



ANNUAL RESPONSIBILITY REPORT

# 5 Years in Focus

a brand of  FREUDENBERG



# 5 years, 4 ambitious targets, 1 focused global team.

In 2020, we looked ahead five years with the goal of minimizing our company's footprint, including energy consumption, waste, and water usage. Meanwhile, we wanted to boost the value of our handprint by creating product innovation that incorporates more renewable materials, reduces emissions, and, through efficiency, lessens our customers' footprint.

While Chem-Trend was founded on the concept of enabling our customers to maximize efficiency and improve HSE in their operations, these past five years have been a time of exceptional focus and dedication to innovating solutions with long-term impact.

Our successful elimination of PFAS from the Chem-Trend portfolio and increasing the use of water-based products over solvent formulations are two standout examples. Both demonstrate our team's commitment to creating real change through research, forward-thinking initiatives, and decisive action.

This report is a testament to our journey — a journey fueled by the collective passion to continually improve and evolve. I couldn't be prouder of the accomplishments of the last five years, and I look forward to what our extraordinary team is poised to achieve as we move into the future.

**JOHN LUNDIN**  
President and CEO

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The information presented herein shall not be interpreted for the purpose of determining legal compliance or establishing any warranty, and is exclusively reflective of the practices of Chem-Trend.

# Goals in Focus

The targets we set in 2020 were ambitious, but with our committed global team, we knew they were achievable.

Waste Generation



CO<sub>2</sub> Emissions



Water Consumption



Recycling



## GOALS IN FOCUS

# Waste Generation

We reduced our waste generation by more than 4%, surpassing our goal. Reducing waste generation remains a critical component of our environmental responsibility, reflecting both operational discipline and resource stewardship. We largely achieved our waste reduction goal through strengthened control of inventory and quality management processes. By improving material planning, minimizing off-spec production, and reducing unnecessary disposal at the source, we have embedded waste prevention into everyday operations.

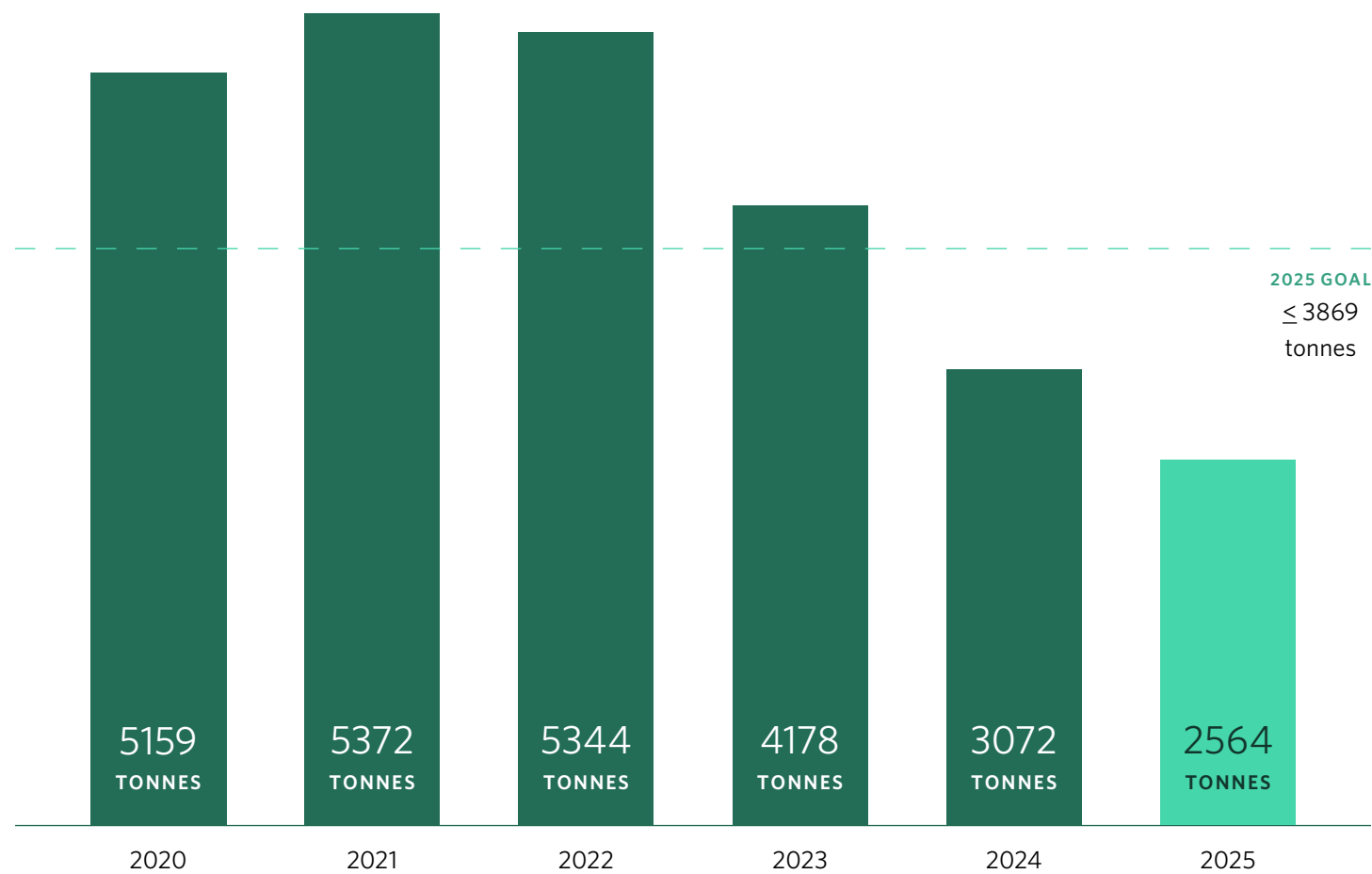


Waste Reduction

GOALS IN FOCUS

# CO<sub>2</sub> Emissions

Our goal was to reduce annual global Scope 1 and 2 CO<sub>2</sub> emissions by 25% between 2020 to 2025. Our performance in 2025 well surpassed our overall goal by more than 33% while eliminating 1305 tonnes of annual CO<sub>2</sub> emissions as compared to our baseline year 2020.



Global CO<sub>2</sub> emissions: 2564 tonnes  
TOTAL CO<sub>2</sub> EMISSIONS IN TONNES (SCOPE 1 & 2)

“We at Chem-Trend are extremely proud of the actions we have taken to reduce CO<sub>2</sub> emissions over the past few years, as the results clearly demonstrate our commitment.

With our products having global reach in multiple, varied industries, we recognize the importance of achieving our 25% reduction goal — and take it seriously. We are looking forward to building on our momentum as we continue on our journey to achieve net carbon neutrality. While we may not yet know what technical solutions or product innovations will enable us to meet this target, we do know that we can only achieve it by engaging with our partners, both suppliers and customers.”

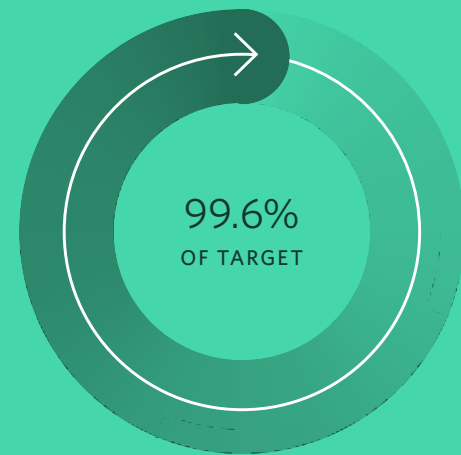
**DR. MICK TAMBASCO**  
Global Sustainability Officer



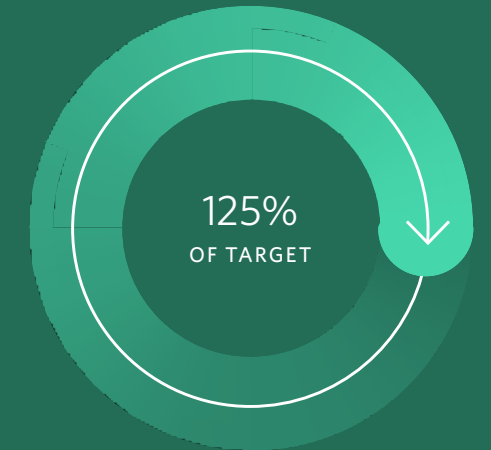
GOALS IN FOCUS

# Water Consumption

We reduced our water consumption, virtually achieving our goal. Water stewardship is a key priority across our operations. Our reduction goal was achieved primarily through a targeted focus project to identify and eliminate water losses — coupled with improved utilization of production vessels. By locating and repairing leaks and optimizing vessel scheduling to reduce cleaning frequency, we lowered water demand without compromising product quality or operational efficiency.



Water Consumption



Recycled Materials

GOALS IN FOCUS

# Recycled Materials

We increased our material recycling, significantly beating our goal. This was achieved in part through our global team's continued vigilance in identifying opportunities to redirect existing waste streams to recycling channels.

# Stories



STORIES

# Sustainability



NORTH AMERICA

## Water recirculation and use reduction in Howell, Michigan

To reduce water usage in the North American region, we installed a chiller at one of our Howell facilities. This action is expected to reduce annual water usage by over 5 million gallons — an over 87% decrease. Thanks to green electricity, no additional carbon will be emitted from the power used by the chiller. Operation began in April 2026.



EUROPE

## Energy improvements at Norderstedt

An energy action plan provided significant benefits in our Norderstedt facility. Created to improve meter structure and align new legal requirements within Germany's Energy Efficiency Act, the plan included measuring and analyzing energy consumption — mostly affected by gas, electricity, steam, and compressed air usage. The team then determined key influencing factors and opportunities for optimization, which led to two major improvements, all without upfront investment cost.



#### SOUTH AMERICA

### A highly renewable die cast solution in Valinhos

Replacing a solvent-based product in metal casting led to the innovation of a highly renewable die cast solution from Chem-Trend South America. This ready-to-use product, which utilizes water-based technology, has already helped one customer reduce at least 30% of throughput while also mitigating fire risk and generating less afterspray smoke. In addition to efficiency and Health, Safety, and Environment (HSE) improvements, release and casting appearance were improved.



#### ASIA PACIFIC

### An upgraded boiler system with big benefits in Anseong-si

More efficient operations, energy cost savings of 55 million KRW, and a 78% reduction of liquid natural gas (LNG) usage were achieved by Chem-Trend Korea when the team replaced its steam supplying system. The project required many updates and changes, including the redesign of many components: pipe specifications, steam supplying system and layout, and inlet and outlet connections of vessels and unit heaters. In addition to the efficiency improvements, the new system also created water recycling benefits, allowing for the partial reuse of condensation water from unit heaters.

# PFAS-Free Solutions for Every Industry

Chem-Trend proudly offers an unparalleled portfolio of process chemical specialties and additives, free from per- and polyfluoroalkyl substances (PFAS). In 2024, in collaboration with global customers, Chem-Trend effectively discontinued production of PFAS-containing products at all global manufacturing sites, while supporting our customers' successful transition to PFAS-free alternatives. Since then, and as we move forward, our strategic focus remains steadfast on delivering an innovative range of high-performance, water-based, and PFAS-free solutions across every industry and region we serve.





CHINA

### Continuous local sourcing and manufacturing improvements in Qingpu

Chem-Trend China has achieved remarkable results in its continuous effort toward localization. With great collaboration — among purchasing, material cost management, research & development, and supply chain management — and the installation of new equipment, imported raw material purchases were reduced by 8% year over year while volume of imported polyurethane and wood composites raw materials were reduced by 100%.



“Localization is a core pillar of the company’s sustainable development strategy. Through deepened cross-functional collaboration, the localization of raw materials and production reduces supply chain length and transportation intensity, directly lowering the environmental footprint.

At the same time, it enhances responsiveness while strengthening supply security and cost competitiveness, enabling scalable adoption and delivering long-term value in supply stability, cost efficiency, and overall sustainability performance. Localization can also open the door to greater customization in our formulations. This targeted approach will advance our technical expertise, allowing us to adapt more nimbly to market demands and customer needs. Ultimately, these advancements will give us a competitive edge and help drive sustainable business growth.”

**BRAD JIN**  
General Manager, China



STORIES

# Social Responsibility



ASIA PACIFIC

## Empowering Education & Enhancing Rehabilitation Services in India

In collaboration with Sneha Shikshana Samsthe, a group of schools in Sullia providing quality education at the primary and high school levels, Chem-Trend India sponsored the complete educational needs of 16 underprivileged students. This support included tuition fees, study materials, and uniforms, ensuring these children have the opportunity to learn, grow, and thrive.

We also partnered with Sevabharathi Dakshina Kannada, a center focused on the rehabilitation and care of individuals with spinal cord injuries, contributing to the procurement of physiotherapy equipment and the renovation of the facility. This initiative aims to improve recovery outcomes and provide a more dignified healing environment for patients.





EUROPE

## Child Welfare & Education in Romania

“Dialog for Success” is an educational and personal development program started in 2025 by Chem-Trend Romania employees. Dedicated to those aged 14 to 23 — especially young people who have lost their parents and friends and are also in vulnerable situations — the project creates a safe, authentic, and inspiring space where professionals from various fields share real-life experiences while offering participants emotional support, career guidance, and the confidence they need to build a better future.

The intended impact of this initiative is to increase self-confidence and the development of a positive self-image among participants as well as improved emotional balance, stress management, and burnout prevention. By building healthy relationships, our goal is to create a sense of belonging within a supportive community.



NORTH AMERICA

## Science Education & Teen Support in Howell, Michigan

Chem-Trend employees based in Howell, Michigan, USA, taught 100 third-grade students about photosynthesis during Arbor Day via an interactive presentation followed by a hands-on activity. For our annual Day of Caring, we added a fresh coat of paint to the interior of a home for teens run by the Connection Youth Services, which helps homeless and runaway youth in Livingston County.

“For me, social responsibility means acting consciously every day.”

Through projects like our internal e2 program, which focuses on educational and environmental initiatives in our communities, we demonstrate that performance, environmental care, and support for education can go hand in hand.”

**CIPRIAN CRISTEA**  
Director, Romania



# Moving Forward

We've come far since 2020. It's a testament to our amazing global team — their care, commitment, and passion for innovating solutions to challenges we and the customers we serve face daily.

When we set ambitious targets five years ago, we did so with the conviction that we would reach them successfully. The fact that we've surpassed many of our goals is something that we celebrate and take immense pride in. It also drives us to continuously refine our strategies and push the boundaries of our vision for the future.

As we embark on our next chapter, we are guided by our parent company, Freudenberg, which has set a milestone of 65% reduction in CO<sub>2</sub> emissions (Scope 1 & 2) by 2030 and the ultimate target to be carbon neutral by 2045 — at the latest. This primarily includes reducing energy consumption, embracing electrification, and purchasing and generating green electricity.

Here at Chem-Trend, we are already making great strides toward a more sustainable future. Our water circulation project in North America, upgrades to steam boilers in Korea, and energy improvements in Germany are just a few examples. And there will be more advances. Of that we are certain because, at Chem-Trend, we are always thinking big, acting boldly, and moving forward.

“We're extremely proud of the focus and determination that our entire global organization has put into meeting our very ambitious sustainability goals.”

In the past five years, we've enacted initiatives big and small at every level — to make a meaningful and measurable difference. As we move forward, we intend to keep building on that change and challenging ourselves to innovate next-generation solutions that enable our customers to achieve their goals, including cost-saving efficiencies.”

**CHRIS BARRICKLOW**  
Senior Director Global HSE,  
Regulatory Compliance & Sustainability



# Appendix

## OUR CALCULATIONS

### CO<sub>2</sub> Emissions

$$\begin{array}{l} \text{Scope 1 emissions (2,623 metric tons CO}_2\text{)} + \\ \text{Scope 2 emissions (1,555 metric tons CO}_2\text{)} \end{array} = \begin{array}{l} \text{total emission of} \\ \text{4,178 metric tons CO}_2 \end{array}$$

CO<sub>2</sub> emissions for Chem-Trend are calculated from the electricity and natural gas/fuel usage at production sites. For these sites, the electricity and gas usage is for the entire site, including production, lab, warehouse, office buildings, exterior lighting, etc.

### Waste Generation

$$\frac{\text{volume (liters) of waste}}{\text{production volume (liters)}} = \frac{\text{waste as a \% of}}{\text{production volume}} \text{ (liters)}$$

for the same period

Waste includes only solvent or water that comes from cleaning, rinsing, washing down of vats, etc. of equipment and containers, and is then disposed.

### Water Consumption

$$\frac{\text{Water usage excluding water used as a}}{\text{raw material in products (liters) MAT}} = \frac{\text{Production volume (liters) MAT}}{\text{Production volume (liters) MAT}}$$

Water for this metric includes all water (sanitary, drinking, cleaning, rinsing, cooking, cooling water, steam, water for gardens/lawns, etc.) used at the site except for water that is used as a raw material in a product.

### Recycled Materials

$$\frac{\text{Recycled material (kg) MAT}}{\text{production volume kgs (MAT)} \times 1000}$$

Material recycled = steel, plastic, or fiber containers, cardboard, paper, plastic wrap, wood pallets, glass, solvents, water, e-waste, and batteries.

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