



Sustainability Report 2022



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Message from the owner



Ana Patricia Rahn Erden

With our third RAHN-Group Sustainability Report, we want to continue to formally record and measure our constant efforts to conduct our business in a responsible manner. Ever since my grandfather, Hans Rahn, established our company more than 80 years ago, the RAHN-Group has strived to be a good corporate citizen. As a family-owned company, our activities have always had a long-term perspective with a particular focus on the people involved. In 1976, long before corporate social responsibility became a common concept, RAHN started supporting various social and cultural projects and introduced its employee profit-sharing scheme. Furthermore, our staff, many of whom are long-term employees, demonstrate a vital interest in acting responsibly towards the environment.

In 2020, our Board of Directors and the Executive Management decided to demonstrate our efforts by means of measurable parameters. We therefore determined key figures, which are described over detail in the following pages. These enable us to review our progress and indicate where there is potential for improvement. In this year's report, we give an updated account of where we stand. We are aware that our negotiating power in our value chains is restricted. All the same, as an SME with 135 employees, we see it as our responsibility to make a true effort to reach our defined sustainability goals. Therefore, we focus on these and on advanced technologies. In our EnergyCuring division, we continuously play our part in reducing emissions and saving energy. Meanwhile, in our Cosmetics division, the quantity of products based on renewable resources has significantly increased. In addition, every employee is sensitized to the mindful use of goods.

Knowing that the process of acting as a responsible company needs permanent attention, we are working hard on its implementation and on the achievement of our goals. And, as always, words must be followed by action.



Environmental:

“ I am proud to be directly involved and influencing the development of biobased products within RAHN EnergyCuring.”

Dr. Darren Lumber, Technical Key Account Manager EnergyCuring



Economic:

“ As a family-owned business, at RAHN we do have a long-term vision and are not focused on short-term profit. Therefore, we stand for a balanced and healthy economic growth.”

Hanspeter Stricker, Chief Financial Officer, Executive Vice President



Social:

“ Business success brings with it an obligation to show social commitment! RAHN does not only talk about it, but has been putting it into practice for years with the Rahn Foundation.”

Markus L. Meyer, Chief Operating Officer (COO), Vice President

“ Thinking and acting sustainably in a company may have been an option a few years ago. Today, it is simply a necessity. And that is a good thing!”

Urs Lauffer, Chairman of the Board

“ Corporate sustainability requires resilience and flexibility, being able to adapt to changes. We take these qualities into account to improve the social, economic and environmental well-being of the community.”

René Guldimann, Vice President Cosmetics

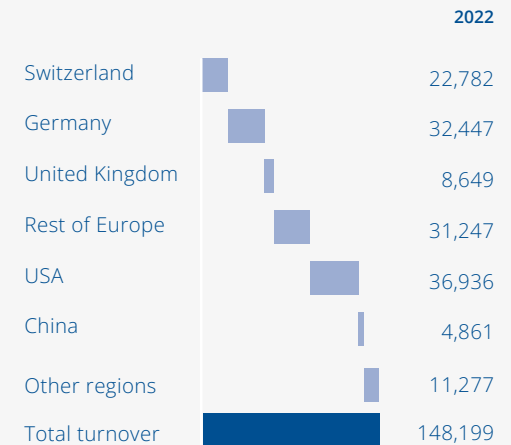
Who we are, what we do and how we do it

The RAHN-Group, founded in 1940 in Zurich, Switzerland, develops and distributes performance materials to highly specialised industries. Our two divisions EnergyCuring and Cosmetics serve the markets of surface technologies and personal care. As an innovative technology company, we combine high-quality products, in-depth expertise and comprehensive services to offer our customers tailor-made integrated solutions.

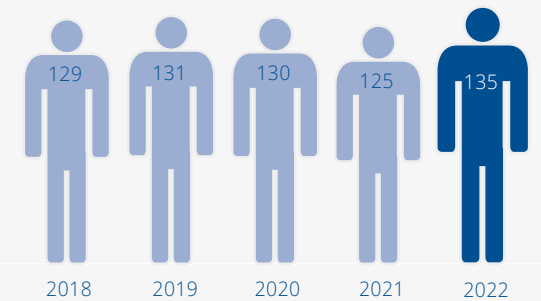
We pride ourselves on our long-standing tradition as a family-owned business, our responsible business ethics and a professional attitude to service. As a group of eight companies that spans three continents and boasts 130 employees, we are a global enterprise, yet small enough to still truly care for all our individual business partners.



TURNOVER IN 1,000 CHF



NUMBER OF EMPLOYEES



How we do it

RAHN's business model is based on excellent market access and expert knowledge of application technologies in our industries. We operate R&D and application labs and employ a significant number of industry experts to support customers in all aspects. We do not own any manufacturing assets. We innovate and develop new products that are subsequently manufactured by various industry partners around

the world. For some parts of our product portfolio, we act as a local distribution partner of multinational specialty chemicals and ingredients manufacturers. Worldwide sourcing, warehousing and delivery logistics are contracted out to specialists in those fields. Today, our business footprint therefore consists of four offices, five labs and a number of sales representatives that serve their respective markets in EMEA, the Americas and Asia-Pacific.

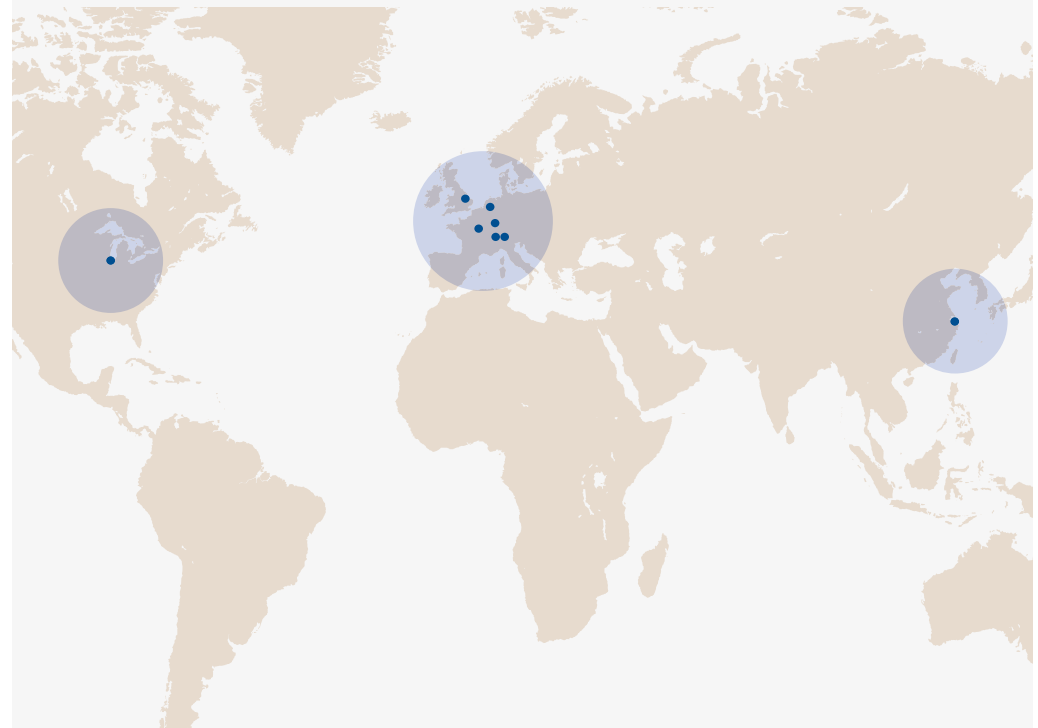
ADDED VALUES



Stakeholders

- | | | |
|-----------|-----------------------|-------------------------|
| Customers | Suppliers | Ownership & authorities |
| Employees | Environment & society | Supply chain partners |

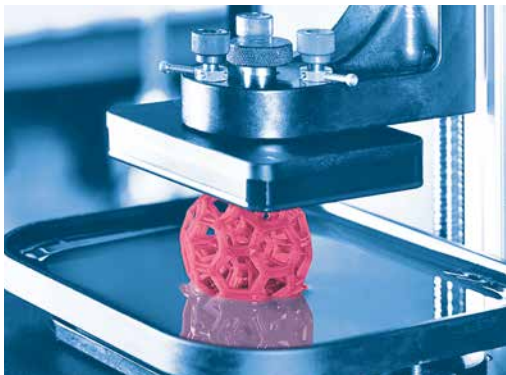
REPRESENTATIONS WORLDWIDE



EnergyCuring



Our **EnergyCuring** division is a premier worldwide supplier of additives, oligomers, monomers, photoinitiators and other customised specialty chemicals. Our products are used in ultraviolet and electron beam curing technologies and are essential components of high-performance inks, coatings, adhesives, medical, rapid prototyping and other applications.



Cosmetics



Our **Cosmetics** division already has over 55 years of international experience in handling speciality and auxiliary materials used by the cosmetics industry. Constructive and long-term cooperation with selected suppliers coupled with the design of our own-brand RAHN-Cosmetic Actives have resulted in the creation of a cutting-edge and high-quality product portfolio.



Vision

- We support our industry partners around the world by supplying innovative performance materials
- We assist our customers in promoting advanced and sustainable formulations for the benefit of consumers
- We aim to facilitate the efficient use of our high-performance products by combining them with technical expertise and operational excellence

SWISS EXPERTISE

Strategy

- Customer and service orientation
- Focus on product innovation
- Long-term partnerships
- Supporting personal growth of employees
- Inspiring and entrepreneurial work environment
- Combining specialty with selected commodity products
- Geographic expansion
- Sustainable business development
- Financial independence
- In-house IT and data management



Social and cultural commitment

Rahn Foundation

The Rahn Foundation was established in 2003 and continues the mission of the Rahn relief fund, which for decades supported social projects in the Zurich region and also made donations to help disaster victims in Switzerland and beyond. The Foundation is primarily funded by RAHN AG.

Over the past 25 years, the Rahn Foundation has awarded support funds totalling CHF 5,800,000.

Examples of applications approved in 2022:

- [Arbeitsgemeinschaft Ess-Störungen AES, Zurich](#)
Support for the eating disorder prevention campaign
- [Stiftung Simpera, Flaach](#)
Contribution to this foundation for the training of guide dogs and assistance dogs
- [CEVI Region Zürich](#)
Co-funding of the 2022 regional camp run by this Christian youth organisation
- [Stiftung Kind und Autismus, Urdorf](#)
Donation to the competence centre run by this foundation for children with autism
- [ZwüscheHalt, Zurich](#)
Contribution to setting up a house for fathers who have suffered abuse
- [Verein AURORA, Zurich](#)
Support for this contact centre for parents who have been widowed and have children under the age of 18
- [Stiftung Märtplatz, Freienstein](#)
Donation to aid the integration of young people with psychological and social issues

Rahn Kulturfonds

Rahn Kulturfonds was founded over 45 years ago to reward and promote outstanding students of Swiss music academies. To that end, Rahn Kulturfonds holds the biennial Rahn Musikpreis competition, alternating between piano and string instruments.

Rahn Kulturfonds also awards scholarships on a yearly basis and lends instruments to distinguished young musicians. The foundation also organises concerts for award winners to help them advance in their careers. Rahn Kulturfonds is funded by RAHN AG.



- ▲ Rahn Festival 2022: The festival was organised for the first time in 2022. It included five concerts in Zurich, Baden and Basel, at which 33 prize winners and scholarship holders were given the opportunity to perform.

Our approach to sustainability



Xavier Marguerettaz, PhD
CEO, Vice President EnergyCuring

Fair business practices have always been a core component of our company's culture and history. We are convinced that, as a family-owned company, the long-term viability and success of our organisation can only be achieved through responsible business conduct.

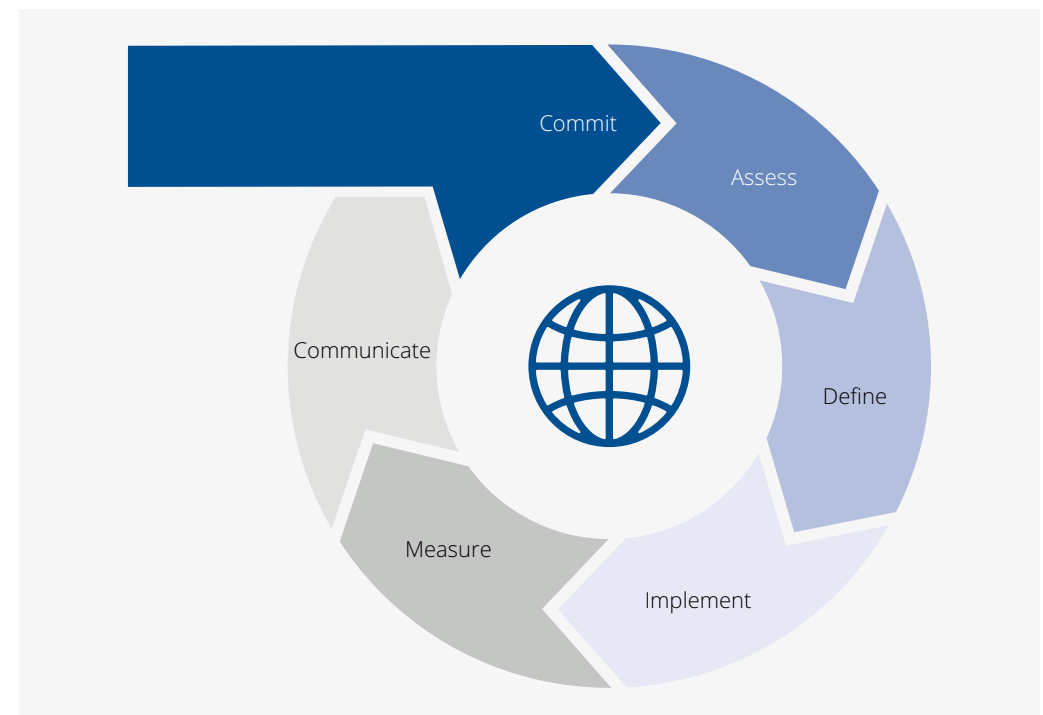
In 2020, we started to address our commitment to sustainability in a more formal and transparent manner. We believe that by measuring and reporting on the social and environmental performance of our company, we not only contribute to the common global efforts to address key challenges, but also continuously improve and therefore strengthen our organisation.

Our commitment to measure, report and externally verify our sustainability efforts is based on the following assumptions:

1. Our social, environmental and governance (ESG) performance will continuously improve as we are measured and assessed (what gets measured gets managed).
2. Companies with better sustainability records perform better in the longer term.
3. Customers and suppliers reward companies that demonstrate a strong sustainability performance and put pressure on those who drag their feet or greenwash.
4. Criteria to measure social and environmental impact will become more rigorous, accurate and standardised.

By constantly improving our ESG performance, we not only look to strengthen revenue growth, lower our risk exposure, and increase our resilience during disruptions, but also seek to have a positive impact that extends beyond our business. We remain convinced that one of the strongest instruments against poverty, human rights violations and pollution is economic progress.

With our third annual Sustainability Report, we want to share the progress of our ongoing efforts as we continue to pursue our pragmatic approach to this strategic imperative.



The year 2022 has been another tumultuous year for humanity and business. Global inflation, supply chain problems, the return of the war in Europe and much more came together to challenge us all. At the same time, 2022 has also seen the expansion of the regulatory landscape in many countries, especially in the divisions of supply chain due diligence, circular economies and anti-greenwashing. We also saw a growing list of both companies and countries putting forward their “net zero” carbon targets and, within the industry, a continuing focus on ESG, sustainability and circularity.

At RAHN, despite the indirect impact on the additional administrative responsibilities, we welcome this evolution of the regulatory landscape as it represents the industry's commitment to the UN Sustainable Development Goals (SDGs) whilst stimulating innovation and establishing a fair market for the industry. Given our proactive approach over the years, we are in a very good position to address these evolving and upcoming regulations. This convergence between a self-driven ESG approach, industry group concerted efforts and corresponding regulatory trends is something that will surely shape our sustainability strategy in 2023 and beyond.

Scope and objectives

The year 2022 concluded the first three-year cycle of our initial scope and objectives. In this first cycle, we focused on making sustainability improvements in those areas where we could have the greatest impact, namely within our own company boundaries (scope 1). In 2022, we also started to engage with our business partners in the supply chain and prepared for a future expansion to our objectives.

In 2023, we will define the parameters for the next cycle, further engage with our business partners and stakeholders and set the objectives we want to achieve. We will aim to enlarge the virtuous circle and engage further with our different business partners.

▼ RAHN's support and collaboration with the Yayasan Rimba Raya Abadi Foundation in Borneo has enabled farmers to plant around 700 endemic tree species (*Shorea stenoptera* – illipe nut tree) and to restore and protect an area of 61.3 hectares in West Kalimantan.



RAHN's sustainability strategy

- RAHN aims to maximise its positive socio-economic contributions to all its stakeholders, while seeking to minimise its negative effects
- RAHN's ownership and management are driving the sustainability initiative
- RAHN's approach is pragmatic and balanced, based on a positive attitude towards social market economies and economic progress
- RAHN focuses on a limited number of sustainability elements where it has the biggest impact
- RAHN favours open dialogue and common efforts up and down the supply chain over immediate sanctions
- RAHN's socio-economic impact is assessed annually, goals are defined, actions implemented and the result of such actions are measured and reported in a transparent manner
- RAHN is committed to having its sustainability efforts evaluated by selected independent third parties



Governance

The Board of Directors and the Executive Management do not see this initiative as a one-off project, but as a continuous process. Our report forms an integral part of our reporting system. Further, we also want our efforts to be judged by trusted rating agencies – with the most established in our industry being EcoVadis, which we have chosen as a primary point of reference.

To make sure this initiative will be incorporated into everyday business activities and thus become part of our corporate DNA, the following governance principles have been defined:

- The Board of Directors and the Executive Management review the sustainability strategy and the operational implementation on an annual basis
- Sustainability is firmly anchored in the RAHN-Group strategy
- A steering committee with employees from various functions and hierarchical levels is formed to implement and maintain the sustainability initiative
- Sustainability KPIs are defined, as are related long-term targets and projects that drive the organization towards these targets
- An annual report is to provide transparent information on all relevant dimensions of sustainability

The goal is to achieve and subsequently maintain a gold rating on the EcoVadis platform



What we focus on

RAHN is basing the evaluation and definition of its sustainability goals largely on the categories proposed by the 17 United Nations Sustainable Development Goals. In September 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs) that address the world's most important economic, social and environmental challenges.

The SDGs are the result of years of multi-stakeholder engagement between governments, non-government organisations (NGOs) and businesses. The private sector plays an important role in achieving the SDGs and our work contributes to a number of these goals.

We have identified thirteen goals that we can directly contribute towards. For seven of these goals, we have identified actions that we want to take to strengthen our positive impact. Currently, we are measuring our efforts against the baseline of the year 2018.



In order to better structure our activities and goals, we have identified three elements that nicely sum up our approach to sustainability and that form the basis of our initiative:

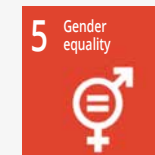
Environmental Sustainability

includes the following SDGs:



Social Sustainability

includes the following SDGs:



Economic Sustainability

includes the following SDGs:



Environmental Sustainability

What matters most

Since RAHN does not own any manufacturing facilities, the largest ecological footprint within our system boundaries comes from operating our offices, business travel and the impact we have through sourcing products and services. With that in mind, we have identified the following items where we have the largest immediate lever to make a positive impact:

- Business travel
- Consumables
- Product sourcing

Economic activity will always require some input of resources. Our approach is to avoid or reduce the use of non-sustainable resources and emissions by making wise choices. Whenever this is not possible, we will engage in meaningful and credible offsetting projects that support a wide variety of SDGs.



Where we are, where we want to go and how we want to get there

The following table shows the baseline numbers for 2018 and the current status for the reporting year, as well as the targets for 2023 and the actions to achieve them:

Category	KPI	Reporting Entity	Reference 2018	Result 2022	Target for 2023	Action / Projects
Business Travel	CO ₂ emission	RAHN-Group	790 metric tonnes	*331 metric tonnes	590 metric tonnes	<ul style="list-style-type: none"> • CO₂ capping on company cars • Undertake offsetting projects • Provide electric car charging units • Increase virtual meetings
	Paper	RAHN-Group	4017 kg	420 kg	400 kg	<ul style="list-style-type: none"> • Go digital • Add recycling stations • Educate all staff
Consumables	Plastic	RAHN-Group	534 kg	532 kg	450 kg	<ul style="list-style-type: none"> • Reduce or recycle polystyrene packaging • Water dispensing systems • Alternative sampling containers
	Number of products with > 50 % bio-based content	EnergyCuring division ¹	4	6	9	<ul style="list-style-type: none"> • Undertake innovation programmes to further green chemistries
Cosmetics division ²		279	272	293		
Sourcing	Number of climate-neutral RAHN-Cosmetic Actives	Cosmetics division	1	12	12	<ul style="list-style-type: none"> • Increase offsetting programmes • Evaluate insetting programmes
	Palm oil derivatives under RSPO scheme	Cosmetics division	86 %	99 %	100 %	<ul style="list-style-type: none"> • Eliminate non-approved palm oil • Remain member of RSPO • RSPO certification of suppliers

¹ based on EN16785-1 ² based on ISO 16128, NO > 50 %

*Result in 2022 should be considered in the context of the COVID-19 pandemic and the associated restrictions



UV/EB: A green and innovative technology

We are proud that in the field of coating surface technologies, RAHN is specialising in and promoting a curing method (UV/EB curing) that reduces energy consumption by approximately 90 % compared to conventional technologies. UV/EB curing reduces greenhouse gas emissions and decreases the footprint of drying units. Further innovations in our resin development now allow for the use of LED instead of mercury bulbs, which is even more eco-friendly. Furthermore, our resins are used in packaging inks. Good packaging contributes to transparent consumer information and the reduction of (food) waste. Another avenue we are currently following is the integration of bio-based building blocks into resin development.

Greenhouse gas (CO₂) emissions

	Technology			
	Units	UV-cured acResin	Solvent	W/B Dispersion
Transportation	MT/yr	70	146	125
Electricity Consumption	MT/yr	2389	1682	3279
Natural Gas	MT/yr	-	11 600	6315
Total	MT/yr	2459	13 429	9719
Normalised Greenhouse Emissions	MT CO ₂ /million m ²	32	209	253

Radtech Report July/August 2008, RadTech International North America

W/B = water based

RAHN Cosmetics – driving sustainable development

Trading goods

RAHN works with business partners who share the same sustainability-oriented values and prioritise their efforts towards a sustainable future. To show their commitment, most of our trading goods suppliers offer a sustainability report.

We asked some of our suppliers what sustainability means to them and their company:

Mr. Mag. Kurt Ternegg, CEO of BDI Bio-Life Science:

“Sustainable action and resource-optimised management are essential components of our DNA. Our vision is more present than ever the development of innovative solutions with real ecological added values for society.”

Mr. François van Etten, Sales and Product Manager Personal Care at Sisterna:

“In the field of sustainability and corporate social responsibility, Sisterna received a Gold medal for our EcoVadis ranking. Sisterna ranks among the 5% of the best performing companies, evaluated by EcoVadis in its sector. Sisterna focuses on further transparency in the supply chain, as this is becoming more and more important in doing business.”

Mr. Jörg Prante, Business Director Central Europe at Evonik:

“Portfolio transformation towards quantified sustainable attributes is key for us. Closed product circles are difficult to achieve as most of the personal care products will still end up in the environment with or without treatment. Therefore, we are continuously working on ingredients with a low environmental burden during processing and application.”

Visit our suppliers' homepages and learn more about their sustainability goals:
[Cosmetic Ingredients Supplier - Products & Raw Materials at a Glance – Rahn AG \(rahn-group.com\)](#)

RAHN-Cosmetic Actives

Currently, the product life cycle assessment is performed for half of the RAHN-Cosmetic Actives' portfolio. The produced CO₂ equivalents have been calculated and offset, supporting the UN SDGs. We responsibly evaluate all steps in our whole supply and production chain, identifying our priority areas and paying attention to our new philosophy of circular kindness for planet, community and self. Our latest products, PERFELINE®-FIT, which reduces eye puffiness and spider veins, and HAIRVIVINE®-PRO, which improves hair growth, correspond to this circular kindness approach and cover UN SDG number 12 “responsible consumption and production”. The plants are organically cultivated and both actives, which are produced in Europe, meet ethical, green chemistry and sustainability principles, without compromising nature and the ability of future generations to meet their own needs. For more details, please go to the ClimatePartner [homepage](#).

PERFELINE®-FIT

HAIRVIVINE®-PRO



**RAHN
COSMETIC
ACTIVES**

Social Sustainability



What matters most

Besides providing meaningful and largely self-directed jobs, continued education and a healthy work environment – both in terms of ergonomics and mental health – we have identified the following elements as the most relevant for us in the context of the UN SDGs:

- Equal pay for equal jobs and equal opportunity for all
- Flexible work environment and continued education
- Contribution to economically disadvantaged people / institutions



Equality

For us, equality is not just gender-based, but also includes many other aspects of human diversity. We attach great importance to equal pay for equal work. Salary structure analyses are therefore used to monitor individual gender-specific

parameters of remuneration. All employees are granted the usual company benefits. The same rules apply to part-time as to full-time employees.

Where we are, where we want to go and how we want to get there

The following table shows the baseline numbers for 2018 and the current status for the reporting year, as well as the targets for 2023 and the actions to achieve them:

Category	KPI	Reporting Entity	Reference 2018	Result 2022	Target for 2023	Action / Projects
Equal pay	Women's salary compared to men's with comparable position, education and experience	RAHN-Group	100 %	100 %	100 %	<ul style="list-style-type: none"> • Annual monitoring & adjustments
Equal opportunity	Age structure (< 35 / 35 – 50 / > 50 years old) in % of all employees	RAHN-Group	11 % / 48 % / 41 %	16 % / 47 % / 37 %	Increase % of < 35 compared to 2018	<ul style="list-style-type: none"> • Crucial for new hires are factors such as personality and education • Adapt default job announcements to part-time • Working from home / flex-time
	Women in upper & middle management	RAHN-Group	36 %	42 %	Keep or increase level compared to 2018	<ul style="list-style-type: none"> • Working from home / flex-time
Flexible work environment	Part-time employment vs. total headcount	RAHN-Group	28 %	26 %	30 %	<ul style="list-style-type: none"> • Maintain support level
Continued education	Total education budget per employee on average	RAHN-Group	CHF 1480.–	CHF 1600.–	CHF 1500.–	<ul style="list-style-type: none"> • Maintain support level
Contribution to economically disadvantaged people	Contribution by Rahn Foundation in the last 5 years	RAHN-Group	CHF 1 499 000.–	CHF 1 950 000.–	CHF 1 500 000.–	<ul style="list-style-type: none"> • Grow RAHN-Group activities profitably • Employees' participation (e.g. rounding-off)

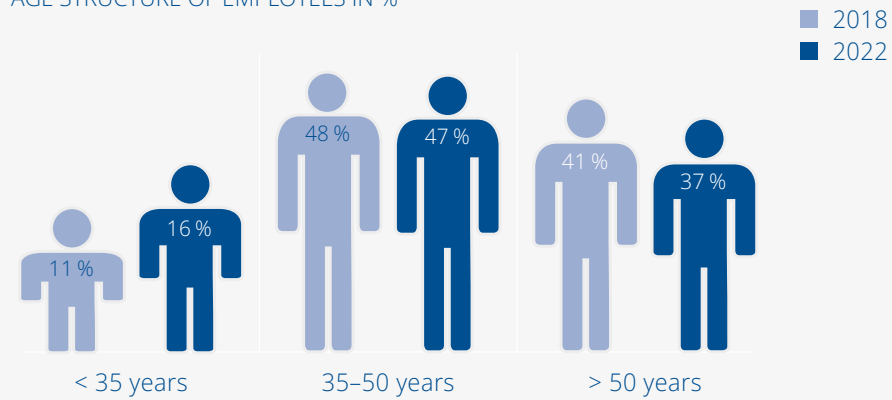
A great place to work

At RAHN, we place a big emphasis on teamwork, health and work-life balance. Only if these factors are in place we can expect the productivity of our teams to be at its best. We invest a lot in fair compensation, education, transparent information and social events. Currently, the average duration our employees remain with RAHN is more than 8 years. Since the 1970s, all employees worldwide have participated in our profit sharing programme that pays out a defined percentage of each year's profits. The fact that everybody gets to take a day off on their birthday to spend it with their family is only a small, but telling, example. We also offer state-of-the-art work places and a variety of other benefits.

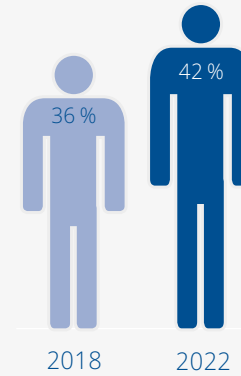


We believe we are very well advanced in the social dimension of our activities. Given the inherent uncertainty in today's business environment, our aim is to maintain the current level for many of the related KPIs.

AGE STRUCTURE OF EMPLOYEES IN %



WOMEN WITH FUNCTION "HEAD OF" IN %



Economic Sustainability



What matters most

RAHN understands itself as a modern and innovative technology company that contributes to economic progress in its fields of activity. The innovation usually lies in developing and distributing more effective, easier-to-process or more sustainable performance materials and services that ultimately lead to better and safer consumer products. Every year, RAHN invests significantly in the health, safety and regulatory compliance of its products and processes. Further, we play an active role in industry associations and global sustainability initiatives (for example, Responsible Care), as well as in projects with universities and other research institutes.

As an employer, we provide attractive jobs with global roles and a healthy & ergonomic work environment. As for our global sourcing activities, we strive for a transparent collaboration with long-term partners and back this up with supplier audits to rule out child labour, corruption and pollution to the best of our abilities.

We see our contribution to economic sustainability mainly in three dimensions:

- Innovate for more resource-efficient performance materials and applications
- Provide interesting employment opportunities for ambitious individuals
- Responsible sourcing



Where we are

We do not set ourselves specific targets for these dimensions, but we regularly monitor relevant KPIs to assess our contribution towards the UN SDGs.

Category	Dimension	Reporting Entity	Result 2022
Innovation	Gross profit spent for R&D and application labs around the world	RAHN-Group	10 %
Innovation	Innovation awards received and academic collaborations completed in the last 5 years	RAHN-Group	25
Employment opportunities	Growth of FTE at the RAHN-Group in the last 5 years	RAHN-Group	20 %
Employment opportunities	Staff with PhD or Master's degree	RAHN-Group	41 %
Responsible sourcing	Supplier audits performed in the last 3 years ¹⁾	RAHN-Group	12

¹⁾Performed by RAHN or entrusted by RAHN



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