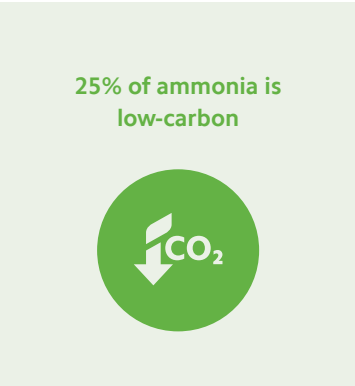
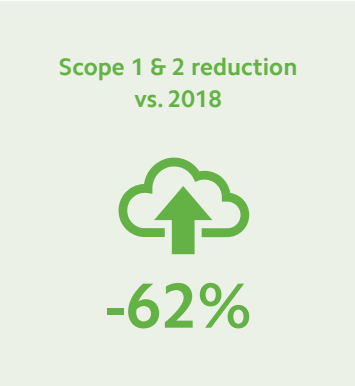


# SUSTAINABILITY REPORT 2024





# MANAGEMENT STATEMENT

As a leading provider of specialty fertilizers and biostimulants, we recognize our responsibility to balance economic success with environmental stewardship and social commitment. By developing innovative, resource-efficient solutions, we contribute to sustainable agriculture while reducing our ecological footprint. This report reflects our

commitment to transparency, innovation, and continuous improvement in the areas of environment, social, and governance.

One of our key achievements over recent years has been our progress in reducing greenhouse gas emissions. Through technological advancements,

renewable energy, and responsible sourcing, we have made substantial reductions, not only in our own operations but also along our value chain. A significant step in this direction was switching 25% of our ammonia demand to low-carbon ammonia in 2024 – an important move towards decarbonizing our supply chain and fostering more sustainable fertilizer production.

Beyond our emission reduction measures, sustainability is deeply embedded in our product portfolio: Our fertilizers and biostimulants are designed with sustainable properties that optimize nutrient use efficiency, water use efficiency, and reduce greenhouse gas emissions during their application. Our solutions help farmers grow crops more sustainably while maintaining high yields.

At COMPO EXPERT, we recognize that sustainability goes beyond environmental responsibility – it is also about people. We are committed to ensuring safety and well-being of our employees, workers in our value chain, and end-users. This means fostering a safe

work environment, investing in training and development, and promoting sustainable agricultural practices that improve base of life.

This report highlights our progress, but it also reinforces our commitment to ongoing innovation and responsible business practices. We will continue to work closely with our stakeholders to drive positive change – reducing our environmental footprint, enhancing social responsibility, and ensuring long-term economic sustainability.

Together, we can build a more resilient and sustainable food chain.

Thank you for joining us on this journey.

**Dr. Ingo Müller**  
Chief Executive Officer

**Andreas Rollheiser**  
Chief Financial Officer



# COMPANY PROFILE

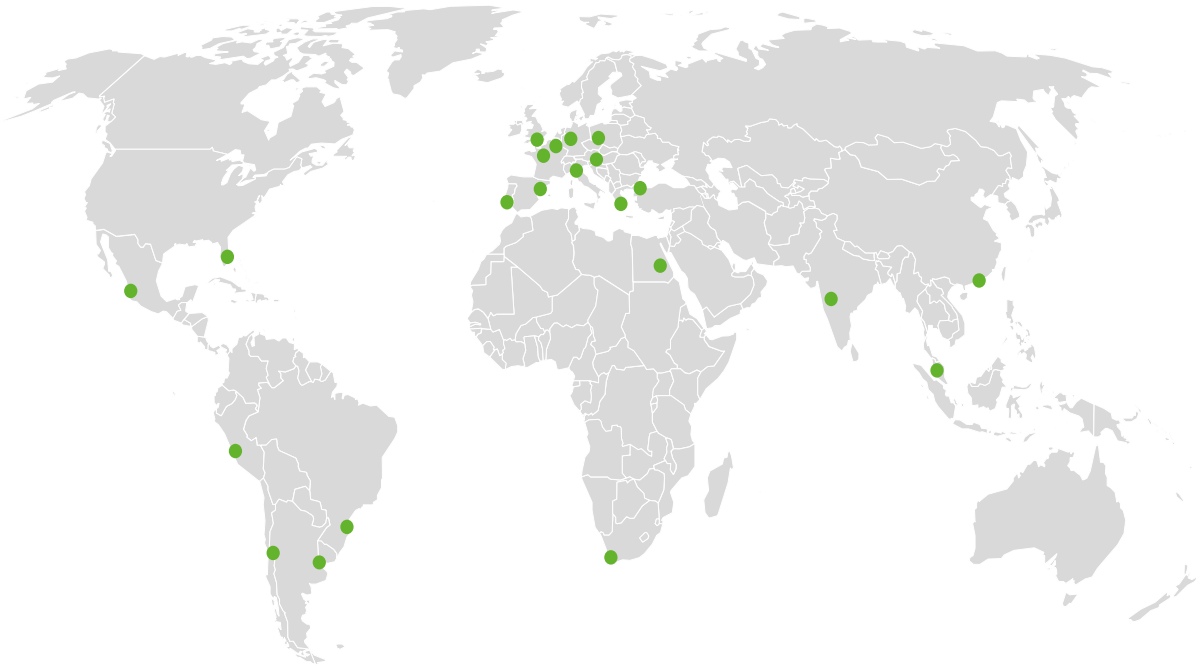
COMPO EXPERT GmbH, headquartered in Münster, Westphalia, Germany, is an international leader producing high-quality specialty fertilizers and biostimulants. The company operates 22 sales offices across Europe, North and South America, Asia, and Africa, serving professional users in various sectors such as fruits, vegetables, field crops, turf and public green spaces, nurseries, and ornamentals.

We own and operate two production sites: Our plant in Krefeld, Germany, focuses on producing solid and liquid specialty fertilizers, including renowned lines like Floranid® Twin, NovaTec®, and Blaukorn®. Our second plant, located in La Vall d'Uixó, Spain, specializes in water-soluble fertilizers, including our Hakaphos®, Basfoliar®, and HydroSpeed® lines.

With our comprehensive portfolio, we hold a leading market position in the specialty fertilizers industry. Our innovative product range includes:

- Mineral and stabilized fertilizers
  - Water-soluble and liquid fertilizers
  - Trace elements
- Slow- and controlled-release fertilizers
  - Biostimulants
  - Soil conditioners

As of 2018, COMPO EXPERT is a subsidiary of Grupa Azoty S.A., the largest chemical company in Poland and the second-largest producer of nitrogen and compound fertilizers in the European Union.



<b>Sales</b> ~€450M	<b>Branches in 22 countries</b>	<b>&gt;5,000 customers in &gt;100 countries</b>
<b>770 employees</b>	<b>2 production plants</b>	<b>141 brands</b>

## BUSINESS MODEL

Our business model is based on the development, production, and proposition of innovative and sustainable specialty fertilizers and biostimulants. With our products, farmers can optimize plant growth, increase quality, and maximize crop yield. We not only serve a wide range of mineral, organic, and controlled-release fertilizers tailored to meet specific plant needs and soil conditions but also biostimulants and bio-control products. They enhance plant resilience to stress, improve nutrient uptake, and support sustainable farming practices. Our efforts in Research and Development as well as collaborations with research institutes and universities ensure that our products address evolving agricultural challenges, such as climate change and soil health, and the incorporation of cutting-edge solutions. Focusing on the benefit of our customers, our team of highly-skilled agronomists and technical advisors provide on-ground support to optimize product application and ensure customer success. Apart from the agronomic expertise, COMPO EXPERT explores value-added services such as soil analysis and crop management consultation. Doing this, we serve more than 5,000 customers (distributors, retailers, and professional end-users) in over 100 countries. We ensure that all our products and services comply with local legal regulations and sustainability requirements in the markets we serve.

# SUSTAINABILITY GOVERNANCE

## GOVERNANCE STRUCTURE AND OVERSIGHT

Sustainability governance is integrated into our overall corporate governance framework to ensure alignment with our mission, strategy, and decision-making processes.

**Supervisory Board:** During the quarterly meetings of the formal supervisory body, the Managing Directors inform about progress as well as key decisions regarding sustainability topics, if any.

**Management Board:** The Management Board has ultimate accountability for sustainability oversight. It sets the sustainability vision and ensures alignment with the company’s long-term strategy, regulatory requirements, and stakeholder expectations. The Board oversees the sustainability-related impacts, risks, and opportunities as well as the achievement of sustainability targets. In 2024, the Board actively participated in the materiality assessment process. In addition, the Management Board is responsible for approving the Sustainability Report.

COMPO EXPERT’s Managing Directors both possess extensive experience in our industry as well as deep knowledge of sustainability matters material to COMPO EXPERT (e.g. resource efficiency, health &

safety, business conduct, and governance). They also hold in-depth knowledge of the geographic markets in which we operate, including their specific characteristics and challenges.

To ensure the necessary skills and expertise in sustainability, the Managing Directors receive support from the sustainability team and qualified specialists; in particular the Environmental and Energy Specialists and the Occupational Safety Specialist.

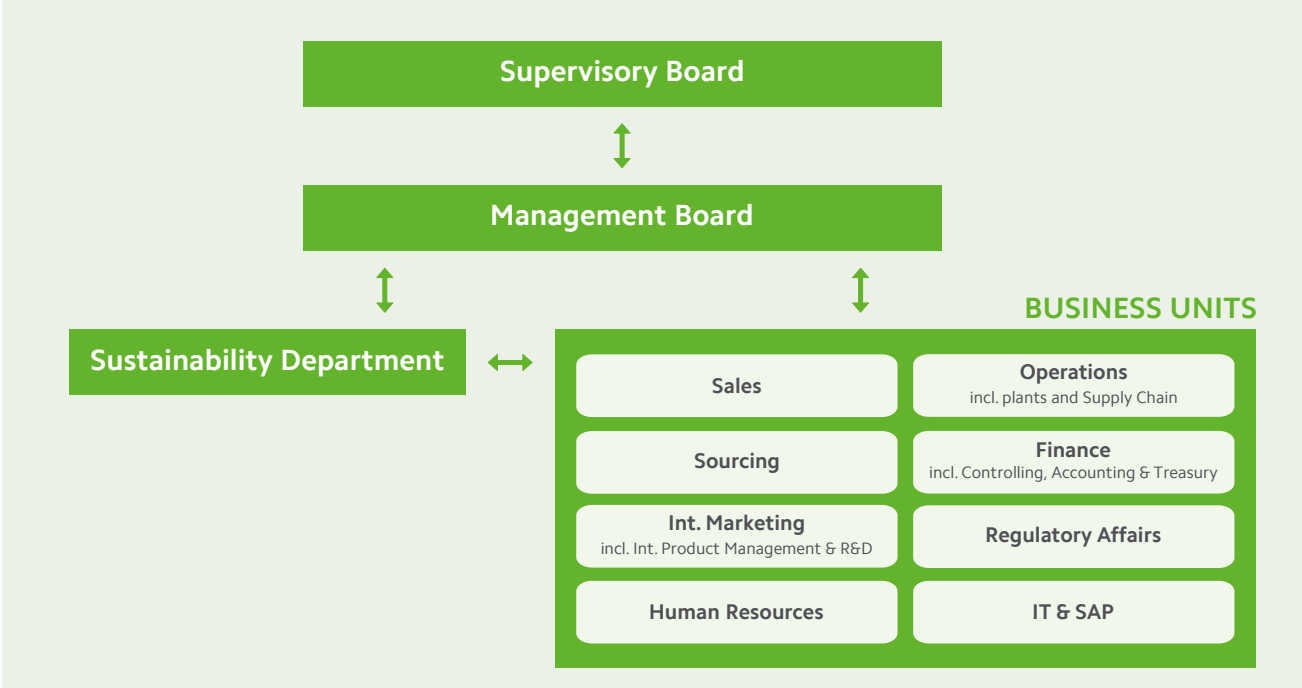
Composition of Supervisory Board and Management Board		
	Parent company	Group (excl. parent comp.)
Number of executive & non-executive members	2	26
Representation of employees	No employee representation on management & supervisory bodies	
Gender diversity share	Supervisory Board	♂ : 3 (100%)
		♀ : 0 (0%)
		♀ : 0 (0%)
	Management Board	♂ : 2 (100%)
		♀ : 0 (0%)
		♀ : 0 (0%)

**Sustainability department:** Key principles such as double materiality, risk management, and regulatory compliance related to sustainability matters are managed by the sustainability department. The team leads the implementation of the sustainability strategy across the organization, drives and measures progress of the sustainability targets, and therefore collaborates closely with the business units.

The head of department reports directly to the CEO and uses the periodic appointments to update him on overall sustainability performance as well key developments. Updates and the agreement of the path forward are also part of the General

Management Team Meeting and/or the Managing Directors Meeting at least four times per year.

**Business Units:** The incorporation of the sustainability targets into departmental goals and the embedment of sustainability practices in daily operations is incumbent upon the department heads and managers of the business units. They are included in sustainability management processes such as the double materiality assessment to represent the interests and views of their areas of responsibility.





### SUSTAINABILITY RELATED BONUS SCHEMES

Our strategy to promote sustainability is also reflected in our incentive and compensation systems for the Regional Directors, Managing Directors of the markets and Managers from headquarters and production sites. Our incentive systems are designed to promote both financial and non-financial performance. Key feature is the linkage of variable compensation components to the achievement of specific sustainability-related goals. This not only encourages short-term performance but also supports long-term commitment to sustainable business practices. The sustainability goals of the respective employees include, among others, the partial switch of ammonia purchased to a low-carbon version, the validation of sustainability-related claims regarding our products, and/or the preparation work for product carbon footprints. The Managing Directors are responsible for approving and updating the incentive systems for their subordinates, at least every year.

### RISK MANAGEMENT AND INTERNAL CONTROLS

Risks are an inherent aspect of our business operations, and our risk profile evolves continuously. By incorporating risk management into sustainability reporting, we want to enhance resilience and stakeholder trust. Consequently, we elaborated mitigation strategies and internal control procedures for the risks related to our sustainability reporting. This will mitigate our risks to an acceptable level and ensure the completeness and integrity of our data.

We acknowledge that implementing these measures requires time and continuous effort and we will share detailed evidence and results in subsequent reports.

### SUSTAINABILITY DUE DILIGENCE

Sustainability due diligence is a continuous process for us, aimed at identifying, preventing, mitigating, addressing, and accounting for actual and potential adverse impacts that our activities may have on people and the environment.

Identified risk related to our sustainability reporting	Significance of risk	Mitigation strategies and control	Status
Data integrity and accuracy	High	<ul style="list-style-type: none"><li>Implementation of a robust data management system</li><li>Introduction of a comprehensive data management system which enables automated data collection and validation, minimizing potential sources of error</li><li>Adjustment of data collection process after learning from test run of preparing the Sustainability Report</li></ul>	<div><div></div><div></div><div></div></div>
Regulatory changes	High	<ul style="list-style-type: none"><li>Regular trainings for Sustainability Team, e.g. e-learning, workshops, ...</li><li>Regular set-up of a risk management workshop to keep identified potential (internal &amp; external) risks up-to-date and prioritize them</li><li>Regular updates from Regulatory Affairs department regarding latest changes in the regulatory environment</li><li>Updates / Participation in meetings and conferences from associations working on sustainability (e.g. IVA, Fertilizers Europe, ...)</li></ul>	<div><div></div><div></div><div></div><div></div></div>
Limited trust from Stakeholders reg. our sustainability statements	Medium	<ul style="list-style-type: none"><li>External validation and certification of our Sustainability Report</li><li>External certification of our carbon footprint calculations (CCF &amp; PCF)</li></ul>	<div><div></div><div></div></div>



- Implemented
- Work in progress
- Not started



# SUSTAINABILITY IN COMPO EXPERT’S STRATEGY

Sustainability is a fundamental pillar of COMPO EXPERT’s corporate vision and strategy. Since 2021, it has been officially recognized as one of the company’s five strategic pillars. We are dedicated to promoting sustainability while offering a comprehensive range of specialized products that create added value for our customers and contribute to a more sustainable agricultural sector.

Sustainability is deeply embedded in both, our operations and product portfolio, with a strong focus on specialty fertilizers and biostimulants that enhance agricultural productivity while minimizing environmental impact. By prioritizing resource efficiency, soil health, and plant resilience, we aim to

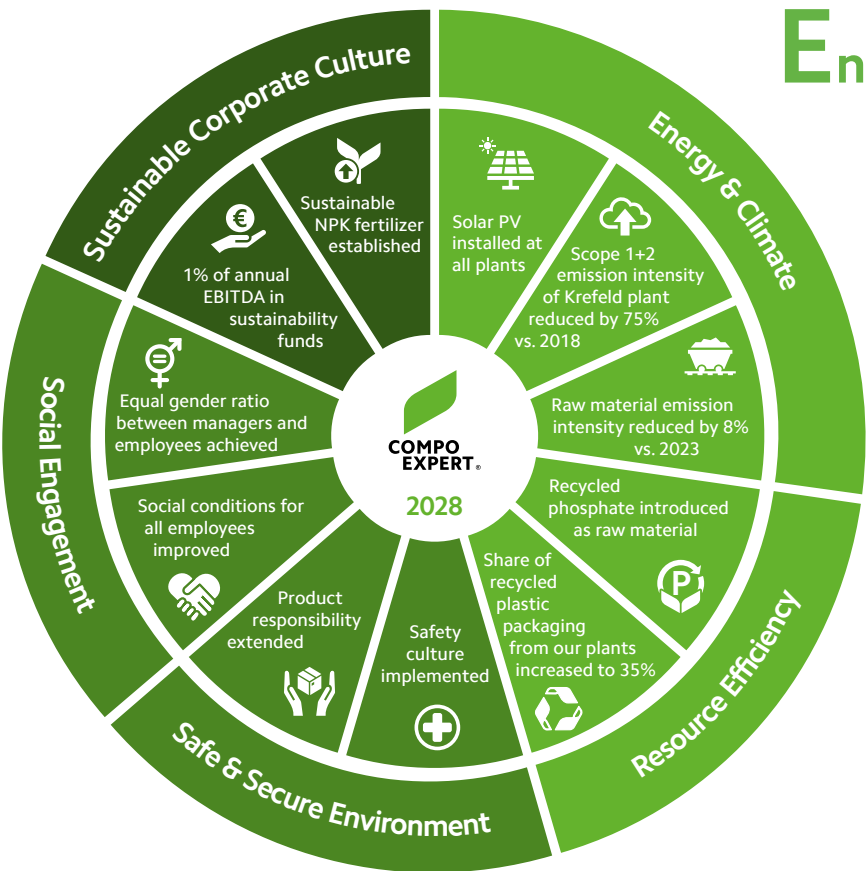
support farmers in optimizing yields sustainably. Our commitment to innovation and customer-centricity drives us to develop cutting-edge, resource-efficient solutions that promote sustainable farming practices. By integrating circular economy principles and reducing greenhouse gas emissions, we aim to contribute to a greener, more sustainable future.

At COMPO EXPERT, we believe that aligning corporate strategy with sustainability considerations strengthens our ability to address both, current and future challenges and opportunities within the industry. By continuously evolving and adapting to global sustainability trends, we are positioned to create long-term value for our stakeholders while fostering more sustainable agriculture.

## SUSTAINABILITY TARGETS

As a fundamental pillar of our corporate strategy, sustainability serves as a guiding principle in balancing economic growth with environmental responsibility and social accountability. Recognizing our role in shaping a more sustainable future, we have made a firm commitment to minimizing our environmental footprint, fostering a supportive and inclusive workplace, and upholding the highest standards of ethical governance.

To solidify our dedication to driving meaningful change, we have set ambitious sustainability targets for 2028. These goals encompass all three key



sustainability areas – Environment, Social, and Governance (ESG) – as well as specific topics identified as material during our materiality assessment. By setting clear, measurable objectives, we ensure accountability and transparency in our progress toward sustainability.

The scope of our sustainability targets, their current level of achievement, and next steps are explained in detail in the topical sections. Please click on the

relevant icon to access more information.

Through these sustainability initiatives, COMPO EXPERT aims to lead the way in sustainable agriculture, demonstrating that economic success and environmental stewardship can go hand in hand. By proactively addressing sustainability challenges and opportunities, we are committed to ensuring that our actions today contribute to a resilient planet and thriving communities for generations to come.

Environment  
Social  
Governance

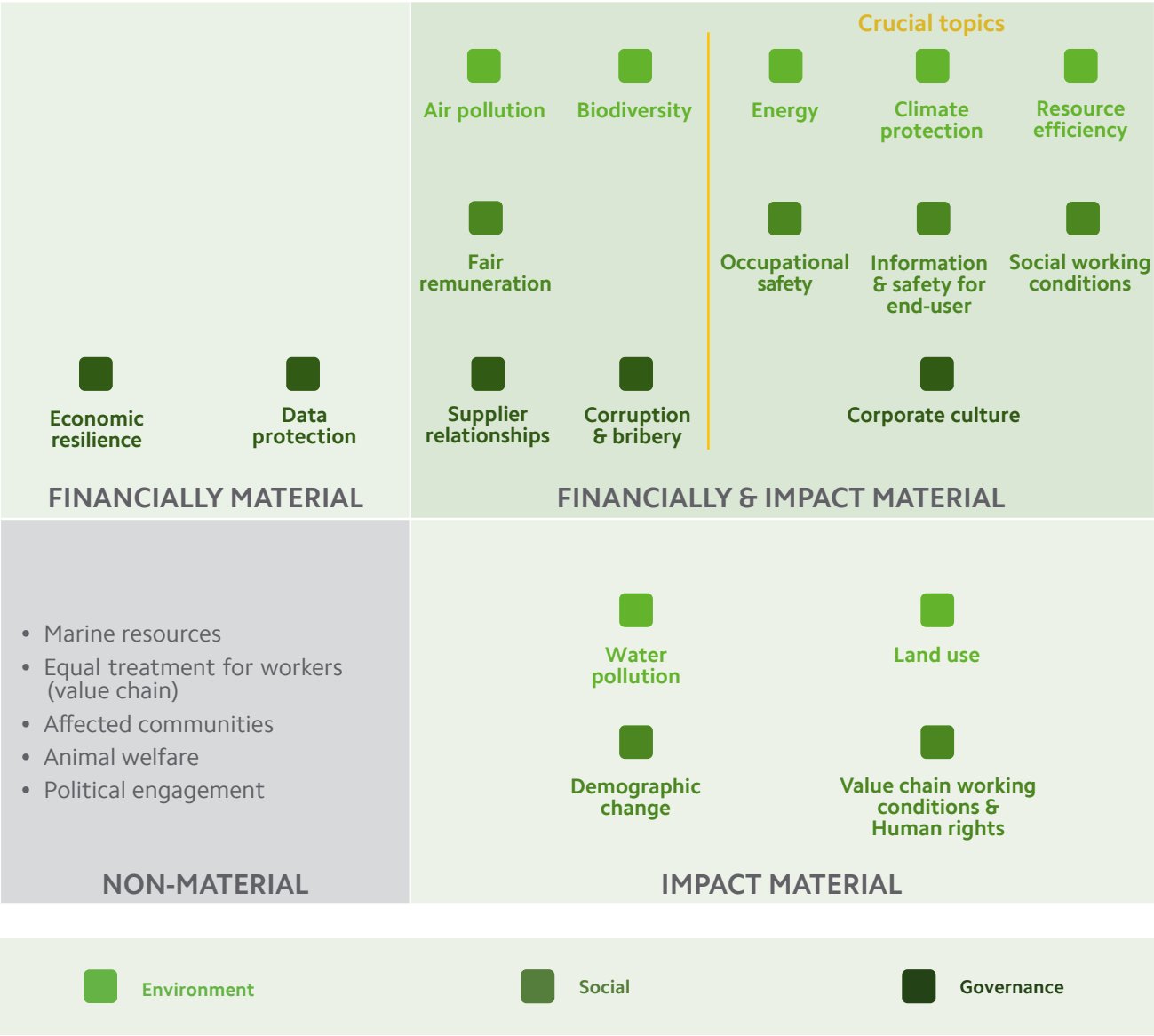


# MATERIALITY ASSESSMENT

## OUTCOME

In 2024, we conducted our first double materiality assessment. This process is a strategic and holistic method for analyzing sustainability-related impacts, risks, and opportunities (IRO) and includes a systematic prioritization. We analyzed the IRO for COMPO EXPERT (own production processes as well as internal social interactions ) as well as across the upstream (from raw material extraction until transport to our factory) and downstream (transport to customers and end-users as well as product application) value chain. Doing so, we gained valuable insights into our most material impacts on environment and society (impact materiality; inside-out perspective) as well as sustainability-related risks and opportunities for our business (financial materiality, outside-in perspective).

As a result of the double materiality assessment, we have identified all topics outlined in the European Sustainability Reporting Standards (ESRS), with the exception of affected communities, as material. In addition, the sub-topics marine resources, equal treatment and equal opportunity for workers in the value chain (externally), and animal welfare as well as political engagement are deemed immaterial.



## IMPACT ON DECISION-MAKING

Our analysis of the significant impacts, risks, and opportunities affecting our operations demonstrates that integrating sustainability into our business model not only mitigates risks but also presents numerous opportunities that we actively aim to capitalize on.

COMPO EXPERT is committed to integrating sustainability into all aspects of its business model and proactively managing the associated material risks and opportunities. In line with these objectives and considering the long-term financial implications, we have defined multiple goals and measures, which are continuously monitored and adjusted, if needed.

Our ongoing efforts in sustainability and risk management are designed to ensure the long-term resilience and financial health of COMPO EXPERT while maximizing opportunities for growth and innovation.



Climate change

Climate change impacts COMPO EXPERT and agriculture, disrupting farmers and supply chains. Agriculture contributes 23% of global GHG emissions, with nitrogen fertilizers responsible for 2.1%, mainly from production and use. Fertilizer production is energy-intensive, accounting for 1.4% of global CO<sub>2</sub> emissions. However, fertilizers enhance plant growth and photosynthesis, improving carbon fixation in agriculture.

Biodiversity & ecosystems

Biodiversity is crucial for ecosystems and food production. COMPO EXPERT recognizes agriculture’s impact through climate change, pollution, and land-use changes. Fertilization improves soil nutrients but can harm biodiversity if overused, causing eutrophication. Nitrogen fertilizer production contributes to climate change, threatening species and driving habitat loss.

Workers in the value chain

COMPO EXPERT values its workforce across the value chain, recognizing their decisive role in operational success. To address risks like skilled worker shortages, underpayment, and occupational safety, COMPO EXPERT upholds strict human rights policies to ensure fair treatment and ethical practices. We aim to improve working conditions and protect employee rights throughout the value chain.

Pollution

COMPO EXPERT’s operations and supply chain pose pollution risks, including emissions, spills, and waste from nutrient mining. Phosphorus and potassium mining pollutes water, soil, and air, while non-biodegradable fertilizer coatings contribute microplastics. Some micronutrients, like zinc and copper, can be hazardous in high concentrations. Healthy ecosystems are essential for effective fertilizer use, as pollution reduces crop yields and degrades soil and water quality.

Resource use & circular economy

COMPO EXPERT relies on non-renewable resources like phosphorus and potassium, while nitrogen is extracted from the atmosphere. The Haber-Bosch process emits CO<sub>2</sub> when using fossil fuels. Phosphorus and potassium mining cause habitat loss, waste, and water contamination, making extraction resource- and water-intensive with sustainability challenges.

Consumers & end-users

At COMPO EXPERT, consumers & end-users are central to our operations. We provide high-quality fertilizers and biostimulants tailored to the needs of professional users in areas like fruits, vegetables, field crops, turf, and ornamentals. Through a strong distribution network, we ensure product accessibility and safety. We focus on enhancing customer satisfaction and optimizing the impact of our products on end users.

Water & marine resources

COMPO EXPERT relies on water for global material transport and operations. At its Krefeld plant, water is used for cooling, steam generation, and liquid product manufacturing. Key water-related risks include scarcity from prolonged droughts, which can lower waterway levels, restricting transport and disrupting raw material supply. Droughts also impact agricultural productivity, reducing fertilizer demand. These challenges are expected to rise with climate change.

Own workforce

Sustainability at COMPO EXPERT extends beyond the environment to focus on employees, who are central to the company’s success. With 770 employees worldwide, COMPO EXPERT prioritizes creating a safe, supportive working environment that fosters personal growth, well-being, and satisfaction. Ensuring strong social working conditions and high safety standards is key to promoting camaraderie and a secure future for all employees.

Business conduct

COMPO EXPERT is operating in over 100 countries, including high-risk regions regarding business conduct. Adhering to applicable laws and internal policies is necessary to mitigate risks such as unlawful behavior, data breaches, and corruption. Commitment to transparency and integrity can strengthen relationships with stakeholders and protect the company’s brand reputation and competitiveness.



- Environment
- Social
- Governance



MATERIALITY ASSESSMENT PROCESS

We based our double materiality assessment on three main components: stakeholder analysis, impact materiality, and financial materiality. Our approach is based on a systematic analysis across the entire value chain, using both qualitative and quantitative methods to identify potential and actual impacts, risks, and opportunities.

**Stakeholder analysis:** Internal experts with knowledge of the affected stakeholders were appointed as stakeholder representatives to offer insights on the respective sustainability matters and to identify and evaluate impacts, risks, and opportunities at sub-topic level. The identified topics were ranked by multiplying their probability of occurrence and damage; each measured on a scale from 1-5; with 1 = very low and 5 = very high. The top three topics per stakeholder and all other topics with a score  $\geq 8$  are identified as material.

**Impact materiality:** Designated workshops regarding the impact materiality were conducted, with relevant experts from the respective departments participating (e.g. Product Management, Research & Development; Sales, Human Resources, ...). The sustainability topics covered under the ESRS thematic standards were evaluated for the significance of their actual and potential impacts, both positive and negative, on our operations and the value chain.

On a scale from 1 to 5, we rated the categories “likelihood of occurrence” (1 = highly unlikely; 5 = actual and always present impact) and “severity” (taking into consideration magnitude, scope, and irreversibility; 1 = low; 5 = high). In addition, we also defined the time horizon (short-term <1 year, mid-term 1-5 years, long-term >5 years) of the respective impact. All impacts that scored  $\geq 8$  when multiplying likelihood of occurrence and severity qualify as material.

**Financial materiality:** Designated workshops regarding the financial materiality were conducted, with experts from the respective departments participating (e.g. Controlling, Production, ...). Opportunities and risks were evaluated for all dimensions of sustainability, distinguished between our internal operations and external processes. Physical risks as well as transition risks were considered.

The rating was conducted by multiplying the respective probability of occurrence (scale from 1-5; with 1 = very unlikely) and the expected damage (scale from 1-5; with 1 = very low; 5 = life-threatening for the company). All risks and opportunities that scored  $\geq 8$  are identified as material.

Financial materiality

outside-in perspective



inside-out perspective

Impact materiality



## SUSTAINABILITY-RELATED IMPACTS, RISKS, AND OPPORTUNITIES

The following tables summarize impacts, risks, and opportunities (IRO) we identified as material during the double materiality analysis and provide brief descriptions of the material aspects in relation to our business activities. Indicating the location of each IRO in the value chain, we differentiate between upstream (from raw material extraction until transport to our factory), COMPO EXPERT (own production processes as well as internal social interactions), and downstream (transport to customers and end-users as well as product application). Positive IRO are marked in green, while negative IRO are marked in yellow.

Details on how we respond to our impacts and risks, and which measures we undertake to improve in the respective areas can be found in the topical sections.













































Acutal / potential negative impact

Acutal / potential positive impact

Short-term

Mid-term

Long-term

Material sustainability-related impacts		Location in the value chain	Time horizon
Climate change			
	<b>GHG emissions from own production</b> Our production involves energy-intensive processes that result in greenhouse gas emissions from fuel combustion. Additionally, the production of nitric acid at one of our production plants releases nitrous oxide as a byproduct.		  
	<b>GHG emissions from value chain</b> Extraction & processing of raw materials for our production often involve energy- or GHG-intensive industrial processes that release greenhouse gases. The application of nitrogen fertilizers releases additional greenhouse gas emissions, mainly in form of nitrous oxide.		  
	<b>Carbon fixation in agricultural systems</b> Our fertilizers support CO <sub>2</sub> fixation by providing essential nutrients that boost plant growth and photosynthesis.		  
Pollution			
	<b>Air emissions from own production</b> Our industrial processes result in air pollutants, e.g. particulate matter.		  
	<b>Pollution through raw material generation</b> Mining activities contribute to air pollution through dust and emissions, impacting air quality. Additionally, the extraction of raw materials rich in phosphorus and potassium often generates significant by-products, which can contaminate water and soil.		  
	<b>Microplastic</b> We produce some fertilizers with polymer coating, which is currently not biodegradable and classified as microplastics.		  
Water			
	<b>Water quality</b> The extraction and processing of some raw materials generates saline wastewater as a by-product, which can contaminate nearby water sources and harm aquatic ecosystems. Additionally, high water consumption in these operations can strain local water supplies, particularly in water-scarce regions.		  
Biodiversity & ecosystems			
	<b>Land-use efficiency</b> By improving soil nutrient levels, fertilization enhances land-use efficiency, allowing for higher crop yields on less land, which can reduce the need for deforestation and habitat conversion, indirectly supporting biodiversity.		  
	<b>Eutrophication</b> Overfertilization can lead to eutrophication in nearby water bodies, causing algae blooms and harm aquatic life. This nutrient imbalance can disrupt ecosystems, reducing biodiversity by favoring fast-growing, nutrient-responsive species.		  
	<b>Habitat disruption</b> The extraction of our raw materials impact on biodiversity due to land-use changes and habitat disruption.		  
Resource use & circular economy			
	<b>Use of finite resources</b> Our key raw materials are mined and our packaging mostly contains virgin plastics.		  
	<b>Resource efficiency in application</b> We offer products with sustainable application properties (e.g. enhanced nutrient use efficiency) and provide consulting services to our customers for efficient fertilization.		  





Material sustainability-related impacts		Location in the value chain	Time horizon
Own workforce			
<div></div>	<b>Working conditions</b> COMPO EXPERT has branches in 22 countries, which manage the respective working conditions autonomously and in accordance with local laws. We have not yet secured the complete roll-out of our self-set standards.		⌚⌚⌚
<div></div>	Employment terms and benefits are transparent and compliant and employees are empowered to balance work and private life in alignment with their work assignments.		⌚⌚⌚
<div></div>	<b>Work environment // Information exchange</b> Regular social dialogue with and among employees across all hierarchical levels fosters a cohesive and collaborative work environment, where employees feel heard and valued.		⌚⌚⌚
<div></div>	<b>Occupational health &amp; safety</b> Due to contact to chemicals and heavy machinery, employees working in our production sites, research stations, and warehouses are potentially endangered to experience physical harm from work-related accidents.		⌚⌚⌚
<div></div>	<b>Composition of workforce</b> As a global employer, we are committed to fostering an inclusive environment where all employees feel valued and respected, regardless their background. Our diverse workforce brings a wealth of perspectives and ideas, which are crucial for innovation and success.		⌚⌚⌚
Workers in the value chain			
<div></div>	<b>Working conditions</b> Underpayment of transport and raw material extraction workers, including lack of minimum wages and unpaid overtime, are a potential negative impact.		⌚⌚⌚
<div></div>	<b>Occupational health &amp; safety</b> (Un)loading vehicles, improper storage, and inadequate securing of goods during transportation, the workers in the value chain potentially are endangered to experience physical harm from work-related accidents.		⌚⌚⌚
<div></div>	<b>Human rights</b> Sourcing raw materials from, and selling our products to high-risk countries bears potential negative impacts referring to human rights violation, child labor, and modern slavery.		⌚⌚⌚
Consumers & end-users			
<div></div>	<b>Health &amp; safety</b> Transport, storage, and application of chemical products potentially pose negative health implications to the users.		⌚⌚⌚
<div></div>	Safe and secure application by end-users is ensured by strong commitment to compliance (e.g. material safety data sheets, product information on packaging) and enriched by offering expert application consultation.		⌚⌚⌚
<div></div>	<b>Information for end-user</b> Our products are accessible to all consumers, regardless of their individual needs and circumstances. Regular dialogue & transparent communication with end-users is important		⌚⌚⌚
<div></div>	<b>Human rights</b> Selling our products to high-risk countries bears potential negative impacts referring to human rights violation, child labor, and modern slavery.		⌚⌚⌚
Business conduct			
<div></div>	<b>Corporate culture</b> COMPO EXPERT fosters a positive corporate culture through employee development, sustainability initiatives, teamwork, and innovation. This creates a supportive, purpose-driven, and forward-thinking work environment.		⌚⌚⌚
<div></div>	<b>Protection of whistleblowers</b> Our approaches to protect whistleblowers are proactive and go beyond the legally obliged level. Thus, we encourage and enable all stakeholders to speak up.		⌚⌚⌚



Actual / potential negative impact

Actual / potential positive impact

⌚⌚⌚

Short-term

⌚⌚⌚

Mid-term

⌚⌚⌚

Long-term

Material sustainability-related risks & opportunities		Time horizon
Climate change		
	<b>Shift of consumer habits</b> Changing weather patterns, more frequent extreme weather events, and changing growing conditions create major challenges for farmers, impacting their demand for fertilizers.	⌚⌚⌚
	<b>Heat waves</b> Rising temperatures can harm inventory, delay production, drive up production costs due to reduced efficiency, and put stress on employees, increasing the likelihood of absenteeism.	⌚⌚⌚
	<b>Water scarcity &amp; drought</b> Water shortages can disrupt logistics, leading to delayed deliveries and increased distribution costs. Additionally, farmers face reduced crop yields while fixed costs remain constant, and a decline in arable land usability.	⌚⌚⌚
	Farmers seek solutions that maximize productivity under limited water conditions. Providing specialized water-efficient and liquid fertilizers thus is an opportunity to increase revenues.	⌚⌚⌚
	<b>Shift towards low-carbon economy</b> Stricter environmental regulations (e.g. carbon pricing, emission caps) may increase operational costs and require investments in cleaner technologies, impacting competitiveness. Shifting consumer and industry preferences towards more sustainable products pressures innovation and adaptation of our product portfolio.	⌚⌚⌚
	Development of sustainable fertilizer solutions, aligning with global climate objectives and customer demand.	⌚⌚⌚
Water		
	<b>Water scarcity</b> Falling waterway levels can restrict transportation volumes of raw materials and products, thus impacting our sales. Downstream in our value chain droughts can severely disrupt agricultural productivity, thus reducing the demand for fertilizers.	⌚⌚⌚
	Our products designed for enhanced fertilizer efficiency save water through precise and simultaneous application of fertilizer and water during fertigation. Those products are getting more and more interesting for farmers fighting droughts and are expected to grow in volumes over the next years	⌚⌚⌚
Resource use & circular economy		
	<b>Circular raw materials and packaging</b> Developing products with circular raw materials and packaging attracts sustainability cautious customers and offers new business opportunities.	⌚⌚⌚
Own workforce		
	<b>Shortage of specialists</b> A shortage of specialists (e.g. caused by demographic change) can slow innovation, reduce efficiency, and weaken our competitive edge, negatively influencing growth and customer satisfaction.	⌚⌚⌚
Workers in the value chain		
	<b>Shortage of specialists</b> COMPO EXPERT relies on collaboration with companies in the transport sector and raw material extraction. Demographic changes, lack of education, and migration to other industries bear the risks of cause a significant bottleneck.	⌚⌚⌚
Business conduct		
	<b>Bribery &amp; corruption</b> COMPO EXPERT operates in countries with higher risk for bribery and corruption. An incident could lead to fines and penalties and reputational damage.	⌚⌚⌚



Risk



Opportunity



Short-term



Mid-term



Long-term





# MANAGING IMPACTS IN OUR VALUE CHAIN

At COMPO EXPERT, we recognize that sustainability extends beyond our direct operations – it encompasses our entire value chain, from raw material sourcing to production and product usage. Operating on a global level, we are well aware that this exposes us to several sustainability challenges. As it is not feasible to eliminate all of them, we identified key challenges affecting sustainability for each element of our value chain to focus our efforts.

	Description of interaction	Key challenge	Key actions we derived
Sourcing	<ul style="list-style-type: none"><li>■ Key raw materials: Ammonia, phosphorus, potassium, Urea, ...</li><li>■ Key micronutrient materials: Magnesium, Calcium, Sulfur, ...</li><li>■ Sourcing methods: Mining &amp; industrial production</li><li>■ Key markets we source from: Germany, Netherlands, Japan, ...</li></ul>	<ul style="list-style-type: none"><li>■ Non-renewable raw materials</li><li>■ Energy and GHG-intensive industrial processes (e.g. Haber-Bosch process)</li><li>■ Health &amp; safety risks</li></ul>	<ul style="list-style-type: none"><li>■ Sustainability Supplier Self-Assessment</li><li>■ Long-term, trust-based relationships with our suppliers</li><li>■ Regular audit of key suppliers</li><li>■ Low-carbon Ammonia</li></ul>
Transport	<ul style="list-style-type: none"><li>■ Transport via rail, truck, and/or ship (up- &amp; downstream)</li><li>■ Product delivery to distributors or directly to large agricultural end-users (downstream)</li></ul>	<ul style="list-style-type: none"><li>■ Consumption of fossil fuels</li><li>■ Emissions to air &amp; water</li><li>■ Utilization and disposal of plastic materials</li></ul>	<ul style="list-style-type: none"><li>■ Shift to intermodal transport whenever possible</li><li>■ Product stewardship programs</li></ul>
Production & Packaging	<ul style="list-style-type: none"><li>■ Production of specialty fertilizers through various chemical and industrial processes, blending and/or coating</li><li>■ Packaging: bulk, bags, IBCs, canisters</li></ul>	<ul style="list-style-type: none"><li>■ Natural gas combustion for steam generation</li><li>■ Process-related emission of nitrous oxide during nitric acid production</li><li>■ Energy-intensive processes</li><li>■ Health &amp; safety risks</li><li>■ Utilization and disposal of plastic materials</li></ul>	<ul style="list-style-type: none"><li>■ Investments in energy optimization and efficiency improvement (e.g. ammonia converter; green electricity)</li><li>■ Environmental transition concept for Krefeld site</li><li>■ Safety trainings for employees</li><li>■ Shift to min. 30% recycled material in foils</li></ul>
Sales & Distribution	<ul style="list-style-type: none"><li>■ Sales Channels: Sales to distributors/retailers or directly to large farmers (depending on the go-to-market strategy per market)</li></ul>	<ul style="list-style-type: none"><li>■ Health &amp; safety risks</li><li>■ Fulfilling customer demand for sustainable products</li></ul>	<ul style="list-style-type: none"><li>■ Long-term, trust-based relationships</li><li>■ Continuous development of product portfolio</li></ul>
End-user	<ul style="list-style-type: none"><li>■ End-users: Farmers and agricultural businesses</li><li>■ Key crops: Fruits, vegetables, field crops, turf &amp; public green, nursery &amp; ornamentals</li></ul>	<ul style="list-style-type: none"><li>■ Yield maximization whilst minimizing environmental impact</li><li>■ Soil fertility</li><li>■ Stress tolerance of crops towards climate change</li><li>■ Scope 3 reduction</li></ul>	<ul style="list-style-type: none"><li>■ Product portfolio: Enhanced efficiency fertilizers; products dedicated to sustainable application</li><li>■ Advisory services: soil sample analysis, crop nutrition program, agronomic consultation, digital tools</li><li>■ Long-term, trust-based relationships</li></ul>





# STAKEHOLDER ENGAGEMENT

Engaging with stakeholders is vital to ensuring our long-term success and creating value. Their insights and perspectives help us understand their interests and expectations towards COMPO EXPERT and thus enable us to propose solutions to joint challenges. In 2024, the stakeholder feedback guided us in developing lower-carbon products to reduce value chain emissions, fostering safe workplaces, and conducting business with integrity in the markets we operate.

The table below outlines our stakeholder engagement processes, including the description of these interactions and the identified key topics per relevant stakeholder group we derived from the insights. Stakeholder input is crucial in informing our due diligence processes and materiality assessment.

Stakeholder	Description of interaction	Key interests in 2024
Supplier	<ul style="list-style-type: none"><li>Regular exchange (daily operations) and quarterly meetings</li><li>Strategic partnerships</li><li>Sustainability Supplier self-assessment</li><li>Participation in industry forums</li><li>Selected supplier audits</li></ul>	<ul style="list-style-type: none"><li>Profitability</li><li>Trustful relationship; incl. on-time payments, stick to agreements, fix contact person)</li><li>Planning security</li><li>Appropriate pricing</li><li>Decarbonization of the value chain</li></ul>
Employees	<ul style="list-style-type: none"><li>Townhall Meetings with Q&amp;A sessions</li><li>Shop floor meetings &amp; safety talks</li><li>Personal development dialogues</li><li>Intranet</li><li>Exchange with workers council</li></ul>	<ul style="list-style-type: none"><li>Flexible and hybrid working</li><li>Fair and transparent remuneration</li><li>Health, safety &amp; well-being at work</li><li>Development programs</li></ul>



Stakeholder	Description of interaction	Key interests in 2024
Distributors & Retailers	<ul style="list-style-type: none"><li>Exchange with our technical consultants, crop specialists, and sales teams</li><li>Customer satisfaction survey (Net Promoter System)</li><li>Customer Meetings &amp; events</li></ul>	<ul style="list-style-type: none"><li>Competitive product portfolio in line with end-user demands</li><li>Product quality and little claim rate</li><li>Consultation of end-users by COMPO EXPERT</li><li>Product availability and on-time delivery</li></ul>
End-users	<ul style="list-style-type: none"><li>Exchange with our technical consultants, crop specialists, and sales teams</li><li>Customer satisfaction survey (Net Promoter System)</li><li>Customer Meetings &amp; field days</li><li>Social media</li></ul>	<ul style="list-style-type: none"><li>Product quality and efficacy</li><li>Cost effectiveness</li><li>Advisory services: soil sample analysis, crop nutrition program, agronomic consultation, digital tools</li><li>Product availability</li><li>Packaging from recycled materials</li><li>Sustainable properties of the products</li><li>Safe product use</li></ul>
Shareholder	<ul style="list-style-type: none"><li>Board meetings</li><li>Quarterly reports</li><li>Topic specific calls/meetings</li></ul>	<ul style="list-style-type: none"><li>Financial performance &amp; cash-flow</li><li>Decarbonization approach (authority relevant)</li><li>Reduction of emissions from sites (compliance)</li><li>Reduction of work-related accidents</li><li>ESG topics &amp; performance</li><li>Company image</li></ul>
Financial institutes & investors	<ul style="list-style-type: none"><li>Regular exchange</li><li>Topic specific calls/meetings</li></ul>	<ul style="list-style-type: none"><li>Economic efficiency &amp; solvency</li><li>Compliance</li><li>Future-oriented business model (resilience, adaptability, competitive capacity)</li></ul>
Policy makers & authorities	<ul style="list-style-type: none"><li>Engagement through industry associations</li><li>Visits, meetings, social events and conferences</li><li>Participation in preparation of selected white papers together</li></ul>	<ul style="list-style-type: none"><li>Regulatory compliance</li><li>Compliance with product specifications (nutrient content, soil health, fertilizer ordinance)</li><li>Compliance with operator obligations</li><li>Transparency regarding sustainability reporting</li><li>Emission reduction</li></ul>





# GENERAL INFORMATION

Our report is designed to support stakeholders in evaluating our contributions to the EU’s sustainability objectives, including climate neutrality, resource efficiency, and biodiversity preservation. We structured it in preparation for compliance with the European Sustainability Reporting Standards (ESRS) as outlined by the Corporate Sustainability Reporting Directive (CSRD). Hence, the following reporting principles are reflected in this report:

- **Double materiality:** Addressing the impacts of our operations on the environment, society, and governance, as well as how sustainability-related risks and opportunities affect our business performance and financial position.
- **Accuracy and completeness:** Providing data that is as accurate, precise, comprehensive, and up-to-date.

Through this robust and transparent approach to reporting, COMPO EXPERT reaffirms its dedication to sustainable development and regulatory compliance while driving meaningful action across its value chain.

No information related to intellectual property, know-how, or innovation outcomes has been excluded from this report. This Sustainability Report is approved by the Managing Directors of COMPO EXPERT GmbH.

## DATA QUALITY

Whenever possible, the data disclosed in this report is derived from internal monitoring systems and audited records. Where data limitations exist and estimates or assumptions were necessary, these are disclosed alongside supporting rationale and potential limitations or implications in the respective chapters of this report.

Particularly noteworthy is the assessment of sustainability aspects within our upstream and downstream value chain. Despite the challenges of obtaining accurate data from third-party entities, we have developed strategies to utilize estimates based on sector averages and proxy data. Although we consider actual data quality to be solid, we acknowledge the need to further enhance data accuracy derived from estimates and sector averages. To address this, we plan to develop and implement more precise data collection methods in the future, particularly by fostering closer collaboration with our suppliers and partners across the value chain.

## OUTCOME UNCERTAINTY

Certain sections of this report include forward-looking statements based on current assumptions and expectations. These statements are subject to uncertainties and risks that could cause actual results to differ substantially. We are dedicated to providing transparent information on uncertainties in

estimates and results and thus elaborate on those in the respective sections of this report.

## REPORTING SCOPE

The report covers the fiscal year from 01.01.2024 to 31.12.2024 and includes operations under COMPO EXPERT’s control:

- **Organizational boundary:** COMPO EXPERT Holding GmbH as the parent company, its subsidiaries as well as owned facilities
- **Value chain considerations:** Significant upstream (key suppliers and raw materials incl. transport) and downstream (distribution and product use) impacts
- **Geographical scope:**
  - a) own fertilizer plants in Krefeld (Germany) and La Vall d’Uixó (Spain), as well as logistics sites Deinze (Belgium), Patras (Greece), and Altamira (Mexico)
  - b) own sales entities in Europe (Germany, Austria, Belgium, France, Greece, Italy, Poland, Portugal, Spain, Turkey, United Kingdom), Americas (Argentina, Brazil, Chile, Mexico, Peru, USA), Asia (Malaysia, China, India), and Africa / Middle East (Egypt, South Africa)

## TIME HORIZONS

We have adopted and tailored the definitions of short-, medium-, and long-term horizons following the requirements of ESRS to reflect the specific circumstances of COMPO EXPERT.

Thus, we define the short-term horizon as one year, according to our financial reporting. This definition allows us to effectively capture and report current developments and short-term initiatives.

The medium-term horizon spans a period of one to five years. This adjustment enables us to account for mid-sized projects and strategic initiatives that extend beyond the short-term scope but remain achievable within a manageable time frame.

The long-term horizon encompasses all periods exceeding five years. We use additional subdivisions when necessary, particularly if actions or impacts are expected over a time frame longer than five years, and more detailed differentiation is needed to provide stakeholders with relevant information.

## ASSURANCE AND VALIDATION

We have not yet conducted an external validation of our sustainability report. To enhance the credibility and reliability of the disclosed information, this is planned for the coming years.

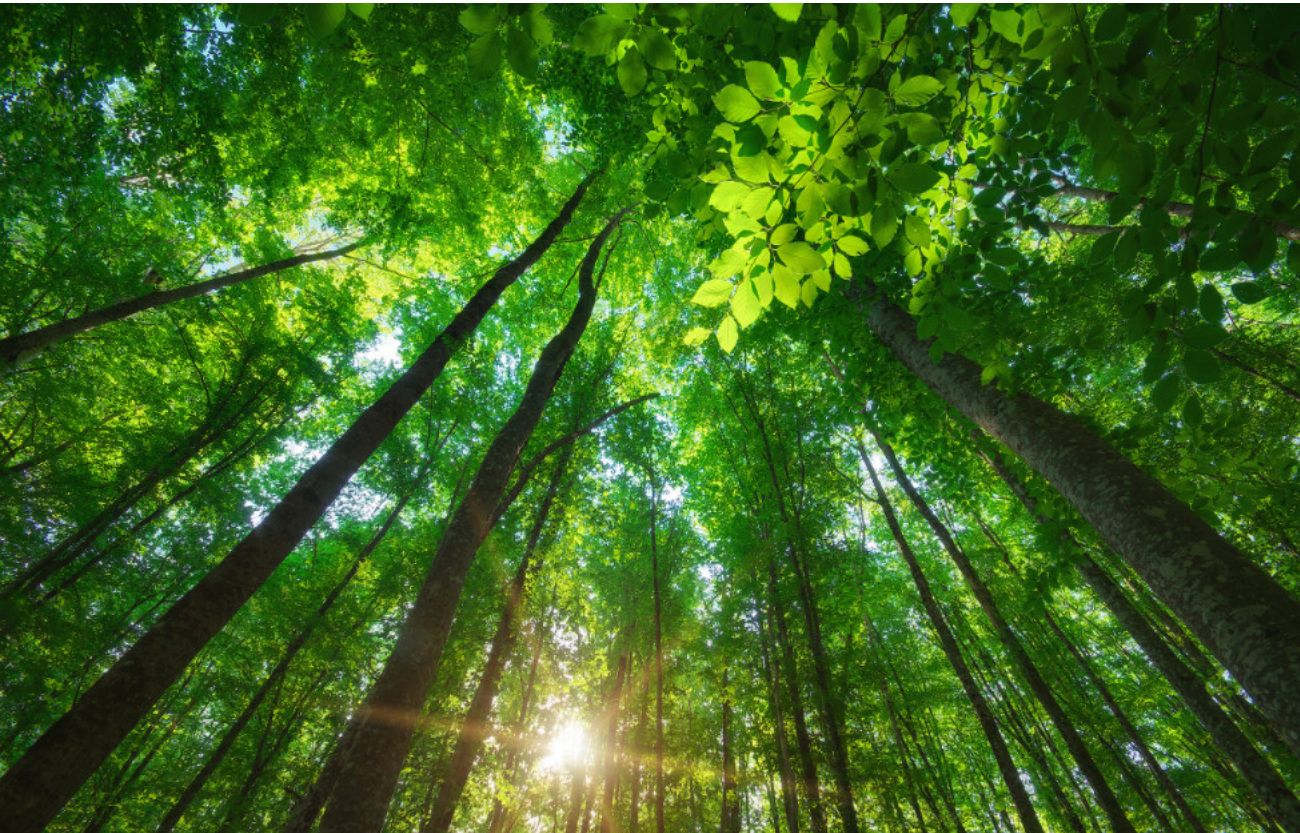




# ENVIRONMENT



# CLIMATE CHANGE



## WHY IT MATTERS

Climate change is a critical concern for COMPO EXPERT as it directly impacts the agricultural sector. Shifting weather patterns, increased frequency of extreme weather events, and changing growing conditions pose significant challenges for farmers and, consequently, for the supply chain and product demand in our industry.

Furthermore, agriculture, forestry and other land use activities are responsible for around 23% of global anthropogenic greenhouse gas (GHG) emissions, pushing climate change.<sup>1</sup> Nitrogen fertilizer supply chains alone account for 2.1% of global GHG emissions. Almost 40% of these emissions originate from their production, while the remainder is in-field emissions related to the use of fertilizers.<sup>2</sup>

Also the extraction and processing of raw materials for fertilizer production such as nitrogen compounds, phosphates, and potassium often involve energy- or GHG-intensive industrial processes. For instance, the Haber-Bosch process used to synthesize ammonia, an important nitrogen source for fertilizers, accounts for 1.4% of global CO<sub>2</sub> emissions.<sup>3</sup>

In contrast to the greenhouse gases emitted during their production, fertilizers enhance a plant's ability to fixate CO<sub>2</sub> by providing essential nutrients that promote healthy growth and robust photosynthesis. Nitrogen, phosphorus, and potassium, key nutrients in many fertilizers, support vital processes such as chlorophyll production and root development. With improved nutrient availability, plants can increase their biomass and leaf surface area, leading to a greater capacity for absorbing carbon dioxide from the atmosphere. As a result, the use of fertilizers plays a crucial role in enhancing the overall efficiency of carbon fixation in agricultural systems.

<sup>1</sup> IPCC (2019) <https://doi.org/10.1017/9781009157988.001>  
<sup>2</sup> Menegat, S., Ledo, A., Tirado, R. (2022) <https://doi.org/10.1038/s41598-022-18773-w>  
<sup>3</sup> Capdevila-Cortada, M. (2019) <https://doi.org/10.1016/j.joule.2019.10.006>



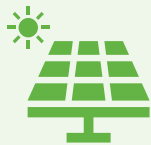
# OUR APPROACH

COMPO EXPERT is committed to mitigate climate change along the value chain. Our target is to limit our own impact on the climate with the goal to reach net-zero by 2045, in line with the German and EU goals and the Paris agreement, aiming to limit global warming to below 1.5 °C. Our goal and the required measures are approved and endorsed by the Management Board.

## Transition plan and business strategy

The corporate climate transition plan is integral to COMPO EXPERT's overall business strategy and financial planning, reflecting a commitment to sustainable growth and environmental stewardship. This alignment ensures that our efforts to mitigate climate change are not detached initiatives but are embedded within our core operations and long-term objectives. By integrating climate considerations into strategic decision-making and financial planning, COMPO EXPERT leverages innovation to develop more environmentally friendly products, optimize resource efficiency, and reduce carbon emissions. This holistic approach not only helps meet regulatory requirements and stakeholder expectations but also enhances competitive advantage by tapping into the growing market demand for sustainable agricultural solutions.

# 2028 TARGETS



Solar PV installed at all plants



Scope 1+2 emission intensity reduced at our plant in Krefeld (Germany), compared to the 2018 baseline

-75%



Raw material emission intensity reduced compared to the 2023 baseline

-8%

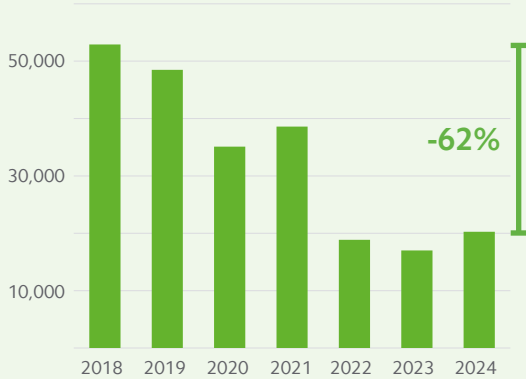
## Decarbonization levers

We have identified several levers to decarbonize our business activities – in our own plants as well as along the value chain. Improved energy efficiency, fuel switch, renewable energy, product optimization and more sustainable raw materials are all levers that can significantly improve COMPO EXPERT's carbon footprint.

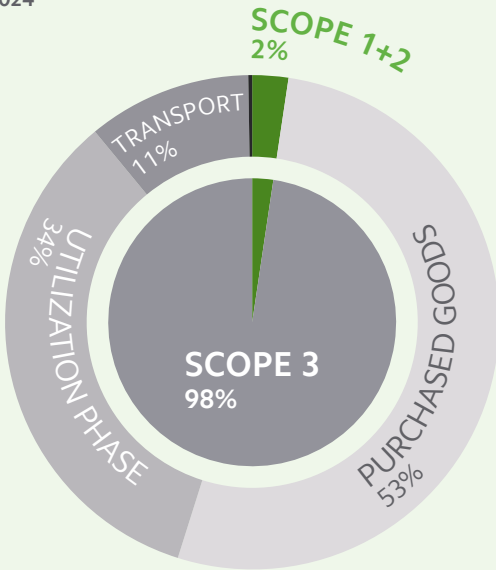
In our own operations the largest levers are process emissions in form of nitrous oxide (N<sub>2</sub>O), the footprint of purchased electricity, and CO<sub>2</sub> emissions from natural gas combustion for steam generation. We have made significant progress by implementing state-of-the-art technology, energy efficiency measures and the purchase of green electricity, leading to 62% lower greenhouse gas emissions compared to 2018.

Along the value chain, the largest sources of GHG emissions are the generation of raw materials, the transportation of goods and the nitrous oxide emissions during the application of our products. We started to address them by purchasing more sustainable raw materials, by using GHG-optimized transportation concepts and by utilizing technologies like nitrification inhibitors in our products that drastically reduce nitrous oxide emissions during application. We will continue this path by implementing additional low-carbon raw materials and intensify the communication on the profound GHG reduction through the application of nitrification inhibitors.

COMPO EXPERT's Scope 1+2 GHG emissions [t CO<sub>2</sub>e]



COMPO EXPERT's total GHG emissions 2024



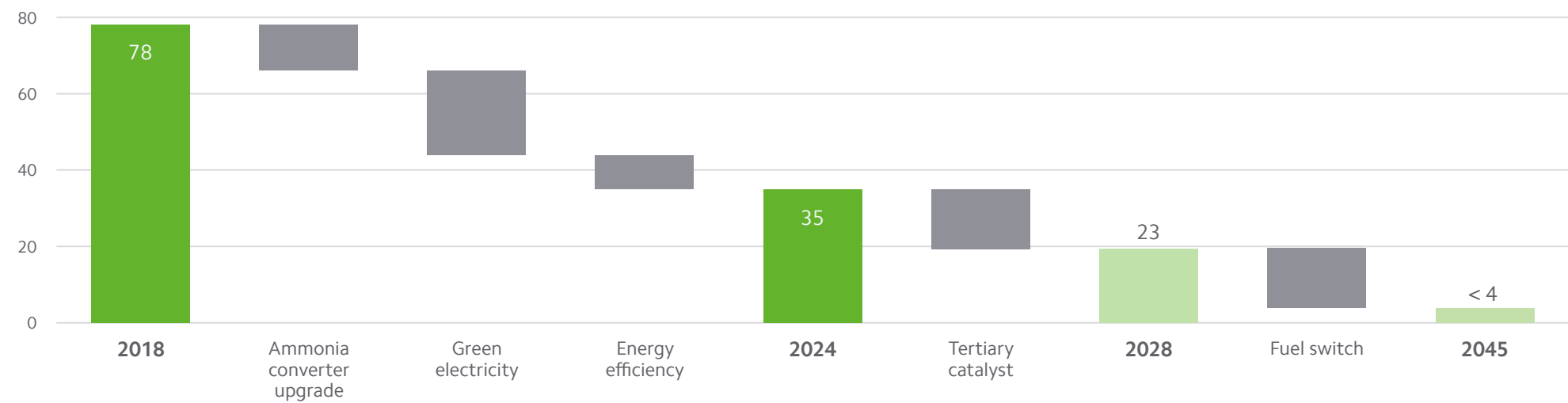


The road towards climate neutrality

Our ambition is to become climate-neutral by 2045 in our Scope 1+2 emissions. We have set intermediate targets and identified the largest levers and necessary actions to reach our goal.

Our production site in Krefeld (Germany) is responsible for >95% of COMPO EXPERT’s total Scope 1+2 GHG emissions due to its energy-intensive production processes and the process-related emission of nitrous oxide during nitric acid production. In 2024, we have therefore developed a detailed transition plan for the site to evaluate the required technological and structural changes and to avoid lock-in effects by investments in technologies incompatible with climate neutrality.

Climate roadmap  
GHG intensity for Krefeld plant [kg CO<sub>2</sub>e / t product]



We have already made significant progress towards reducing our GHG emissions, including the integration of a state-of-the-art ammonia converter in our nitric acid plant, reducing N<sub>2</sub>O emissions, and the purchase of green electricity for both production plants, the logistics center in Deinze (Belgium) and our headquarters.

Considering the vast GHG emission reduction we have accomplished in recent years, we are well on track to achieve our mid- and long-term GHG reduction goals. While the initial steps focused on implementing "low-hanging fruit" solutions – such as purchasing green electricity – future reduction often demands structural changes, like the transition to electricity-based supply of process heat.

A mid-term measure to substantially reduce GHG emissions at our Krefeld site will be the installation of a tertiary exhaust gas catalyst at the nitric acid plant, which is expected to reduce N<sub>2</sub>O emissions by >90% compared to the current level.

Emissions along the value chain

GHG emissions along the value chain (Scope 3 emissions) are one cornerstone in our sustainability efforts, as they account for 98% of COMPO EXPERT’s total GHG emissions.

Raw materials are the largest source of emissions in COMPO EXPERT’s value chain (53%), reflecting the energy-intensive processes involved in their production, extraction, and processing. Key inputs,

such as nitrogen, phosphorus, and potassium compounds, often require high energy consumption and emit substantial amounts of greenhouse gases during their manufacturing – particularly nitrogen fertilizers produced through the Haber-Bosch process. Additionally, the mining and processing of phosphorus and potassium raw materials can generate indirect emissions from machinery, transportation, and related activities.

The second largest amount of emissions in our value chain is generated during the utilization phase of our fertilizers (34%), primarily due to the release of N<sub>2</sub>O. When fertilizers are applied to soil, microbial processes such as nitrification and denitrification convert nitrogen into N<sub>2</sub>O, a potent greenhouse gas with a global warming potential 273 times higher than carbon dioxide. The IPCC<sup>1</sup> estimates that approximately 1% of nitrogen from mineral fertilizers and even 2% from manure is emitted as N<sub>2</sub>O, leading to cumulative emissions of almost 300,000 t CO<sub>2</sub>e for COMPO EXPERT in 2024.

The transportation of raw materials and finished products also significantly contributes to COMPO EXPERT’s total carbon footprint due to the emissions associated with logistics (11%). Moving raw materials from suppliers to production sites and distributing finished fertilizers to customers involve extensive use of transportation modes, such as trucks, ships, and trains, which primarily rely on fossil fuels.

<sup>1</sup> 2006 IPCC Guidelines for National Greenhouse Gas Inventories



To mitigate these emissions, COMPO EXPERT is exploring and implementing more efficient logistics strategies, such as optimizing transport routes, increasing load efficiency, and leveraging lower-emission alternatives like rail or maritime shipping when feasible.

## ENABLING A LOW-CARBON FOOD CHAIN

Fertilization is often the largest contributor to the carbon footprint of agricultural end products, such as vegetables. By developing fertilizers with reduced carbon footprints, COMPO EXPERT provides a major lever to significantly reduce GHG emissions in the value chain.

Since early 2024, we are purchasing 25% of our ammonia demand in a low-carbon variety that has a 60% lower carbon footprint compared to the market average<sup>1</sup>. While ensuring the usual quality, it reduces the carbon footprint of individual products by up to 500 kg CO<sub>2</sub>e per tonne, providing a more climate-friendly choice for our customers.

### Product carbon footprint

We have initiated a program in 2024 to assess the cradle-to-gate carbon footprint of our products, following the requirements of the ISO 14067 standard. We can provide product carbon footprint

<sup>1</sup> source: ecoinvent 3.11, cradle-to-gate, European production

data of more than 100 granulated and liquid fertilizers from our own production, fostering transparency, collaboration, and decarbonization efforts along the agricultural value chain. Providing product carbon footprints enhances transparency by giving clear insights into the greenhouse gas emissions associated with each product's life-cycle. This information allows end users to make informed decisions and align purchasing choices with their sustainability goals. By understanding the carbon impact of fertilizers, agricultural producers can better plan and implement strategies to reduce emissions in their operations.

### N<sub>2</sub>O reduction during fertilizer use

Fertilizers equipped with nitrification inhibitors, like our NovaTec® line of products, effectively reduce N<sub>2</sub>O emissions by slowing the microbial conversion of ammonium into nitrate in the soil. This process, known as nitrification, is a key step where N<sub>2</sub>O – a potent greenhouse gas – is released. By delaying this conversion, nitrification inhibitors help retain nitrogen in its ammonium form, enhancing nitrogen uptake by the plant while reducing N<sub>2</sub>O emissions by 44%<sup>1</sup>. Additionally, this technology minimizes nitrogen losses from leaching and volatilization, enhancing nutrient-use efficiency and promoting more sustainable agricultural practices. As a result, fertilizers with nitrification inhibitors enable end users of our products to mitigate their impact on climate change while maintaining crop productivity.

<sup>1</sup> Grados et al., Environmental Research Letters, 2022



## MATERIAL RISKS AND OPPORTUNITIES

As part of our double materiality assessment in 2024, we have analyzed the climate-related risks COMPO EXPERT, and our supply chain are facing in the short- to long-term, as described in the General Disclosures chapter. This analysis included risks related to the physical impacts of climate change and risks related to the transition to a lower-carbon economy.

### Physical risks

Heat waves pose a material risk for COMPO EXPERT due to potential revenue losses stemming from delayed production and order backlogs. Elevated temperatures can damage inventory and increase production costs as efficiency declines. Additionally, heatwaves put strain on employees and increase the risk of absenteeism. To mitigate these risks, we have implemented for example heat-stable dyes and enhanced cooling systems to maintain operational continuity and safeguard employees as well as product quality.



Drought and water scarcity represent both a material risk and opportunity for COMPO EXPERT. On the risk side, water shortages can disrupt logistics, leading to delayed deliveries and increased distribution costs. Additionally, drought conditions may result in revenue losses in the agricultural sector, as farmers face reduced crop yields while fixed costs remain constant, and a decline in arable land usability. However, these challenges also present an opportunity for COMPO EXPERT to increase revenue by providing specialized water-efficient and liquid fertilizers, which are in higher demand as farmers seek solutions that maximize productivity under limited water conditions. This example showcases COMPO EXPERT’s ability to adapt its strategy and business model to meet changing demands as a result of climate change.

Transition risks

Transition risks, arising from the shift toward a low-carbon economy, significantly impact COMPO EXPERT by influencing market conditions, regulatory requirements, and customer expectations. Stricter environmental regulations, such as carbon pricing or emission caps, may increase operational costs and require investments in cleaner technologies. In the current situation, especially carbon pricing in the European emissions trading system (EU ETS) and Carbon Border Adjustment Mechanism (CBAM) impact the mid-term outlook on our business. At first glance, the introduction of CBAM, which applies a carbon levy on fertilizers into the EU, gives us an advantage over imports. But at

the same time, reduced free allocation of EU ETS allowances significantly increase our production cost, leading to disadvantages in international markets.

Shifting consumer and industry preferences toward sustainable agricultural products create pressure to innovate and adapt the product portfolio, such as developing low-carbon fertilizers or incorporating recycled materials. Additionally, supply chain partners may also demand higher sustainability standards, requiring closer collaboration and transparency.

While these risks pose challenges, they also present opportunities for COMPO EXPERT to differentiate us as a leader in sustainable fertilizer solutions, aligning with global climate goals and customer needs.

Locked-in GHG emissions

The chemical industry traditionally uses steam as efficient and effective way to distribute heat to many individual aggregates that require elevated temperatures. Our main production site in Krefeld also relies on a steam network to distribute heat and utilize waste-heat. Most of the steam is generated with waste-heat from nitric acid production. The remaining steam demand is covered by gas-powered steam boilers.

This infrastructure, responsible for more than 10,000 t CO<sub>2</sub>e per year, may inhibit the switch to renewable energy as the decentralized installation of e.g. heat pumps would require new and different infrastructure, associated with high initial

investments. Nevertheless, we have evaluated our options to partially electrify the steam production or use renewable gases, like biomethane or hydrogen which are part of our transition plan.

EU Taxonomy

COMPO EXPERT has assessed its economic activities against those described in the EU taxonomy. For this assessment a materiality threshold was applied, considering only business critical or strategically important economic activities. As a result of the assessment, the following economic activities were identified as eligible within the Taxonomy Regulation:

(3.15) Manufacture of anhydrous ammonia

(3.16) Manufacture of nitric acid

COMPO EXPERT purchases anhydrous ammonia and uses it to manufacture nitric acid. Both activities are not taxonomy-aligned as they currently do not meet the criteria for substantial contribution to climate change mitigation. With the switch to ammonia with an even lower carbon footprint and the planned improvements of our nitric acid production, this is expected to change in the future.



## ENERGY

### Energy management

As part of the energy management system at our production plant in Krefeld, which is certified in accordance with ISO 50001, we have implemented an energy team. This team is dedicated to enhancing energy efficiency and to support the long-term transition from fossil-driven production toward a climate-neutral supply of energy for the production process. This specialized team is focused on implementing innovative energy-saving measures, optimizing resource usage, and integrating renewable energy sources into the complex and interwoven energy system of the plant, following the Plan-Do-Check-Act cycle.

### Energy efficiency

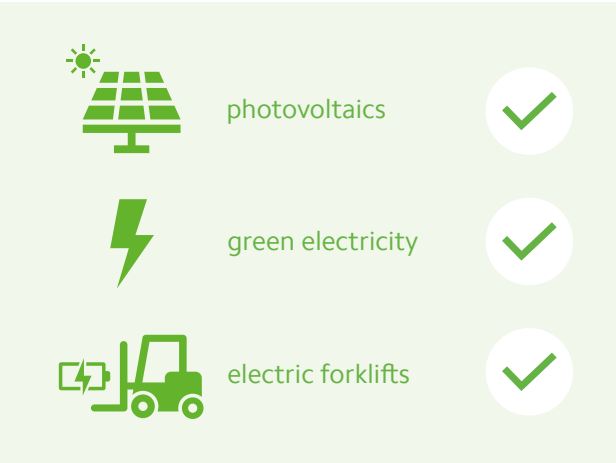
Energy is mainly used to power equipment for fertilizer production, such as mixing, granulation, and drying machinery. Additionally, energy is used in auxiliary processes like cooling, ventilation, or transport of materials. At our Krefeld plant, natural gas is the main energy carrier, whilst at our La Vall d’Uixó (Spain) plant, electricity is the dominant source of energy.

Electricity use is expected to increase in the midterm. As we are driving energy efficiency, the electricity consumption in our existing systems will decrease, whilst electrification of the vehicle fleet and process heat will shift the energy demand from fossil fuels to

electricity. We have started the transition with the purchase of electric forklifts at our sites in La Vall d’Uixó and Deinze.

### Renewable energy use

Fertilizers are stored in large warehouses to protect them against moisture and UV radiation. In 2023 we have started to utilize the roof areas of these warehouses by installing photovoltaic systems, first at our plant in La Vall d’Uixó and later in 2024 at our Deinze logistics center, with a cumulative power of around 700 kWp and an electricity output of 661 MWh in 2024. To supplement our self-generated renewable electricity, we purchased about 32,300 MWh of electricity in 2024 from 100% renewable sources for several of our sites. This measure alone avoids about 10,400 t CO<sub>2</sub>e compared to conventional grid electricity.





## METRICS AND TARGETS

The data presented in this chapter is taken from all production and logistic sites where COMPO EXPERT has operational control.

COMPO EXPERT has set targets across Scope 1, 2, and 3 GHG emissions to align our strategy with the commitments of the Paris agreement.

2018 serves as a suitable baseline for our Scope 1+2 target as it was a representative year without the turbulent effects of the global pandemic or the war of Russia against the Ukraine and includes recent technological advancements, ensuring an accurate and reasonable baseline for comparing future reduction achievements.

We started the systematic and complete assessment of our Scope 3 GHG emissions in 2023, which marks the baseline of our Scope 3 GHG reduction target.

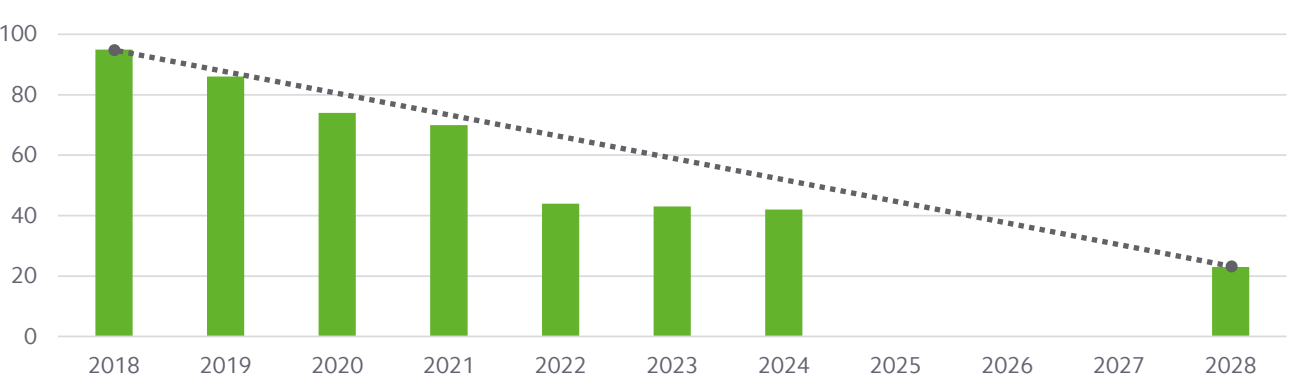
Our Scope 3 target is focused on the emissions related to the raw material generation because it is our largest source of emissions and we have identified significant levers to make an impact in this area.

Our long-term goal of reaching net zero (Scope 1+2) by 2045 is in alignment with the German climate protection law and its target and surpassing the EU Green Deal’s target of net zero in 2050. We have made it our mission to contribute to limiting the global warming to 1.5 °C, considering first our own

Metrics for GHG reduction targets

[kg CO <sub>2</sub> e/t]	Retrospective				Target years		
	2018	2023	2024	2024 vs. 2023	2028	2045	Annual % target / base year
Scope 1+2 GHG intensity of Krefeld plant products (market-based)	95	43	42	-3.6%	23	<5	-7.5%
Raw material emission intensity	-	1,005	992	-1.3%	924	-	-1.6%

Scope 1+2 GHG intensity of Krefeld plant  
[kg CO<sub>2</sub>e/t]



operations, but also influencing our value chain from the generation of low-carbon raw materials to the GHG reduction during application of our products.

Our targets can be regarded as science-based when referencing the cross-sector reductions pathways of the Science-Based Target Initiative’s (SBTi) “Pathways to Net-zero – SBTi Technical Summary (Version 1.0, October 2021)”. Compared to the reference year 2020, they state targets of -42% in

2030 and -90% in 2050. This is in line with our goals, even when shifting the reference year from 2018 to 2020.

## 2028 TARGETS



Solar PV installed  
at all plants



-75%

Scope 1+2 emission intensity  
(per production volume)  
reduced  
at our plant in Krefeld (DE), compared  
to the 2018 baseline



-8%

Raw material emission  
intensity (per tonne) reduced  
compared to the 2023 baseline

## 2045 TARGET



Net-zero

Scope 1+2 emissions





Energy consumption and mix

The manufacture of fertilizers and nitrogen compounds is a high climate impact sector as defined in Commission Delegated Regulation (EU) 2022/1288 with the NACE class 20.15. Therefore, all of COMPO EXPERT’s activities and all data presented here are assigned to a high climate impact sector.

Whilst most production processes in our water soluble fertilizer plant in La Vall d’Uixó are structured around the blending of solid components, many processes in our Krefeld plant require extensive grinding and evaporating water from fertilizer mixtures. This leads to a much higher energy demand in Krefeld, accounting for more than 95% of COMPO EXPERT’s total energy demand.

Although COMPO EXPERT’s energy consumption increased by 16% in 2024 due to higher production volumes, the energy consumption per tonne of product decreased by 5% on average, demonstrating our constant efforts for higher efficiency and continuous improvement.

Energy consumption and sources

[MWh]	2018	2019	2020	2021	2022	2023	2024	2024 vs. 2023
Total energy consumption	128,065	139,481	136,404	131,305	101,976	105,289	121,927	+16%
Non-renewable energy consumption	128,065	139,481	136,404	131,305	75,963	77,304	89,051 (73%)	+15%
... from coal and coal products	0	0	0	0	0	0	0	±0%
... from crude oil and petroleum products	3,478	3,607	3,288	3,885	3,495	3,174	3,972	+10%
... from natural gas	61,545	68,439	66,244	62,012	47,014	52,647	58,634	+11%
... from electricity	37,290	38,844	39,849	36,215	1,589	345	174	-49%
... self-generated non-renewable energy	25,752	28,590	27,023	29,193	23,866	21,138	26,231	+24%
Nuclear energy consumption	0	0	0	0	0	0	0	±0%
Renewable energy consumption	0	0	0	0	26,013	27,985	32,876 (27%)	+17%
... purchased electricity	0	0	0	0	25,778	27,567	32,296	+17%
... self generated electricity	0	0	0	0	235	418	580	+39%
Energy intensity per net revenue [MWh/€]	367	402	397	317	197	252	270	+7%

GHG emissions

Scope 2 GHG emissions are calculated based on local emission factors published by the European Environment Agency for location-based disclosures and based on emission factors provided by our electricity providers for market-based disclosures. In 2024 we purchased green electricity for our sites in Germany, Spain, and Belgium from non-subsidized renewable electricity production plants.

Scope 3 GHG emissions are assessed considering the principles and provision of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Version 2011). In addition to the two production sites, also transport emissions from our logistics center in Deinze are considered.

27% of our Scope 3 GHG emissions are calculated with primary data from our suppliers or other value chain partners.

The following Scope 3 categories were excluded from the assessment, because they are either not applicable or difficult to obtain while negligible in their impact (<1% of total Scope 3 GHG emissions), as identified in a detailed analysis of our 2023 Scope 3 GHG emissions.

- 2 Capital goods
  - 5 Waste generated in operations
  - 6 Business travel
  - 7 Employee commuting
  - 8 Upstream leased assets
- 10 Processing of sold products
  - 12 End-of-life treatment of sold products
  - 13 Downstream leased assets
  - 14 Franchises
  - 15 Investments

Emission factor sources:

- Greenhouse gases: IPCC AR6
- Fuels: UK Department for Energy Security and Net Zero (Greenhouse gas reporting: conversion factors 2024)
- Electricity: European Environment Agency (Greenhouse gas emission intensity of electricity generation in Europe)
- Raw material generation and transportation: primary supplier data or ecoinvent 3.10 database
- N<sub>2</sub>O emissions from fertilizer application: IPCC 2006 (Guidelines for National Greenhouse Gas Inventories)

Greenhouse gas emissions

[tonnes CO <sub>2</sub> e]	2018	2023	2024	2024 vs. 2023
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions	37,970	16,784	19,893	+19%
... CO <sub>2</sub>	13,006	11,265	12,676	+13%
... N <sub>2</sub> O	24,896	5,519	7,210	+31%
... CH <sub>4</sub>	8	6	7	+14%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	98%	95%	95%	±0%
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions	14,954	9,114	10,757	+18%
Gross market-based Scope 2 GHG emissions	14,954	233	369	+58%
Significant Scope 3 GHG emissions				
Total gross Scope 3 GHG emissions	n.a.	680,779	839,691	+23%
1 Purchased goods and services	n.a.	336,351	451,590	+34%
3 Fuel- and energy-related activities (not included in Scope 1 or 2)	n.a.	2,132	2,170	+2%
4 Upstream transportation and distribution	n.a.	76,514	92,254	+21%
11 Use of sold products	n.a.	263,667	293,677	+11%
Total GHG emissions				
Total GHG emissions (location-based)	n.a.	707,676	870,342	+23%
Total GHG emissions (market-based)	n.a.	697,795	859,954	+23%
GHG intensity (location-based) per net revenue [kg CO <sub>2</sub> e/€]	n.a.	1.69	1.93	+14%
GHG intensity (market-based) per net revenue [kg CO <sub>2</sub> e/€]	n.a.	1.67	1.90	+14%



# POLLUTION



## WHY IT MATTERS

COMPO EXPERT’s industrial processes carry an inherent risk of pollution, linked to direct operational emissions to air and water, and accidental spills or leakages. Such emissions can have a negative impact on the local environment and communities if not managed correctly. COMPO EXPERT’s business activities are subject to emissions regulations, including local emission permits, as well as regional and international regulation of emissions.

Raw materials containing the key nutrients phosphorus and potassium are often mined, leading to large volumes of by-products. Those by-products pose the risk of water and soil contamination if not treated responsibly. Additionally, these processes can lead to air pollution, as dust and emissions from mining sites degrade air quality.

COMPO EXPERT produces, among other products, controlled release fertilizers that slow nutrient release and aim to enhance nutrient use efficiency by applying a thin permeable polymer coating to fertilizer granules. Those coatings are not biodegradable and considered microplastics that persist in soil and water, posing a long-term environmental risk.

Micronutrients play a crucial role in plant nutrition, but some of those elements like zinc and copper salts are categorized as environmental hazards and for example borates are considered toxic for

reproduction. These hazards require responsible handling, declaration, and recommendations for fertilizer application. The primary concern regarding potential food source pollution is to ensure that fertilizers do not add to the concentration of potentially harmful substances in the soil, but only replace the micronutrients that are taken up by the plants.

The effective application of fertilizers is closely tied to healthy ecosystems. Contaminated air, water, and soil can hinder nutrient absorption, leading to reduced crop yields and diminished demand for fertilizers. Polluted environments may also disrupt the delicate balance of ecosystems, resulting in harmful effects like soil degradation and water quality issues that further compromise agricultural productivity.

## OUR APPROACH

We are committed to minimizing the impact of our products and processes on the environment. Therefore, we comply with all applicable environmental laws and regulations and do our best to continuously improve our environmental performance. We also strive for sustainable production, environmentally friendly disposal of waste, and reduced pollution by using the best available techniques.

### Procurement

COMPO EXPERT is actively reducing pollution associated with raw material generation by prioritizing sustainable sourcing practices. The majority of raw materials are sourced within the European Union, minimizing long-distance transportation emissions and ensuring adherence to stringent environmental standards, while certain essential raw materials, such as phosphate, are sourced internationally due to limited availability in Europe. COMPO EXPERT further reduces environmental impacts by extensively utilizing by-products from other industrial processes, such as organic fertilizer components, sulfuric acid or ammonium sulfate. This approach reduces the reliance on virgin materials, conserves natural resources, and diverts waste from disposal, contributing to a more circular and environmentally responsible supply chain.

### Ensuring compliance

Our production sites operate under environmental permits and statutory requirements, with compliance as a core commitment. Discharge and emission management adhere to the environmental permits specific to each site, with careful monitoring and reporting conducted in accordance with local environmental authority requirements. In the event of any deviations or non-compliance incidents, comprehensive investigations are carried out, and corrective as well as preventive actions such as training and technical solutions are implemented.

To ensure the systematic reduction of pollution, COMPO EXPERT holds certificates for the three management standards, ISO 9001 (Quality management), ISO 14001 (Environmental management), and ISO 50001 (Energy management, only for Krefeld plant) covering COMPO EXPERT's production sites.

### Minimizing emissions

Chemical processes at our production plant in Krefeld (Germany), such as the generation of nitric acid or NPK fertilizers, are sources of unwanted harmful substances, e.g., NOx or ammonia. We make sure to capture as many as possible to avoid their emission, thus limiting the impact on the environment.

Solid fertilizers are dry substances that produce dust during production and handling. To further limit the exposure of employees to relevant concentrations of

dust and to reduce dust emissions to the environment, we have initiated several projects in 2024.

The largest source of dust emissions is the granular fertilizer plant where we are adding completely new multi-stage exhaust air purification systems in a separate building, thus eliminating four individual emission sources. Additional dust extraction systems have been installed throughout the plant, reducing the areas where wearing a respiratory mask is mandatory.

A new automatic trace elements dosing system not only improves product quality by enhancing the accurate dosing of trace elements, but also reduces dust exposure and NOx emissions during production.

Those technical measures are supplemented by awareness-raising training of employees as accidental emissions are often not caused by technical malfunctions but can be the result of improper system operation or lacking awareness amongst operators.

For situations where accidental emissions occur, emergency measures are defined in the alarm and hazard prevention plan, in various operational instructions, and are regularly trained and tested. These measures are aimed at preventing or at least limiting personal injury and environmental damage.





Microplastics

COMPO EXPERT is actively working to reduce microplastics in its fertilizer production. The screening of raw materials has been successfully completed, ensuring a thorough understanding of potential microplastic sources in the production process. The phase-out of microplastics is progressing, with the removal of microplastics in coloring already achieved and efforts underway to eliminate the remaining sources of microplastic. Potential alternatives for the synthetic coating of our controlled-release fertilizers are still under evaluation in parallel to the intensive research to develop sustainable solutions in the form of bio-based natural or biodegradable polymers, or new controlled-release technologies. The first milestone in this development was the market introduction of NovaFert® Tabs, which contain nutrients, especially slow-release nitrogen, in a compressed format that ensures the long-term availability of nutrients without the need for a synthetic coating.

Substances of concern and substances of very high concern

Micronutrients, such as zinc, copper, or manganese, are considered substances of concern (SoC) due to e.g. chronic hazard to the aquatic environment or specific organ toxicity. Boron compounds (boric acid or borate salts) in their pure forms are classified as substances of very high concern (SVHC) due to their reproductive toxicity. Those substances are used in fertilizer production and cannot be substituted, as they serve essential functions in plant nutrition, such as fruit formation.

These substances require responsible handling in low dosage, precise declaration, and informed recommendations for fertilizer application. We foster this approach through our product responsibility program, which is part of our commitment to safe and sustainable fertilizer use. This guarantees that fertilizers supply all essential nutrients without raising the concentration of potentially harmful substances in the soil.

Our hazardous substances management process includes the regular assessment of possible substitutes for substances of concern. If substitution of such substances is not feasible, the necessity of using them in the production of our fertilizers is strictly monitored.

Substances of (very high) concern

Hazard class	Total amounts generated or procured [tonnes]	Total amounts that leave the company [tonnes]	SoC/ SVHC
Total SoC	49,134	33,773	
Total SVHC	651	115	
Carcinogenicity	266	10	SoC
Chronic hazard to the aquatic environment	47,707	14,906	SoC
Germ cell mutagenicity	-	-	SoC
Reproductive toxicity	651	115	SVHC
Reproductive toxicity	3,458	17,850	SoC
Respiratory sensitisation	-	-	SoC
Skin sensitisation	765	341	SoC
Specific target organ toxicity	1,862	665	SoC





Quality assurance

Only when the fertilizer is made available to our customers according to specification will it be able to provide its benefits to the plant in the best possible way and conserve natural resources. With this in mind, the aim of our quality assurance process is to reliably guarantee our customers the specification of the fertilizer produced. To this end, we have a laboratory with qualified specialists and modern analytical methods and tests developed in-house, such as the leaching test to determine the long-term effect of fertilizers. With the help of these resources, we are able to determine the detailed physical and chemical properties of our fertilizers, in some cases during production. In conjunction with the analysis and test procedures, we take into account continuous and increasingly digitized information chains to the production plants, which are designed to detect deviations in production at an early stage and initiate countermeasures. If there are nevertheless any production issues, strict guidelines ensure the fertilizer is reworked to meet specifications and avoid disposal. Through our specifications for the provision and labeling of our laboratory samples, we also ensure within our laboratory activities that its properties are always sufficiently known. This enables us, once the samples have lost their relevance, to return them to production and counteract the generation of waste. In addition to regular technical training, our laboratory staff receives annual training on aspects relevant to environmental protection, such as waste prevention and the safe packaging of hazardous

substances, in order to raise awareness of environmentally friendly practices in addition to the clear guidelines.

METRICS AND TARGETS

The data regarding substances of concern represent the situation of the complete COMPO EXPERT business. The data on pollution metrics is taken from our Krefeld plant, as it is the only plant generating significant emissions.

Target

COMPO EXPERT has established a voluntary target to reduce emissions from our granulated NPK fertilizer plant at our largest production site in Krefeld to levels well below mandatory thresholds. For example, our goal is to reduce NOx emissions from this plant by 2027 to levels more than 40% below mandatory.

As the largest source of non-GHG emissions, this plant represents a significant focus for our environmental initiatives. By implementing advanced emission control technologies and optimizing production processes, we aim to minimize particulate matter and other pollutants, contributing to improved air quality in the surrounding areas.

Pollution of air, water and soil

Emissions are monitored regularly at relevant exhaust air stacks and discharge points for production wastewater into the public sewer in accordance with local laws and regulations. In instances where the emissions are not monitored continuously, overall emissions are calculated based on regular samples and the runtime of the individual plant.

We perform regular inspections of workplace concentrations and relevant facilities for handling substances hazardous to water in cooperation with external experts with the goal to identify potential harmful situations before they occur.

We have achieved a significant reduction in NOx emissions by almost 50% over the last two years, as a result of new advanced emission control technologies and the continuous optimization of production processes.

Pollution metrics

[kg]	2022	2023	2024
Total pollution	675,332	539,539	600,730
Carbon monoxide	617	664	772
Ammonia	3,180	4,836	3,612
Nitrogen oxides (NOx)	85,196	50,107	43,833
Sulfur oxides (SOx)	255	121	197
Fluorine and inorganic compounds (as HF)	86	22	269
Chlorine and inorganic compounds (as HCl)	1,827	3,433	4,254
Particulate matter	951	706	992
Microplastics	583,220	479,650	546,800



# WATER



## WHY IT MATTERS

COMPO EXPERT depends on the availability and supply of water for the worldwide transportation of materials and for operations in our Krefeld (Germany) plant. There, water is used for cooling purposes and steam generation, with a smaller amount utilized for the manufacturing of liquid products.

The extraction and processing of certain fertilizer raw materials, such as phosphates and potassium sulfate, require substantial water use and can pose risks to water quality. These processes often generate saline wastewater as a by-product, which, if improperly managed, can contaminate nearby water sources and harm aquatic ecosystems. Additionally, high water consumption in these operations can strain local water supplies, particularly in water-scarce regions.

The main water-related risks for COMPO EXPERT are physical risks, such as water scarcity due to extended dry periods. Falling waterway levels can restrict transportation volumes of raw materials and products. Downstream in our value chain droughts can severely disrupt agricultural productivity, thus reducing the demand for fertilizers. These effects are expected to increase in magnitude and frequency through climate change.



# OUR APPROACH

## Enhanced water use efficiency

COMPO EXPERT employs a two-fold approach to enhance water use efficiency, focusing on both production processes and product innovation. Within production, the company strives to eliminate wastewater generation by implementing closed-loop systems, thus reducing the discharge of wastewater. At the same time, COMPO EXPERT develops water-saving products, such as fertigation solutions and biostimulants, which enable farmers to optimize water use in agriculture. This dual strategy not only reduces environmental impact but also supports sustainable water management across the value chain.

COMPO EXPERT's fertigation products are specifically designed to save water by delivering nutrients directly through irrigation systems, ensuring precise and efficient application. These products allow nutrients to reach the plant's root zone in controlled amounts, minimizing the need for additional watering. By integrating fertilization with irrigation, COMPO EXPERT's fertigation products reduce water loss from runoff and evaporation, promoting optimal nutrient uptake without excessive water use. This targeted approach adapts to the plant's growth stage and specific water needs, reducing overwatering and conserving resources. Especially valuable in water-limited regions, fertigation solutions support sustainable agriculture,

helping farmers achieve higher yields with lower water consumption.

Also, the application of COMPO EXPERT's biostimulants can save water by enhancing plants' natural resilience to drought and improving their water-use efficiency. Biostimulants strengthen root systems, allowing plants to access water more effectively from the soil, even under limited water conditions. They also help plants regulate stress responses, reducing water loss through improved cell function and reduced transpiration. This means that plants require less frequent watering while maintaining healthy growth, making biostimulants a valuable tool for conserving water in agriculture, especially in regions prone to drought.

## Water use during production

Water serves multiple functions during the production of our fertilizers: As a raw material, it is an essential component in the formulation of liquid fertilizers or the production of nitric acid. As steam, water serves as an efficient medium to distribute energy across the production site. As a coolant, water is also used to ensure precise temperature control in the production processes. And in exhaust air scrubbers it is used as filter to reduce emissions.

COMPO EXPERT's Krefeld plant utilizes multiple water sources, including a well, the Rhine harbor, and municipal water, prioritizing the least valuable source that meets the required quality standards for each application. This approach ensures efficient water use

by reserving higher-quality water for processes that demand it, such as specific formulations or cleaning tasks, while relying on lower-value sources for less critical purposes.

Process water and rainwater that contains significant concentrations of nutrients would be considered wastewater. Instead of treating this water as waste, it is reused in other production processes as a valuable raw material. This approach captures these nutrients and reintegrates them into the production process, reducing the need for virgin raw materials and valuable fresh water. This not only conserves resources but also minimizes environmental pollution by preventing nutrient-rich effluents from entering water bodies and causing issues like eutrophication. Any additional wastewater generated during production that cannot be reused is carefully treated before being discharged into the sewer system. This treatment process ensures that the water meets all local environmental and regulatory standards, removing contaminants and reducing its environmental impact.

At our plant in La Vall d'Uixó (Spain), water is not used during the actual production process, but is used to clean the systems between batches. The cleaning water is not discharged in the sewer system, but collected in containers and disposed of appropriately. We have implemented high-pressure washing systems in 2024 to reduce water consumption even further.

# METRICS

COMPO EXPERT uses the WRI Aqueduct water risk atlas to identify our operations in areas with water stress, defined as locations with high or extremely high baseline water stress. COMPO EXPERT has no production sites in such areas. The logistic centers, located in Deinze (Belgium) and Patras (Greece), are operated in areas with water stress, but without impact on the local water quality and quantity.

Water consumption is measured continuously at every source and discharge point. Considered are all production and logistic sites where COMPO EXPERT is in operational control.

## Water metrics

[m³]	2023	2024
Total water consumption	135,095	138,030
... in areas at water risk	0	0
... total water withdrawal	353,483	365,212
... total water discharge	218,388	227,182
Total water recycled or reused	0	0
Total water stored	0	0
Water intensity per net revenue [m³/Mio. €]	323	306
Water intensity per production volume [m³/tonne]	0.28	0.24



# BIODIVERSITY AND ECOSYSTEMS



## WHY IT MATTERS

Biodiversity is a cornerstone of healthy ecosystems and plays a critical role in sustainable food production.

As part of the agriculture value chain, COMPO EXPERT recognizes the negative impact this sector can have on biodiversity and ecosystem services. Also, every contributor of the fertilizer value chain has the potential to negatively affect ecosystems and biodiversity, e.g., through contribution to climate change, land-use change, pollution or eutrophication during raw material generation or fertilizer production, the disruption of ecosystems for transportation services, or the improper fertilizer application.

Fertilization can have both positive and negative impacts on biodiversity. By improving soil nutrient levels, fertilization enhances land-use efficiency, allowing for higher crop yields on less land, which can reduce the need for deforestation and habitat conversion, indirectly supporting biodiversity. However, overfertilization presents significant risks, as excessive nutrient runoff can lead to eutrophication in nearby water bodies, causing algae blooms that deplete oxygen levels and harm aquatic life. This nutrient imbalance can disrupt ecosystems, reducing biodiversity by favoring fast-growing, nutrient-responsive species over slower-growing ones.

Climate change poses a significant risk to biodiversity by altering ecosystems and disrupting the delicate balance that supports diverse plant and animal life. Rising temperatures, shifting weather patterns, and increased frequency of extreme events, such as droughts and floods, can degrade habitats and threaten species that are essential for healthy agricultural ecosystems, such as pollinators and natural pest predators. Additionally, changing climates may force farmers to expand agricultural land into previously untouched natural areas, further encroaching on habitats and reducing biodiversity. The production and application of particularly nitrogen fertilizers significantly contributes to climate change by relying on fossil fuels and the emission of nitrous oxide (N<sub>2</sub>O).

Fertilizer raw materials, such as phosphates and potassium sulfate, impact on biodiversity due to land-use changes and habitat disruption associated with their extraction processes. Phosphates are predominantly obtained through opencast mining, which involves large-scale surface excavation that alters landscapes, disrupts ecosystems, and can lead to habitat loss for flora and fauna. Similarly, potassium sulfate is extracted through underground mining, which, while less invasive on the surface, can still affect biodiversity through pollution of water bodies with brine from the processing of potassium sulfate.

## OUR APPROACH

Only COMPO EXPERT’s production plant in La Vall d’Uixó (Spain) with its 40,082 m<sup>2</sup> is located near several biodiversity-sensitive areas<sup>1</sup>, necessitating careful environmental stewardship. Strict measures are in place to prevent pollution of air, soil, and water to minimize the plant’s ecological footprint and protect nearby ecosystems. The presence of sensitive areas also requires compliance with stringent environmental regulations and collaboration with local stakeholders to ensure sustainable practices.

COMPO EXPERT applies the mitigation hierarchy to biodiversity by prioritizing the avoidance of negative impacts and minimizing unavoidable disturbances. During the operation of our production and logistics sites, COMPO EXPERT strives to avoid harm to ecosystems, especially biodiversity hotspots. Where impacts cannot be entirely avoided, we take steps to minimize them through measures like pollution control or efficient land use.

### Environmental stewardship

COMPO EXPERT reduces the risk of overfertilization by offering soil analysis services and tailored fertilization recommendations, for example through our digital platform, FarmHub®. By providing insights into soil nutrient levels and precise treatment plans, we enable farmers to apply the exact amount of fertilizer needed to meet crop requirements, avoiding

<sup>1</sup> [www.keybiodiversityareas.org](http://www.keybiodiversityareas.org)

excess application. This precision minimizes nutrient runoff into surrounding ecosystems, reducing the risk of environmental issues such as eutrophication. Additionally, it enhances the efficiency of nutrient use, optimizing crop yields while conserving resources and lowering costs. Through this data-driven approach, COMPO EXPERT supports sustainable agricultural practices and environmental stewardship.

### Minimizing negative impacts

COMPO EXPERT has implemented numerous measures to address key environmental challenges, including climate change, pollution, water use, resource use, and advancing the circular economy. To mitigate climate change, the company focuses on reducing greenhouse gas emissions in its production processes and enhancing nutrient-use efficiency through innovative fertilizers. Pollution is addressed through rigorous emission controls, wastewater treatment, and the development of products that minimize environmental runoff. In water use, COMPO EXPERT promotes efficiency by reusing wastewater and offering water-saving products like fertigation solutions and biostimulants.

Resource use is optimized by increasing the incorporation of secondary materials, reducing reliance on virgin resources, and recovering valuable nutrients from production processes. Additionally, the company actively supports the circular economy by integrating recycled content into packaging and exploring nutrient recycling technologies. These

measures collectively demonstrate COMPO EXPERT’s commitment to sustainable practices across its operations and are described in detail in the respective chapters of this report.

COMPO EXPERT integrates nature-based solutions into its ecosystem-related actions to support sustainable agriculture and environmental conservation. By developing biostimulants and other innovative products derived from natural sources, such as seaweed extracts, the company promotes plant growth while enhancing soil health and resilience. These products reduce the need for chemical inputs, minimizing environmental impacts and fostering healthier ecosystems.





# RESOURCE USE AND CIRCULAR ECONOMY



## WHY IT MATTERS

COMPO EXPERT's industrial production processes are resource intensive and depend on non-renewable resources. Key nutrients, essential for plant nutrition and therefore main components of many fertilizers, are nitrogen (N), phosphorus (P), and potassium (K).

Nitrogen itself can be considered a renewable resource, as it is extracted from the atmosphere, which consists of 78% nitrogen. However, it needs to be converted into more reactive substances for most plants to utilize. This is mainly done through the Haber-Bosch process which converts nitrogen gas into ammonia and releases CO<sub>2</sub> as a byproduct when fossil resources are used. COMPO EXPERT purchases ammonia as central nitrogen source for fertilizer production in the Krefeld plant.

Extracting phosphates typically involves open-pit mining, which leads to habitat destruction, soil erosion, and a loss of biodiversity in mined areas. Additionally, phosphate mining can produce significant amounts of waste byproducts, including toxic heavy metals and radioactive elements like uranium, which pose long-term contamination risks to soil and water sources. Phosphate runoff from mines can also contribute to eutrophication in nearby water bodies, causing algae blooms that disrupt aquatic ecosystems and harm biodiversity.

Potassium extraction can have a considerable environmental impact due to its reliance on intensive

mining processes, typically open-pit or solution mining. These methods disturb large land areas, leading to habitat loss and ecosystem disruption. The process generates significant amounts of waste, including salt tailings, which, if not managed properly, can contaminate nearby soil and water sources, harming local flora and fauna. Additionally, potassium extraction is water-intensive, posing a risk in water-scarce areas and potentially reducing water availability for surrounding communities and ecosystems.

## OUR APPROACH

COMPO EXPERT is actively transitioning away from the use of virgin resources by increasing its utilization on secondary, recycled materials in its packaging and production processes. This shift reflects the company's commitment to sustainability and resource efficiency, reducing the environmental impact associated with extracting and processing raw materials. By integrating recycled content, such as incorporating recycled materials in packaging and exploring nutrient recovery from wastewater, COMPO EXPERT contributes to a circular economy. This approach not only conserves finite natural resources but also lowers energy consumption and greenhouse gas emissions, aligning with the company's broader environmental goals.

In addition to the use of secondary materials, we are committed to advance sustainability by integrating criteria – like carbon footprint, human rights considerations, and energy efficiency – into our sourcing policy.

This ambition is reflected in our voluntary sustainability targets related to resource efficiency. By 2028, we will have introduced products containing recycled phosphate and we will use at least 35% recycled plastic packaging at our sites.

## 2028 TARGETS



**Recycled phosphate**  
By 2028 we will have introduced recycled phosphate as key ingredient of our fertilizers



**Recycled plastic packaging**  
Increased share of recycled plastic packaging used in our plants

35%

## INCREASING RESOURCE EFFICIENCY AND CIRCULARITY IN FERTILIZER PRODUCTION

High resource efficiency is achieved at COMPO EXPERT's Krefeld facility by e.g. reusing off-spec products and collected wastewater, reflecting a strong commitment to sustainability. By reincorporating off-spec products, which may not meet initial quality standards, into the production process, the facility minimizes waste and optimizes the use of raw materials, reducing the demand for new resources. Additionally, collecting and reusing wastewater lowers the facility's freshwater consumption and decreases the environmental

impact associated with wastewater disposal. This closed-loop approach not only reduces costs but also aligns with eco-friendly practices that support sustainable production, helping to preserve natural resources and reduce the facility's overall environmental footprint.

### Regional sourcing

In addition to the main nutrients N, P, and K, secondary nutrients like sulfur, magnesium, and calcium, as well as micronutrients such as zinc and copper are often incorporated in our products to meet specific agricultural needs.

The majority of raw materials are sourced within the European Union, minimizing long-distance transportation emissions and ensuring adherence to stringent environmental standards, while certain essential raw materials, such as phosphorus, are sourced internationally due to their limited availability in Europe.

COMPO EXPERT further enhances resource efficiency by extensively utilizing by-products from other industrial processes, such as organic fertilizer components, sulfuric acid or ammonium sulfate. This approach reduces the reliance on virgin materials, conserves natural resources, and diverts waste from disposal, contributing to a more circular and environmentally responsible supply chain.

### AMPHORE

COMPO EXPERT is working on using locally produced phosphoric acid, whose phosphorus is recovered from sewage sludge. By this means, we are making a multi-faceted environmental contribution to protect global resources.

The phosphate content in sewage water and soil has increased over recent decades, leading to excessive acidification. On the contrary, phosphate minerals are finite resources, and their extraction through traditional mining poses significant environmental challenges, including habitat destruction and water pollution. To combat both challenges, COMPO EXPERT joined the AMPHORE project as an associated partner. AMPHORE is a regional wastewater treatment initiative focused on phosphate recycling from sludge in the Ruhr area near our Krefeld production site in Germany. Incorporating this recycled phosphate into our fertilizer production would position COMPO EXPERT as a pioneer in sustainable practices. This innovative approach helps reduce the environmental impact of phosphate mining, strengthens the resilience of our supply chain, and lowers our carbon footprint. We are also actively exploring similar recycling opportunities for other raw materials.

Circular packaging

Wherever possible, our first approach is to forego packaging altogether and ship or sell our products in bulk, reducing the reliance on short-lived fossil resources. Smaller unit volumes are packed in plastic containers such as bags, canisters, IBCs, or big bags as an efficient, durable, and lightweight solution for transport.

In July 2023, we started our journey toward circular packaging. All newly commissioned non-composite bags for products from our Krefeld (Germany), La Vall d’Uixó (Spain), and Deinze (Belgium) sites contain at least 30% recycled material. By incorporating recycled content into our product packaging, we contribute to the circular economy and align our operations with increasingly stringent environmental standards.

Since the start in 2023, we extended this program to include additional recycled packaging materials, like big bags in La Vall d’Uixó and IBCs in Krefeld and aim to further broaden the scope in the next years.

Waste management

At our production and logistic sites, the main source of waste are packaging materials, consisting of plastics, wood, or metals. Non-hazardous waste is managed through recycling and responsible disposal practices to reduce landfill contributions. Hazardous waste, predominantly packaging materials from hazardous raw materials, is handled with strict

compliance to legal and environmental standards to ensure safe disposal and mitigate risks to human health and the environment.

PRODUCTS

We are committed to manufacturing products of the highest quality that meet our customers' requirements. Furthermore, we ensure that our products meet the highest standards and are produced in accordance with applicable laws and regulations. To this end, we ensure continuous improvements in our processes and products through constant monitoring, evaluation, and the derivation of appropriate measures.

COMPO EXPERT's product portfolio is designed with sustainability in mind, offering a range of innovative solutions that support efficient resource use, enhance soil health, and reduce environmental impact.

Enhanced nutrient use efficiency

Our slow-release and controlled-release fertilizers enhance nutrient use efficiency by gradually supplying nutrients to plants over several months, aligning more closely with the plants' growth needs. Unlike conventional fertilizers, which release nutrients quickly and can lead to losses through leaching, volatilization, or runoff, these fertilizers control the nutrient release rate, reducing waste and

environmental impact. This steady nutrient availability allows plants to absorb nutrients more effectively, leading to higher crop yields with less frequent applications.


This also applies to our NovaTec® line of products with nitrification inhibitors. They improve nutrient use efficiency by slowing down the conversion of ammonium to nitrate, a process facilitated by soil bacteria. By inhibiting nitrification, these fertilizers help retain nitrogen in the ammonium form, which is less prone to leaching and volatilization, meaning more nitrogen remains available in the root zone for plants to absorb over time. This extended availability supports steady plant growth and minimizes nitrogen losses to the environment.

Reduced greenhouse gas emissions

Our NovaTec® products with nitrification inhibitors not only enhance nutrient use efficiency, but also significantly reduce the emissions of nitrous oxide, a potent greenhouse gas, thus lowering one of agriculture's significant contributors to greenhouse gas emissions.

Enhanced water use efficiency

Several of our products are optimized for fertigation applications. Fertigation, the process of delivering fertilizers through irrigation systems, significantly saves water by combining nutrient application with precise watering. This method enables farmers to target the root zones of plants directly, minimizing



**SUSTAINABLE APPLICATION**

Reduced greenhouse gas emissions

Enhanced water use efficiency

Enhanced nutrient use efficiency

water loss due to evaporation or runoff and reducing the amount of water required overall. Unlike traditional fertilization, fertigation can be carefully controlled to apply only the necessary amount of water and nutrients, optimizing plant absorption and decreasing the likelihood of excess nutrients leaching into the environment. By ensuring efficient nutrient uptake and conserving water, fertigation supports sustainable agriculture, especially in regions where water is scarce, enhancing crop yields while conserving valuable resources.



Biostimulants

Plant biostimulants are an important tool for sustainable agriculture due to their ability to enhance tolerance to abiotic stress, nutrient use efficiency, crop performance, and quality. Biostimulants can be derived from numerous sets of natural, biological, as well as inorganic sources or materials. COMPO EXPERT offers a wide range of both microbial and non-microbial plant biostimulants that promote stronger root systems, enabling plants to access water and nutrients more efficiently, which is particularly valuable in water-scarce environments. By enhancing plants’ natural defenses against environmental stresses such as drought and temperature extremes, biostimulants can help reduce crop losses and minimize dependency on additional fertilizers and pesticides. This leads to a more balanced, eco-friendly approach to agriculture that conserves resources and reduces the environmental impact of farming practices, supporting a more resilient and sustainable agricultural system.

METRICS AND TARGETS

COMPO EXPERT has established two voluntary targets related to resource use and circular economy.

By 2028, we will have introduced products containing recycled phosphate, reducing the reliability on virgin resources.

As of 2024, we have reached a recycle content in our plastic packaging of 16%. This progress is driven by strategic partnerships with suppliers and investments in sustainable materials. While challenges remain, such as ensuring the availability and quality of recycled materials, COMPO EXPERT remains dedicated to achieving its target and continuing to minimize the environmental impact of its packaging.

The data provided in this chapter is taken from all production and logistic sites where COMPO EXPERT has operational control and is mainly based on direct measurements of resource inflows and the generation of waste in our facilities. For the amount of packaging materials we rely on an evaluation of sales figures and bills of material.

In 2021 and 2023, construction work at our Krefeld site generated unusually high quantities of excavated earth, dominating the waste balance sheet.

2028 TARGETS



**Recycled phosphate**  
By 2028 we will have introduced recycled phosphate as key ingredient of our fertilizers



**35%**  
**Recycled plastic packaging**  
Increased share of recycled plastic packaging used in our plants

Resource use

[tonnes]	2023	2024
Total weight of materials used	346,511	472,793
Raw materials	261,216	334,815
Trade goods	76,094	129,781
Packaging	9,200	8,197
... recyclable packaging	9,166	8,175
Certified sustainably sourced biological materials	0	0

Waste by type and disposal method

[tonnes]	2021	2022	2023	2024
Total amount of waste generated	1,956	799	3,630	1,879
Total amount of hazardous waste	179	120	116	149
Total amount of non-recycled waste	1,067	66	2,876	802
... in percent	55%	8%	79%	43%
Hazardous waste diverted from disposal	96	73	96	123
... preparation for reuse	-	-	-	6
... recycling	96	73	96	117
Non-hazardous waste diverted from disposal	793	660	658	988
... preparation for reuse	-	-	-	28
... recycling	793	660	658	960
Hazardous waste directed to disposal	83	47	20	26
... incineration	77	28	17	23
... landfill	5	19	4	3
Non-hazardous waste directed to disposal	984	19	2,856	743
... incineration	-	-	-	90
... landfill	984	19	2,856	653



# SOCIAL



# OWN WORKFORCE

## WHY IT MATTERS

COMPO EXPERT is dependent on the availability of qualified labor in all areas: from production to commercial employees to technical staff, consulting our customers in the optimal application of our products. Thus, our employees are essential to our success. As an employer of 770 individuals spread across the globe in 22 subsidiaries, we are acutely aware of our responsibility towards our employees and the impact our actions as a company have on them. We are committed to respecting human rights, providing a safe working environment and promoting diversity and inclusion.

As a manufacturer in the chemical industry, we have a great responsibility towards our employees. Fertilizers contain reactive substances that can pose health and environmental risks if handled improperly. Therefore, safety in the workplace is a must for us. We ensure that appropriate protocols are in place to prevent accidents and protect our employees from exposure to harmful chemicals.

Ensuring good social working conditions and a high safety standard is essential to all employees’ well-being and satisfaction as well as to maintain a long-term occupation. In addition, fair remuneration enables our workforce to maintain a good standard of living in their respective locations and has a positive impact on their well-being.

We are aware of the risks posed by demographic changes which lead to shortage of skilled labor and therefore strive to mitigate potential and actual negative impacts on our own workforce to follow our path to a successful future.







# CHARACTERISTICS OF OUR WORKFORCE

Our report focuses on Germany and Spain. The other entities each represent less than 10% of the total workforce.

Number of employees per gender

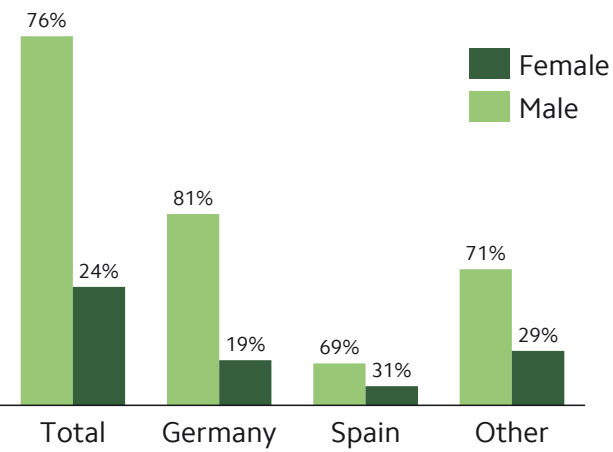
Gender	2024
Male	583
Female	187
Divers	0
Not specified	0
Total	770

Top Management per gender

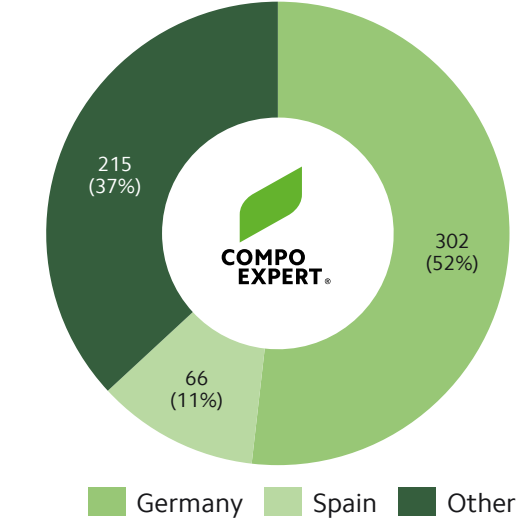
Gender	Headcount	%
Male	7	100
Female	0	0
Total	7	100

- Remarks:
- All data mentioned in headcount
  - End of year-values as per 31.12.2024
  - „non-guaranteed hour employees“, „divers“ and „not specified“ not mentioned in following graphs and tables as number for COMPO EXPERT is zero.
  - Countries grouped under „other“: all countries below 50 employees, representing <10% of total employees
  - „Top Management“ includes hierarchy levels 1 and 2

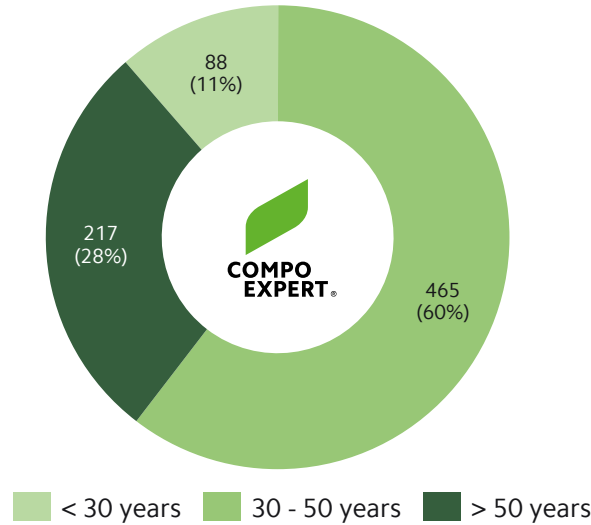
Gender distribution per country



Employee distribution per country



Age distribution



Number of employees by contract type

	2024		
Employment type	Male	Female	Total
Permanent Employees	550	174	724
Germany	271	58	329
Spain	66	30	96
Other	213	86	299
Temporary Employees	33	13	46
Germany	31	13	44
Spain	0	0	0
Other	2	0	2

Number of non-employees in own workforce by contract type

	2024
Employment type	Total
Self-employed	6
Germany	1
Spain	0
Other	5
From temporary employment agency	92
Germany	24
Spain	13
Other	55



# SOCIAL DIALOGUE

## WORKERS REPRESENTATIVES

Our company values continuous communication and social dialogue as essential elements of a sustainable workplace. Workers representatives play a crucial role in ensuring that employees’ voices are heard and involved in decision-making processes.

We have workers representatives in Germany and Spain which are actively engaged in several matters. In Germany, e.g. the works councils are included in all matters subject to co-determination, contributing to the development of company agreements, which are formulated collaboratively. These agreements cover a wide range of topics, from working conditions to health and safety measures, ensuring that employees’ interests are well-represented.

This collaborative approach fosters mutual respect and strengthens the overall social dialogue within the company.

Workers representatives coverage	Countries
0-19 %	-
20-39 %	-
40-59 %	-
60-79 %	-
80-100 %	Germany Spain

## CONTINUOUS EXCHANGE OF INFORMATION

For a multinational organization with 22 subsidiaries in different regions, fostering a continuous exchange of information is critical to ensure operational efficiency and consistency. In a globalized business environment where each subsidiary may face unique challenges, maintaining open communication channels ensures that best practices are shared and issues are proactively addressed. It also helps to avoid potential communication errors and offers all employees the opportunity to address their concerns.

By encouraging cross-functional collaboration and information sharing, the company also ensures that each subsidiary benefits from the collective knowledge and experience of the entire organization. This not only strengthens internal processes, but also encourages innovation that drives sustainable practices across the organization. In order to ensure the continuous exchange of information, we have set up regular meetings that take place at different frequencies and with different groups of participants. For example, we have set up quarterly virtual town hall meetings that give all employees the opportunity to receive information directly from top management and to ask them questions. Additionally, each global region conducts a cluster meeting each year where the leading functions of each subsidiary exchange information and elaborate focus areas for the upcoming year. Another example to foster continuous information exchange are our

technical trainings that are organized by our International Product Management to connect and exchange knowledge on crops and application of products among countries.

For the personal, direct feedback between employees and superiors we have installed annual meetings for which we have developed an evaluation form which is offering space to analyze development opportunities for the employee as well as further demands.

## WHISTLEBLOWER SYSTEM

As part of our comprehensive compliance program, COMPO EXPERT has implemented a Whistleblower System that allows employees and external parties to report concerns or irregularities in a secure and



confidential manner. This system is designed to protect the integrity of our operations and ensure that any unethical or illegal activities are promptly identified and addressed.

The platform is hosted externally, in compliance with the Whistleblower Protection Act, offering an impartial and independent reporting mechanism. Through the platform, individuals can submit reports using a specific form that ensures the information is legally secure and non-manipulable. This system allows for the reporting of observed facts or concerns completely anonymously, including any irregularities related to COMPO EXPERT.

By promoting transparency and accountability, our Whistleblower System significantly mitigates risks related to fraud, misconduct, regulatory violations, and other unethical behavior, thereby strengthening the company’s commitment to integrity, sustainability, and ethical business practices.

The system is available in almost all languages present at COMPO EXPERT. Its existence and usage is promoted by management internally via e-mail and intranet and is available via several channels, such as intranet and website to assure easy accessibility.



# SECURE EMPLOYMENT AND FRAMEWORK CONDITIONS

In view of evolving challenges in the labor market, COMPO EXPERT has identified the ongoing demographic shift as a potential risk. This might lead to shortage of availability of skilled labor, caused by aging workforce and fewer younger individuals entering the job market. If left unaddressed, this could impact our ability to maintain a sustainable, skilled workforce and ensure operational continuity.



To counteract these changes, COMPO EXPERT is deeply engaged in the training of apprentices.

In 2024, 100% of our graduated trainees in Krefeld and Münster, started an employment within COMPO EXPERT.

Besides this, we are also engaged to establish measures that protect and retain our workforce. For our German entities we have taken the following steps:

- Flex-Office options, for work areas where it is possible, allowing employees to work from home or in flexible office environments

- Part-time models and high flexibility during parental leave to ensure a smooth return to work
- Working-time agreement to regulate and limit overtime
- Monitoring of actual working hours, managers are notified in case of exceedance of maximum working hours

Another risk identified is a high employee turnover, that can lead to significant knowledge gaps within the organization, jeopardizing operational effectiveness and innovation potential.

The fluctuation rate at COMPO EXPERT among the entire company was 8% in 2024.

## IMPROVED SOCIAL CONDITIONS

As a result of our double materiality analysis, we have defined a target to be reached by 2028 which is called “Improved social conditions for all employees”. We are aware that several collective agreements as well as works agreements – where existing – are only applicable for the respective country and do not cover the whole company. Our target therefore is to assure a global, consistent standard for all employees and further improvement of social conditions to make COMPO EXPERT a future-oriented company taking care of its employees. To reach this target, we have defined a two-stage process:

### 1) Minimum standard for working conditions

Countries without collective bargaining agreements should adapt to it or join a collective agreement, depending on local options. In case, no adaption to collective bargaining agreements is possible, subsidiaries will adapt to framework condition-corridors for key points of employment which are under elaboration.

### 2) COMPO EXPERT standard for working conditions

Implementation of additional measures: e.g. ergonomic office equipment, job bike, sports club membership, benefits for cultural and/or social life. Each subsidiary needs to implement at least one measure that can be chosen according to the employees needs.

## 2028 TARGET



### Improved Social Conditions

By 2028 we will improve social conditions for our employees worldwide through a two-step process



## FAIR AND COMPETITIVE COMPENSATION

All our employees in European entities but also in non-European countries receive fair wages that are in line with applicable national benchmarks.

COMPO EXPERT Germany is a member of the Chemical Industry Collective Agreement. This agreement establishes fundamental principles of employment that apply to all employees covered under this agreement. It provides a structured framework for determining wages and salaries, categorizing employees into various pay groups based on their roles and responsibilities. By aligning with this collective agreement, we not only comply with industry standards but also promote transparency and equity in our compensation practices.

For our entities, where no collective agreement is currently in place, COMPO EXPERT plans to align with existing agreements in the coming years as part of our goal to improve social conditions for all employees.

Collective bargaining agreement coverage	Countries
0-19 %	-
20-39 %	-
40-59 %	-
60-79 %	-
80-100 %	Germany Spain

## DIVERSITY AND INCLUSION

As an international operating company, we consider the value of diversity and inclusion in our workforce. We strive to create an inclusive and respectful environment among our employees and are aware of potential negative impacts on our workforce in case of offenses. Social misbehavior has a negative impact on the working atmosphere, leads to health problems and disrupts work processes.

For our German entities, we have therefore – in collaboration with our works councils – adopted a company agreement to prevent and resolve conflicts in the workplace, stating that social misbehavior such as bullying, discrimination, sexual harassment and any other form of violence will not be tolerated.

A representative body for severely disabled, currently representing German entities, is advocating for severely disabled and is thus representing 6% of our German workforce. Among the entire workforce, the rate of severely disabled was 4%.

### 2028 TARGET



#### Equal Gender Ratio

By 2028 we will have achieved an equal gender ratio between managers and employees.

### EQUAL GENDER RATIO

We consider equal opportunities within our workforce as a material topic. To strengthen our focus on this topic, we have set the target to ensure equal permeability in managing positions for all genders to reach equal opportunities within our company by 2028.





## POLICIES

### COMPLIANCE INITIATIVE

Compliance violations could expose the company to incalculable risks. These risks could threaten parts of the company or even the entire company and the jobs it provides. To prevent compliance violations and the resulting risks, COMPO EXPERT has launched a compliance initiative covering all COMPO EXPERT employees and people along our entire value chain.

We have nominated a compliance officer and a compliance committee, as well as local compliance contact persons who are an important point of contact for our foreign colleagues and support the work of the compliance officer.

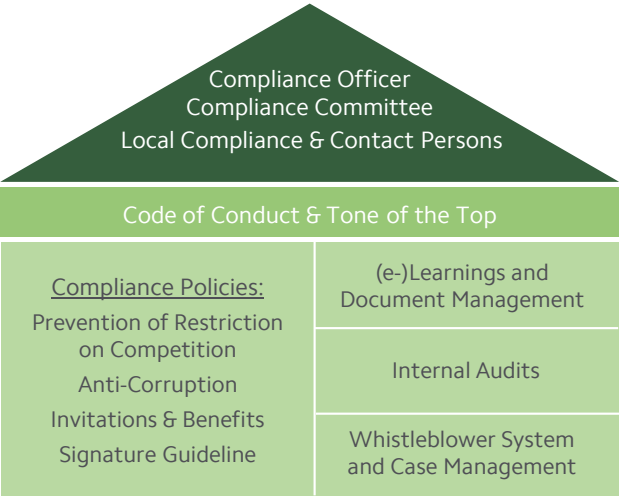
We understand compliance as “acting and making decisions following all relevant laws, regulations, and internal guidelines”. Our compliance initiative pursues the purpose of:

1. Publication of a code of conduct
2. Development of a compliance program, consisting of measures such as information and training
3. Creation of a compliance organization

To successfully introduce the compliance program in our organization, we have started the following implementation measures:

- **Raising employee awareness:**  
Through e-learning and document management with a targeted completion rate of at least 85%
- **Risk-oriented internal audits:**  
Supported by external professionals.
- **Various channels for whistleblowing:**  
Anonymous reporting, email, and face-to-face conversations.
- **Establishment of a compliance committee:**  
Comprising the CFO and the regional directors, as well as local compliance contact persons.

Thanks to our compliance initiative and comprehensive measures, we have achieved no material violations in 2024.



## CODE OF CONDUCT

The code of conduct is an important component of our compliance program and defines the fundamental general standards of conduct for all COMPO EXPERT employees.

It is fully in line with legal requirements and is our binding commitment to stick to high ethical standards and serves as orientation for our employees.

Besides promoting equality and respect, our Code of Conduct underscores the principles of fair competition and anti-corruption, ensuring that all business practices are carried out with integrity. We are committed to maintaining the highest standards of safety, health, and environmental protection, and continually strive for safety improvements in the workplace.

We also encourage a culture of transparency and responsibility through whistleblowing, providing employees with a secure and confidential channel to report any unethical behavior or violations of company policies. By adhering to these guidelines, we aim to foster a positive and ethically sound work environment for all.

The Management Board actively supports and communicates the compliance with the principles of the Code of Conduct.

## COMPLIANCE PROGRAM & POLICIES

Our compliance program includes policies to ensure that COMPO EXPERT and our employees adhere to legal regulations, standards, and ethical guidelines. This also includes measures to prevent child and forced labor or any type of compulsory service within our company or at any business partner working for our company as stated in our compliance guideline. COMPO EXPERT conducts regularly online training courses for its own employees on specific topics, such as the Invitations and Benefits Guideline, to broaden employees' knowledge and promote awareness of these topics.


### Policy for the Prevention of Restriction on Competition


The company has developed a separate anti-corruption guideline. This policy is accessible to all employees, and its content is actively communicated through training sessions, ensuring that the entire workforce is well-informed and understands the importance of compliance in their daily operations.


The COMPO EXPERT policy aims to ensure that employees, executives, and business partners do not disclose or exchange information that could lead to allegations of illegal competition restrictions. This policy applies to all employees and business partners with access to confidential information. COMPO EXPERT faces intense global competition. Violations of competition laws can result in severe


finances, disgorgement of profits, and other sanctions. The policy emphasizes strict compliance with these laws to protect the company's economic interests and avoid legal consequences.

Risks mitigated by the policy include:

- 

**Legal Risks:**  
Avoiding severe fines and sanctions for violating competition laws.
- 

**Reputational Risks:**  
Preventing damage to the company's reputation due to illegal activities.
- 

**Economic Risks:**  
Protecting against the loss of profits and market share due to unfair competition practices.
- 

**Operational Risks:**  
Ensuring smooth business operations without legal interruptions or investigations.

### Anti Corruption Policy

Corruption, i.e. the offer or acceptance of benefits to unfairly influence decisions, is illegal worldwide and carries severe penalties. Corruption offenses can significantly damage a company's reputation, which can have a negative impact on sales and jobs. Financial contributions and invitations should only serve to show appreciation of the business partner and never appear to be a means of influencing them.

The company has taken the following measures to avoid cases of corruption:

- Clear rules of behavior to avoid corruption are defined by superiors or compliance officers.
- The company favors refusing business rather than winning it by improper means.

### Guideline for invitations and benefits

The policy outlines the procedures and conditions for grants and invitations to ensure they are not used for unfair advantages. It applies to all COMPO EXPERT Group employees and business support forces worldwide, covering both the acceptance and granting of benefits or invitations. Benefits and invitations must not compromise professional independence or be used to gain unfair business advantages. Responsibility for compliance lies with the grant provider or recipient, with supervisors or Compliance Officers consulted in case of doubt. This policy mitigates risks of corruption, conflicts of interest, and legal violations.

### Signature guideline

The Signature Guideline ensures trust and efficiency within COMPO EXPERT by defining the delegation of signing authority and approval procedures. The Management Board is liable for organizational negligence and must ensure decisions are made and implemented correctly. The guideline delegates responsibility through proxies or signing authority, documented clearly by the Human Resources department. It applies to all employees and executives, covering both external and internal transactions, including digital approvals.





## COMPANY AGREEMENTS & COLLECTIVE BARGAINING AGREEMENT

Company agreements play a vital role in our commitment to maintaining a harmonious and efficient work environment. Developed in collaboration with the responsible Works Council, these agreements ensure alignment between the company’s goals and employees' interests. They cover areas such as health protection, social and additional benefits, working hours, and occupational safety, contributing to the respect of human rights. Also, they promote transparency, strengthen trust, and help prevent conflicts by establishing clear, binding regulations.

### Overview of measures implemented per region/entity

Measure	Worldwide	Germany	Spain
Code of Conduct	x		
Compliance Program	x		
Whistleblower System	x		
Workers Representatives		x	x
Collective Bargaining Agreements		x	x
Company Agreements		x	
Representative Body for Severely Disabled		x	

COMPO EXPERT is part of a collective bargaining agreement for the chemical industry in Germany. For more details, please refer to the paragraph "Fair and Competitive Compensation".



## HEALTH AND SAFETY

We recognize that a safe and healthy workforce is essential for both their well-being and the long-term success of our business. We have set a clear objective to be reached by 2028 that directly addresses the continuous improvement of our employees' health and safety.

### 2028 TARGET



#### Safety culture implemented

By 2028 we will have implemented a safety culture that is driven by deep-seated conviction.

### IMPLEMENTING A STRONG SAFETY CULTURE

To further strengthen the safety at our workplace, we are committed to embedding a strong safety culture across all levels of the organization. Our aim is to further improve our work environment, where safety is not just a duty but a deeply ingrained belief. To achieve this, we are guided by the Bradley Curve, a proven model for assessing and improving safety culture within organizations in four stages.

Our target is to reach stage 4 – Interdependence. In this phase, employees act not only out of obligation but from an internal conviction (“from within”) and understand that safety is of utmost importance for everyone.

To achieve this, we have developed sub-targets to measure the success of our initiative. These include reducing our accident rates, promoting a safety culture by appointing more safety ambassadors, and increasing the number of Gemba walks.

Gemba walks involve managers visiting the workplace to observe processes and engage with employees. Additionally, we aim to enhance the discussion of safety topics by addressing them in all shift handovers and other meetings.

Work-related accidents	2024
Number of recordable work-related accidents	15
Fatalities as result of work-related injuries and work-related ill health	0

### COMMITMENT TO HEALTH AND SAFETY

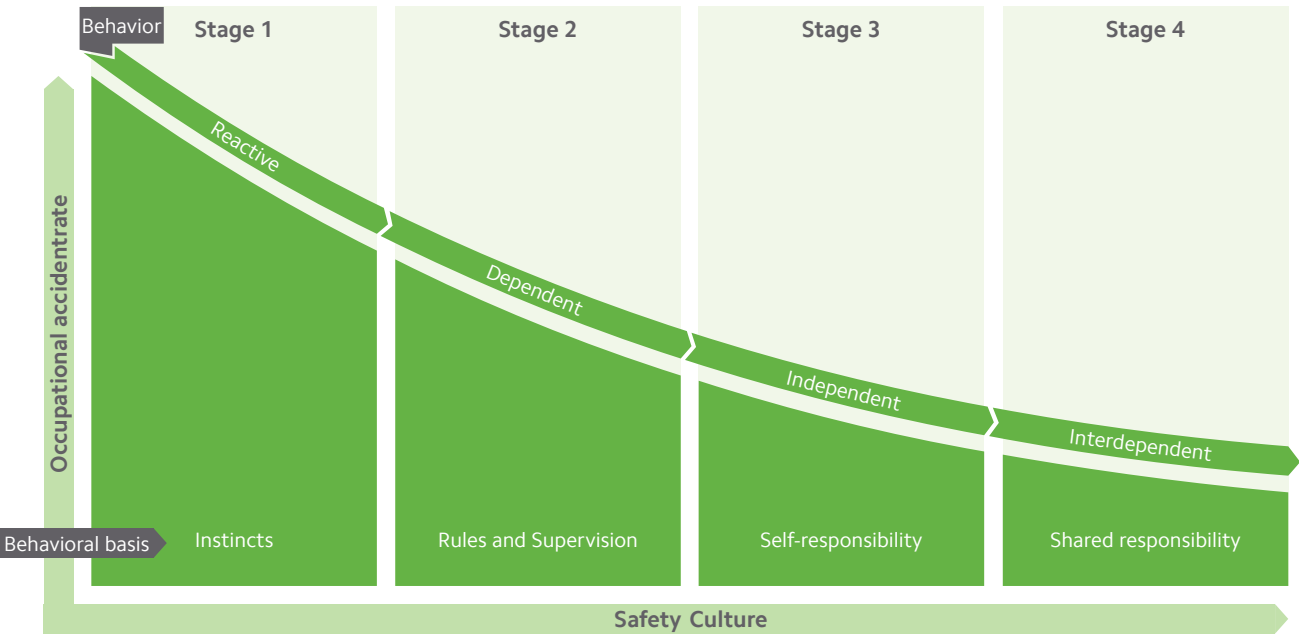
At COMPO EXPERT, we firmly believe that both physical and mental well-being are essential for a productive and fulfilling work environment. In addition to our sustainability goals focused on employee health and safety, we have implemented a range of measures to enhance workplace well-being and create a safe, supportive atmosphere for all employees.

#### A proactive approach to safety

Ensuring the highest safety standards is a top priority for us. Globally, 100% of our employees are covered by a health and safety management system that complies with legal requirements, recognized standards, and guidelines.

At our Krefeld site, we conduct comprehensive risk assessments to identify potential hazards and implement effective safety measures. Every employee is encouraged to actively contribute to improving our safety culture by reporting any unsafe situation they observe.

#### Bradley Curve





All measures derived from our risk assessments follow the hierarchy of controls, known as the STOP principle. This approach prioritizes:

1. Substituting hazards where possible,
2. Implementing technical solutions, and, when necessary,
3. Applying organizational measures, or
4. Using personal protective equipment as a final safeguard.

To further strengthen our commitment to safety, we hold quarterly Occupational Safety Committee meetings in Germany. These meetings bring together safety professionals, safety officers, management, the company doctor, and the works council to continuously review and enhance our safety standards.

Promoting physical and mental well-being

At our Krefeld site, we offer comprehensive occupational health management, including access to occupational medical services. We also support employees returning from long-term illness through structured occupational reintegration programs, ensuring a smooth transition back into the workplace.

Our commitment to health extends beyond safety measures and into proactive health promotion. We provide our employees with ergonomically designed office workstations in Germany, featuring height-adjustable desks and optional ergonomic equipment

such as standing aids. These measures help prevent health issues and improve workplace comfort.

To promote physical fitness and strengthen team spirit, we actively support a variety of sports activities. In Germany, we take part in relay marathons and obstacle runs, while in Spain, we offer gym membership subsidies to encourage a healthy lifestyle. In Münster, we organize active lunch breaks, where a trainer leads fitness sessions. Additionally, employees have the opportunity to join company sports teams, such as our soccer team in Krefeld, which helps foster both individual well-being and a sense of camaraderie among colleagues.

We recognize that mental well-being is just as important as physical health. To support our employees, we strive to create a positive and stress-reducing work environment by offering diverse and engaging tasks that enhance job satisfaction.





# WORKERS IN THE VALUE CHAIN



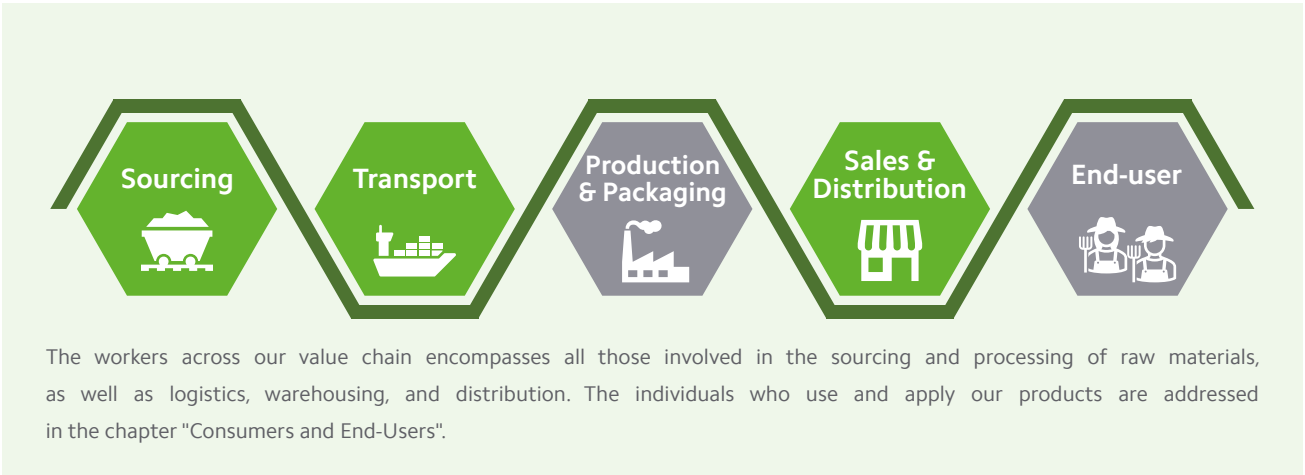
## WHY IT MATTERS

The workers in our value chain play a crucial role in ensuring our business remains operational. Our business activities are linked to value chains that include countries with potentially few regulations on fair compensation. This can lead to the absence of a minimum wage and non-payment for overtime can lead to financial insecurity and dissatisfaction. A particularly serious concern is the potential for human rights violations. These include severe issues such as child labor and modern slavery, which are ethically unacceptable and also legally problematic.

Additionally, a potential shortage of skilled workers due to demographic changes, lack of education, and migration to other industries poses a significant risk that could lead to long-term bottlenecks.

These challenges apply not only to workers in the transport sector, but also to workers in raw material production.

We have also identified potential negative impacts on the safety of workers in the value chain. Due to limited insight into safety regulation enforcement in other countries, we focus on the loading and unloading of transport vehicles at our own sites. The absence of protective equipment such as safety shoes or high-visibility vests, along with non-compliance with safety regulations, increases the likelihood of workplace accidents.



## POLICIES

As a company that supports the United Nations Global Compact, we are committed to upholding its ten principles in the areas of human rights, labor standards, environmental protection, and anti-corruption. These principles are reflected in our Code of Conduct for Business Partners (BP), ensuring that responsible and sustainable business practices are promoted throughout our supply chain.

The key social rules in our Code of Conduct for BP include:

- 1. **Compliance with all applicable laws** throughout the supply chain
- 2. **Respect for human rights** and prevention of human rights violations
- 3. **No corruption** in any form, in line with the principle of “Zero tolerance for corruption”
- 4. **Fair and respectful treatment** of all individuals
- 5. **Respect for basic employee rights**, including the health and safety of employees and the right to form and join associations
- 6. **No discrimination** against employees
- 7. **No child labor or forced labor**
- 8. **Promotion of the rules specified in the Code of Conduct** among their own business partners

The Code of Conduct for BP is publicly available on our website. Additionally, we provide a whistleblower system, which can also be accessed from there. This system is in compliance with the Whistleblower Protection Act and allows for the confidential reporting of any violations or concerns related to the Code of Conduct for BP, ensuring that integrity and transparency are maintained throughout our business relationships.

## OUR APPROACH

### SUPPLIER SELF-ASSESSMENT



To gain insight into our suppliers' sustainability activities and identify potential areas for improvement, we conduct annual supplier self-assessments. These assessments are designed to evaluate not only environmental aspects but also crucial social factors that impact the well-being of employees throughout the supply chain. By doing so, we aim to foster a responsible and ethical business environment. In 2024, 89% of the suppliers we engaged participated in the survey, which comprised 23 questions covering Environmental, Social, and Governance (ESG) aspects.

The key social aspects evaluated in the supplier self-assessment 2024 encompass all the social elements outlined in our Code of Conduct for Business Partners. One of the main findings of our analysis is that all suppliers prioritize the well-being of their employees and have taken measures to ensure health and safety. Regarding fundamental human rights, 90% of the surveyed suppliers have implemented relevant actions. The most common of them include whistleblowing procedures and a public commitment to human rights or social rights.



## ENHANCING WORKPLACE SAFETY



To promote workplace safety, we provide multilingual safety instructions for carriers operating on our premises. These guidelines cover essential protective measures, such as wearing safety shoes, high-visibility vests, and other protective gear. By offering them in multiple languages, we ensure that all transportation workers, regardless of their native language, can understand and follow safety regulations. This proactive approach minimizes workplace hazards and fosters a safer working environment.

Additionally, we enhance accessibility by offering safety data sheets in various languages. These documents provide crucial details about material properties and safe handling procedures. Beyond ensuring secure transport, they also include important storage guidelines to promote safe storage at the distributor. By making this information available in multiple languages, we enable all employees along the value chain to access the necessary safety instructions, regardless of their language proficiency.



# CONSUMERS AND END-USERS



## WHY IT MATTERS

As a leading supplier of fertilizers, we develop products that meet the needs and expectations of our customers. Our products are distributed through a network of wholesalers and retailers, ensuring that our high-quality specialty fertilizers and biostimulants are easily accessible to professional users in the areas of fruits, vegetables, field crops, turf and public green as well as nursery and ornamentals.

Health and safety are paramount when it comes to the use of our products. Ensuring safe application is a responsibility we take seriously, as the impact on end-users can be far-reaching, affecting not only their immediate well-being but also the long-term health of the ecosystems they work within.

We also understand that transparent communication is key to building and maintaining trust with our end-users. Guidance on how to properly use our products, the benefits they offer, and any associated risks are essential for ensuring that users can make informed decisions. Whether it's explaining the application methods of a fertilizer or providing clear labeling for product ingredients, transparent communication fosters a sense of security and reliability.

As we provide products for global use, we are also aware that social inclusion plays a key role. Many end-users, particularly in rural and underserved areas, face barriers to accessing advanced agricultural solutions. Ensuring that our products are accessible to all, regardless of economic background or geographic location, helps create a more inclusive agricultural landscape.

At the same time, our relationship with end-users also involves a responsibility toward data protection and information security. As the digital landscape evolves, so do the ways in which we interact with our customers. Protecting their personal and professional data is an integral part of maintaining that trust. Read more about it in our data protection and information security chapter.

We are also acutely aware of the potential for human rights violations, which can especially affect workers in regions with weaker labor laws. These violations can include severe issues such as child labor or modern slavery, which are not only ethically unacceptable but also legally problematic.



## POLICIES

At our company, we place great importance on the safety and well-being of our end-users. This is reflected in our Code of Conduct, which forms the foundation for all our activities. We consistently strive to deliver products of the highest quality that meet the needs and expectations of our customers. Customer satisfaction is our top priority and a central part of our corporate philosophy. We are committed to product responsibility. The impacts of our products are monitored from the development phase, during use, and after use. Our customers are thoroughly informed about the product characteristics and potential risks.

We are also committed to fostering an inclusive and respectful environment for all our end-users. Our Compliance Guideline clearly states that discrimination based on gender, race or ethnic origin, belief or religion, disability, sexual identity, and age is not tolerated. We believe that every employee and business partner deserves appreciation and respect, and we expect the same respectful treatment towards our end-users.

Furthermore, any form of sexual harassment is not tolerated and will be addressed with appropriate legal actions. As part of our social responsibility, we take measures to prevent child labor, forced labor, or any form of involuntary work among our business partners.

## WHISTLEBLOWER SYSTEM

To further support our commitment to transparency and ethical practices, we have implemented a whistleblower system. This system allows employees, business partners, and even end-users to report any concerns or violations related to our policies, including human rights issues, anonymously and without fear of retaliation. In 2024, zero human rights issues and incidents connected to end-users were reported. By providing a secure and confidential channel for reporting, we ensure that all concerns are addressed promptly and appropriately, reinforcing our dedication to maintaining a respectful and inclusive environment.

## SOCIAL INCLUSION AND TRANSPARENT COMMUNICATION

### DIALOGUE WITH END-USERS AND CONSUMERS

Our commitment to sustainability also includes engaging in dialogue with our end-users. Understanding their needs, challenges, and expectations allows us to continuously improve our products and services, ensuring they are both effective and sustainable. By actively listening to end-users, we can align our product development with real-world demands, enhance user satisfaction, and

promote responsible resource management. A key component of this dialogue is the service and personalized advice provided by our sales consultants. They are available to assist our customers with tailored solutions that meet the specific needs and requirements of the end-users.

Another important element is our end-user training programs. We offer special seminars that not only serve to educate end-users but also provide a platform for information exchange among participants. Additionally, the seminars also offer our customers the opportunity to ask questions and give direct feedback. These trainings promote knowledge sharing and help ensure that our users achieve the best possible results with our products. In addition to the seminars, we also participate in various trade fairs and exhibitions all over the world. Both in our seminars and at these events, the topic of sustainability is becoming increasingly important. This allows us to showcase our commitment to sustainable practices and engage with a broader audience.

### Order transparency

In 2024, we have introduced a new track and trace system called “Logward”. This system allows our container sea freight-deliveries to be tracked, providing customers with full transparency regarding the status of their orders. Additionally, Logward includes the monitoring of transport emissions and the analysis of deviations from the plan, helping us to continuously improve.



Customer satisfaction

To continuously improve customer satisfaction and strengthen our relationships with our clients, we conduct Net Promoter Score (NPS) surveys. The NPS is a globally recognized metric used to measure customer loyalty and satisfaction. It is based on a single key question: "How likely are you to recommend our company to a colleague or business partner?" Respondents are divided into three groups based on their rating. The NPS is calculated by subtracting the percentage of Detractors from the percentage of Promoters.

However, our customer satisfaction survey is not only based on this question. We ask a total of five questions, which are periodically adjusted to reflect changing circumstances and priorities. In 2024, the focus of the survey was on exploring potential of digitization, as technology continues to play an increasingly crucial role in shaping how products are used and managed in the agricultural industry.

NPS Respondent Groups



For our management, the NPS survey serves as a key tool for understanding customer perception, providing valuable insights into their satisfaction and experiences. By analyzing the feedback collected through the survey, we can make data-driven decisions to enhance our products, services, and overall customer experience.

In 2024, we revised our NPS survey approach to a bi-annual rhythm, allowing us to plan and implement targeted actions in the year following each survey. As part of this new approach, NPS surveys were conducted in our European markets in 2024, while the Asia Pacific and Americas regions focused on implementing improvement measures. The result of 2024 is therefore only reflecting our European markets whereas the previous years show a result split between Europe and a company-wide score.




By continuously engaging with our customers through NPS surveys, we ensure that their voices are heard and that we remain focused on delivering excellence.

NPS Results 2024

Region	2022	2023	2024	Trend
Europe	43	45	49	↗
Americas	59	48	-	↘
Asia Pacific	73	64	-	↘

HANDLING COMPLAINTS

At COMPO EXPERT, we attach great importance to taking the concerns and complaints of our customers and end-users seriously and dealing with them efficiently. We offer various complaint channels to ensure that our customers and end-users can contact us with their concerns in the most convenient way for them:

-  Users can call our customer service to voice their complaints and queries directly.
-  Complaints can be sent via mail or email to our company. It is also possible to use our online contact form.
-  Our field service is always available to our customers as a local partner to provide advice and assistance and also supports on complaints.

By providing these multiple communication channels, we make sure that we are easily accessible to our customers and can deal with their concerns promptly. This helps to increase customer satisfaction and promote long-term customer loyalty.

To ensure a seamless complaint process for our end-users and provide them with a more consistent and reliable experience, we initiated a project in 2024 to optimize our complaint handling. The goal of this project is to systematically document complaints, enabling continuous improvement and preventing recurring mistakes. The scope of this project includes the reorganization of the general handling of complaints within the implementation of SAP S/4 HANA, the definition of tasks within the process to clarify responsibilities, the simplification of the complaint entry, and the processing of complaints in the SAP system for better tracking and resolution.

We have already achieved significant milestones, such as establishing the new process and ensuring the evaluation of our complaints. The next step is to implement this process in our new SAP S/4 HANA system. The project is scheduled for completion in 2025.



## PROVISION OF PRODUCT AND CROP RECOMMENDATION

COMPO EXPERT informs traders and professional users about the portfolio of specialty fertilizers and biostimulants with detailed crop and application recommendation through regional marketing units. The communication activities consist of consulting by local sales teams, advisory material in the form of brochures and product folders, the participation at fairs and events, media advertising (print & online), press work as well as social media activities. The basis for this information is the global website and the associated Crop Companion app. With the help of a content management system, the content is available globally and in the respective national language. Marketing materials as well as current images of the products are also available for download through the offering of a proprietary web-based image database called Brandweb.

Moreover, sustainability is becoming a central focus in all our communication activities. Our efforts are now concentrated on our social media channels, where we are raising awareness to this important issue and report on our achievements in this regard. Additionally, our website allows users to search for products based on the sustainability criteria of greenhouse gas reduction, water use efficiency and nutrient use efficiency. These enhancements enable our customers to make informed decisions that are in line with their sustainability goals.

In this way, we ensure that the appropriate product portfolio and application recommendations tailored to regional crops are available.

Another highlight is FarmHub® / TurfHub, two innovative digital consulting platforms that we have developed. These platforms offer the users of our fertilizers and biostimulants a modern and efficient way to manage their crops and applications of aforementioned products, receive advice by our consultants and distributors alike as well as obtain information about our products.

FarmHub® includes various features, like:

-  Always available fertilizer plans and applications
-  Detailed nutrient records for each area
-  Convenient reviews and area-accurate data
-  Access to all soil analysis data
-  Interactive collaboration between farmers / greenkeepers, distributors and our consultants
-  Online professional weather data and derived growth parameters (GDD, growth potential, ...)

In its first version, we have focused FarmHub® on the collaboration between consultants and greenkeepers in the French and German market. Since then, we have forked TurfHub as a standalone platform.

Additionally, we have just enabled FarmHub® to handle non-turf crops, starting with wheat and cherries, and the very common principle of crop growth stages.







## HEALTH AND SAFETY

### PRODUCT SAFETY

Our fertilizer products are subject to strict chemical regulatory requirements, including the CLP Regulation (Classification, Labeling and Packaging) and dangerous goods regulations.

In accordance with the CLP Regulation (EC) No 1272/2008, we make sure that all our products are correctly classified, labeled, and packaged. This regulation aims to protect human health and the environment by establishing uniform criteria for the classification and labeling of chemicals. Our products carry clear and understandable labels that include all necessary information about potential hazards and safe handling practices.

Our fertilizers also comply with international dangerous goods regulations, which govern the safe transport of hazardous materials by road, rail, and waterways. These regulations are periodically updated to reflect the latest safety standards and technological developments. We ensure that our products are safely packaged and labeled to minimize risks during transport.

In addition to legal requirements, we have implemented internal safety protocols to maintain the quality and safety of our products. These include regular safety inspections, employee training, and comprehensive testing of our products. An essential

part of our product safety measures is the compatibility and stability testing of our packaging. These tests confirm that our packaging meets the demands of storage and transport and does not compromise the quality of our products.

To achieve accurate chemical classification, we use the four-eyes principle, where each classification is reviewed by at least two qualified experts. This practice ensures the accuracy and safety of our classifications.

We use state-of-the-art ERP-supported software solutions to reliably comply with chemical regulatory requirements both internally and towards our customers. These systems enable efficient management and tracking of all relevant data and processes, maintaining the highest standards in product safety.

To comply with chemical regulatory requirements, we conduct regular internal and external audits. These audits help us continuously review and improve our processes and practices. External audits by independent third parties provide transparency and trust in our safety measures, while internal audits allow us to quickly respond to potential areas for improvement and uphold the highest standards.

These audits were also successfully carried out in 2024.

## 2028 TARGET



**Product responsibility extended**

By 2028 we will have extended our product responsibility for all phases of the product lifecycle



## EXTENDED PRODUCT RESPONSIBILITY

Our target of “Extended Product Responsibility” by 2028 aims to increase product responsibility for all phases of the product lifecycle – from development to usage. This ensures that our products are not only developed sustainably but also used and disposed of responsibly. A particular focus is on the safety of our users, ensuring that our products are safe and reliable throughout their entire lifespan.

We pursue a systematic approach to increasing product responsibility. To this end, a comprehensive process around product responsibility will be established and firmly integrated into our management system. This process includes a detailed action plan covering all relevant areas.

The entire process, along with the action plan, will be audited annually to monitor the progress of the established measures, ensuring that we achieve our sustainability targets and continuously improve our products. Additionally, the process will be included in the annual management review to drive continuous improvements.

We are pleased to share that the initial phase has already begun with the start of process modeling. A draft policy statement has also been prepared and is expected to be published on our website within 2025.







# GOVERNANCE



# BUSINESS CONDUCT



## WHY IT MATTERS?

As a globally active company with business partners and customers in over 100 countries, COMPO EXPERT must uphold ethical business practices and ensure strict regulatory compliance. Given our presence in diverse markets, including high-risk countries, it is particularly important that we adhere to all applicable laws, regulations, and our internally established policies, procedures, and guidelines. This commitment helps mitigate various risks associated with business conduct, such as unlawful behavior, data protection breaches, information security threats, and corruption & bribery.

Ensuring transparency and integrity in our operations is essential for maintaining credibility with key stakeholders, including customers, suppliers, regulatory bodies, and other business partners. By consistently upholding high standards in business conduct, COMPO EXPERT strengthens its brand reputation, reinforces trust, and enhances its competitive standing in the global market. Furthermore, a strong commitment to ethical principles and compliance not only safeguards our business operations but also drives innovation in sustainable fertilizer solutions. This, in turn, supports our mission of advancing environmentally responsible agriculture while ensuring long-term business resilience and growth.

In contrast, failure to comply with legal and regulatory requirements, as well as expectations for responsible business conduct, could have serious consequences. Non-compliance may result in the loss of our license to operate, legal investigations, and criminal or civil penalties such as fines, which could significantly impact our financial performance. Additionally, individuals involved could face personal liability, and the company as a whole could suffer reputational damage that may undermine stakeholder confidence and long-term business success.

## OUR APPROACH

### CORPORATE CULTURE

At COMPO EXPERT, Management plays a key role in shaping and implementing business conduct and corporate culture. The Board of Directors is ultimately responsible for defining and monitoring corporate policies, ensuring ethical business conduct, and maintaining high standards in anti-corruption and anti-bribery measures. The Managing Directors lead by example to drive a culture of business integrity and both bring extensive experience and expertise in corporate governance, particularly in business conduct, compliance, and ethics.

To embed and strengthen sustainability within our corporate culture, we have set two voluntary targets in this area. First, we commit to allocating at least 1% of the previous year’s EBITDA to fund strategic sustainability initiatives. In 2024, we utilized this allocation to transition 25% of our ammonia demand to a low-carbon alternative. Second, we aim to develop a sustainable NPK fertilizer, considering raw materials, production processes, and application.

Both targets are a direct response to insights from our materiality assessment and drive innovation at COMPO EXPERT. By advancing our product portfolio toward even more sustainable solutions, we ensure that we continue meeting customer demands while promoting responsible fertilization practices.



### BUSINESS CONDUCT POLICIES

To mitigate compliance risks and prevent violations, COMPO EXPERT has implemented a comprehensive compliance initiative that applies to all employees and stakeholders across our value chain. We have appointed a Compliance Officer and established a Compliance Committee, along with local compliance representatives who serve as key contacts for our international colleagues.

Our compliance framework is built upon our core values, Code of Conduct, and Supplier Code of Conduct, complemented by specific policies on anti-corruption, data protection, and IT security as well as a guideline for invitations and benefits. These

guidelines provide employees and suppliers with clear principles to ensure ethical and responsible decision-making.

We continuously improve our compliance program and focus on fostering a shared understanding of our expectations for ethical business conduct among our employees, suppliers, and other third parties. In line with sustainability reporting requirements, we have established mechanisms to identify, report, and investigate concerns regarding unlawful behavior and violations of our Code of Conduct and similar internal rules.

### PREVENTION OF CORRUPTION & BRIBERY

The materiality assessment highlighted an elevated risk of bribery and corruption in specific operations, as COMPO EXPERT operates in regions in Asia, Latin America, and Africa where these risks are more prevalent. An incident involving bribery or corruption could result in financial penalties, legal consequences, and reputational damage, potentially impacting our business relationships with customers and suppliers. This risk is present within our own operations and is recognized as a systemic challenge within both the industry and the regions in question.

However, COMPO EXPERT emphasizes a zero-tolerance policy on bribery and corruption, which is aligned with the United Nations Convention against

Corruption. Our anti-corruption policy outlines detailed principles and behavioral rules, including guidelines for providing benefits in business relationships, and clearly defined reporting channels for suspected violations.

Within our organization, certain roles carry a higher risk of corruption and bribery due to their involvement in key financial transactions and interactions with external stakeholders. In particular, Purchasing, Sales, and Distribution are considered high-risk functions. To mitigate these risks and uphold the highest standards of integrity and compliance, we prioritize the implementation of strong anti-corruption and anti-bribery measures within these areas.

Mandatory training programs are also provided for all other administrative employees, along with an e-learning course on business conduct for all employees during onboarding, which must be repeated regularly. These trainings cover anti-corruption policies, ethical guidelines, and responsible business practices.

PROTECTION OF WHISTLEBLOWERS

Our commitment to business integrity is reinforced through our whistleblower system, available to both internal and external stakeholders. It allows them to report incidents anonymously and securely via e-mail or face-to-face conversations. We ensure full confidentiality of all reports.

To protect whistleblowers from retaliation, we have implemented a comprehensive whistleblower protection policy. It guarantees that employees who report unethical behavior are safeguarded against any form of retaliation, including adverse employment actions, discrimination, or other negative consequences. Our incident investigation procedure ensure that all employees who report unethical behavior are safeguarded against any form of retaliation, including adverse employment actions, discrimination, or other negative consequences.

Our incident investigation procedures ensure that all reported cases of suspected corruption, bribery, and other violations of company policy are promptly, independently and objectively investigated. Our investigators operate independently of the management chain involved in a given case, ensuring an objective and impartial investigation of corruption incidents.

Investigation findings are reported to members of the administrative, management, and supervisory bodies. A clearly defined process ensures that all

relevant information is communicated without delay and transparently.

MANAGING RELATIONSHIPS WITH SUPPLIERS

Our company places great importance on sustainable and responsible relationships with our suppliers to ensure the integrity and stability of our supply chain. This includes minimizing risks while maximizing positive social and environmental impacts. Our approach to supplier relationships is based on a holistic view of sustainability. We prevent or at least minimize supply chain disruptions by regularly evaluating key suppliers (e.g. supplier audits) to identify potential risks early and take appropriate action.

We implemented the code of conduct for business partners as an integral part of our corporate strategy. We ensure strong commitment to it by incorporating it into our contracts with business partners, including suppliers.

DATA PROTECTION & INFORMATION SECURITY

In a rapidly changing digital world, data protection is indispensable for a successful and sustainable business. Therefore, we process data of employees,

customers, and business partners in accordance with applicable data protection and data security regulations. We implemented three key guidelines:

- Data Privacy Guideline
- Cyber Security Policy
- Data Protection Directive

These guidelines are designed to provide transparency regarding the usage conditions of our IT infrastructure, as well as the measures in place for logging and monitoring. They safeguard the personal rights of our employees, customers, suppliers, and other contractors, ensure the continuity of our business operations, and protect both personal and business data.

Our data protection guidelines describe the types of personal data we collect, how this data is used, to whom it is transmitted, and what choices and rights individuals have regarding our data processing. Additionally, we explain the measures we take to ensure data security and how individuals can contact us if they have questions about our data protection practices. These guidelines govern the data-compliant information processing and the corresponding responsibilities at COMPO EXPERT. All employees are required to comply with these guidelines.

Our data protection organization consists of a Data Protection Officer and several Data Protection

Coordinators. These experts work closely together to ensure that our data protection policies are always up to date and comply with current legal requirements.



The focus areas of our work in the IT sector include:

- Protecting against unauthorized access to our networks to ensure integrity of data & processes
- Defending against viruses, trojans, and other threats that could compromise security and functionality of our systems



Business Conduct

- Ensuring physical security of our servers and other hardware to protect our infrastructure from physical threats
- Data archiving and the implementation of backup and recovery procedures to prevent data loss in the event of server or hard drive failures

In addition to careful work in the IT sector, IT security is highly dependent on the responsible use of IT by our employees. This includes, among other things:

- Effective password confidentiality to prevent unauthorized access
- Not sharing passwords with third parties to ensure the security of access data
- Locking the screen when leaving the workstation, even for short periods, to prevent unauthorized access
- Avoiding opening emails or attachments from unknown or suspicious sources to minimize the risk of malware infections

Each employee thus contributes to IT security. To raise awareness of this responsibility, we regularly conduct training sessions on our digital learning platform. These training sessions cover a variety of topics, including the secure use of IT resources, recognizing and avoiding phishing attacks, and the importance of data protection in daily work routines.

Our commitment to data protection and IT security is an ongoing process that requires continuous improvements and adjustments. We remain vigilant and proactive to address the ever-evolving threats and challenges in the digital world.

Metrics for 2024

0	convictions for violation of anti-corruption and anti- bribery laws
	finances for violation of anti-corruption and anti- bribery laws
	material compliance violations

PARTNERSHIPS & COOPERATIONS

UN Global Compact

Since 2023, our company has been a proud participant of the UN Global Compact, which is a voluntary initiative of the United Nations that calls on companies and organizations worldwide to pursue responsible and sustainable business practices. We align ourselves with its ten universal principles in the areas of human rights, labor, environment, and anti-corruption and thereby reaffirm our commitment to sustainable business practices and ethical governance. As part of this global network, we continue to enhance our efforts to promote responsible business practices and contribute positively to the achievement of the UN Sustainable Development Goals. In 2024, COMPO EXPERT has published the first “Communication on Progress”.

WE SUPPORT



Cooperation with AfB

Our collaboration with the certified IT refurbisher AfB social & green IT represents a further step in our commitment to sustainability. Through this partnership, we extend the lifecycle of our used company hardware, contributing to both environmental protection and social inclusion within our value chain. In March 2024, the first pre-used notebooks, monitors and PCs from COMPO EXPERT were delivered to the nearest AfB branch. There, the AfB Group refurbishes the hardware, installs the latest operating system, and resells it. By giving our hardware a second life, we reduce emissions and conserve valuable resources by avoiding the need for new production.

Beyond its environmental impact, our hardware recycling initiative also supports social inclusion. As a non-profit inclusion company, AfB employs approximately 660 people, 48% of whom are severely disabled. This initiative was inspired by an idea from one of our employees, and the resulting partnership with AfB reflects our shared commitment to a more sustainable future.

