



See Beyond™

SUSTAINABILITY REPORT 2023



Quaker
Houghton™
Forward Together™

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Message From the CEO



Andy Tometich

Andy Tometich

Chief Executive Officer and President

Our passion for sustainability has long been central to our company and integrated into our business. In 2023, we further advanced our enterprise strategy aimed at delivering value to our customers, our colleagues, and our communities.

At Quaker Houghton, we combine our solutions with industry insight and intelligence to See Beyond™ the issues of today and secure a better tomorrow. In our 2023 Sustainability Report, we further explore the pillars of our focus and highlight the meaningful progress we have made on our commitments.

Since their inception, our 2030 Sustainability Goals have been based on four key pillars: Innovating Together for a Better Tomorrow, Protecting Our Planet, Empowering our Colleagues and Communities, and Sourcing Our Materials Responsibly. These pillars inform our actions, and the recognition we have received, such as achieving an EcoVadis Silver award in 2023, reinforces our commitment to progress.

I am pleased to share that we have successfully achieved all our 2023 milestones, many ahead of schedule. These critical steps are a tangible representation of our actions and are leading Quaker Houghton towards delivering on our ambitious long-term goals.

In 2023, we continued to invest in systems and processes to more closely align with the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) standards, and the Task Force on Climate-related Financial Disclosures (TCFD). We made progress on our carbon neutrality goal by investing in renewable energy sources and certifications, which now span more than 70% of our total electricity consumption. Additionally, we selected our portfolio of sustainable products and solutions that launched in early 2024, strengthening our offerings to lead our customers towards achieving their sustainability goals. These capabilities are essential to achieve our new 2025 milestones, enable Quaker Houghton to deliver on its 2030 Sustainability Goals, and ultimately drive our industry forward.

Our customer-intimate model is brought to life by our people. We are harnessing the power and agility of the organization by building global resource teams to better deliver value for customers. We are also expanding our commitment to our inclusive culture and protecting the individuality and well-being of our colleagues and communities. In 2023, we also launched a global giving foundation and for the fourth consecutive year we have improved our already industry leading Total Recordable Incident Rate (TRIR).

I am proud of the entire organization for their commitment to our sustainability journey. We have built clear momentum in our business, advancing our enterprise strategy, and I am excited by the opportunities to further unlock our potential and positively impact the future of our company, our customers, our communities, and each other. I appreciate your interest in Quaker Houghton and encourage you to read more about our progress and ambitions in the 2023 Sustainability Report.

Highlights: 2023 at a Glance

Launched first

Global Month of Giving

resulting in a 94% increase in recorded volunteerism hours



100+

countries served around the world

~\$1.95B
in sales

11

of the company's largest electricity consuming locations have installed energy monitoring software to allow locations to target their efficiency efforts

71%

of Quaker Houghton's electricity is sourced renewably via grid, solar panels, and purchased contracts

36

manufacturing sites around the world

~30

technology sites around the world

100%

of our direct suppliers above \$100k spend commit to Quaker Houghton's Supplier Code of Conduct

26,000+

metric tons of waste avoided/reduced at QH FLUIDCARE™ partner locations

Established a Diversity, Equity, and Inclusion taskforce

60

points and a silver medal awarded by EcoVadis for our sustainability performance, ranking us in the top 24% of chemical companies assessed



97%

of colleagues participated in the performance management process

>60%

of our total volume of palm oil and Palmoleine is certified through RSPO

15,000+

customers

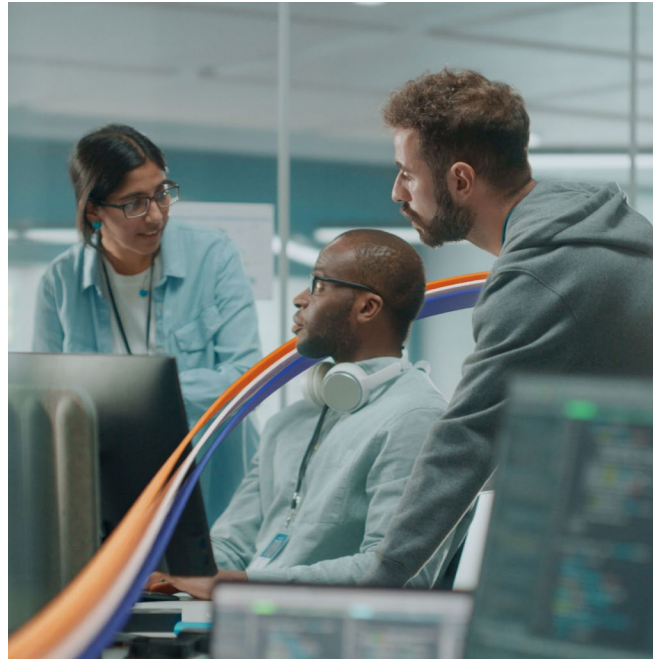
4,400

committed colleagues

0.37

Total Recordable Incident Rate (TRIR), which is well below the average TRIR of 1.9 for Chemical Manufacturing (2022), as cited by the U.S. Bureau of Labor Statistics

Who We Are and How We Manage Sustainability



Company Overview

Quaker Houghton is the global leader in industrial process fluids. With a robust presence around the world, including operations in 100+ countries, our customers include thousands of the world's most advanced and specialized steel, aluminum, automotive, aerospace, offshore, can, mining, and metalworking companies. Our high-performing, innovative, and sustainable solutions are backed by best-in-class technology, deep process knowledge, and customized services. With approximately 4,400 colleagues, including chemists, engineers, and industry experts, we partner with the world's leading manufacturing companies who rely on our process fluid solutions to advance the world safely and sustainably.

Sustainability Governance and Management at Quaker Houghton

At Quaker Houghton we strive to integrate sustainable business practices across our operations and to continually develop sustainable solutions that meet evolving customer needs. Accordingly, our sustainability strategy is critical to our long-term business objectives and strong governance structures and management approaches are needed to support the achievement of our ambitious sustainability vision. Our governing processes create accountability, support consistent communication, and drive progress toward our goals—which are highlighted in our [Global Sustainability Statement](#) and core to our environmental, social, and governance (ESG) efforts.

Board Level Governance

Quaker Houghton's Board Sustainability Committee, established in 2020, assists the Board of Directors in its assessment and evaluation of Quaker Houghton's sustainability programs pertaining to the company's business, operations, and colleagues. The Board Sustainability Committee's responsibilities include integrating sustainability planning into the company's business planning strategy, risk management, processes, and culture, and assessing and responding to risks connected with sustainability matters. The Board Sustainability Committee is also engaged in the development and implementation of our sustainability goals and regularly reviews and monitors our progress against them. The Board Sustainability Committee traditionally meets three times a year, but no less than twice annually.

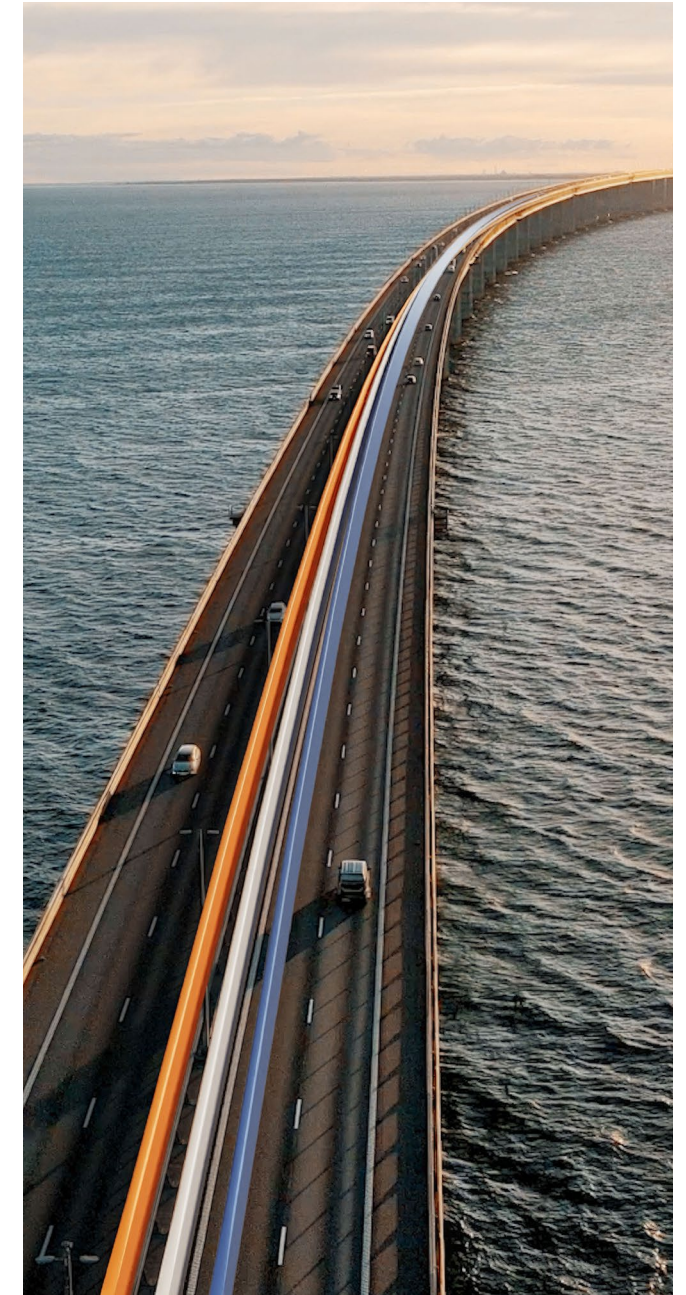
Additional information on sustainability management and reporting responsibilities is available in the [Board Sustainability Committee Charter](#). Details on the Board Sustainability Committee members' knowledge and expertise are available in our most recent Proxy Statement. Beyond the Board Sustainability Committee, Quaker Houghton's full Board of Directors receives sustainability updates from the [Executive Leadership Team \(ELT\)](#) via quarterly reports and an annual presentation.

Executive Level Governance

The ELT has operational leadership and responsibility for sustainability management. In 2023, the Executive Sustainability Committee comprised a cross-functional team of leaders, including the Chief Commercial Officer, Chief Technology Officer, Chief Human Resources Officer, Chief Financial Officer, Chief Supply Chain Officer, Senior Vice President of Operations, Director of Environmental, Health, and Safety (EHS), Vice President of Procurement, and Director of Corporate Sustainability. These delegates to the Executive Sustainability Committee support the ELT.

Functional and Disclosure Leadership

Quaker Houghton's Director of Corporate Sustainability partners with leaders across business functions to propel our existing sustainability activities forward and to develop and execute on new initiatives. The collective sustainability team works with functional leaders as well as marketing, corporate communications, legal, and investor relations leaders to accurately and efficiently share ESG information with our stakeholders.



Our Materiality Results

Relevant Topics

Quaker Houghton completed a materiality assessment in 2020, following the combination of Quaker Chemical Corporation and Houghton International, to identify the ESG topics most significant to our company and stakeholders. These topics were identified via extensive research and benchmarking of the industry landscape as well as in-depth stakeholder engagement. They were then mapped across the Quaker Houghton value chain to determine where they were most relevant in the business.

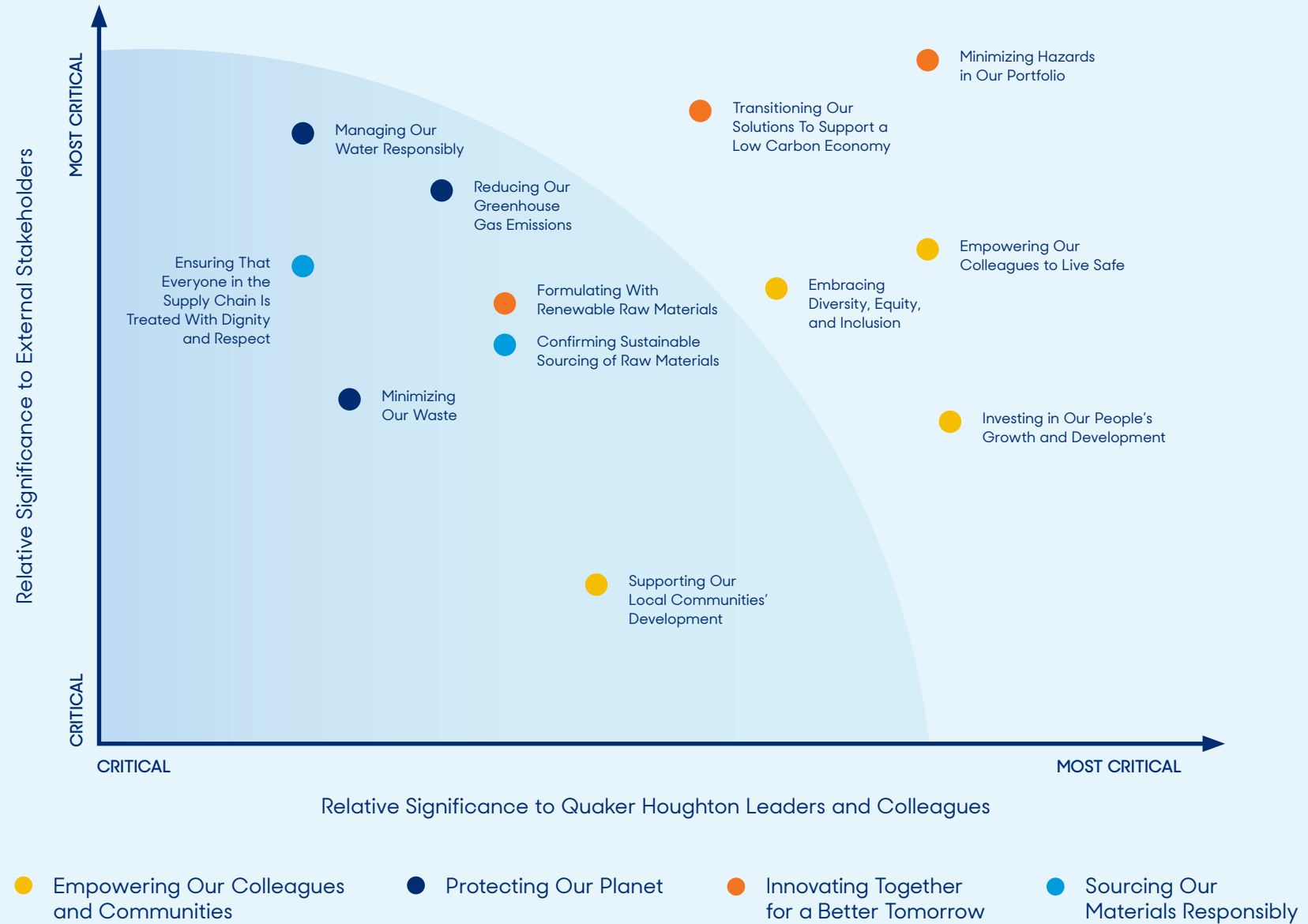
Stakeholder Engagement

The materiality assessment process included substantial engagement with internal and external stakeholders. Internal stakeholder engagement included interviews with leaders across business functions and a survey of approximately 10% of our colleagues. External stakeholder engagement included interviews with investors, customers, and suppliers. We further engaged our ELT and Board Sustainability Committee to validate the prioritized material topics (see figure to right).

Application

The final list of material topics informed the development of our sustainability strategy and goals, released in August 2021, and continues to be the focus of our ESG initiatives and reporting. As part of our reporting process, we re-engaged key internal stakeholders responsible for our material topics to review our approach, programs, and progress against our goals.

Materiality Matrix



Our Vision, Pillars, and Progress Against Our Goals










Our Corporate Sustainability Vision

Through uniting our people, expertise, and resources, we will deliver contributions that result in a better, safer world and make a positive difference in the lives and organizations we touch.

Our Pillars

- Innovating Together for a Better Tomorrow
- Protecting Our Planet
- Empowering Our Colleagues and Communities
- Sourcing Our Materials Responsibly

Quaker Houghton's 2030 Goals¹

UN SDG	MATERIAL TOPIC	WE ASPIRE TO BY 2030	PROGRESS TO DATE
INNOVATING TOGETHER FOR A BETTER TOMORROW			
 	<ul style="list-style-type: none"> • Minimizing Hazards in Our Portfolio 	<ul style="list-style-type: none"> • Achieve 100% of finished goods in our portfolio not classified as Carcinogenic, Mutagenic, or Reprotoxic (CMRs)² 	<ul style="list-style-type: none"> • 98.8% of finished goods not classified as CMRs²
	<ul style="list-style-type: none"> • Transitioning Our Solutions to Support a Low-Carbon Economy 	<ul style="list-style-type: none"> • Eliminate 100,000 metric tons of waste at QH FLUIDCARE™ partner locations³ • Reduce our use of virgin fossil-based raw materials by 30% 	<ul style="list-style-type: none"> • Over 26,000 metric tons of waste eliminated in 2023 at QH FLUIDCARE™ partner locations, and over 47,000 metric tons eliminated since 2022 • Created and implemented a preferred raw materials list
	<ul style="list-style-type: none"> • Formulating With Renewable Raw Materials 	<ul style="list-style-type: none"> • Reduce our use of virgin fossil-based raw materials by 30% 	<ul style="list-style-type: none"> • Established 6 roadmaps to formulate new product platforms • 20.7% of the raw materials used originated from renewable sources⁴ • Added Green Chemistry Guideline resources in 14 languages
PROTECTING OUR PLANET			
  	<ul style="list-style-type: none"> • Reducing Our Greenhouse Gas Emissions 	<ul style="list-style-type: none"> • Achieve carbon neutrality in our global operations • Set science-based targets to achieve net zero greenhouse gas (GHG) emissions across our value chain by 2050 	<ul style="list-style-type: none"> • 71% of Quaker Houghton's electricity is sourced renewably via grid, solar panels, and purchased contracts • 11 of the company's largest electricity consuming locations have installed energy monitoring software to allow locations to target their efficiency efforts
 	<ul style="list-style-type: none"> • Managing Our Water Responsibly • Minimizing Our Waste 	<ul style="list-style-type: none"> • Reduce waste to landfill, hazardous waste, and water consumption per revenue (\$) by 20% each^{5, 6} 	<ul style="list-style-type: none"> • Over 200 new projects that focus on reducing waste, water, and energy consumption at major locations have been submitted for approval • All non-U.S. manufacturing locations were ISO 14001 certified • Waste to landfill was reduced by 3% (1.03 kg/\$1,000 in revenue), hazardous waste reduced by 3% (3.08 kg/\$1,000 in revenue), and water consumption increased by 10% (132.31 kg/\$1,000 in revenue)⁶

¹ Some of Quaker Houghton's 2030 goals were modified in 2023 to reflect more realistic or ambitious targets and/or units of measurement or terminology more relevant to our organization. We have indicated which goals have been modified.

² GHS Category 1 A/B (Not including Category 2 and Carcinogens, Mutagens, and Reproductive Hazards in Category 1 A/B that were tested by oral route of exposure).

³ Goal modified in 2023.

⁴ We have refined our approach to measuring the usage of renewable sources by transitioning from a sales of finished goods methodology to a more precise measure of tracking raw material purchases throughout the year.

⁵ From a 2022 baseline.









⁶ See restatements on [page 30](#).

Our Sustainability Goals and Milestones

In August 2021, Quaker Houghton released our sustainability strategy and a set of 2030 goals to help drive social, environmental, and economic progress. These goals, established with a 2021 baseline year unless otherwise noted, allow our company and colleagues to collaboratively work toward a sustainable future for society, our customers, and our business.

To create a clear pathway for achieving our long-term 2030 goals, we also developed short-term targets (referred to as our 2023 milestones) to focus our near-term efforts. We are incredibly proud to announce that in 2023, we have achieved each of these milestones on or ahead of schedule. Additional details on our progress and the initiatives that enabled us to reach our 2023 milestones are provided in the topic-specific sections of this report. For additional information on how our 2023 milestones contribute to our 2030 goals, please see our website's [sustainability page](#).

With our 2023 milestones achieved, we are excited to announce our next set of targets: 2025 milestones. Like our 2023 targets, 2025 milestones have been established for each of our material topics and align closely with our 2030 goals. The details of our newest set of milestones are included in the report sections on the following pages. We look forward to building on the momentum established with our 2023 milestones and reporting our progress in our next sustainability report.

UN SDG	MATERIAL TOPIC	WE ASPIRE TO BY 2030	PROGRESS TO DATE
EMPOWERING OUR COLLEAGUES AND COMMUNITIES			
	• Empowering Our Colleagues to Live Safe	• Have zero serious injury recordables	• Achieved zero recordable incidents with more than five lost workdays at 96% of Quaker Houghton and customer locations
	• Investing in Our People's Growth and Development	<ul style="list-style-type: none"> • Maintain a positive employment experience as demonstrated by our ability to attract, develop, and retain our colleagues^{1, 2} • Foster a growth-oriented environment for our colleagues by offering career development learning opportunities to our entire workforce (100%)¹ 	<ul style="list-style-type: none"> • 100% of our colleagues participated in the company's annual Code of Conduct training program and bi-annual certification • Over 50% of new managers participated in a new leadership development program • 80% of colleagues have access to career enhancement programming
  	• Embracing Diversity, Equity, and Inclusion	<ul style="list-style-type: none"> • Attain global workforce representation of between 25% and 27% women, with the same proportion of women represented in leadership globally^{1, 3} • Attain U.S. workforce representation of people from underrepresented ethnic groups between 25% and 27%¹ 	<ul style="list-style-type: none"> • 24% of our global workforce are women, 22% of our global management are women, and 26% of U.S. management are women⁴ • 28% of our U.S. workforce are from underrepresented ethnic groups • Established a Diversity, Equity, and Inclusion taskforce • Created two new global colleague resource groups
	• Supporting Our Local Communities' Development	<ul style="list-style-type: none"> • Enhance community impact by exceeding annual average volunteer engagement (participation), benchmarked against industry standards⁴ • Invest our time and resources to conduct impactful projects in all of the communities where we manufacture, work, and conduct research around the globe 	<ul style="list-style-type: none"> • Hosted first Global Month of Giving, which resulted in a 94% increase in recorded volunteering hours • Relunched the Quaker Houghton Foundation globally
SOURCING OUR MATERIALS RESPONSIBLY			
 	<ul style="list-style-type: none"> • Ensuring Everyone in the Supply Chain Is Treated With Dignity and Respect • Confirming Sustainable Sourcing of Raw Materials 	<ul style="list-style-type: none"> • Achieve 75% of total direct spend with suppliers that exceed our sustainability performance threshold 	<ul style="list-style-type: none"> • 100% of direct suppliers above \$100k spend commit to Quaker Houghton's Supplier Code of Conduct • Implemented a global sustainability supplier assessment tool, onboarding over 60% of our suppliers to the platform⁵ • Incorporated supply chain human rights awareness into annual compliance training with over 95% of colleagues completing the course • Implemented a system to measure diversity for our U.S. supply chain

¹ Goal modified in 2023.

² Measured by an index consisting of measures for attracting, developing, and retaining talent.

³ Leaders/leadership is defined as anyone with at least one direct report.

⁴ Females with direct reports as a percentage of all managers with direct reports.

⁵ This percentage is derived from suppliers who are deemed material to Quaker Houghton with a direct spend above \$100k.



INNOVATING

Together for a Better Tomorrow

As a global leader in the process fluids industry, we continuously seek ways to improve and adapt to stay ahead in a changing world. Through our solutions that bring about positive environmental and societal impacts, we help everybody win—our customers, our communities, and the planet.



Introducing Quaker Houghton's Sustainability Portfolio

Quaker Houghton aspires to be a leader in sustainability—not only within our own operations, but also for our customers who are seeking sustainable solutions. Our customers are at the core of our business, and we often find we share similar sustainability goals. In turn, as both a dedicated corporate citizen and partner to our customers, we are deeply committed to leveraging our products to help them achieve their sustainability ambitions. In 2023 and early 2024, we reinforced this commitment with the launch of our See Beyond™ campaign and sustainability portfolio.

Our See Beyond™ campaign details how a significant proportion of Quaker Houghton products have inherently sustainable attributes. Our products are designed to deliver sustainable benefits to our customers via their chemistry *and* in application. By nature of the raw materials utilized and the efficiencies associated with product use, Quaker Houghton technologies naturally enable sustainability gains for our customers. While many of our products have sustainable qualities, the sustainability portfolio showcases the solutions that deliver the *most* sustainable value to our customers. At present, the sustainability portfolio includes best-in-class solutions for a wide range of our customers. Key features of many of the technologies in our sustainability portfolio are:

- No CMR Category 1 A/B labels.
- Reduces energy.
- Reduces product consumption, waste generation, and water.
- Based on renewable raw materials.

Notably, the portfolio is not limited to our existing solutions—Quaker Houghton works continuously to develop new solutions that will meet our customers' evolving needs, and this portfolio will grow and expand as we identify additional opportunities to drive sustainable value.

The sustainability portfolio and See Beyond™ campaign are about looking further than today's challenges. These initiatives showcase how we support our customers on their own sustainability journeys and drive tangible improvements to keep pace with the demands of a changing world—both at present and into the future.

Learn more about Quaker Houghton's Sustainability Portfolio on [our website](#).



Minimizing Hazards in Our Portfolio

2030 GOALS

UN SDG 14

UN SDG 3

100% Achieve 100% of finished goods in our portfolio not classified as Carcinogenic, Mutagenic, or Reprotoxic (CMRs)¹



Our Approach

Protecting the health and safety of people while maintaining the resources of our planet is a top priority at Quaker Houghton. Further, product composition has become increasingly important to some of our key stakeholders, including regulators and customers. In turn, minimizing hazards in our portfolio is critical to both our sustainability strategy and to enabling future business growth.

Day to day, our product stewardship team manages the research, development, and implementation of product safety standards across our global footprint. The Quaker Houghton Board Sustainability Committee and Board of Directors review our progress toward related goals and milestones regularly. The full Board receives quarterly reports while the Board Sustainability Committee receives an official update once a year.

Our research and development (R&D) teams continually evaluate, with input from our product stewardship team, our raw materials and conduct impact analyses to achieve the lowest hazard profile possible while preserving product efficacy. In 2023, we introduced a preferred raw materials list for our R&D colleagues to use during their product formulation work, enabling them

to select the most favorable raw material in terms of renewability and human and environmental safety. In the instance a raw material is classified as hazardous, we partner with our suppliers to find a preferred alternative. These efforts are guided by our Global Green Chemistry Guidelines and the most stringent country hazard thresholds from the region.

¹GHS Category 1 A/B (Not including Category 2 and Carcinogens, Mutagens, and Reproductive Hazards in Category 1 A/B that were tested by oral route of exposure).

98.8%

of finished goods not classified as CMRs¹

HIGHLIGHT STORY

Quaker Houghton's Green Chemistry Guidelines

Quaker Houghton's Green Chemistry Guidelines were introduced in 2022. Since then, we have made notable progress in increasing the application of these guidelines globally by introducing tools and training our colleagues.

In 2023, we translated many of the supporting documents into 14 languages, and translated the full guidelines into Chinese, Japanese, and Portuguese to support both our colleagues and customers.

We are keenly aware our customers also have aggressive sustainability goals focused on reducing waste, water, energy, and GHG emissions, as well as safeguarding employees in their value chain. Driving inclusivity through the translation of these guidelines helps to make sustainable and safe solutions possible for our customers around the world.

In 2022, we achieved our 2023 milestones one year ahead of our target by implementing the Green Chemistry Guidelines globally and establishing our virgin fossil-based raw materials and mineral oil baseline. In 2023, we built on this momentum by rolling out several product transition roadmaps, three of which are specific to reducing CMRs. Since the product transition roadmaps have been adopted, we have reduced CMR hazards to 1.2% of our total revenue.

We look forward to our product roadmaps enabling continued progress into the future as we strive to achieve our newly announced 2025 milestones, listed below:

- Formulate 100% of new finished goods not classified as CMRs.
- Achieve 98% of existing finished goods not classified as CMRs.

From initial formulation through end use, Quaker Houghton is committed to the highest standards of product safety. Safety data sheets (SDS), which are

available to all customers regarding all products, specify the risks associated with using a certain product and help users understand potential hazards and how to mitigate them. As we work to minimize hazards and create safer alternative technologies, we expect to see visible improvements in the SDS. Further, all our finished goods are evaluated and compliant with the Globally Harmonized System of Classification and Labelling of Chemicals. For our customers, our communities, and beyond, Quaker Houghton's efforts to minimize hazards in our portfolio are foundational to our strategy for a more sustainable future.



HIGHLIGHT STORY

Quaker Houghton's Sustainability Portfolio: QH EVERTREAT™ 9309



Quaker Houghton's newly launched sustainability portfolio highlights how we minimize hazards in our products. For example, one of the solutions in this portfolio is a substitute for a carcinogenic class 1 ingredient, Chromium 6 (Cr6+), which is present in some passivation products. Quaker Houghton's QH EVERTREAT™ 9309 solution is a trivalent chromium passivate for the steel industry that is free of Cr6+. The absence of this ingredient reduces potential hazards for our customers.



Transitioning Our Solutions to Support a Low-Carbon Economy



HIGHLIGHT STORY

Quaker Houghton's Sustainability Portfolio: 2 PAQ™ Cleaners

Quaker Houghton's 2 PAQ™ cleaners are a key component of our sustainability portfolio, filling a variety of technical needs while also supporting our customers' sustainability performance. This product creates efficiencies for our customers by reducing the use of additives and providing a cleaner recycling process. This product also supports: reduced total waste, reduced fresh water needs for top-up, reduced chemical oxygen demand (COD) in wastewater, and reduced energy needs (for example, evaporators—which contributes to a lower carbon economy by reducing our customers' scope 1 and 2 emissions).



2030 GOALS

UN SDG 12

100,000

Eliminate 100,000 metric tons of waste at QH FLUIDCARE™ partner locations

30%

Reduce our use of virgin fossil-based raw materials by 30%

Our Approach

As the world confronts the growing impacts of climate change, customers, shareholders, and other stakeholders want to know more about how businesses can help. At Quaker Houghton, we are committed to adapting and evolving to minimize our impacts, increase our resilience, and meet community demands while remaining our customers' supplier of choice. Efforts to transition our solutions to support a low-carbon economy are overseen by the Innovating Together for a Better Tomorrow pillar lead, with the Board of Directors receiving quarterly reports and the Board Sustainability Committee receiving an official update twice per year.

Quaker Houghton's low-carbon solutions demonstrate one of the ways we support our customers in responding to climate-related challenges. Our QH FLUIDCARE™ business line provides sustainable and affordable technical solutions that help our customers achieve waste elimination or avoidance—which in turn contributes to scope 3 emissions reductions. **Last year, we achieved our 2023 milestone one year early when we implemented a data management platform to track waste avoidance and reduction at QH FLUIDCARE™ sites.** We are pleased to share QH FLUIDCARE™ customers avoided or eliminated more than 26,000 metric tons of waste in 2023.

We anticipate additional positive impacts as we work towards our 2025 milestone, listed below:

- **Eliminate 50,000 metric tons of waste at QH FLUIDCARE™ partner locations.**

As part of global efforts to mitigate GHG emissions and associated climate impacts, many companies, including our customers, are striving to better understand their carbon footprints. Quaker Houghton is committed to establishing a process to calculate our products' carbon footprint, supporting our own emissions reduction efforts as well as our customers'. **In 2022, we reached a 2023 milestone ahead of target with the launch of our global Green Chemistry Guidelines.** As we work toward establishing our carbon footprint calculation

methodology, these guidelines allow us to advance our low-carbon aspirations by supporting the design of products to prevent waste, use renewable feedstocks, and promote energy efficiency.

Quaker Houghton also is proud to support the global low-carbon economy transition via our e-Mobility strategy. As a leading global metalworking fluid supplier to the automotive and components industry, our solutions enable manufacturers to produce e-Mobility components, helping original equipment manufacturers (OEMs) comply with emissions mandates. Our e-Mobility strategy focuses on the two key segments, hybrid electric vehicles (HEV) and battery electric vehicles (BEV). As the transition from traditional combustion engines to HEV and BEV evolves, it is imperative to continue listening to our customers, understand their changing needs, and adapt to support the automotive market in achieving its goals. The transition, primarily driven by climate change and governmental policies and regulations, will take time and effort. At Quaker Houghton we are well-placed to drive the transition forward.

26,000+ metric tons

of waste avoided or eliminated at QH FLUIDCARE™ customer sites in 2023

Formulating With Renewable Raw Materials



2030 GOALS

UN SDG 12

30%

Reduce our use of virgin fossil-based raw materials by 30%



Our Approach

Minimizing our impacts on the planet while offering high-quality products to our customers is of the utmost importance to Quaker Houghton. Just as we seek to partner with responsible suppliers throughout our value chain, our customers also look to us to uphold sustainable business practices. We understand there can be negative environmental and societal impacts associated with non-renewable raw material use, and accordingly, we work to utilize renewable alternatives in our processes and products to support a more circular economy. Quaker Houghton's R&D and product teams manage our efforts to increase the renewable content of our solutions with oversight from members of our ELT,

while the full Board of Directors and Board Sustainability Committee receive a regular cadence of reports and updates.

In 2022, we achieved our 2023 milestones ahead of target by establishing our virgin fossil-based raw materials baseline, mineral oil baseline, and Green Chemistry Guidelines globally. Our baseline helped inform our recently adopted product transition roadmaps and allows us to clearly measure our progress toward our 2030 goal. Our Green Chemistry Guidelines address utilizing renewable feedstocks and re-refined base oils in our products, our preferred feedstock order, and the overall importance of careful raw material selection for product quality, functionality, safety, and affordability. **Both accomplishments will enable us to make progress against our newly announced 2025 milestone, listed below:**

- **Establish 10 product roadmaps and begin 10 customer field trials which reduce virgin mineral oil usage.**

As we work to achieve our 2025 and 2030 targets, we will continue focusing on our strategy to standardize the use of refined, recycled, and renewable raw materials in our products. While we currently utilize renewable raw materials (RRMs) in many of our solutions, in 2023, we launched several product transition roadmaps that address

replacing, reducing, or removing virgin mineral oil in our products and contain specific initiatives and timelines to further improve our portfolio.

Beyond our product transition roadmaps, Quaker Houghton's renewable resource team engages suppliers that process renewable resources and sets key performance indicators and goals for these relationships in support of our overarching sustainability strategy. In 2023, we continued to encourage our suppliers to utilize alternative raw materials with lower carbon footprints. In partnership with our suppliers and supported by our internal plans, processes, and policies, we will continue driving progress toward our 2030 goal and reducing our impacts.

20.7% renewably based

In 2023, 20.7% of our raw materials were renewably based

7% of total mineral oils

used in our products were procured from re-refined sources in 2023

HIGHLIGHT STORY

Quaker Houghton's Sustainability Portfolio: QH CUTMAX™ E

Solutions within Quaker Houghton's sustainability portfolio demonstrate how we formulate with renewable raw materials. For example, our QH CUTMAX™ E series neat cutting oils are made using renewable resources and are biodegradable.

Further, the high-performance technology of our QH CUTMAX™ E series neat cutting oils generate improvements in operational efficiency and health and safety. By reducing filter material and oil consumption, our neat cutting oils help our customers realize sustainability benefits in application. From a health and safety perspective, our products are mineral oil-free which reduces oil mist and risks of fire.





PROTECTING

Our Planet

To reduce negative impacts on the environment, Quaker Houghton actively strives to improve waste, water, energy, and fuel use.



Reducing Our Greenhouse Gas Emissions

2030 GOALS

UN SDG 9

UN SDG 12

UN SDG 13

Achieve carbon neutrality in our global operations

Set science-based targets to achieve net zero greenhouse gas emissions across our value chain by 2050

Our Approach

Reducing GHG emissions is integral to Quaker Houghton's commitment to the environment, to meeting the needs of our customers, and to our overall business success. We aim to reduce our scope 1 and 2 emissions and work with our value chain to reduce our scope 3 emissions.

Quaker Houghton's Board Sustainability Committee maintains oversight of our environmental commitments. Specific initiatives are managed and implemented by the Protecting Our Planet team, our Energy and GHG Emissions Manager, local operations, EHS colleagues, and Site Champions who also utilize our global data management platform and global playbooks to track fuel usage, energy usage, emissions, and global emissions guidelines.

In 2023, each of our manufacturing sites implemented two energy reduction projects and we realized hundreds of impactful ideas generated by individuals across the globe. Site Champions are responsible for recording proposed, approved, and implemented initiatives in our global project database, and are allocated a budget to successfully bring these ideas to life. Out of the 200+ projects that were implemented in 2023, 95 were energy-related. Two impactful projects to date have included upgrading a 20+ year old burner at our Rio de Janeiro site with a new, high

efficiency burner, and installing a high-speed ramp door at our Middletown site. The new ramp door opens and closes based on motion sensors, preventing heat loss from being open for extended periods of time.

Renewable energy is also critical to Quaker Houghton's GHG reduction goals, and in 2022 we achieved our 2023 milestone to source and purchase through contracts at least 50% renewable/zero GHG emission electricity globally. In 2023, we continued to build on this progress by installing our first-ever on-site solar generating systems. In our Dahej, India manufacturing plant, solar panels with a 230 kWh capacity were installed on the facility's roof. They are projected to reduce grid electricity consumption by 74%, which is estimated to eliminate approximately

71%

of Quaker Houghton's electricity is sourced renewably via grid, solar panels, and purchased contracts

50% of the site's total GHG emissions. Solar panels were also installed at our Melbourne, Australia manufacturing plant. At this location, the solar panels have a capacity of 30 kWh and can power the site with up to 25% solar electricity—which has resulted in an estimated 20% reduction in GHG emissions. Further, 12 of our sites currently utilize renewable energy credits or have entered renewable energy contracts.

Quaker Houghton has also conducted an analysis of our scope 3 emissions. We have mapped the sources of those emissions and begun the process of collecting data for material categories. **We look forward to further expanding our efforts to reduce our scope 1, 2, and 3 emissions as we work toward our 2025 milestones, listed below:**

- Reduce scope 1 and 2 GHG emissions per revenue (\$) by 35%.
- Complete a scope 3 GHG emissions assessment.
- Standardize RC 14001 certifications in U.S. manufacturing and lab locations.

For additional information about Quaker Houghton's climate-related risks and opportunities, please see our [TCFD Index](#).

HIGHLIGHT STORY

Adopting Energy Monitoring Software at Quaker Houghton's Top Electricity Consuming Sites

More than one-third of Quaker Houghton's direct GHG emissions are from electricity consumption. To supplement our global data management platform, in 2023 our 11 highest electricity consuming locations adopted an energy monitoring software that collects and analyzes data on energy consumption to provide useful information to these sites—such as the consumption for specific zones or pieces of equipment at their location. This intel allows site leaders to make decisions and adjustments in their equipment and/or processes to conserve electricity. At the site where the software was first piloted in 2022, we saw 9% of electricity saved as a result.

In addition to helping reduce energy use and GHG emissions, this investment should also reduce operating costs. If each site sees electricity savings like the pilot location, we expect over \$300,000 in cost savings.

Managing Our Water Responsibly

2030 GOALS

20%

Reduce water consumption per revenue (\$) by 20%

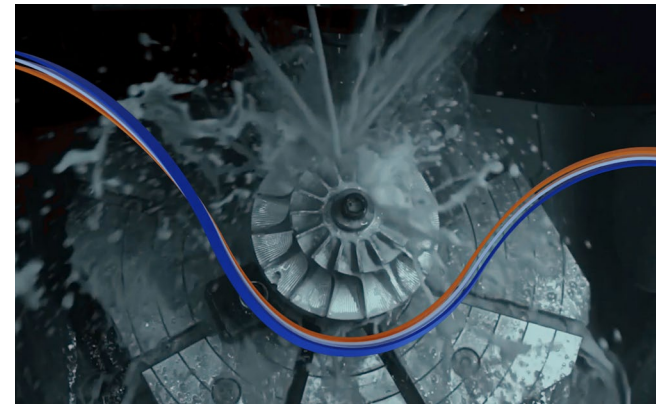
UN SDG 6

UN SDG 12

Our Approach

Water is a critical resource within Quaker Houghton's operations, for our customers, and in our communities. In turn, responsible water use is beneficial for our business and our stakeholders for several reasons—including a lower cost burden of purchasing water, treatment of less wastewater, and reduced compliance risks. Our Board Sustainability Committee and Protecting Our Planet team oversee our efforts to conserve water, improve water-use efficiency, and increase the safety and recyclability of potential effluents. These initiatives are advanced at the site level by Site Champions who track our progress and performance via our global data management platform.

Across our business we have global guidelines outlining legal requirements regarding wastewater and local site playbooks to guide water and wastewater management. In addition to these global and local policies and procedures, external certification of our environmental management system is critical to Quaker Houghton's approach to managing our water responsibly. **This year, we achieved our 2023 milestone by standardizing ISO 14001 certifications in all non-U.S. manufacturing sites.** We also certified four of our U.S. sites to RC14001, and as a member of the American Chemistry Council (ACC), we committed to improve environmental, health, and safety performance through



the implementation of the Responsible Care® (RC) management system. Both of these accomplishments showcase the quality and robustness of our water management practices and will support Quaker Houghton in continuing to utilize water resources efficiently.

As part of our compliance with regional regulations and best practices, we plan to invest in wastewater treatment plant upgrades. We have identified opportunities to improve wastewater treatment at two locations in Europe. Those efforts have begun and will be completed in mid-2024.¹

¹One location was completed in 2023. The second location is slated for mid-2024.

To further drive progress across our footprint, in 2023 each Quaker Houghton owned or operated manufacturing site was required to implement one project to reduce water use. This initiative resulted in strong employee engagement, a variety of creative ideas, and effective implementation. Similar to the energy-related initiatives described in the previous section, Site Champions are responsible for recording proposed, approved, and implemented water-related initiatives in our global project database, and are allocated a budget to action these efforts. Out of the 200+ projects that were implemented in 2023, 34 were water-related. Particularly impressive projects have included reusing about 144 KL of caustic water per year from other manufacturing processes to clean equipment in India, replenishing a fishpond with 500 KL of reverse osmosis concentrate water per year at our Songjiang plant in China, and reducing effluent emissions by covering rainfall entrances in South America. **We look forward to seeing how these efforts continue to improve our water-related performance and move us toward achieving our newly launched 2025 milestones, listed below:**

- Reduce water consumption per revenue (\$) by 10%.
- Standardize RC 14001 certifications in U.S. manufacturing and lab locations.

132.31 kg/ \$1,000 revenue

In 2023, Quaker Houghton recorded 132.31 kilograms of process water per \$1,000 in revenue (\$)

HIGHLIGHT STORY

Driving Water Efficiency in South America



Quaker Houghton's South American colleagues engaged in a particularly successful initiative to reduce water use. Our Rio de Janeiro team implemented a project which used pressurized water hoses to provide a more efficient way to clean equipment and significant savings in water use. In 2023, this enabled a 30% reduction in water consumption in South America compared to the 2019 baseline. We plan to continue investing in these process improvements at other sites.

Minimizing Our Waste



2030 GOALS

UN SDG 6

UN SDG 12

20%

Reduce waste to landfill and hazardous waste per revenue (\$) by 20%



team oversee our efforts to minimize waste, with site-level management and compliance with local waste disposal regulations driven by Site Champions and tracked in our global data management platform, DevonWay.¹

Decreasing waste generated in our production processes and diverting waste from landfills are key objectives of our waste management efforts. **These objectives are supported by ISO 14001 certifications, which we now maintain at all our non-U.S. manufacturing sites—marking the achievement of one of our 2023 milestones.** In 2023, we also certified four of our U.S. sites to RC14001, and as a member of the American Chemistry Council (ACC), we committed to improve environmental, health, and safety performance through the implementation of the Responsible Care® (RC) management system.

Our Approach

Quaker Houghton works to minimize and responsibly manage the waste generated in our operations and in the use of our products. Strong waste management practices limit our impact on the environment and are also important to many of our stakeholders—including regulators, customers, and communities. Our commitment to reducing waste also demonstrates the value we place on finite raw materials utilized in our operations, supports our compliance with waste-related regulations, and can reduce expenses associated with waste management and treatment. Similar to our water management initiatives, Quaker Houghton's Board Sustainability Committee and Protecting Our Planet

2,000 metric tons

Approximately 2,000 metric tons, or 41%, of hazardous waste recycled in 2023

ISO and RC certifications attest that Quaker Houghton's environmental management system is comprehensive, which helps us continually improve our waste performance. **The practices that enabled us to achieve ISO and RC certifications also lay the foundation for progressing towards our 2025 milestones, listed below:**

- **Reduce waste to landfill and hazardous waste per revenue (\$) by 10%.**
- **Standardize RC 14001 certifications in U.S. manufacturing and lab locations.**

Quaker Houghton's global waste guidelines and local site playbooks further support the achievement of our milestones and goals, proper handling and disposal of waste, and compliance with waste-related regulations.

With these policies, procedures, and certifications as our foundation, each of our manufacturing sites were required to introduce at least one hazardous waste reduction project and one waste to landfill reduction project in 2023. Just like the energy- and water-related initiatives discussed in earlier sections of the report, Site Champions are responsible for recording proposed, approved, and implemented waste-related initiatives in our global project database, and are allocated a budget to make these ideas happen. Out of the 200+ projects that were implemented in 2023, 26 were related to hazardous waste and 52 were related to waste to landfill. Our colleagues developed and executed a variety of successful projects, including reducing single-use cups by providing mugs for office employees, reducing waste to landfill by switching to a recyclable material in one of our products, and decreasing the amount of waste oil from manufacturing processes by altering our production methods.

¹ DevonWay is an external software utilized by Quaker Houghton.

HIGHLIGHT STORY

Reducing Waste Through Product Recovery

Quaker Houghton's Ultraseal technology is stable in storage—meaning that used, residual materials still have value even when facilities close or production ceases. To date, we have recovered four tons of the sealant from customer locations that are closing or moving, and expect to recover more. Recovering this material diverts it from landfill and reduces the amount of new, fossil-based material needed for making sealants. Because this material is recyclable, preventing these sealants from going to landfill represents a significant raw material reduction as it can be reused over and over.



EMPOWERING

Our Colleagues and Communities

Quaker Houghton maintains an unwavering commitment to our colleagues' engagement, safety, and professional development; advancing diversity, equity, and inclusion; and supporting the communities where we live and work.



Empowering Our Colleagues to Live Safe

2030 GOALS

UN SDG 3

0

Have zero serious injury recordables

Our Approach

Safety is critical to the Quaker Houghton culture: we believe everyone has a role to play in protecting themselves and those around us. In our offices, laboratories, manufacturing sites, and customer facilities, we tailor our programs, policies, and systems to promote positive safety behaviors and identify potential risks before they happen. At Quaker Houghton, safety is not only seen as a matter of compliance, but as a business enabler and differentiator.

Led by our EHS organization and senior management teams with regular oversight by the Board of Directors, the Board Sustainability Committee, and the ELT, Quaker Houghton is deeply committed to providing the resources and facilitating the engagement needed to make our organization, infrastructure, and equipment as safe as possible. Further, each manufacturing site has an assigned EHS partner responsible for measuring its safety performance and driving safety programs, including training, risk assessments, and applying our Lifesaving Rules.

Our key safety programs, Lifesaving Rules, Stop Work Authority, Incident Management and Reporting Policy, and global EHS policy manual work together to help ensure safe conditions at our own sites as well as our customer sites. In 2023, we further embedded our global EHS policy manual

by supplementing our global guidelines with regional additions that are specific to the different contexts in which we operate. We also launched an awareness campaign to socialize and refresh awareness of our 10 Lifesaving Rules across our organization.

Third-party certifications are yet another important element of Quaker Houghton's approach to upholding health and safety best practices. We maintain ISO 45001 certifications where possible, and in 2023, four of our U.S. sites were RC14001 certified. ISO 45001 is an internationally recognized framework for managing occupational health and safety risks, and RC14001 is a standard for meeting the American Chemistry Council's (ACC) Responsible Care® (RC) management system requirements. Both certifications speak to the robustness of our approach to occupational health and safety management. In addition to upholding these standards, we also implement compliance audits on a

0.37 TRIR

In 2023, we achieved a TRIR of 0.37

three-year cycle in partnership with a third-party consultant to support our compliance with EHS regulations. In combination with our key safety programs, processes, and policies, the practices supported by these third-party standards contributed to the early accomplishment of our 2023 milestone to achieve zero recordable incident rates with more than 5 lost workdays at 96% of Quaker Houghton and customer locations.

Quaker Houghton utilizes a digital platform to track and report on global EHS metrics and performance, including leading indicators that help us to understand, correct, and avoid accidents. In 2023, we retired our previous platform and transitioned fully to DevonWay, where we also maintain documentation related to risk assessment. All Quaker Houghton colleagues received training on DevonWay to support our data collection, monitoring processes, organization-wide management, and ultimately prevention of incidents. We also introduced a new health and safety learning management system: dss+. The new application is easier to use, facilitating a more streamlined and effective EHS learning experience. Both leaders and employees can leverage our online safety training platform, in addition to hands-on learning experiences and on-site safety training, to help keep safety top of mind. **The complete implementation of DevonWay and dss+ marked the achievement of our second "live safe" 2023 milestone: Standardize to global multilingual incident management and EHS learning platforms.**

Safety performance results are key measures considered in the company's annual cash incentive awards.

Quaker Houghton will continue to raise awareness of and ensure compliance with health and safety standards as we strive to achieve our newly announced 2025 milestones, listed below:

- Standardize ISO 45001 certifications globally.
- Achieve on average one leading indicator identified per colleague.

HIGHLIGHT STORY

Celebrating Global Safety Week



In April of 2023, Quaker Houghton celebrated our second Global Safety Week. During this event we focused on two of our Lifesaving Rules: "Drive Safe" and "Following Procedures when Operating or Near Moving Equipment." "Drive Safe" was an important rule to feature, as almost every Quaker Houghton colleague spends time on the road. Additionally, there were dedicated activities for colleagues who work with or around forklifts and other moving equipment, which many colleagues encounter at our manufacturing sites and in customer locations.

Investing in Our People's Growth and Development



HIGHLIGHT STORY

Quaker Houghton's Global Internship Program

At Quaker Houghton, we believe it is important to provide all our colleagues with opportunities to learn and develop—from interns up to our leadership team. In 2023, we reinforced this belief with the launch of our global internship program. In addition to work experience, the eight-week program offered interns access to online learning, networking opportunities, and volunteer events. We are proud to have hosted 24 interns in three countries, including the United States, the Netherlands, and Brazil. We look forward to expanding upon this program in the future.

2030 GOALS

UN SDG 8

Maintain a positive employment experience as demonstrated by our ability to attract, develop, and retain our colleagues¹

Foster a growth-oriented environment for our colleagues by offering career development learning opportunities to our entire workforce (100%)



Our Approach

Quaker Houghton's colleagues are our most significant differentiator. To ensure our success, we prioritize supporting and investing in the skills, talents, and expertise of our colleagues. In 2023, we established a human capital strategy to ensure we are delivering now while also planning for the future. This strategy is enabled by a business partner operating structure, talent investment frameworks and programs, and a focus on workforce planning. The Human Resources organization is responsible for enabling our human capital strategy with oversight from the Board's Compensation and Human Resources Committee.

Our global performance management framework, learning and development programs, and organizational talent assessment process are core elements of Quaker Houghton's talent investment efforts. The performance management process provides a standardized approach and cadence for evaluating colleague performance and identifying learning goals, action plans, and opportunities for professional development that are aligned with our overarching business strategy.

We started introducing values-based behaviors into our performance discussions and will further this focus in coming years. In 2023, 97% of colleagues participated in the performance management process.

Learning programs are another critical pillar of Quaker Houghton's approach to colleague growth and development. In 2023, we introduced change management as a framework and capability to support both organizational and process changes. All Quaker Houghton colleagues were given the opportunity to participate in sessions to help lead and navigate change. Senior leaders were equipped with change playbooks and trained on leveraging these materials with their teams. Learning offerings also occurred with every human capital effort we launched in 2023, covering topics such as Total Rewards, differentiating performance, and mental health.

¹ Measured by an index consisting of measures for attracting, developing, and retaining talent.



We place importance on developing our leaders at all levels—whether a colleague is leading themselves or others—and providing them with opportunities to enhance their effectiveness. Our leaders have access to various learning and development experiences, including our Quaker Houghton internal leadership development program "Make the Shift—Activate Your Role—Plan for Performance" (MAP) for new or first-time managers, performance and rewards training, and specialized opportunities for external coaching, leadership assessments, or external development programs. We also continued to invest in female and diverse talent through partnership with external leadership development firms focused on providing multi-faceted investments in these colleagues to accelerate their growth and development. Through our organizational talent review process, we work to identify the critical skills and capabilities needed to drive our collective success both now and in the future to deliver results.

Year round, the QH University platform provides further learning opportunities to our colleagues who are interested in pursuing courses that enhance their knowledge, skills, and competencies. **We are pleased to share that Quaker Houghton's commitment to learning and development at all levels of the organization has enabled us to reach both of our 2023 growth and development milestones: Achieve 100% participation in the company's annual Code of Conduct training program and launch a global enterprise leadership development program with more than 50% annual participation by all new managers.**

Ensuring we create, foster, and maintain a culture where every colleague can be their best self is a driving force in our engagement efforts. One component of our engagement strategy is employee surveys, and in 2023 we issued two surveys to understand colleague perspectives: a change management survey and a culture values survey.

We also prioritized efforts and investments around wellness and wellbeing. In 2023, Quaker Houghton partnered with an external global wellbeing platform, Virgin Pulse, which provides access to activities, tools, and resources on wellness topics, and celebrated World

On average, all leaders attended various learning and training offerings throughout the course of the year, including enhancing skills in topics like change management and coaching for performance.¹

Mental Health Day with enterprise-wide discussions and education. To further support colleague wellbeing, we enhanced our benefit offerings to provide paid parental leave for U.S. colleagues regardless of gender or birthing status and implemented a global family planning benefit in partnership with Carrot Fertility. **Colleague engagement will remain an important element of Quaker Houghton's people strategy as we work towards achieving our newly announced 2025 milestones, listed below:**

- Continue providing a positive employment experience. We aim to achieve this by expanding opportunities for learning, development, engagement, and total rewards offerings for our employees.
- Foster a growth-oriented environment for our colleagues by offering leadership development opportunities to all leaders.¹

¹ Leaders/leadership is defined as anyone with at least one direct report.

Embracing Diversity, Equity, and Inclusion

2030 GOALS

UN SDG 5

UN SDG 10

UN SDG 16

Attain global workforce representation of between 25% and 27% women, with the same proportion of women represented in leadership globally¹

Attain U.S. workforce representation of people from underrepresented ethnic groups between 25% and 27%



Our Approach

Quaker Houghton aims to foster a diverse, fair, and inclusive culture that mirrors our global organization. We value doing great things together in a way that makes everyone feel like they belong, regardless of their background or their role. This creates a stronger organization, ready to harness our colleagues' diverse skills for innovation and success. Accordingly, Quaker Houghton provides equal employment opportunities and does not discriminate based on age, ethnicity, sex, sexual identity, disability/medical, race, religion, or sexual orientation. "Embrace Diversity" is one of our core values, and our unwavering commitment to diversity, equity, and inclusion (DEI) is further reflected as a core element in our Code of Conduct.

The Human Resources team at Quaker Houghton began building and implementing our DEI strategy in 2022 with oversight from the ELT and Board of Directors. In 2023, we continued to grow the team driving our DEI efforts with the launch of our Culture and Engagement Taskforce. While this group focuses on Quaker Houghton's overall culture, a core objective is to support DEI initiatives, and therefore also functions as our Diversity and Inclusion Council. The taskforce comprises 17 representatives from across our departments who supported the launch of our culture survey and the collection of qualitative feedback through focus groups. They continuously communicate the voice of our colleagues in our future plans for culture and engagement. The team also supported the implementation of our global framework for colleague resource groups (CRGs) and introduced two new CRGs at Quaker Houghton: The NextGen Professionals CRG and the HiredPower CRG. Quaker Houghton's original CRG, the Women's Inclusion Network (WIN), continues to be active and hosted multiple events in 2023—including for International Women's Day and World Mental Health Day. **Notably, the efforts of our Culture and Engagement Taskforce and our new CRGs marked the completion of our 2023 DEI milestones: Establish a Diversity and Inclusion Council and implement 3-5 CRGs to foster inclusion.**

Alongside providing learning and engagement opportunities to colleagues within Quaker Houghton, we also recognize the importance of building an inclusive talent pipeline—and external partnerships play a key role in how we do this. For example, Quaker Houghton is a corporate member of Women in Manufacturing and a sponsor of the Women Automotive Network, both of which are organizations invested in supporting and promoting women in their respective industries. We are also a corporate supporter of the Future of STEM Scholars Initiative (FOSSI), an organization that strives to increase the presence of students currently underrepresented in the STEM talent pool. **We are proud of our collaboration with these organizations and others, and believe they will be an important part of driving diversity in our industry and organization as we work towards our newly launched 2025 milestones, listed below:**

- Increase global workforce representation of women overall and in leadership by 0.5% year over year.
- Increase our representation of people from underrepresented ethnic groups in our U.S. workforce by 0.5% year over year.

¹ Leaders/leadership is defined as anyone with at least one direct report.

HIGHLIGHT STORY

Supporting Women in the Workplace

Quaker Houghton is committed to supporting our female colleagues. We reflect this commitment by providing select female leaders the opportunity to attend targeted, world-class external development programs. In 2023, we sponsored several high-potential colleagues to attend leadership development programs via Leader's Edge, an executive coaching program. Our leaders participated in:

- **A Leadership Experience for Black Women:** A virtual program to support black women in building their leadership skills, cultivating a stronger understanding of workplace issues, and utilizing practical tools to drive results.
- **EXCEL for Emerging Women Leaders:** A program focused on preparing emerging female leaders to make greater business contributions.
- **Executive Leadership Institute for Women (ELIW):** A program designed to equip participants with the critical skills to lead and enhance impact.

Supporting Our Local Communities' Development

2030 GOALS

UN SDG 4

Enhance community impact by exceeding annual average volunteer engagement (participation), benchmarked against industry standards

Our Approach

Quaker Houghton cares deeply about supporting the places where we live and work. Volunteering and giving opportunities are important to our colleagues and contribute to the resilience of our communities. Quaker Houghton's Empowering Our Colleagues and Communities (EOCC) team drives our overall community engagement strategy, while regional sites and dedicated individuals coordinate local activities aligned with their interests and geographies.

The EOCC team introduced our global volunteerism approach and announced our paid time off policy for volunteering in 2022, formally launching the global approach in January 2023. Now, all full-time colleagues can take up to 16 hours per calendar year to volunteer for a non-profit or charity of their choice. The policy is supported by recommendations to our colleagues regarding volunteering opportunities, such as environmental conservation, STEM (Science, Technology, Engineering, Math) education, community health and safety, local community development, and creating opportunities for



underrepresented groups. In 2023, we saw our colleagues engage in a variety of volunteer activities focused on addressing childhood poverty, serving older adults, and restoring natural areas. We will continue to develop additional resources to help our colleagues identify and participate in volunteer opportunities.

At the end of 2023 we also partnered with YourCause, a new platform for corporate giving. This platform will enable Quaker Houghton to match employee donations, make grants to non-profits across the globe, and give to charitable contributions worldwide through our Quaker Houghton Foundation. **Combined with our global volunteerism approach, the activation of YourCause marked the achievement of both of our 2023 milestones related to supporting our local communities' development: Implement a global volunteerism program with standardized paid time off and relaunch the Quaker Houghton Foundation globally.**

We aim to continue developing global volunteering and giving opportunities for all Quaker Houghton colleagues, building relationships with communities and community organizations, and driving meaningful impact. **With our volunteerism policy firmly in place and new giving platform implemented, enabling our foundation to give globally, we look forward to making progress against our new 2025 milestone, listed below:**

- Enhance community impact by exceeding annual average volunteer engagement (participation), benchmarked against industry standards.

HIGHLIGHT STORY

Quaker Houghton's Month of Giving



Our ambition is to make a significant impact in the places where we live and work. We aim to do this by encouraging colleagues around the world to utilize their 16 hours of paid time off to give back to their communities. In November 2023, Quaker Houghton had its first-ever Global Month of Giving, which focused on driving colleague volunteerism.

Our colleagues jumped into action—during that month, they participated in hundreds of hours of volunteer work and doubled our year-to-date recorded volunteering hours. Activities included cooking and donating meals for the food insecure in Pennsylvania, cleaning up beaches in the Netherlands, finishing a property in Michigan, supporting children in Brazil, and revitalizing playgrounds in the U.K.

We are proud of the outcomes of our inaugural Month of Giving and look forward to continuing this new tradition in the future.



SOURCING

Our Materials Responsibly

Quaker Houghton works diligently across our supply chain to source renewable raw materials and drive ethical and responsible practices.



Ensuring Everyone in the Supply Chain Is Treated With Dignity and Respect, Confirming Sustainable Sourcing of Raw Materials



HIGHLIGHT STORY

Quaker Houghton's Senior Analyst for Supplier Sustainability



Our newly designated Senior Analyst for Supplier Sustainability is key in managing the ramp up of our sustainable supply chain efforts. With extensive sourcing experience, this Senior Analyst is poised to establish a robust and effective Supplier Sustainability Program at Quaker Houghton. As we continue to gather data on supplier sustainability, we are excited to start working in partnership with our suppliers to improve their sustainability ratings.

2030 GOALS

75% Achieve 75% of total direct spend with suppliers that exceed our sustainability performance threshold

UN SDG 8

UN SDG 12



Our Approach

Quaker Houghton is committed to conducting our business ethically and sustainably to serve the best interests of our company, colleagues, communities, customers, suppliers, and the planet. Our customers echo this sentiment through heightened expectations for Quaker Houghton to serve as a sustainable and responsible supplier. And as a global organization with our own suppliers who operate in regions with varying regulatory requirements, we must set high standards across our supply chain. Accordingly, our approach to responsible supply chain management is continually maturing alongside societal and stakeholder expectations. These efforts are managed by our global procurement team with oversight at the ELT and Board levels. In 2023 we further built out this team with the appointment of a new Senior Analyst for Supplier Sustainability who drives progress across the organization.

We hold our suppliers and subcontractors to high standards, which are outlined in both our Supplier Code of Conduct and the Quaker Houghton Code of Conduct.

New Quaker Houghton suppliers must commit to the Supplier Code of Conduct when they are approved. We also have high expectations of our own workforce. As of 2023, all colleagues are required to complete our Human Rights In the Supply Chain Awareness training as part of the company's annual ethics and compliance program.

One of our most significant sustainable supply chain initiatives is our ambition to source fully segregated palm oil. We are proud to hold a Supply Chain Certification in Uithoorn, the Netherlands, from the Roundtable on Sustainable Palm Oil (RSPO). This certification assures our customers the palm oil we use in products manufactured in Uithoorn is 100% responsibly sourced. We are also pursuing certifications in 2024 for our locations in Qingpu, China and Santa Perpetua, Spain.

We have continued to expand our responsible palm oil sourcing efforts through 2023, which has involved building new supply chains and establishing routes to our production locations in certain regions. **We plan to advance this effort to additional regions in the future and are pleased to announce our initiatives to date have enabled us to surpass our 2023 milestone of sourcing fully segregated palm oil for 50% of our global demand.**

Quaker Houghton also maintains external partnerships to assess our suppliers' performance. We have partnered with EcoVadis since 2022 to assess the sustainability performance of our direct suppliers with over \$100,000 spend. This year we focused on utilizing EcoVadis for data gathering and investigation to understand the current state of our supply base. In 2023 we also entered a partnership with Supplier IO to measure supplier diversity in the U.S. Our collaboration with Supplier IO and initial efforts to measure supplier diversity in the U.S. are just the first steps in our longer-term plans. By 2025, supplier diversity data sets from Supplier IO reports will be available to inform our procurement policy recommendations. **Our policies, procedures, and partnerships have been foundational in the achievement of our 2023 milestones over the past two years. We have: ensured 100% of direct suppliers above \$100K spend commit to Quaker Houghton's Supplier Code of Conduct; incorporated supply chain human rights awareness into annual compliance training; implemented a global sustainability supplier assessment tool; and implemented a system to measure supplier diversity in our U.S. supply base.**

With these practices in place, we are working to develop our sustainability performance threshold and drive progress towards our 2030 goal as well as our 2025 milestones, listed below:

- Achieve 50% of total direct spend with suppliers that exceed our sustainability performance threshold.
- Collaborate with targeted suppliers annually to strengthen their sustainability practices.
- Source fully segregated Palm Oil for 100% of our global supply.
- Implement a system to measure diversity in our global supply base.
- Certify Santa Perpetua and Qingpu sites through RSPO.



APPENDIX



About This Report

Reporting Frameworks

Quaker Houghton has reported the information cited in the GRI content index for the period January 1, 2023–December 31, 2023, with reference to the GRI Standards.

Additionally, our SASB Index provides information or the location of information pertaining to the SASB Standards for the Chemicals industry. We do not report against all of the standards for the sector.

In 2023, Quaker Houghton continued to strengthen our alignment with the recommendations of the TCFD. Please see our TCFD Index for information regarding climate-related risks and opportunities at Quaker Houghton.

Report Scope

Quaker Houghton reports on our management of sustainability topics as determined by the materiality assessment conducted in 2020. The information in our report focuses on activities from January 1, 2023–December 31, 2023. The Data Tables in the appendix of the report also include fiscal years 2022 and 2021.

In 2023, we added Baron Industries, LLC into our environmental and safety data. We omit standalone offices or labs from our environmental data as they do not have a material impact.

Forward-Looking Statements

This report contains “forward-looking statements” that fall under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Securities Act of 1933, as amended. These statements can be identified by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on assumptions, projections and expectations about future events that we believe are reasonable based on currently available information, including statements regarding the potential effects of the conflicts in Ukraine and the Middle East; inflation and global supply chain constraints on the Company’s business, results of operations, and financial condition; our expectation that we will maintain sufficient liquidity and remain in compliance with the terms of the Company’s credit facility; expectations about future demand and raw material costs; and statements regarding the impact of increased raw material costs and pricing initiatives. These forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, intentions, financial condition, results of operations, future performance, and business, which may differ materially from our actual results, including but not limited to the potential benefits of acquisitions and divestitures, the impacts on our business as a result of global supply chain constraints, and our current and future results and plans and statements that include the words “may,” “could,” “should,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “outlook,” “target,” “possible,” “potential,” “plan” or similar expressions. A major risk is that demand for the Company’s products and services is largely derived from the demand for its customers’ products, which subjects the Company to uncertainties related to downturns in a customer’s business and unanticipated customer production slowdowns and shutdowns, including as is currently being experienced by many automotive industry companies as a result of supply chain disruptions. Other major risks and uncertainties include, but are not limited to inflationary pressures, including the potential for continued significant increases in raw material costs; supply chain disruptions; customer financial instability; rising interest rates and the possibility of economic recession; economic and political disruptions, including the impacts of the military conflicts between Russia and Ukraine and between Israel and Hamas; tariffs, trade restrictions, and the economic and other sanctions imposed by other nations on Russia and/or other government organizations; suspensions of activities in Russia by many multinational companies and the potential expansion of military activity; foreign currency fluctuations; significant changes in applicable tax rates and regulations; future terrorist attacks and other acts of violence; the impacts of consolidation in our industry, including loss or consolidation of a major customer; and the potential occurrence of cyber-security breaches, cyber-security attacks and other security incidents. Furthermore, the Company is subject to the same business cycles as those experienced by our customers in the steel, automobile, aircraft, industrial equipment, aluminum and durable goods industries. Our forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its operations that are subject to change based on various important factors, some of which are beyond our control. These risks, uncertainties, and possible inaccurate assumptions relevant to our business could cause our actual results to differ materially from expected and historical results. All forward-looking statements included in this report, release, including expectations about business conditions during 2023 and future periods, are based upon information available to the Company as of the date of this report, which may change. Therefore, we caution you not to place undue reliance on our forward-looking statements. For more information regarding these risks and uncertainties as well as certain additional risks that we face, refer to the Risk Factors section, which appears in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023, and in subsequent reports filed from time to time with the Securities and Exchange Commission. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

GRI and SASB Content Index

REPORTING STANDARD	DISCLOSURE	LOCATION OR DIRECT RESPONSE
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-1 Organizational details	<p>Quaker Chemical Corporation D/B/A Quaker Houghton 901 East Hector Street, Conshohocken, PA, USA</p> <p>Please see additional details in our 2023 10-K.</p>
	2-2 Entities included in the organization's sustainability reporting	Please see our 2023 10-K .
	2-3 Reporting period, frequency, and contact point	This report was published on April 22, 2024, covers the 2023 calendar year, and is updated annually. For questions about the reported information, please contact Sarah Briggs; Director, Corporate Sustainability: sustainability@quakerhoughton.com .
	2-4 Restatements of information	<p>In our 2022 Sustainability Report:</p> <p>We have refined our approach to measure the usage of Fossil Fuels by transitioning from sales of finished goods methodology to a more precise measure of tracking the Raw Material Purchases throughout the year. In our previous report, limitations arose from varied ERP systems across our countries of operations, prompting us to consider only a subset of sales transactions. However, our consolidated purchasing data, harmonized across all countries, now provide a more accurate basis for calculating fossil fuel usage in our finished goods. In 2022, 36.7% of our raw materials were renewably sourced, this year 21% are renewably sourced using the refined approach.</p> <p>Water per ton produced was reported as 479 kg/ton produced. This should have been reported as 469 kg/ton produced. Hazardous waste was reported as 13 kg/ton produced. This should have been reported as 12 kg/ton produced. The restated metrics are due to data entry errors and missing a site in scope. Moving forward to better account for our services, in addition to our products, we will be reporting the Protecting Our Planet KPIs in kg/\$1000 in revenue. Using this methodology, the updated baseline shows waste to landfill as (1.05), hazardous waste as (3.16), and water consumption as (120.53).</p> <p>Water stress was reported as 22% due to adding extremely high and medium high water stress areas, this should have been reported as 40% to account for extremely high and high-water stress areas.</p> <p>This restatement is indicated in 2023 Data Tables by two asterisks (**).</p>
	2-5 External assurance	Quaker Houghton's sustainability reporting has not been externally assured.
	2-6 Activities, value chain, and other business relationships	Please see our 2023 10-K .
	2-7 Employees	Please see the 2023 Data Tables included in this report.
	2-8 Workers who are not employees	We do not track the proportion of organizational activities performed by workers who are not classified as employees globally in the HR system of record.
	2-9 Governance structure and composition	Please see the Who We Are and How We Manage Sustainability section of this report. Please also see our 2024 Proxy Statement .
	2-10 Nomination and selection of the highest governance body	Please see our 2024 Proxy Statement .

REPORTING STANDARD	DISCLOSURE	LOCATION OR DIRECT RESPONSE
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Please see our 2024 Proxy Statement .
	2-12 Role of the highest governance body in overseeing the management impacts	Please see the Who We Are and How We Manage Sustainability section of this report. Please also see our 2024 Proxy Statement .
	2-13 Delegation of responsibility for managing impacts	Please see the Who We Are and How We Manage Sustainability section of this report.
	2-14 Role of the highest governance body in sustainability reporting	Please see the Who We Are and How We Manage Sustainability section of this report.
	2-15 Conflicts of interest	Please see our 2024 Proxy Statement .
	2-16 Communication of critical concerns	Please see our 2024 Proxy Statement .
	2-17 Collective knowledge of the highest governance body	Each Board Sustainability Committee member has experience in overseeing environmental, social, and governance matters. In addition, Board Sustainability Committee members are provided materials at each meeting which support additional knowledge and skill development in this evolving landscape.
	2-18 Evaluation of the performance of the highest governance body	The Board of Directors conducts an annual self-evaluation each year.
	2-19 Remuneration policies	Please see our 2024 Proxy Statement .
	2-20 Process to determine remuneration	Please see our 2024 Proxy Statement .
	2-21 Annual total compensation ratio	Please see our 2024 Proxy Statement .
	2-22 Statement on sustainable development strategy	Please see the Message From the CEO section of this report.
	2-23 Policy commitments	Quaker Houghton's Code of Conduct requires adherence and compliance with all laws and regulations on human rights and all topics/matters globally. The Legal Department works with all groups on all material policy commitments, but they are not housed in one place or controlled by the legal department. The company's Compliance Training includes elements of human rights compliance.
	2-24 Embedding policy commitments	The Legal Department works with all groups on all material policy commitments, but they are not housed in one place or controlled by the legal department.
2-25 Processes to remediate negative impacts	Please see our Code of Conduct .	
2-26 Mechanisms for seeking advice and raising concerns	Please see our Code of Conduct .	
2-27 Compliance with laws and regulations	Quaker Houghton is fulfilling its compliance obligations.	

REPORTING STANDARD	DISCLOSURE	LOCATION OR DIRECT RESPONSE
GRI 2: General Disclosures 2021	2-28 Membership associations	While Quaker Houghton participates in many industry associations, the company is an active and corporate member of the American Chemistry Council and is Responsible Care certified in its U.S. locations.
	2-29 Approach to stakeholder engagement	Please see the Our Materiality Results section of this report.
	2-30 Collective bargaining agreements	38% of Quaker Houghton employees are covered by union/collective bargaining agreement.
MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Please see the Our Materiality Results section of this report.
	3-2 List of material topics	Please see the Our Materiality Results section of this report.
MANAGING OUR WATER RESPONSIBLY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Please see the Managing Our Water Responsibly section of this report.
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Please see the Managing Our Water Responsibly section of this report.
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	<p>Please see the Managing Our Water Responsibly section of this report. Quaker Houghton has contracted a 3rd party environmental consultant, GHD, to perform a wastewater risk assessment and develop a risk management plan. The report is expected to be completed by mid 2024.</p> <p>Quaker Houghton in its use and treatment of water continues to pursue an overall goal of increased stewardship. In addition to reviewing wastewater management programs at the manufacturing sites, including use and treatment of water in water stressed areas, Quaker Houghton has developed a program of independent audits by outside experts at each manufacturing location and laboratory every three years. To date, 35 independent audits have been completed identifying a total of 44 findings, including findings associated with local water use compliance. Quaker Houghton is working diligently to close all of the audit findings in the coming year and manage the root cause of these findings for overall water stewardship improvement.</p> <p>Quaker Houghton is now supplementing the audit program and continuing to work on global wastewater treatment compliance issues with developing plans to assess and implement water and wastewater use/handling requirements that take into account local standards and norms but are also consistent across the globe to our developing stewardship goals. This program is anticipated to include minimum wastewater characterization requirements, standards for third parties accepting and treating Quaker Houghton wastewater, minimum treatment standards and treatment processes. This program will be used as a basis to evaluate all Quaker Houghton manufacturing facilities and to prioritize facilities that represent a higher potential risk so that they may be evaluated further.</p>
	303-3 Water withdrawal	Please see the 2023 Data Tables included in this report.
	303-5 Water consumption	Please see the 2023 Data Tables included in this report.

REPORTING STANDARD	DISCLOSURE	LOCATION OR DIRECT RESPONSE
SASB Water Management	RT-CH-140a.1 Total water withdrawn, and percentage in regions with High or Extremely High Baseline Water Stress; Total water consumed	Please see the 2023 Data Tables included in this report.
	RT-CH-140a.2 Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Please see the 2023 Data Tables included in this report.
	RT-CH-140a.3 Description of water management risks and discussion of strategies and practices to mitigate those risks	Please see the Managing Our Water Responsibly section of this report. Quaker Houghton has contracted a 3rd party environmental consultant, GHD, to perform a wastewater risk assessment and develop a risk management plan. The report is expected to be completed by mid 2024.
REDUCING OUR GREENHOUSE GAS EMISSIONS		
GRI 3: Material Topics 2021	3-3 Management of material topics	Please see the Reducing Our Greenhouse Gas Emissions section of this report.
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Please see TCFD Index included in this report.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Please see the 2023 Data Tables included in this report.
	302-3 Energy intensity	Please see the 2023 Data Tables included in this report.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Please see the 2023 Data Tables included in this report.
	305-2 Energy indirect (Scope 2) GHG emissions	GWP source used is IEA Emissions Factors: Database Documentation 2023 edition . GHG Protocol is the standard used and followed for methodologies and calculations. We account for CO ₂ , CH ₄ , N ₂ O in our calculations and then convert those to total CO ₂ e. The approach Quaker Houghton takes on calculations is operational control of all assets. Please see the 2023 Data Tables included in this report.
	305-4 GHG emissions intensity	Please see the 2023 Data Tables included in this report.
	305-5 Reduction of GHG emissions	Quaker Houghton follows GHG Protocol standards for calculating scopes 1 and 2 emissions. We created an internal calculation tool to carry out our methodology. This tool is reviewed by a third party to ensure proper conversion factors, methodologies, calculations, and processes were used in calculating total emissions. Conversion factor sources include the following globally recognized organizations: International Energy Agency (IEA), Environmental Protection Agency (EPA), and GHG Protocol GWP values.
SASB Greenhouse Gas Emissions	RT-CH-110a.1 Gross global Scope 1 emissions	Please see the 2023 Data Tables included in this report.
	RT-CH-110a.2 Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Please see the Reducing Our Greenhouse Gas Emissions section of this report.
SASB Energy Management	RT-CH-130a.1 Energy consumption within the organization	Please see the 2023 Data Tables included in this report.

REPORTING STANDARD	DISCLOSURE	LOCATION OR DIRECT RESPONSE
MINIMIZING OUR WASTE		
GRI 3: Material Topics 2021	3-3 Management of material topics	Please see the Minimizing Our Waste section of this report.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Please see the 2023 Data Tables included in this report.
	306-2 Management of significant waste related impacts	Please see the 2023 Data Tables included in this report.
	306-3 Waste generated	Please see the 2023 Data Tables included in this report.
	306-4 Waste diverted from disposal	Please see the 2023 Data Tables included in this report.
SASB Hazardous Waste Management	RT-CH-150a.1 Amount of hazardous waste generated, percentage recycled	Please see the 2023 Data Tables included in this report.
EMPOWERING OUR COLLEAGUES TO LIVE SAFE		
GRI 3: Material Topics 2021	3-3 Management of material topics	Please see the Empowering Our Colleagues to Live Safe section of this report.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<p>All of our sites operate under a health and safety management system. All employees and workers, regardless of activity, are covered by that system. We are currently in transition from meeting regulatory requirements and implementing some best practices towards implementing internationally recognized risk management standards/guidelines and certification. In 2022, we developed a Global EHS policy manual (with +40 procedures), which was rolled out at the local level in 2023. In addition to abiding by the health and safety management system and global EHS policy manual, each site follows the Quaker Houghton 10 life saving rules. In 2023, Quaker Houghton switched to the DevonWay Software solutions as the EHS management systems platform. All EHS incidents, near misses, and observations are now entered into the DevonWay incident management module. DevonWay is also used for document control of all EHS policies & procedures.</p> <p>Quaker Houghton uses a combination of job descriptions, standard operating procedures (SOP's), EHS policy & procedures, and job task risk assessments to define workers' activities. These documents are managed via the DevonWay document control module.</p>

REPORTING STANDARD	DISCLOSURE	LOCATION OR DIRECT RESPONSE
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	<p>There are multiple processes we follow to identify work-related hazards and assess risks on a routine and non-routine basis. These include:</p> <ul style="list-style-type: none"> • Job Task Risk Assessment (JTRA) • Stop work authority • Incident management system • Last Minute Risk Assessment (LMRA) • Audit process • Inspection of equipment, processes, or work procedures to determine if operating conditions are within acceptable limits • Observation via formal, in-person evaluation of a job task or work procedure while it's being performed in its entirety; assess behaviors, conditions, and overall work processes to determine compliance with regulatory requirements or other defined parameters <p>We ensure the quality of these processes and the competency of the individuals through internal audit and performance reviews of EHS trained staff. We tie the results to KPIs which are connected to a monthly report. Both individual and/or global EHS goals are built into every Quaker Houghton colleague's objectives.</p> <p>Potential hazards and hazard situations are reported by all workers through our leading indicators of Hazard ID, Near Misses, and observations in the new platform, DevonWay. DevonWay was implemented to improve the end-user experience for reporting, but also the tracking of hazards and hazard situations. This will help to optimize communication across regions, avoid similar hazards, and reduce the closure time.</p> <p>If a hazard does occur, the reporting individual is empowered by the CEO and the rest of the organization to stop work under the Stop Work Authority Program. The company also has an Incident Management Policy in place which describes the process for workers to remove themselves from work situations they believe could cause injury or ill health. There is public recognition for colleagues who identify and stop potential hazards from occurring, as health and safety leadership routinely communicates these hazards identified through intercompany communications.</p>
	403-3 Occupational health services	<p>The dedicated EHS staff, who are screened and trained professionals, are accountable for the implementation of EHS processes and programs, including occupational health services. The EHS staff track leading indicators which are accessible in our EHSQ management system to ensure the quality of these services. We have implemented Job Task Risk Assessments (JTRA) for tasks performed on a routine basis, and Last Minute Risk Assessments (LMRA) for non-routine tasks. The purpose of these procedures is to define the methods and guidelines for assessing and addressing Safety, Environmental and Security risks at Quaker Houghton facilities.</p> <p>Federal, state and local legislation, as well as international standards that Quaker Houghton subscribes to, require that Safety, Environmental and Security risks be evaluated and appropriate risk mitigation actions be initiated to prevent safety, environmental and security incidents. Typically, this is performed using a risk assessment. Employees are trained on each JTRA and LMRA when they have to perform related tasks.</p> <p>Quaker Houghton has implemented an EHS compliance audit program which contracts a 3rd party EHS consulting firm, GHD, to verify the quality of the occupational health services and programs for eliminating hazards and mitigating risks in the work environment. Critical Quaker Houghton locations are generally audited on a 3 year cycle.</p>
	403-4 Worker participation, consultation, and communication on occupational health and safety	<p>Supporting ISO 45001 requirements for site Safety Committees, CORP-P-EHS-0015 defines protocols for sites to implement Safety Committees. Furthermore, there are several EHS policies defining worker participation and consultation, examples are: CORP-P-EHS-0004 defines incident management & reporting, CORP-P-EHS-0005 defines workers authorization for Stop Work action, and CORP-P-EHS-0026 defines works responsibilities and participation in completing hazardous work permitting.</p>

REPORTING STANDARD	DISCLOSURE	LOCATION OR DIRECT RESPONSE
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	<p>Our learning management system is used to train our colleagues globally. It includes training on generic and specific work-related hazards, hazardous activities, or hazardous situations. These trainings are often job specific but include topics such as: Disaster Planning and Response, Fire Safety, Ergonomics, Accessing Medical Reports, etc. Training is also provided via SABA. In 2022, the EHS team organized several safety standdown and training sessions at sites and virtually. We also organized our first Global Safety Week, during which several events and training sessions took place to increase safety awareness and engagement.</p> <p>For workers who are not employees of Quaker Houghton, training is left to the discretion of their employer, but is required to align with our standards.</p>
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our organization has placed focus on monitoring leading indicators and implementing audit programs that ensure we uphold an effective EHS program that mitigates negative occupational health and safety impacts. Setting KPIs and goals around the leading indicators we monitor helps us to address specific items, and to identify and manage larger, more systemic issues before they become an incident.
	403-8 Workers covered by an occupational health and safety management system	<p>All sites operate under an occupational health and safety management system, and 100% of employees and workers are covered by that system.</p> <p>Some of our sites are audited by a third party. In addition, many of our sites are ISO45001 or RC14001 certified, and we aspire to have all wholly owned manufacturing facilities certified by end of 2025.</p>
SASB Workforce Health and Safety	RT-CH-320a.1 Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Please see the 2023 Data Tables included in this report. Sites maintain site-specific contractor management systems, including visitor/contractor safety training. DevonWay incident reporting module provides a system for reporting and tracking contractor injuries.
	RT-CH-320a.2 Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	<p>At Quaker Houghton we perform several assessments to prevent long-term (chronic) health risks, such as chemical risk evaluations and controls of water (legionella), air quality or noise levels. All our employees and operators wear personal protective equipment as recommended in the JTRA and LMRA.</p> <p>We are taking action to implement low risk solutions, prevent access to potentially hazardous environments, and organize our work to reduce exposure to hazards as much as possible.</p>
SASB Operational Safety, Emergency Preparedness and Response	RT-CH-540a.1 Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Please see the 2023 Data Tables included in this report.
	RT-CH-540a.2 Number of transport incidents	Please see the 2023 Data Tables included in this report.
INVESTING IN OUR PEOPLE'S GROWTH AND DEVELOPMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Please see the Investing in Our People's Growth and Development section of this report.
GRI 401: Employment 2016	401-1 New Employee hires and employee turnover	Please see the 2023 Data Tables included in this report.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Please see the 2023 Data Tables included in this report.
	404-2 Programs for upgrading employee skills and transition assistance programs	Please see the Investing in Our People's Growth and Development section of this report.
	404-3 Percentage of new employees receiving regular performance and career development reviews	Please see the 2023 Data Tables included in this report.

REPORTING STANDARD	DISCLOSURE	LOCATION OR DIRECT RESPONSE
EMBRACING DIVERSITY, EQUITY, AND INCLUSION		
GRI 3: Material Topics 2021	3-3 Management of material topics	Please see the Embracing Diversity, Equity, and Inclusion section of this report.
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Please see the 2023 Data Tables included in this report.
SUPPORTING OUR LOCAL COMMUNITIES' DEVELOPMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	Please see the Supporting Our Local Communities' Development section of this report.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact, assessments and development programs	While the infrastructure for global tracking and consolidation is still under development, progress has been achieved in tracking local volunteering efforts in 2023. We anticipate enhancing our capabilities to provide comprehensive reporting on local community engagement, impact assessments, and development programs within the next two years.
SASB Community Relations	RT-CH-210a.1 Discussion of engagement processes to manage risks and opportunities associated with community interests	In 2023, Quaker Houghton introduced a global approach to volunteerism to give back to the communities where we live and work, build trusting relationships, and grow together as a team. Our Empowering Our Colleagues and Communities team and company leaders have worked to create a global volunteering standard for Quaker Houghton to ensure that we manage risks and opportunities associated with community interests.
ENSURING EVERYONE IN THE SUPPLY CHAIN IS TREATED WITH DIGNITY AND RESPECT, CONFIRMING SUSTAINABLE SOURCING OF RAW MATERIALS		
GRI 3: Material Topics 2021	3-3 Management of material topics	Please see the Ensuring Everyone in the Supply Chain Is Treated With Dignity and Respect, Confirming Sustainable Sourcing of Raw Materials section of this report.
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Please see the 2023 Data Tables included in this report.
	308-2 Negative environmental impacts in the supply chain and actions taken	Please see the 2023 Data Tables included in this report.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Please see the 2023 Data Tables included in this report.
MINIMIZING HAZARDS IN OUR PORTFOLIO		
GRI 3: Material Topics 2021	3-3 Management of material topics	Please see the Minimizing Hazards in Our Portfolio section of this report.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product Stewardship evaluates all Quaker Houghton finished goods and creates Globally Harmonized System of Classification and Labelling of Chemicals (GHS) compliant Safety Data Sheets (SDS) for all of our products globally. These customer facing documents ensure customers understand the potential hazards and mitigate the risk of misusing our products. Should a customer have questions or concerns relating to our product, our product stewardship team is available to consult and help our customers make the best product choices for their needs and understand proper use and disposal. Please also see the 2023 Data Tables included in this report.

REPORTING STANDARD	DISCLOSURE	LOCATION OR DIRECT RESPONSE
SASB Safety & Environmental Stewardship of Chemicals	RT-CH-410b.a (1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard impact	Please see the 2023 Data Tables included in this report.
	RT-CH-410b.2 Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	<p>Quaker Houghton aspires to achieve 100% of finished goods not classified as GHS Category 1A/B CMR hazards by 2030.¹ The Innovating Together for a Better Tomorrow team has determined the 2021 baseline, developed a high-level roadmap for all GHS category 1A/B CMR finished goods, and a specific one for finished goods using Hexavalent chromium.</p> <p>The Innovating Together for a Better Tomorrow team began in 2022 on determining and implementing a strategy to reduce those hazards in our portfolio. This work continued in 2023. The Product Stewardship team works with operations to determine appropriate labeling and PPE required for management of chemical hazards.</p> <p>In 2023, additional roadmaps were developed, processed, and implemented. The status of these roadmaps will be reported on a quarterly basis. Our Product Stewardship team continues to work with operations to determine appropriate labeling and PPE required for management of chemical hazards. The introduction of the Green Chemistry Guidelines should reduce human and environmental hazards beyond our focus of GHS Category 1A/B CMR hazards and virgin fossil based raw materials. The preferred raw material list was also introduced in 2023 and will also support this initiative.</p>
TRANSITIONING OUR SOLUTIONS TO SUPPORT A LOW-CARBON ECONOMY		
GRI 3: Material Topics 2021	3-3 Management of material topics	Please see the Transitioning Our Solutions to Support a Low-Carbon Economy section of this report.
FORMULATING WITH RENEWABLE RAW MATERIALS		
GRI 3: Material Topics 2021	3-3 Management of material topics	Please see the Formulating With Renewable Raw Materials section of this report.
GRI 301: Materials 2016	301-2 Recycled input materials used	Please see the 2023 Data Tables included in this report.
OTHER RELEVANT SASB INDICATORS		
SASB Air Quality	RT-CH-120a.1 Air emissions of the following pollutants: (1) NO _x (Excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Quaker Houghton plans to track and report criteria pollutants from the combustion of fossil fuels and natural gas in 2025. Quaker Houghton does not report criteria pollutants from operations as the volumes are immaterial. This is due to the relative low emissions of VOCs and HAPs in the materials in Quaker Houghton's manufacturing processes & products.
SASB Management of the Legal & Regulatory Environment	RT-CH-530a.1 Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Although our organization supports the mitigation of climate change and environmental protection, we do not take any formal corporate positions on government regulations.

¹ GHS category 1 A/B (Not including Category 2 and Carcinogens, Mutagens, and Reproductive Hazards in Category 1 A/B that were tested by oral route of exposure).

REPORTING STANDARD	DISCLOSURE	LOCATION OR DIRECT RESPONSE
VOLUNTARY DISCLOSURES		
QMS Certifications	Percentage of QMS Certifications	Please see the 2023 Data Tables included in this report.
EMS Certifications	Percentage of EMS Certifications	Please see the 2023 Data Tables included in this report.
Bribery and Corruption Policy	Commitments made to mitigate risks posed by bribery and corruption	Our policies on bribery and corruption, and specifically our compliance with the Foreign Corrupt Practices Act, are set forth in our Code of Conduct , which is published on our website.
Corporate Governance	Independent Board Chair	Please see our 2024 Proxy Statement .
Remuneration of members of the executive management team	Integration of sustainability performance objectives into the variable remuneration of members of the executive management team	Please see our 2024 Proxy Statement .

RECOMMENDATION	RESPONSE
GOVERNANCE	
<p>Disclose the organization's governance around climate-related risks and opportunities.</p> <p>a. Describe the board's oversight of climate-related risks and opportunities.</p> <p>b. Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>The Board Sustainability Committee of the Quaker Houghton Board of Directors has oversight of our sustainability strategy, including as it relates to energy consumption, greenhouse gas emissions, and water use. Initiatives to responsibly manage water, energy, and emissions are implemented by the Protecting Our Planet team, handled locally by the operations team at each Quaker Houghton site, and regionally by our procurement teams.</p> <p>Three times a year, the Board Sustainability Committee updates the Board on all ESG issues, including climate-related issues. Quarterly, the Board receives a report from the Board Sustainability Committee that covers material topics, including climate-related issues. Quaker Houghton completed a TCFD-aligned scenario analysis in 2023, and the outputs of this exercise were shared with the Board. The Chairs of the Board Sustainability Committee, Mr. Frisby and Mr. Shannon, are responsible for updating the Board on climate-related risks. We are currently developing the strategy for circulating the results of the scenario analysis with our leadership teams and discussing our approach to material risks and opportunities.</p> <p>Additional details on Board and Management oversight of and responsibility for climate-related risks and opportunities are available in the following sections of the 2023 Sustainability Report: Who We Are and How We Manage Sustainability; Reducing Our Greenhouse Gas Emissions; Managing Our Water Responsibly; and Minimizing Our Waste.</p>
STRATEGY	
<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.</p> <p>a. Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-term.</p> <p>b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <p>c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Quaker Houghton recognizes that both transitional and physical climate-related risks and opportunities may impact and influence our business. During the summer of 2023, we conducted a scenario analysis to identify climate-related risks and opportunities over three different future time horizons. We defined short-term as 0 to 3 years, medium-term as 3 to 7 years, and long-term as 8 or more years.</p> <p>Physical Risks and Opportunities As climate change exacerbates the frequency and severity of acute hazards, such as hurricanes and flooding, it could pose a direct threat to Quaker Houghton's infrastructure, operations, and personnel safety. Weather-related events may lead to costs in the form of physical damage to facilities, as well as business interruptions to our manufacturing process. Severe weather events could create unsafe working conditions, and in response, there may be increased work stoppages. Changes in chronic hazards, such as extreme heat and drought, could put a strain on access to electricity and water, potentially leading to increased operating costs. Physical climate risks in regions where our suppliers operate can disrupt the supply chain, affecting the availability and costs of raw materials.</p> <p>Transition Risks and Opportunities Policy and legal risk, such as carbon pricing schemes enacted in countries where Quaker Houghton produces, and market risks, like volatility in raw material pricing, were identified as the most pertinent transition risks. These risks could impact our operating expenses, revenues, capital expenses and financing options. Identified opportunities include increased demand for our products in developing markets, such as supporting the transition from internal combustion engine (ICE) vehicles to electric vehicles, and improving our processes to be more energy and water efficient.</p> <p>We are currently developing the strategy for circulating the results of the scenario analysis with our leadership teams and discussing our approach to material risks and opportunities.</p>

RECOMMENDATION	RESPONSE
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RISK MANAGEMENT	
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<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p> <p>a. Describe the organization's processes for managing climate-related risks.</p> <p>b. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>As part of the scenario analysis, physical and transition risks were assessed to determine our exposure to climate-related risks. In line with TCFD recommendations, potential acute and chronic hazards were reviewed to identify physical risks that could impact our operations. The physical risk analysis was conducted using two warming scenarios issued by the Intergovernmental Panel on Climate Change. The low warming scenario, referred to as SSP1-2.6, assumes mean global temperature rise remains below a 2°C increase by the end of the century. In contrast, the higher warming scenario, SSP3-7.0, depicts a trajectory in which the global temperature rises 4°C and climate impacts are heightened.</p> <p>Risks pertaining to policy, legal, market, technology, and reputational matters were assessed to identify climate-related transition risks and opportunities. The transition risk analysis was conducted with two scenarios from the International Energy Agency's World Energy Outlook. The Stated Policies Scenario (STEPS) results in an expected temperature rise of around 2.5°C, and the Announced Pledges Scenario (APS) results in an expected temperature rise of around 1.7°C.</p> <p>Climate-related risks are also included in our enterprise risk management process. Annually, Quaker Houghton's Risk Manager engages with our leaders and the heads of our businesses to identify what they consider to be our company's key risks. They further quantify how severe those risks are and prioritize them. Climate-specific impacts have been identified as part of this process.</p> <p>Quaker Houghton has a long history of implementing programs and processes to manage our GHG emissions, water use, and waste—which are closely related to the risks and opportunities identified during the scenario analysis. Please read more about these efforts in the Protecting Our Planet section of this report. Following the outputs of the scenario analysis, our next steps include planning and strategizing our corporate approach for programs that may address specific climate-related risks.</p>
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METRICS AND TARGETS	
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<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p> <p>a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</p> <p>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>Quaker Houghton's Scope 1 and 2 GHG emissions, as well as other relevant environmental metrics related to water, energy, and waste management, are included in the 2023 Data Tables in this report. We monitor these metrics as indicators of our overall environmental performance—and as indicators of our ability to mitigate our contributions to climate change (emissions) and the physical impacts of climate change (water, etc.). We aim to complete a Scope 3 GHG emissions assessment by 2025.</p> <p>We have also established a series of sustainability goals—many of which relate to climate-related impacts. These targets include:</p> <ul style="list-style-type: none"> • By 2030, achieve carbon neutrality in our global operations. • By 2030, set science-based targets to achieve net zero greenhouse gas (GHG) emissions across our value chain by 2050. • By 2030, reduce waste to landfill, hazardous waste, and water consumption per revenue (\$) by 20% each. <p>Please read more about our 2030 goals in the Our Vision, Pillars, and Progress Against Our Goals section of this report.</p>
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2023 Data Tables

STANDARD	DESCRIPTION	FY21	FY22	FY23
GENERAL DISCLOSURES				
GRI 2-7 Employees ¹	Total number of employees	4,700	4,600	4,400
	Female	1,081	1,083	1,053
	Male	3,619	3,509	3,321
	Not specified	-	8	26
	Americas	1,927	1,897	1,840
	APAC	1,128	1,090	1,095
	EMEA	1,645	1,613	1,465
	Total number of permanent employees	-	4,550	4,300
	Female	-	1,064	1,040
	Male	-	3,478	3,236
	Not specified	-	8	24
	Americas	-	1,885	1,825
	EMEA	-	1,579	1,456
	APAC	-	1,086	1,019

¹ All employee data listed in GRI 2 is rounded.

STANDARD	DESCRIPTION	FY21	FY22	FY23
GRI 2-7 Employees ¹	Total number of temporary employees	-	50	100
	Female	-	22	14
	Male	-	28	84
	Not specified	-	-	2
	Americas	-	6	19
	APAC	-	42	13
	EMEA	-	2	68
	Total number of non-guaranteed employees	-	N/A	N/A
	Total number of full-time employees	4,447	4,400	4,250
	Female	973	976	972
	Male	3,474	3,417	3,255
	Not specified	-	7	23
	Americas	-	1,862	1,852
	APAC	-	1,066	1,366
	EMEA	-	1,472	1,033

¹ All employee data listed in GRI 2 is rounded.

STANDARD	DESCRIPTION	FY21	FY22	FY23
GRI 2-7 Employees ¹	Total number of part-time employees	253	200	150
	Female	108	126	103
	Male	145	72	46
	Not specified	-	2	1
	Americas	-	28	7
	APAC	-	8	5
	EMEA	-	164	138
MANAGING OUR WATER RESPONSIBLY				
SASB RT-CH-140a.1 Water management	Total water withdrawal from all areas ²	349 ML	332 ML	355 ML
GRI 303-3 Water Withdrawal	Total water withdrawal from all areas with water stress ³	41%	**40%	38%
SASB RT-CH-140a.1 Water management	Total water consumed (m ³)	-	-	355,000
GRI 303-5 Water Consumption				
SASB RT-CH-140a.2 Water management	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	2	4	5
REDUCING OUR GREENHOUSE GAS EMISSIONS				
GRI 302-1 Energy consumption within the organization	Total fuel consumption within the organization from non-renewable sources (MJ)	-	-	387,000,000 MJ ⁴
RT-CH-130a.1 Energy consumption within the organization				

¹ All employee data listed in GRI 2 is rounded.

² We do not currently track the breakdown of water withdrawal by source type.

³ Percentage of water withdrawal in regions with high or extremely high water stress per the [Aqueduct Water Risk Atlas](#).

⁴ Fuel types include byproduct fuel, diesel, liquified petroleum gas, natural gas. We do not currently track fuel from renewable sources.

STANDARD	DESCRIPTION	FY21	FY22	FY23
GRI 302-1 Energy consumption within the organization	Total energy consumed (MJ)	-	-	518,000,000 MJ
RT-CH-130a.1 Energy consumption within the organization	Percentage of grid electricity	-	-	25%
	Percentage of renewable	-	-	11%
	Total self-generated energy	-	-	0.13%
GRI 302-3 Energy intensity	Energy intensity ratio (energy within the company per \$1000 revenue)	-	-	266 MJ per \$1,000 revenue (\$)
GRI 305-1 Direct (Scope 1) GHG emissions	Gross direct (Scope 1) GHG emissions (CO ₂ equivalents)	23,000 MT	25,000 MT	25,000 MT ⁵
SASB RT-CH110a.1 Gross global Scope 1 emissions	Gases included in calculation	CO ₂ , CH ₄ , N ₂ O, CO ₂ e	CO ₂ , CH ₄ , N ₂ O, CO ₂ e	CO ₂ , CH ₄ , N ₂ O, CO ₂ e
GRI 305-2 Energy indirect (Scope 2) GHG emissions	Gross location based indirect (Scope 2) GHG emissions (CO ₂ equivalents)	12,000 MT	13,000 MT	14,000 MT ⁶
	Gases included in calculation	CO ₂ , CH ₄ , N ₂ O, CO ₂ e	CO ₂ , CH ₄ , N ₂ O, CO ₂ e	CO ₂ , CH ₄ , N ₂ O, CO ₂ e
GRI 305-4 GHG emissions intensity	GHG emissions intensity ratio	-	-	0.02 MT CO ₂ e per \$1,000 revenue (\$) ⁷
MINIMIZING OUR WASTE				
306-3 Waste generated	Amount of waste to landfill generated	-	2,000 MT ⁸	2,000 MT ⁸
GRI 306-4 Waste diverted from disposal	Amount of hazardous waste generated	6,000 MT ⁸	6,000 MT ⁸	6,000 MT ⁸
SASB RT-CH-150a.1 Hazardous waste management	Amount of hazardous waste recycled	-	2,000 MT ⁸	2,000 MT ⁸
	Percentage of hazardous waste recycled	20%	40%	41%

⁵ Scope 1 emissions account for 64% of total measured emissions.

⁶ Factors impacting this increase include acquisitions into our scope and an increase in emission factors for some countries, according to our emission factor sources (EPA and IEA), which in turn increase emissions for plants located in those countries.

⁷ Included in the value is emissions from fuel and electricity consumption within the organization.

⁸ Quaker Houghton tracks hazardous waste generated, hazardous waste recycled, and waste to landfill. This data was requested from each site with the guidance to follow their local legislation's definition of hazardous waste. At this time, we do not track waste diverted from disposal. This data is rounded.

STANDARD	DESCRIPTION	FY21	FY22	FY23
EMPOWERING OUR COLLEAGUES TO LIVE SAFE				
SASB RT-CH-320a.1 Workforce health and safety	Total Recordable Incident Rate (TRIR) for direct and contract employees	0.33	0.32	0.37
	Fatality rate for direct employees	0	0	0
	Fatality rate for contract employees	0	0	0
	# of fatal accidents	-	-	0
SASB RT-CH-540a.1 Operational safety, emergency preparedness and response	Process Safety Incidents Count (PSIC) ⁹	1	0	0 ¹⁰
	Process Safety Total Incident Rate (PSTIR) ⁹	0.08	0	0
	Process Safety Incident Severity Rate (PSISR) ⁹	0.16	0	0
SASB RT-CH-540a.2 Operational safety, emergency preparedness and response	Number of transport incidents ⁹	6	9	11
INVESTING IN OUR PEOPLE'S GROWTH AND DEVELOPMENT				
GRI 401-1 (a) New employee hires	Total number of hires	-	-	568
	Female (global)	-	-	148
	Male (global)	-	-	395
	Gender not specified (global)	-	-	25
	Under 30 years old (global)	-	-	196
	30-50 years old (global)	-	-	297
	Over 50 years old (global)	-	-	74

⁹ 2021 is representative of U.S. data only. 2022 and 2023 is global.

¹⁰ There were zero tier I events and two tier II PSE events in 2023.

STANDARD	DESCRIPTION	FY21	FY22	FY23
GRI 401-1 (a) New employee hires	White ¹¹	-	-	95
	Black or African American ¹¹	-	-	39
	Asian ¹¹	-	-	4
	Two or more races ¹¹	-	-	31
	American Indian or Alaska Native ¹¹	-	-	0
	Native Hawaiians and Other Pacific Islanders ¹¹	-	-	1
	Hispanic or Latino (any race) ¹¹	-	-	8
	Race not specified ¹¹	-	-	9
	Americas	-	-	320
	EMEA	-	-	62
	APAC	-	-	186
	GRI 401-1 (a) New employee hires	Rate of hire in each of the following diversity categories:		
Female (global)		-	-	26%
Male (global)		-	-	70%
Gender not specified (global)		-	-	4%
Under 30 years old (global)		-	-	35%
30-50 years old (global)		-	-	52%
Over 50 years old (global)		-	-	13%
White ¹¹	-	-	51%	

¹¹ Diversity data is representative of U.S. only.

STANDARD	DESCRIPTION	FY21	FY22	FY23
GRI 401-1 (a) New employee hires	Black or African American ¹¹	-	-	21%
	Asian ¹¹	-	-	2%
	Two or more races ¹¹	-	-	17%
	American Indian or Alaska Native ¹¹	-	-	0%
	Native Hawaiians and Other Pacific Islanders ¹¹	-	-	1%
	Hispanic or Latino (any race) ¹¹	-	-	4%
	Race not specified ¹¹	-	-	5%
	Americas	-	-	56%
	EMEA	-	-	11%
	APAC	-	-	33%
GRI 401-1 (b) Employee turnover	Total number of turnovers	-	-	693
	Female (global)	-	-	151
	Male (global)	-	-	534
	Gender not specified (global)	-	-	8
	Under 30 years old (global)	-	-	156
	30-50 years old (global)	-	-	383
	Over 50 years old (global)	-	-	153
	White ¹¹	-	-	100
	Black or African American ¹¹	-	-	29

¹¹ Diversity data is representative of U.S. only.

STANDARD	DESCRIPTION	FY21	FY22	FY23
GRI 401-1 (b) Employee turnover	Asian ¹¹	-	-	5
	Two or more races ¹¹	-	-	18
	American Indian or Alaska Native ¹¹	-	-	0
	Native Hawaiians and Other Pacific Islanders ¹¹	-	-	1
	Hispanic or Latino (any race) ¹¹	-	-	12
	Race not specified ¹¹	-	-	1
	Americas	-	-	314
	EMEA	-	-	283
	APAC	-	-	96
GRI 401-1 (b) Employee turnover	Rate of turnover in each of the following diversity categories:			
	Female (global)	-	-	22%
	Male (global)	-	-	77%
	Gender not specified (global)	-	-	1%
	Under 30 years old (global)	-	-	23%
	30-50 years old (global)	-	-	55%
	Over 50 years old (global)	-	-	22%
	White ¹¹	-	-	60%
	Black or African American ¹¹	-	-	17%
Asian ¹¹	-	-	3%	

¹¹ Diversity data is representative of U.S. only.

STANDARD	DESCRIPTION	FY21	FY22	FY23
GRI 401-1 (b) Employee turnover	Two or more races ¹¹	-	-	11%
	American Indian or Alaska Native ¹¹	-	-	0%
	Native Hawaiians and Other Pacific Islanders ¹¹	-	-	1%
	Hispanic or Latino (any race) ¹¹	-	-	7%
	Race not specified ¹¹	-	-	1%
	Americas	-	-	45%
	EMEA	-	-	41%
	APAC	-	-	14%
GRI 404-1 Average hours of training per year per employee	Average hours of training that the organization's employees have undertaken	5	5	4
	Female	4	5	5
	Male	7	6	4
	Management	5	1	7
	Professional	11	6	5
	Technical	2	3	2
	Support	2	3	2

¹¹ Diversity data is representative of U.S. only.

STANDARD	DESCRIPTION	FY21	FY22	FY23
GRI 404-3 Percentage of new employees receiving regular performance and career development reviews	Percentage of total employees who received a regular performance and career development review ¹²	74%	74%	97%
	Female	29%	29%	25%
	Male	71%	71%	75%
	Management	16%	16%	20%
	Professional	39%	39%	35%
	Technical	12%	26%	37%
	Support	11%		
	Unclassified	22%	12%	8%

EMBRACING DIVERSITY, EQUITY, AND INCLUSION

GRI 405-1 Diversity of governance bodies and employees	Percentage of individuals within the organization's governance bodies in each of the following diversity categories: ¹³			
	Female	17%	17%	18%
	Male	83%	83%	82%
	Under 30 years old	0%	0%	0%
	30-50 years old	0%	0%	0%
	Over 50 years old	100%	100%	100%
	White	-	66%	66%
GRI 405-1 Diversity of governance bodies and employees	Black or African American	-	17%	17%
	Asian	-	17%	17%
	Percentage of women in management	23%	23%	22%

¹² Excludes acquisitions not yet integrated in this process.

¹³ We identify Board members as the governing body.

STANDARD	DESCRIPTION	FY21	FY22	FY23
GRI 405-1 Diversity of governance bodies and employees	Percentage of employees in each of the following diversity categories: ¹⁴			
	Female	23%	24%	24%
	Male	77%	76%	75%
	Under 30 years old	13%	12%	12%
	30-50 years old	58%	58%	57%
	Over 50 years old	29%	30%	30%
	White	-	73%	71%
	Black or African American	-	11%	13%
	Asian	-	5%	5%
	Two or more races	-	4%	5%
	American Indian or Alaska Native	-	<1%	<1%
	Hispanic or Latino	-	5%	5%
Not specified	-	2%	1%	
ENSURING EVERYONE IN THE SUPPLY CHAIN IS TREATED WITH DIGNITY AND RESPECT, CONFIRMING SUSTAINABLE SOURCING OF RAW MATERIALS				
GRI 414-1 New suppliers that were screened using social criteria	Percentage of new suppliers that were screened using social criteria	0%	7%	20%
GRI 414-2 Negative social impacts in the supply chain and actions taken	Number of suppliers assessed for social impacts	8	88	121
	Number of suppliers identified as having significant actual and potential negative social impacts	0	0	0
GRI 308-1 New suppliers that were screened using environmental criteria	Percentage of new suppliers that were screened using environmental criteria	0%	7%	20%

¹⁴ Diversity data is representative of U.S. only.

STANDARD	DESCRIPTION	FY21	FY22	FY23
GRI 308-2 Negative environmental impacts in the supply chain and actions taken	Number of suppliers assessed for environmental impacts	8	88	121
	Number of suppliers identified as having significant actual and potential negative environmental impacts	0	0	0
MINIMIZING HAZARDS IN OUR PORTFOLIO				
GRI 416-1 Assessment of the health and safety impacts of product and service categories	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement ¹⁵	100%	100%	100%
SASB RT-CH-410b.1 Safety and environmental stewardship of chemicals	Percentage of finished goods that contain Globally Harmonized System of Classification and Labelling of Chemicals (GHS) Category 1A/B Health and Environmental Hazardous Substances ¹⁶	1.7%	2.2%	1.2%
	Percentage of such products that have undergone a hazard assessment ¹⁷	100%	100%	100%
FORMULATING WITH RENEWABLE RAW MATERIALS				
GRI 301-2 Recycled input materials used	Percentage of recycled input materials used to manufacture the organization's primary products and services ¹⁸	6%	7%	7%
VOLUNTARY DISCLOSURES				
QMS Certifications	Percentage of ISO 9001 Certifications ¹⁹	-	-	100%
EMS Certifications	Percentage of ISO 14001 Certifications ²⁰	-	-	100%
	Percentage of RC 14001 Certifications ²¹	-	-	25%
	Percentage of ISO 45001 Certifications ²²	-	-	57%

¹⁵ Product Stewardship classifies 100% of Quaker Houghton finished goods using GHS (Globally Harmonized System of Classification and Labelling of Chemicals). Depending on the classification, projects are defined to either rationalize those finished goods, reformulate them, or ensure that EHS precautions can be taken by our customers and at our own plant sites.

¹⁶ These figures represent the volume of finished goods newly classified for category 1 A/B (Not including Category 2 and Carcinogens, Mutagens, and Reproductive Hazards in Category 1 A/B that were tested by oral route of exposure) introduced in the calendar year that are applicable for professional or industrial applications. As a result of new classifications in 2022, our number increased.

¹⁷ 100% of all Quaker Houghton products (including GHS Category 1 and 2 Hazardous Substances) have undergone a hazard assessment as part of the Quaker Houghton product stewardship program when we generate safety data sheets. Once a new formula is introduced, revised, or if new relevant information is received, we update all hazard assessments.

¹⁸ Data represents global usage of reclaimed and re-refined oil.

¹⁹ This percentage includes global manufacturing sites.

²⁰ This percentage includes non-U.S. Manufacturing sites.

²¹ This percentage includes U.S. Manufacturing sites.

²² This percentage includes non-U.S. Manufacturing sites.

Forward Together™

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