, especially in process safety and materials research. These partnerships are mutually beneficial both in advancing science and helping to ensure safe operations.

CABB has been honored to receive supplier awards in 2014, 2016 and 2018 from key customers who are leaders in their respective industries.

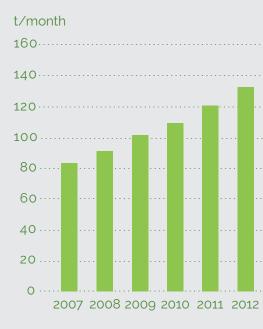
Part of CABB's quality management process involves maintaining long-term relationships with suppliers. Ongoing performance assessments, benchmarking and annual audits are part of a robust supplier selection process. Dual sourcing of key raw materials is another prerequisite.

As a responsible user of both inorganic and organic, fossil-based raw materials, the company has a Code of Conduct for Suppliers and Service Providers, requiring business partners to demonstrate integrity, meet product quality and safety standards, and commit to

- the health and occupational safety of employees,
- · human rights and social standards, and
- environmental protection.

Committing to the Code is a prerequisite for doing business with CABB.





Increased output for one product using the

RESOURCE EFFICIENCY

CREATIVITY AND EXPERTISE DRIVE CONTINUOUS IMPROVEMENT

CABB uses integrated manufacturing technologies to improve its material and energy efficiency, reduce emissions and waste, and lower production and logistics costs.

PROCESS INNOVATION IMPROVES YIELDS AND COST SAVINGS

Core competencies in a variety of technologies are leveraged to develop and implement efficient processes. R&D activities are focused on process development and optimization, including the reliable scaling of production. CABB strives to develop new business with our customers, and has introduced 25 new commercial projects over the last 10 years.

After product launches, the efficiency of production processes is constantly monitored to further optimize yields and increase capacity. Involvement of team members is incentivized through a continuous program to deliver shared savings to customers.

In 2018, CABB launched ChemCreations, a new service empowering customers to work together with our experts to jointly develop production processes for active ingredients and advanced intermediates at an early development stage. ChemCreations serves as an excellent opportunity to introduce sustainable processes in the early stages of the project pipeline.

CABB aims to achieve resource efficiency across all operations by targeting high yields and low waste in all processes while continuously improving performance. Innovation and process development have brought about the following improvements:

- Solvent recycling levels > 90% have been reached in several processes
- Recovery and recycling of key raw materials has reduced their consumption by up to 7%
- A key raw material recovery process from waste streams was implemented, improving chemical yield by 2% and reducing virgin raw material consumption by 30%
- A novel waste handling process (extraction + activated carbon treatment) replaced 30% of hazardous wastewater previously routed to thermal incineration

It is paramount to excel in developing and operating the most efficient processes, offering the quality and reliability that customers expect from their own operations.

CABB takes great pride in customer satisfaction and advocacy, with "preferred supplier" status among key customers. Our favorable track record in improving customer processes over the past 10 years, averaging a > 4% annual improvement in capacity and yield, is a proud milestone. For instance, the gain in energy efficiency for one product in Kokkola, expressed in the graph as average capacity, demonstrates that increased volumes were produced at an equivalent energy input while CO2 emissions (normalized, per kg) were reduced by 4% each year.

PROCESS DEVELOPMENT



same amount of energy in Kokkola, 2007-2017



CONSUMPTION - BATCH VS. CONTINUOUS CHLORINATION



The transition from batch to continuous processes conserved energy, reduced waste and improved efficiencies, while requiring less materials and fewer solvents. Examples include the development of continuous chlorination of acid chlorides and alkyl chlorides in Pratteln, and continuous recycling processes for effluent streams. Reaction conditions are also steadier and more reliable, leading to higher product quality and lower production costs.

ENERGY EFFICIENCY CAN BE REALIZED WITH THOUGHTFUL INSIGHT

Chlorine chemistry is one of Pratteln's key technologies. New equipment for chlorine electrolysis that uses membrane technology instead of legacy mercury cell electrolysis to produce chlorine and caustic soda from brine was commissioned in 2016. Electricity consumption decreased by 42% and steam by 11%, both without adverse impacts from mercury. Overall, energy efficiency in Pratteln improved by 13% between 2015 and 2018.

SPECIFIC POWER CONSUMPTION PER TON CHLORINE

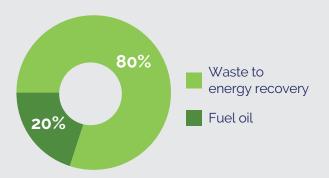


Improvements in production efficiency at Pratteln

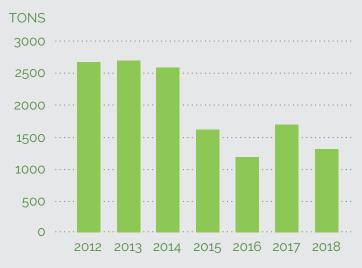


Waste incineration at Kokkola serves as another example of energy efficiency. This best available technology (BAT) equipment is both efficient and safe, and makes the plant largely energy self-sufficient, generating 80% of captive requirements. Additionally, air emissions from flue gas are kept at nanogram and ppm levels without adverse environmental effects. Fuel oil usage was reduced by 56% in five years by replacement of fuel oil with organic waste and by installing new scrubbers with 20% greater capacity than legacy systems.

KOKKOLA THERMAL ENERGY



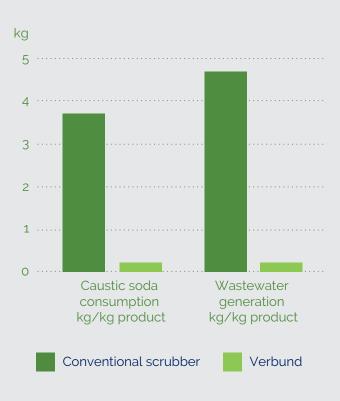
KOKKOLA FUEL CONSUMPTION



RECYCLING IS THE GATEWAY TO A CIRCULAR ECONOMY

The principles of a circular economy, where nothing goes to waste, are widely adopted in the Verbund recycling system in Pratteln. In the case of reactions with thionyl chloride as a chlorination reagent, large amounts of caustic soda are typically required to scrub hydrochloric acid and sulfur dioxide off-gases. Consequently, large amounts of wastewater are generated. The CABB Verbund system minimizes emissions and thus produces less than 1% of the waste of a conventional scrubber system, as shown below:

CHLORINATION PROCESS EFFICIENCY IN CABB'S VERBUND SYSTEM



Sulfur dioxide is completely recycled as sulfur trioxide, and hydrochloric acid is sold as a value-added coproduct.

Recycling practices for all materials and chemicals are implemented throughout production. Examples include the recovery of a valuable chemical from wastewater streams by acid-base extraction, and solvent recovery via regeneration of tetrahydrofuran. As much as 80% of virgin materials have been recaptured.

Critical substances and restricted chemicals are avoided, substituting with less hazardous options wherever practicable. For example, a routine solvent was replaced with an environmentally benign alternative, greatly lowering risks from bio-accumulation.

ENVIRONMENTAL STEWARDSHIP BENEFITS LEGACY AND RENEWABLE ENERGY SOURCES

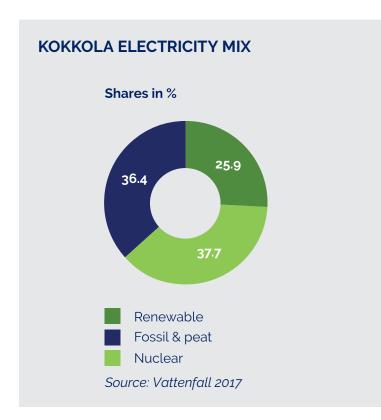
Environmental management systems are ISO 14001 certified. A formalized process managed by a dedicated EHS team has been implemented to assess and document environmental risks.

Procedures are in place to reduce and monitor energy consumption as well as greenhouse gas (GHG) emissions. When sourcing energy, non-fossil sources are preferred when available. Two-thirds of electricity purchased in Kokkola is fossil-fuel-free.



"Sustainability is a core element of ethical leadership and part of our obligation to each other, our communities, customers and stakeholders."

Jeff Black, President, CABB Jayhawk Fine Chemicals



As a member of the Chemical Industry Federation of Finland, the Kokkola plant has committed to carbon neutrality by 2045.

In Pratteln, captured heat comprised a majority of the energy consumed in 2018, while 41% was purchased electricity. Pratteln is continuously improving its energy efficiency, with 22 projects realized to-date. These have resulted in energy savings of 62,000 MWh, equivalent to 10,000 tons of CO2 emissions.

At the Jayhawk site, energy sourcing was recently adjusted, with 40% of electricity now obtained from renewable, green power providers.

In Kokkola, all air emissions have on-line waste-combustion monitoring, with a favorable track record.

Our water management includes measures to reduce both the amount of incoming water and the amount of pollutants discharged into water.

Approximately 22 million m³ per year of municipal water is consumed as cooling water in all processes. Since

the cooling water is isolated from chemical exposure, its quality remains at standard when returned to local waterways. Another example of water stewardship is the capturing and recycling of steam condensate, saving 200,000 m³ of cooling water annually in Pratteln alone.

Effluent quality in Kokkola has continuously improved. The measured amount of biodegradable content decreased by 75% from 2015 to 2018, bringing it to 82% below permissible levels.

Kokkola also has a containment system able to hold 6,000 m³ industrial water in the event of an emergency.

The Jayhawk site is unique in that no contact waters are discharged to wetlands or riverways. In addition, on-site wetlands are used by employees for recreation, including responsible hunting and fishing.



REALIZING SUCCESS

CABB'S 6 PRIORITIES TO IMPROVE SUSTAINABILITY REQUIRE BENCHMARKING AND REGULAR MONITORING

Generating continuous growth in a resource-efficient manner, avoiding harmful emissions into the environment, and ensuring safe handling of chemicals along the value chain are at the core of the company's business responsibility. CABB will continue to reduce our operational footprint and develop and deliver increasing economic, environmental and societal value through innovative processes and solutions. The following key focus areas have been identified and prioritized to advance sustainability over the next 5-year period:

SAFETY IS TOP PRIORITY

CABB will ensure safe and sustainable production at all sites, as evidenced by zero accidents, spills and emissions. Process safety and efficiency will be improved via continuous capital investments and team member training programs. Safety and prevention programs will be accelerated. Identification and mitigation of risks will continue to be a pillar of all safety programs. The Pratteln "fit-for-future" program is a high priority.

PEOPLE ARE OUR GREATEST ASSET

CABB will place an increasing emphasis on dedicated and energized team members. Rewarding the expertise and creativity of these teams will drive innovation, personal development, quality of life and overall business success.

Investment in training and talent management programs will continue. Close cooperation with universities and trade schools will facilitate the identification and recruitment of fresh talents.

Human Resources policies will be continuously aligned and improved to support these initiatives, including workforce diversity, a prerequisite for CABB as a globally operational company.

INNOVATION IS AT THE HEART OF SUSTAINABILITY

Sustainable process innovation will be fostered to gain economic and ecological benefits across the life cycles of all products and services. Focus areas include process safety, energy efficiency, emissions and waste. Pratteln's new liquid waste handling process, successfully implemented for one product so far, will be expanded site-wide.

PARTNERSHIPS FACILITATE GROWTH

CABB will further strengthen our partnerships with customers and collaborators by (a) exchanging best practices and (b) initiating joint development programs. A cloud-based platform will be implemented to facilitate a culture of collaboration across the entire supply chain, offering new levels of support to customers.

A CIRCULAR ECONOMY MINIMIZES WASTE

Waste will be further reduced due to the increasing importance of a circular economy across all sites. Advances in raw material and solvent recovery programs will ensure that chemicals and materials are deployed in continuous cycles. Key focus areas over the next five years include closed cooling water circuits, condensate recovery, reduced steam consumption and solvent recycling.

CLIMATE CHANGE IS A CALL TO ACTION

CABB will consider the impact of climate change in all operations. Renewable energy sources will be utilized wherever possible. CO2 emissions and water consumption will be continually reduced via a circular economy. Carbon neutrality will be addressed via proactive adherence to national and international targets.



FINAL THOUGHTS

CLOSING THE LOOP WITH FEEDBACK AND REGULAR REPORTING

CABB's leadership position in the fine chemical custom manufacturing sector is reflected in our pledge to be "Your Partner in Fine Chemistry." Advancing sustainability throughout the organization will become one of our pillars of success. We're off to a good start, with identification of current practices and recognition of past successes. However, sustainability is a journey, with heightened expectations to achieve more in less time. Accordingly, we have established a multi-site project team across the enterprise to define targets for 2025 and KPIs for quality, the environment, safety, good manufacturing practices and risk management, all based on current benchmarking. As we continue on this journey, results will be regularly communicated and then summarized in our next Sustainability Report.

Everyone at CABB stands ready to do their part to advance sustainability for our stakeholders – customers, investors, team members – and the company. Thank you for your interest in our company, and for placing your trust in us to deliver industry-leading performance in the years to come.



CABB IN BRIEF:

CABB Group is one of the world's leading fine chemical custom manufacturers of active ingredients and advanced intermediates. With approximately 1,100 employees and six production sites in Europe, Asia and the USA, we generate annual sales of about half a billion euros. The company is headquartered in Sulzbach am Taunus, Germany. We are a highly dedicated supplier and partner to leading companies, specifically in the agrochemical, electronics, healthcare and specialty chemical sectors. We are one of the world's leading providers of high-purity monochloroacetic acid. We also produce a portfolio of fine chemical intermediates for customers throughout the industry.

For more site information, please contact CABB as follows:

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