SUSTAINABILITY REPORT 2025

ENVALIOR CARES

Envalior
Imagine the Future

ENVALIOR CARES

LOW CARBON • SUSTAINABLE RESOURCES • SOCIAL RESPONSIBILITY

Envalior CARES is our company–wide sustainability strategy that provides a clear overarching framework for how we take responsibility and shape long–term development as a company.

Built on the three pillars **Low Carbon, Sustainable Resources,** and **Social Responsibility,** it guides how sustainability targets and actions are defined, implemented, and monitored across the company.

CONTENT

01 COMPANY

MOVING FORWARD TOGETHER.

Calum MacLean
CEO

Roberto Gualdoni
Chairman of the Shareholders' Committee

A LONG-TERM VISION *FOR ENVALIOR*

ENVALIOR CARES

> « We are building Envalior for the long term — a company in which sustainability will remain at the core of how we innovate, strengthen resilience, and create lasting value. »

Raising the standard

Envalior is entering a defining phase where disciplined execution, consistency, and accountability set the pace for long-term success. Built on strong foundations, we have established a leading position in Engineering Materials. We are now focused on what comes next: strengthening resilience and delivering sustainable, lasting performance.

Sustainability is not an add-on — it is embedded in how we think, decide, and act. It shapes how we manage risk, measure performance, and create value. In a world of rising expectations, we are combining operational excellence with a clear commitment to responsible business conduct.

Driving accountability and transparency

Ambition alone is not enough. What matters is turning ambition into measurable impact. We are embedding sustainability deeper into our governance and reporting, ensuring progress is clear, accountable, and continuously improving.

This Sustainability Report reflects that mindset by offering transparency, sharpening our focus, and reinforcing our commitment to deliver. Because trust is built on clarity, and clarity drives long-term value.

Thriving through collective effort

Our progress is powered by people. Across Envalior, employees, management, and partners are driving our ambitions forward every day. I extend my sincere thanks to everyone who contributes to this, and to our customers and shareholders for their continued trust.

We are building Envalior for the long term as a company defined by performance, responsibility, and the ability to adapt and lead in a changing world. Sustainability will remain at the core of how we innovate, strengthen resilience, and create lasting value.

Roberto Gualdoni
Chairman of the Shareholders' Committee

TURNING AMBITION *INTO PERFORMANCE*

ENVALIOR
CARES

« Sustainability is not a separate agenda for us — it is how we run our business. »

What defines Envalior's approach to sustainability?

Sustainability is not a separate agenda for us — it is how we run our business. Our ambition is clear: to deliver Sustainable and High-Performance Engineering Materials that help customers reduce time, risks, costs and CO_2 by providing material solutions that make their applications smarter, safer, lighter, longer-lasting, and more sustainable. At the same time, we are systematically reducing our environmental footprint and strengthening our social and governance standards.

With Envalior CARES, we have a focused framework to drive this progress, built on three pillars: Low **CA**rbon, Sustainable **RE**sources, and **S**ocial Responsibility. Our priority is execution by improving efficiency, reducing emissions, and scaling more sustainable solutions across our portfolio.

Where do you see the strongest progress?

We are moving from ambition to measurable results. Our targets — including a 35% reduction of Scope 1 and 2 emissions by 2030 and the transition to 100% renewable electricity — are backed by concrete actions. At the same time, we are accelerating efforts to defossilize our value chain. Real impact goes beyond our own operations, and collaboration is key.

Progress is also reflected in how we operate. Strong governance, clear standards of conduct, and a continued focus on human rights, health and safety, and employee wellbeing ensure that performance and responsibility go hand in hand.

What does this mean for the road ahead?

Sustainability is becoming a key driver of competitiveness and innovation. We see this as an opportunity to differentiate, to strengthen our position, and to build a business that is resilient and future-oriented.

I am convinced that our ability to combine performance with responsibility will define our long-term success and that we will measure ourselves against clear targets and tangible outcomes.

Calum MacLean
CEO

ENVALIOR – *GLOBAL TO LOCAL FOOTPRINT*

Envalior combines global scale with a strong local presence to deliver material solutions tailored to regional customer needs. The company operates a global network of 18 production sites, 12 R&D Centers, and multiple sales offices across several continents to serve customers anywhere and anytime.

- Headquarters
- Research and Development Centers
- Production sites

2.7 bn €
total revenue

>4,000
highly engaged employees

+100
years of combined heritage

30
production sites and R&D Centers

ENVALIOR – *FACTS & FIGURES* 2025

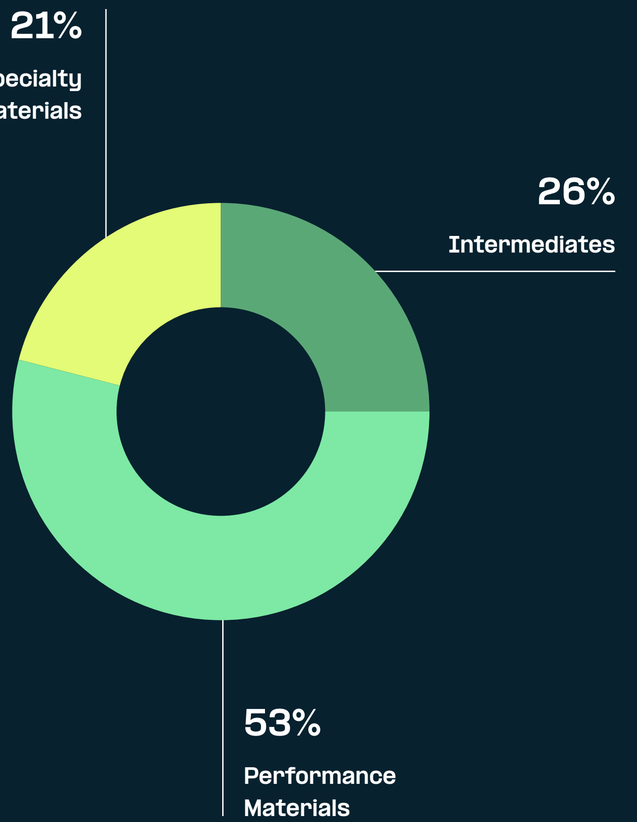
GOLD | Top 5%
ecovadis
Sustainability Rating
SEP 2025

Recognized with an EcoVadis Gold Medal – placing Envalior among the top 5% of all assessed companies and the top 3% within our industry.

Greenhouse gas emissions

Scope 1 emissions	**261,201** t CO_2e
Scope 2 emissions (market–based)	**115,313** t CO_2e
Scope 2 emissions (location–based)	**220,679** t CO_2e
Scope 3 emissions	**6,276,977** t CO_2e

Revenue split per division



55
nationalities across 18 countries

30%
of women in our Executive Leadership Team (ELT)

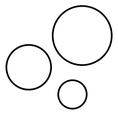
68%
of employees covered by Collective Labor Agreement (CLA) or Collective Bargaining Agreement (CBA)

0.37
total recorable injury rate for our own employees and contractors*

* per 100 employees/200,000 working hours

WHY ENVALIOR?

Envalior develops and produces Sustainable and High–Performance Engineering Materials. We do this in co–development with our customers and value chain partners throughout the entire development process, from concept design to full–scale production. The combination of a broad global portfolio, local Research & Development (R&D), and compounding capabilities enables us to provide high–quality and circular material solutions – from standard to tailored – delivered precisely where and when they are needed.



One of the broadest portfolios in the industry

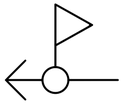
We develop and manufacture Engineering Materials, including Performance Materials such as PA6, PA66, and PBT, produced at scale and supported by robust and resilient value chains. Our Specialty Materials include PA46, PPS, TPC (TPE–E), PET, PA4T, and PA410, as well as thermoplastic composites designed to meet the most challenging application requirements.

Global to Local footprint

We combine global scale with a strong local presence to deliver material solutions tailored to regional customer needs. We operate a global network of 18 production sites, twelve Research and Development Centers, and multiple sales offices across several continents, enabling us to serve customers anywhere and anytime.

Integrated development services

We co–develop with customers and value chain partners throughout the development process, from initial concept design to production optimization. This approach ensures that customer applications are optimized at every stage to reduce time, risk, cost, and environmental impact.



Backward integrated

We benefit from backward integration through our in–house production of key raw materials, including caprolactam. This strengthens quality consistency, improves security of supply, and accelerates innovation across the value chain.

Sustainability at the core

Our bio–based and recycled materials – like Pocan M–XB, Durethan P–R2, Stanyl B–MB, and Durethan M–R1 – help reduce CO_2e footprints.

Material expertise and application know–how

We help customers solve complex challenges by delivering fit–for–purpose material solutions, combining deep materials science expertise with proven and creative engineering.

OUR *KEY PRODUCT* BRANDS

INTERMEDIATES AND PERFORMANCE MATERIALS

Durethan® (PA6)

A versatile polyamide 6 (PA6) portfolio offering an excellent balance of strength, toughness, surface quality, and processability. Widely used in automotive, industrial, electrical, and consumer applications, including structural components, housings, cooling system parts, battery housings, and charging infrastructure.

Akulon® (PA66)

A high-performance polyamide 66 (PA66) portfolio known for its strength, stiffness, wear resistance, and thermal performance. Used in demanding automotive, electrical, and industrial applications such as air intake manifolds, gears, connectors, cable ties, and structural components.

Pocan® (PBT)

A high-performance portfolio of PBT and PBT blends offering excellent dimensional stability, electrical insulation, and chemical resistance. Commonly used in connectors, sensor housings, switches, LED components, automotive electronics, and appliance enclosures.

Novamid® (PA6/PA66)

A specialty polyamide portfolio based on PA6, PA66, and copolyamide technologies designed to extend performance beyond standard polyamides. Available with customized combinations of mechanical, thermal, transparency, flexibility, and processing properties.

SPECIALTY MATERIALS

Stanyl® (PA46)

A high-performance PA46 designed for demanding applications exposed to elevated temperatures and mechanical loads. Commonly used in automotive powertrain components, gears, fast-charging connectors, and miniaturized electronics. Also available as bio-based mass balancing solution (B-MB).

ForTii® (PA4T PPA)

A high-temperature polyphthalamide developed for advanced electronics and electrification applications. It delivers excellent thermal stability, dimensional accuracy, and reliability in SMT connectors, busbars, charging systems, and power electronics.

EcoPaXX™ (PA410)

A bio-based high-performance polyamide that combines strength, chemical resistance, and dimensional stability with a reduced environmental footprint. Used in automotive fluid systems, consumer goods, industrial equipment, and food-contact applications.

Arnitel® (TPC/TPE-E)

A thermoplastic copolyester elastomer combining rubber-like flexibility with thermoplastic processing advantages. It offers excellent fatigue resistance and durability for applications such as air ducts, tubing, cable jacketing, wearables, and medical devices.

Arnite® A (PET)

A high-performance PET engineering plastic offering high strength, rigidity, dimensional stability, and electrical insulation. Typical applications include connectors, sensor housings, appliance components, and lightweight structural parts.

Xytron™ (PPS)

A high-performance PPS portfolio engineered for demanding chemical and thermal environments. It is widely used in electric vehicle components, power electronics, pumps, valves, and high-temperature connectors.

Tepex® (Composites)

A portfolio of continuous fiber-reinforced thermoplastic composites enabling lightweight structural solutions with high strength and stiffness. Typical applications include lightweight metal replacements, structural parts, and thin-walled components in a variety of industries like automotive, aviation, and consumer goods.

OUR SUSTAINABLE *PORTFOLIO*

Recycled Materials

At Envalior, we believe high performance and sustainability go hand in hand. Our recycled materials are made from mechanically or chemically processed plastic wastes like used fishing nets, mixed plastics waste or end–of–life tires and developed to meet strict, demanding technical, regulatory, and environ–mental standards. Besides pre–consumer materials, we place a strong focus on sourcing feedstocks and raw materials derived from post–consumer waste, helping to give these materials a second life. Using ISCC PLUS–certified mass–balancing or direct dosing of mechanical recyclates, we incorporate recycled content directly into our production processes while maintaining consistent product quality. This allows our customers to reduce their environmental footprint and contribute to a more circular economy – while continuing to rely on materials they know and trust.

Bio–based Materials

Our bio–based materials are derived from non–food competing renewable resources and biomass, such as castor oil, or biomass wastes and residues, such as Used Cooking Oil (UCO) or tall oil. Either as C14 traceable content or using a certified mass–balance approach, we integrate sustainable feed–stocks into existing production systems with full transparency and traceability. This process results in materials with a lower carbon footprint that meet the same high–performance standards as the fossil–based materials. With our bio–based solutions, customers can take meaningful climate action and support the transition to a fossil–free, future–oriented materials industry.

Further details are provided in the Circularity and Waste chapter.

Castor plant used as a renewable feedstock for bio–based materials.

OLD FISHING NETS *GET A NEW LIFE*

From ocean waste to advanced materials

Plastic waste is widespread in the ocean. It can be found on beaches, in marine animals, and even in the depths of the Mariana Trench. One of the biggest problems is discarded fishing nets, which account for nearly ten percent of all plastics in the world's oceans, according to the United Nations Environment Programme. A recycling initiative from Envalior is working to provide a local solution to this global problem.

An estimated 640,000 tons of fishing nets are left in the ocean annually. These abandoned nets constitute one of the largest sources of polyamide waste in marine environments.

Most fishing nets are made from high–viscosity Polyamide 6 (PA6), which can be recycled into PA6 granules. These recycled granules can then be compounded with reinforcing agents and performance–enhancing additives to meet the requirements of various applications.

Recycling fishing nets may appear straight–forward, but it is a complex process. The collection and processing of fishing nets present logistical challenges, fishing gear is often heavily contaminated, and the material can be degraded due to prolonged exposure to seawater and sunlight. As a result, recycling requires a multi–step process.

Successfully addressing these challenges represents a major achievement of Envalior's recycling program. Around 2,000 tons of fishing nets are collected and pretreated annually in India by a supplier, with sourcing activities covering the country's coastal regions. At the same time, the program has created 300 jobs along the local value chain.

Discarded fishing nets are brought into a circular economy. By collecting these nets, Envalior gives workers in the fishing industry a reason not to dispose of used nets in the water, contributing to cleaner oceans and coastlines. The recycling program also supports long–term employment in the region, as reliable supply sources are required. This process results in Durethan® P25–95R2, a compound made from at least 30 to 95% recycled PA6 with a performance profile close to that of virgin material.

For more details on the topic please refer to our website.

ECOPAXX®: *THE GREEN PERFORMER*

Performance and sustainability are crucial priorities in plastics. Envalior offers a compelling solution with EcoPaXX®, a bio–based polyamide derived from castor oil that meets demanding technical requirements while supporting customers in achieving their sustainability goals.

Since its launch in 2009, EcoPaXX® continues to show that strong material performance and sustainability go hand in hand. This bio–based polyamide was designed to meet customer requirements while helping reduce the product's carbon footprint. A key factor is its raw material base: EcoPaXX® PA410 is derived from castor oil, a plant–based feedstock that provides a key chemical building block needed for the material's high–performance properties.

The castor oil content ensures that EcoPaXX® is around 70% bio–based. An even higher share is possible through a certified mass–balance approach for the C4 building block, further strengthening the material's renewable content and lowering the carbon footprint.

The material combines strong thermal and mechanical performance with properties that support reliable use in demanding applications. Low moisture uptake contributes to dimensional stability, high chemical resistance, and higher dielectric strength than many short–chain polyamides. At the same time, the material meets a broad range of regulatory and functional requirements, including suitability for drinking water applications, availability in halogen–free flame–retardant grades from V0 to V2, and approval for food contact.

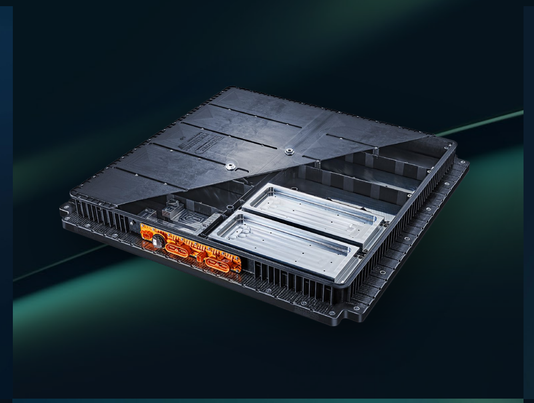
Its low–friction properties and potential for compact component design further contribute to reducing greenhouse gas emissions. Additionally, its resistance to wear, abrasion, and chemicals can help extend product lifetimes. In various applications, the potential for weight reduction, more resource–efficient part designs, and low oligomer content further support more sustainable products and production.

As a result, EcoPaXX® has become a reliable material choice for automotive, consumer goods, and general industrial manufacturing, with applications ranging from conveyor belts and gears to expansion tanks and kitchen utensils.

For more details on the topic please refer to our website.

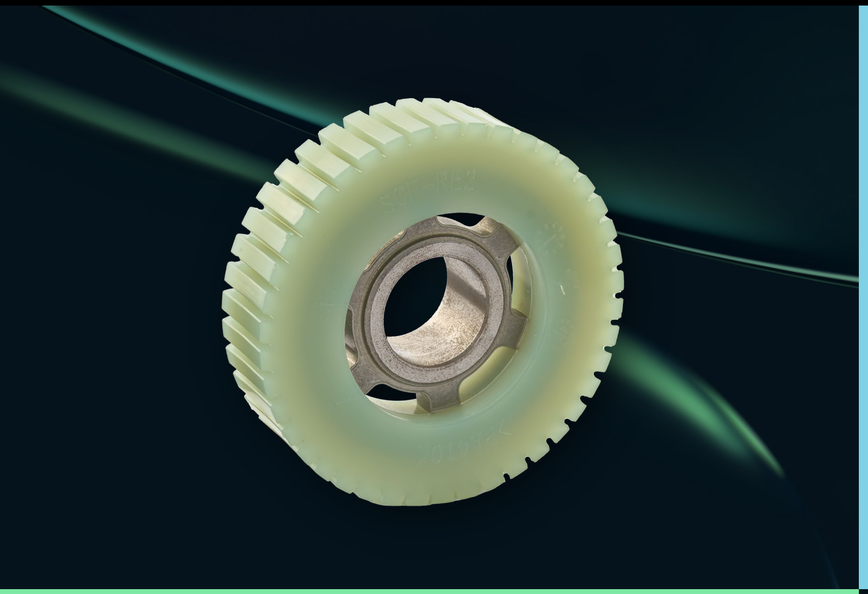
MAKING APPLICATIONS SMARTER, SAFER, SMALLER, LIGHTER, *LONGER–LASTING, AND MORE SUSTAINABLE*








Through our broad portfolio of Engineering Materials and collabora–tive Integrated Development Services, we help customers reduce time, risk, costs, and Product Carbon Footprint by making their products smarter, safer, smaller, lighter, longer–lasting and more sustain–able. We engineer diverse applications ranging from snowboard bindings to state–of–the–art sports apparel, lightweight car parts to USB connectors.

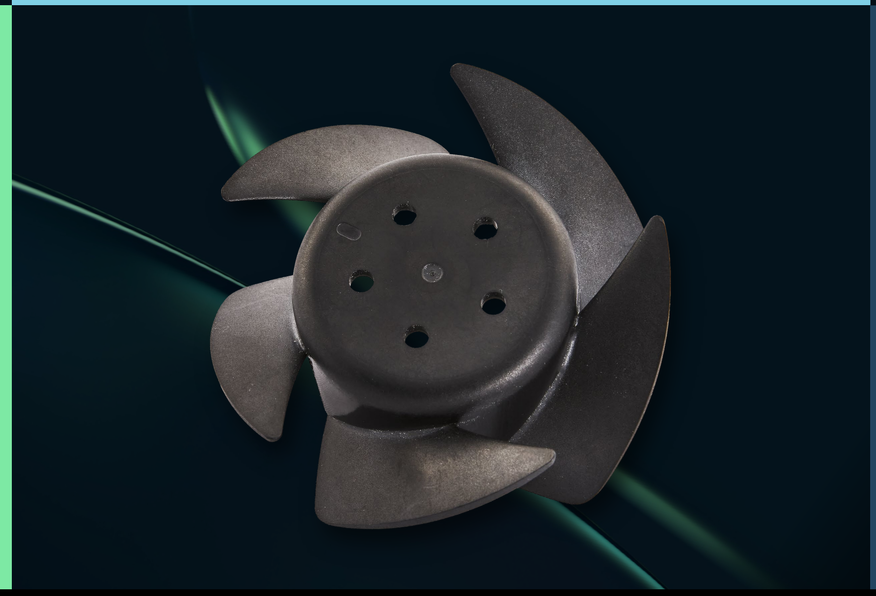


XYTRON™

Thanks to its excellent long–term high–temperature and dimensional stability, Xytron™ PPS ensures durable, energy–efficient cooling for compact, high–integration data centers.

STANYL®

Stanyl® PA46 provides customers a PTFE–free option that offers key tribological properties like low friction, wear resistance, and temperature stability. This allows industries to meet regulatory demands while maintaining high performance.

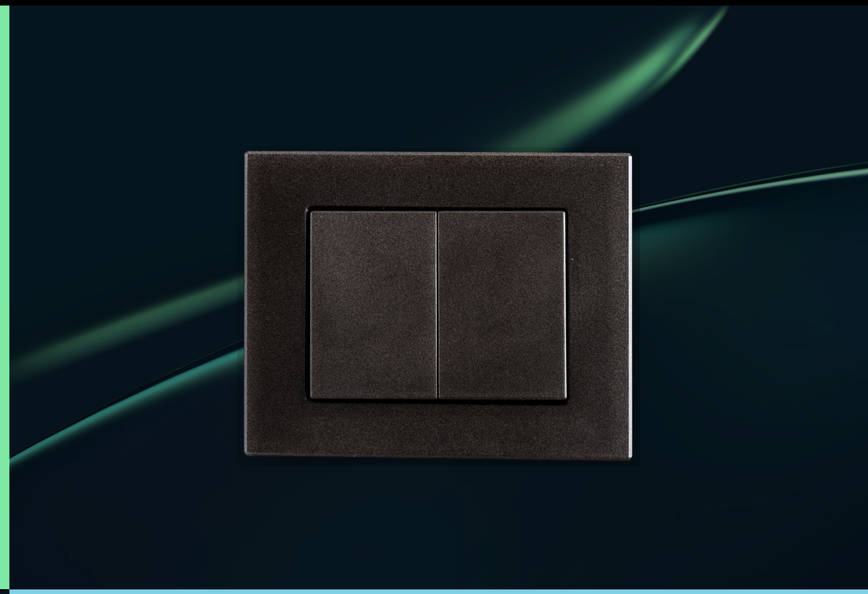


ARNITEL®

Arnitel® used in midsoles outperforms traditional foams, offering sustainable low–carbon options for higher rebound, longer life, and consistent per–formance at record–low weight.

DURETHAN® M–R2

Durethan® PA6 M–R2 derived from recycled feed–stocks (plastic or car tire waste pyrolysis oil) is used in a wide range of electrical applications. Its mate–rial properties support circular economy and the use of recycled resources.



DURETHAN® M–XB

Durethan® M–XB has up to 90% sustainable raw materials and brings outstanding technical and environmental performance to PA6. In snowboard bindings it demonstrates durability in cold tempera–tures, with a carbon footprint reduction of more than 60% in this application.

DURETHAN® P–R2

Durethan® P–R2 is a high–performance PA6 made of discarded fishing nets. It has excellent mechanical properties and durability for demanding applications, e.g., products such as switches and sockets.

02 GENERAL

GENERAL

It is Envalior's firm intention to do what is necessary to make our operations, products, and supply chain as sustainable as possible. This applies especially to the ways in which our business touches on the lives of the people connected to it — no matter in what capacity. We aim to monitor, analyze, and mitigate any potential environmental impacts, aiming for a better future for people and the planet.

TARGETS

Full alignment of sustainability disclosures with the requirements of the **European Sustainability Reporting Standards** (ESRS).

Transparent and consistent **sustainability governance** with clearly defined responsibilities and effective oversight.

ACTIONS

ESG governance structure, consisting of an ESG Board supported by five dedicated Subcommittees.

Regular review and update of the **Double Materiality Assessment** to identify and prioritize material impacts, risks, and opportunities.

Membership in the **United Nations Global Compact since July 2024.**

Dedicated **sustainability strategy** Envalior CARES since 2025.

METRICS

94%

of Envalior's production sites are ISO 14001 (environmental management system) certified.

Top 5%

industry ranking — **EcoVadis Gold Medal** awarded in October 2025 in our first assessment.

83%

of production sites certified under ISCC PLUS, ensuring traceability of bio–based and recycled feedstocks.

BASIS FOR PREPARATION OF THE SUSTAINABILITY REPORT

BP–1

This 2025 Sustainability Report represents Envalior's second year of formal sustainability reporting and has been prepared with particular attention to the November 2025 version of the European Sustainability Reporting Standards (ESRS). Although the report is issued on a voluntary basis, it is structured to address the information needs of our stakeholders and to reflect the increasing regulatory expectations arising from the EU Corporate Sustainability Reporting Directive (CSRD). As a consequence of the CSRD, Envalior GmbH will in future be required to publish an ESRS–compliant Sustainability Report as part of its annual management report. This report was prepared in accordance with ESRS, but selected data points have not yet been fulfilled. Envalior plans to continue advancing its processes and will report on sustainability performance in accordance with ESRS in the coming years.

The reporting period covered is from January 1 to December 31, 2025. This Sustainability Report was published online on June 15, 2026. All content and metrics presented in the report are shared transparently with all employees. Additional details and future updates are available on our corporate website.

The 2025 Sustainability Report has been prepared at group level and follows the same consolidation principles as applied in our consolidated financial statements. All material subsidiaries are incorporated into the sustainability reporting boundary. Only two entities deviate from the scope of the financial statement: DuBay Polymer GmbH (DuBay) and NHU Engineering Materials (Zhejiang) Co., Ltd. (NHU). In the case of Envalior NHU Engineering Materials (Zhejiang) Co., Ltd. (NHU), the consolidated financial statements reflect a 60% share based on financial control, while the Sustainability Report includes NHU at 100%, combining the 60% financial control and an additional 40% resulting from operational control. Under the ESRS, the operational control approach requires full consolidation of entities over which a company has the authority to introduce and enforce operating policies relevant for sustainability matters. While the financial statement considers DuBay at 50%, the Sustainability Report does not consider DuBay at all.

Our Sustainability Report covers our entire value chain – including our own operations, as well as our upstream and our downstream value chain. The value chain was examined in our Double Materiality Assessment to identify impacts, risks, and opportunities. Our policies, actions, and targets extend to tier 1 suppliers in our value chain. When disclosing metrics, we included upstream and downstream value chain data where possible.

Elements of this Sustainability Report have been subjected to external audit in accordance with or in reference to recognized assurance standards to enhance the credibility and reliability of the information presented. At the end of this Sustainability Report, a comprehensive table provides an overview of all KPIs and indicates which of them have been independently assured.

GOVERNANCE

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

GOV–1

Our Executive Leadership Team (ELT) at Envalior has overall responsibility for the group as a whole and consists of seven men and three women, corresponding to a representation ratio of 30% female and 70% male. Their extensive and diverse experience enables the members to effectively oversee and guide key sustainability initiatives. Envalior's Managing Directors have delegated their duties to the ELT within the limits permitted by applicable law.

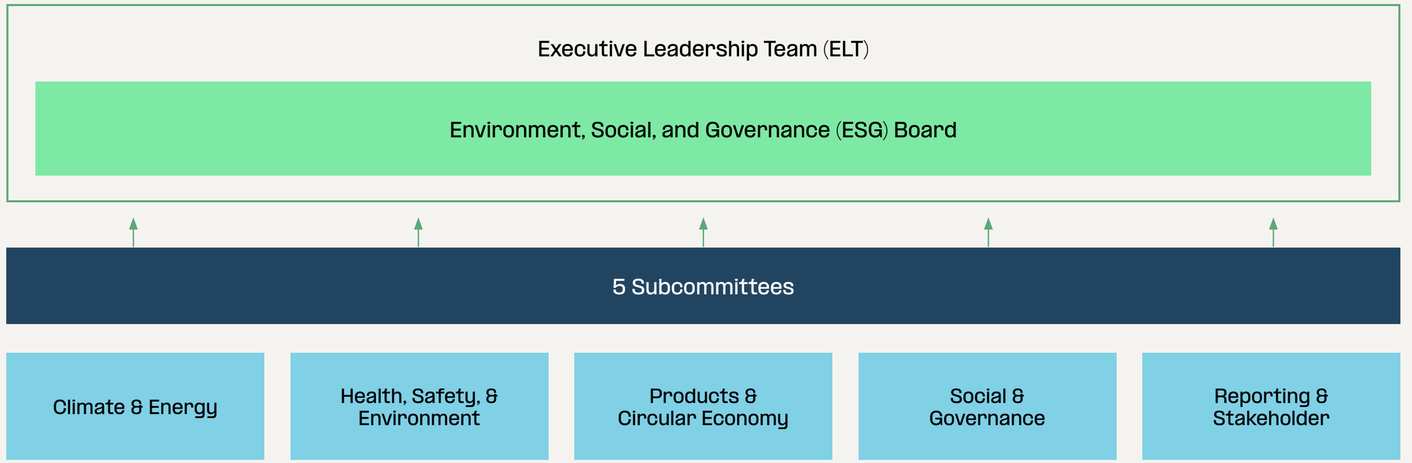
Executive Leadership Team

The ELT ensures that it collectively possesses, or has access to, the skills and expertise needed to develop, implement, and oversee the company's strategy. This includes effective management of its material impacts, risks, and opportunities.

The skills and expertise required to fulfill this derive from our Envalior business model, strategic priorities, and the results of our Double Materiality Assessment. Particular consideration is given to the material sustainability topics that are relevant to the chemical and plastics industry. Our ELT regularly assesses whether the competencies required for steering and overseeing material sustainability topics are in place. The assessment considers the existing expertise within the ELT, the involvement of relevant functions, and – where necessary – targeted capability development measures or external expertise. This collective expertise enables Envalior to integrate sustainability into its business model and steer progress across all operations. Our Chief Human Resources Officer (CHRO) has accountability for people, talent, and workforce–related policies and practices and represents employee interests as part of the ELT and ESG Board in governance bodies.

The Shareholders' Committee is a voluntary corporate body that represents the shareholders and supervises the Management Board, serving as the main decision–making forum for strategic and key operational matters. It consists of five members nominated by the shareholders (three nominated by Advent and two by LANXESS). Among other responsibilities, it approves the business plan

Organization of sustainability governance



as well as the annual budget and takes decisions on defined reserved matters.

Sustainability governance at Envalior is anchored in a two–tier structure. The central governance body is the ESG Board, chaired by the CEO, which convenes four times per year. The ESG Board comprises all ten members of our Executive Leadership Team (ELT) as well as the Vice President Strategy & Transformation, who leads the strategy staff unit (including the sustainability team) and reports directly to the CEO. The ESG Board plays a key role in aligning strategic initiatives and major business decisions with sustainability priorities.

The ESG Board is supported by five cross–functional subcommittees, each dedicated to a specific sustainability topic cluster and headed by at least one ELT member or the Vice President Strategy & Transformation. Subcommittee 1 – Climate & Energy, for example, focuses on reducing greenhouse gas emissions and is backed by a dedicated management team. These subcommittees act as decision–making bodies. Their role is to define targets, monitor progress, and ensure alignment with our sustainability strategy. All decisions are reviewed and approved by the ESG Board. Each subcom–mittee meets four times per year to drive progress and maintain accountability.

ESG SUBCOMMITTEES AND DESIGNATED MATERIAL TOPICS

Subcommittee	Material topics	Executive Leadership Team (ELT) member
Subcommittee 1 – Climate & Energy	• Climate–related risks and opportunities • Decarbonization strategy • Energy efficiency • GHG emission data and reduction (Scope 1 to 3) • Renewable energy	Vice President Strategy & Transformation
Subcommittee 2 – Health, Safety, & Environment	• Occupational health and safety • Resource use (e.g., water, waste, pollution), • Site–related environmental impacts • Substances of concern and substances of very high concern • Sustainable operations	EVP Manufacturing & SHE Excellence
Subcommittee 3 – Sustainable Product & Circular Economy	• Development of circular economy products • Product stewardship implementation • Sustainable product portfolio steering (incl. product roadmaps)	EVP Performance Materials, EVP Specialty Materials
Subcommittee 4 – Social & Governance	• Business conduct • Diversity and equal treatment • Human rights, working conditions • Sustainable procurement • Training and skills development	Chief Human Rights Officer (CHRO), EVP Legal & Compliance
Subcommittee 5 – Reporting & Stakeholder Engagement	• Alignment with legal reporting requirements such as CSRD/ESRS and EU Taxonomy • Initiatives, commitments, certificates • Stakeholder engagement • Sustainability ratings • Sustainability Report	Chief Financial Officer (CFO), Vice President Strategy & Transformation

EVP: Executive Vice President

The corporate sustainability team and other designated functions prepare structured updates on material sustainability impacts, risks, and opportunities (IROs). They also assess the effectiveness of relevant policies, targets, and key performance indicators (KPIs) and update this information. These updates are shared with both the ESG Board and the relevant subcommittees. Subcommittee members include senior experts from different business units and functions, ensuring a holistic and operational perspective.

On top of the ESG committees, Envalior has also established an Ethics Committee that oversees ethical conduct and compliance with relevant regulations. Meeting every three months, the Committee ensures that integrity and accountability remain embedded across all business activities.

SUSTAINABILITY–RELATED INCENTIVE SCHEMES

GOV–2

At Envalior, we have aligned management objectives with global business priorities. These form the basis for annual targets and bonus schemes across all functions and business units. Safety performance is a core component of these objectives and is integrated into the annual bonus system for all management levels, including members of the Executive Leadership Team (ELT). Specific key performance indicators (KPIs) related to people and process safety – such as reductions in recordable incidents – are used to assess performance, and a defined proportion of ELT variable remuneration is linked to achieving these safety–related targets. Progress against these KPIs is regularly monitored and reported to relevant stakeholders, reinforcing accountability, transparency, and alignment with our health, safety, and environment commitments while ensuring that occupational and process safety are incentivized at the highest level.

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

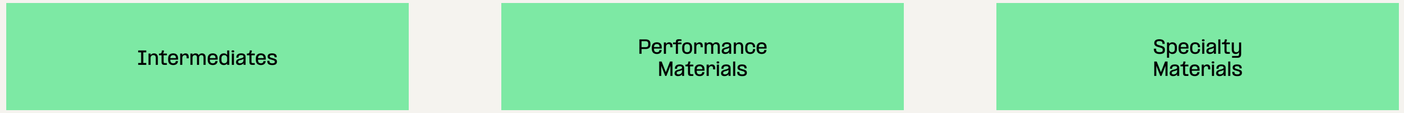
GOV–4

We have established processes at Envalior to regularly identify, review, and manage risks and opportunities. These reviews are conducted at least twice a year and provide assurance that identified risks are addressed through appropriate and practicable mitigating actions, including risks related to sustainability reporting.

The requisite processes have been implemented to ensure the completeness, integrity, and accuracy of our sustainability reporting. We collect sustainability–related data using centrally defined reporting processes covering site–based and aggregated information, including relevant upstream and downstream value chain data. Location–based data is systematically validated using the dual control (four–eyes) principle. Aggregated data and estimation results are subject to plausibility checks performed by experts in the respective subject area in each case. For selected sustainability topics, reported information is reviewed and approved at ELT level, providing additional oversight over data quality and reporting integrity.

STRATEGY

Our divisions across the value chain



STRATEGY, BUSINESS MODEL, AND VALUE CHAIN

SBM–1

Our business model at Envalior centers on the development, production, and supply of Sustainable and High–Performance Engineering Materials for use in various industries globally. We embed this approach across the value chain and achieve our goals by working with partners – raw material suppliers, molders, system suppliers, and original equipment manufacturers (OEMs) – throughout the development process, from material production to parts testing. With our broad, high–quality Performance Materials portfolio and deep technological expertise, we collaborate closely with customers worldwide. Together, we develop new applications that combine high performance and sustainability and respond to the growing demand for smarter, safer, lighter, longer lasting, and more sustainable solutions.

Approximately 4,000 highly engaged employees work at Envalior globally. Our total revenue of 2.7 billion € in 2025 ranks us among the world's top High–Performance Engineering Plastics companies. Our main organizational structure consists of three divisions. The Performance Materials and Specialty Materials divisions create engineering material compounds. These have tailored properties such as mechanical strength, durability, as well as heat and electrical resistance. Many of the world's best–known brands rely on our materials to make components for their high–value products. Our commitment to collaboration and innovation has helped us build lasting relationships with them.

Significant groups of products and services

Intermediates Division

Our Intermediates Division produces key raw materials and polymers, including caprolactam, polyamide base resin, grades for extrusion and injection molding, glass fiber, as well as ammonium sulfate.

One of our key business differentiators at Envalior is our backward integration, enabling consistent material quality, enhanced supply security, and increased resilience to market volatility. This integrated model allows us to maintain strong oversight of our supply chain, while responding effectively to changing customer and regulatory requirements.

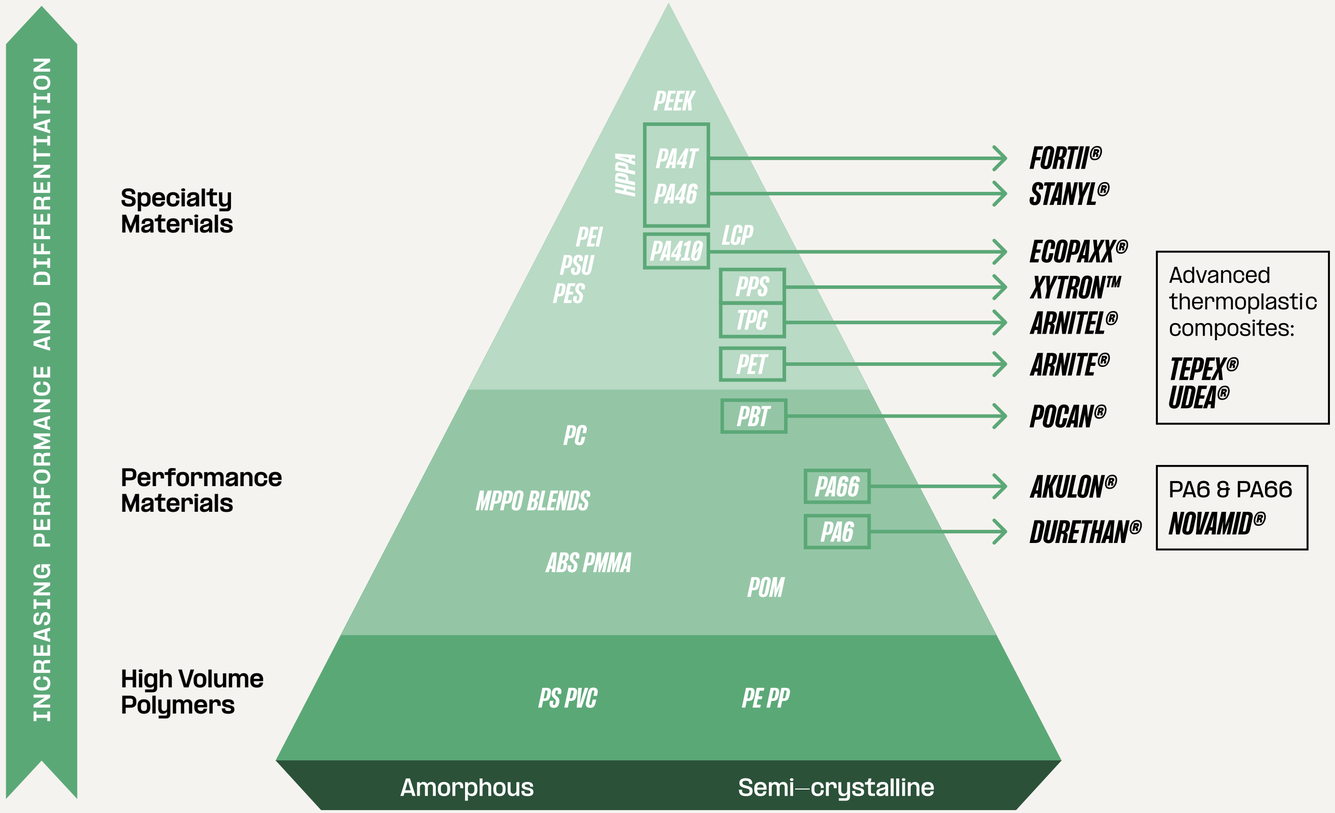
By aligning upstream and downstream capabilities, we can deliver high–performance, more sustainable solutions that meet evolving customer needs. It also enables us to advance sustainability across our upstream value chain. This includes setting clear expectations of suppliers, promoting lower–emission materials and processes, and fostering long–term, collaborative partnerships that support continuous improvement.

In addition to serving internal demand, the Intermediates Division supplies external markets across a wide range of industries. These include food packaging, consumer goods, and agriculture. We assist such customers by providing reliable, high–quality materials that contribute to more sustainable value chains.

Performance Materials Division

Our Performance Materials Division holds a leading global market position in PA6 grades and maintains high relevance in regional markets with PA66 and PBT portfolios. The division's materials enable high–performance solutions across a broad range of sectors, including automotive, electrical and electronics, consumer and industrial goods. End products include charging connectors for electric vehicles, circuit breakers, ski bindings, and components for outdoor power equipment.

Our broad high–performance solutions portfolio



Key product brands:

- **Durethan®** (**PA6**) – Used in demanding automotive, industrial, and consumer applications requiring long–term mechanical performance and dimensional stability. Typical uses include engine covers, air–intake manifolds, structural automotive parts, power tool housings, and e–mobility components such as battery housings and charging infrastructure.
- **Akulon®** (**PA66**) – Applied across automotive, electrical and electronics, and industrial sectors where high strength, thermal stability, and chemical resistance are critical. Common applications include under–the–hood components, high–voltage connectors, cable management systems, gears, and electrical connectors supporting electrification and lightweighting.
- **Pocan®** (**PBT**) – A high–performance thermoplastic used in automotive, electrical and electronics, lighting, and appliances where reliability and consistent processing are essential. Typical uses include connectors, sensor housings, LED lighting components, appliance enclosures, and precision industrial parts.

Specialty Materials Division

Our Specialty Materials Division produces high–performance polymers, compounds, and advanced thermoplastic composites that enable lighter, stronger, more durable, and more sustainable end products. We offer grades based on high–performance polyamides (PAs), thermoplastic polyesters, and PPS.

Key product brands:

- **Stanyl®** (**PA46**) – A high–heat polyamide widely used in automotive powertrain and thermal–management components, as well as in miniaturized electronic connectors such as USB–C and fast–charging connectors. Used in leading consumer electronics brands where heat resistance and reliability are critical.
- **Arnitel®** (**TPC**/**TPE–E**) – A thermoplastic copolyester elastomer used in automotive, electronics, industrial, and consumer markets. Applications include air ducts, boots and bellows, cables, tubes and hoses, medical devices, breathable apparel, and footwear, combining flexibility, durability, and lightweight performance.
- **Xytron™** (**PPS**) – A high–performance plastics compound based on linear polyphenylene sulfide used in electric–vehicle components such as battery modules, power electronics, pumps, and connectors requiring chemical and heat resistance.

- **Tepex® Advanced Thermoplastic Composites** – Organic sheets with long or continuous fiber enabling lightweight structural automotive and mobility parts, including seat structures, front–end carriers, and battery enclosures.

- **High–performance polyamides** ForTii® (PA4T), EcoPaxx® (PA410), and Arnite® A (PET) are used in demanding automotive, electronics, and consumer applications. EcoPaxx® is a bio–based polyamide derived in part from castor oil.

Significant markets and customers

Envalior serves a diverse range of industries, including automotive, electrical and electronics, food packaging, as well as consumer and industrial goods. Our products are used in specialized high–performance applications. Envalior is not active in the fossil fuel, controversial weapons, or cultivation and production of tobacco sectors.

Our sustainability strategy: Envalior CARES

Our sustainability strategy, branded as Envalior CARES, is anchored in three core pillars: Low **CA**rbon, Sustainable **RE**sources, and **S**ocial Responsibility. Capitalizing **CA, RE,** and **S** within the three pillars highlights the acronym **CARES,** and this reinforces the spirit that guides our overarching framework. Each pillar is supported by dedicated strategies, targets, key performance indicators (KPIs), and action plans, reflecting our commitment to integrating sustainability into our business model and value chain. The Envalior CARES Strategy addresses material impacts, risks, and opportunities in many ways, as outlined below.

ENVALIOR
CARES
LOW CARBON • SUSTAINABLE RESOURCES • SOCIAL RESPONSIBILITY

Low carbon ("CA"): Decarbonizing operations

Envalior has developed a comprehensive transition plan that aims to significantly reduce Scope 1 and 2 emissions by 2030, while driving supply chain decarbonization beyond 2030. Detailed information is disclosed in the Climate Change chapter.

Key initiatives include:

- sourcing renewable electricity as part of our renewable electricity plan

- engaging with heat suppliers that use lower–emission technologies and reduce use of fossil–fuel–based energy sources

- implementing abatement measures to reduce direct process emissions through continued investment in innovative technologies

- reviewing and refining long–term climate goals and incorporating material Scope 3 categories in addition to Scopes 1 and 2.

These actions align with the United Nations Sustainable Development Goals (SDGs), particularly SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). We track progress using clear key performance indicators (KPIs) such as the percentage of renewable electricity used and annual GHG emissions reductions.

Sustainable resources ("RE"): Circularity and responsible sourcing

Envalior is expanding its circular portfolio. Our goal is to provide an entire portfolio of bio– and/or recycled–based alternatives by 2030. We are currently building a product range that includes bio–based, mechanically recycled, and chemically recycled grades. These are designed to meet stringent technical and environmental standards. Detailed information is disclosed in the Circularity and Waste chapter.

This approach includes:

- developing High–Performance Engineering Materials from renewable or recycled feedstocks

- helping customers improve applications by material reduction, substitution, and design to improve circularity

- collaborating with suppliers to qualify more sustainably sourced inputs and ensure responsible sourcing practices

- working to align with SDG 12 (Responsible Consumption and Production), as well as other SDGs that touch on circularity.

Social responsibility ("S"): People and partnerships

At Envalior, our commitment to social sustainability is rooted in our core values. We ensure a safe, inclusive, and empowering work environment for all employees while fostering social responsibility across our operations. Key topics include social dialogue and collective bargaining, diversity and equal treatment, health and safety, as well as employee training and development.

Our people strategy emphasizes creating a united culture, empowering employees, and fostering inclusive leadership. In this context, we advance social sustainability by prioritizing employee health and safety (SDG 3) and promoting gender equality and inclusion (SDG 5). As a signatory to the United Nations Global Compact, Envalior supports its ten universal principles and places a particular focus on social wellbeing, employee engagement, awareness programs, and partnerships across our value chain. Actions and initiatives supporting our commitment to social responsibility can be found in the Social chapter.

Our material impacts, risks, and opportunities (IROs) along our value chain

Negative impacts

1 Fossil fuel use drives greenhouse gas emissions
2 CO_2, N_2O, and methane emissions from production drive climate change
3 High energy consumption in production processes
4 Release of air pollutants
5 Substances of concern pose environmental risks if mismanaged
6 Microplastics generation from production and material use
7 Use of non-renewable resources drives resource depletion
8 Limited recyclability leads to landfill and incineration
1 Health and safety risks from handling hazardous substances
2 Potential violation of personal data protection
1 Low trust in reporting mechanisms enables unethical practices

Positive impacts

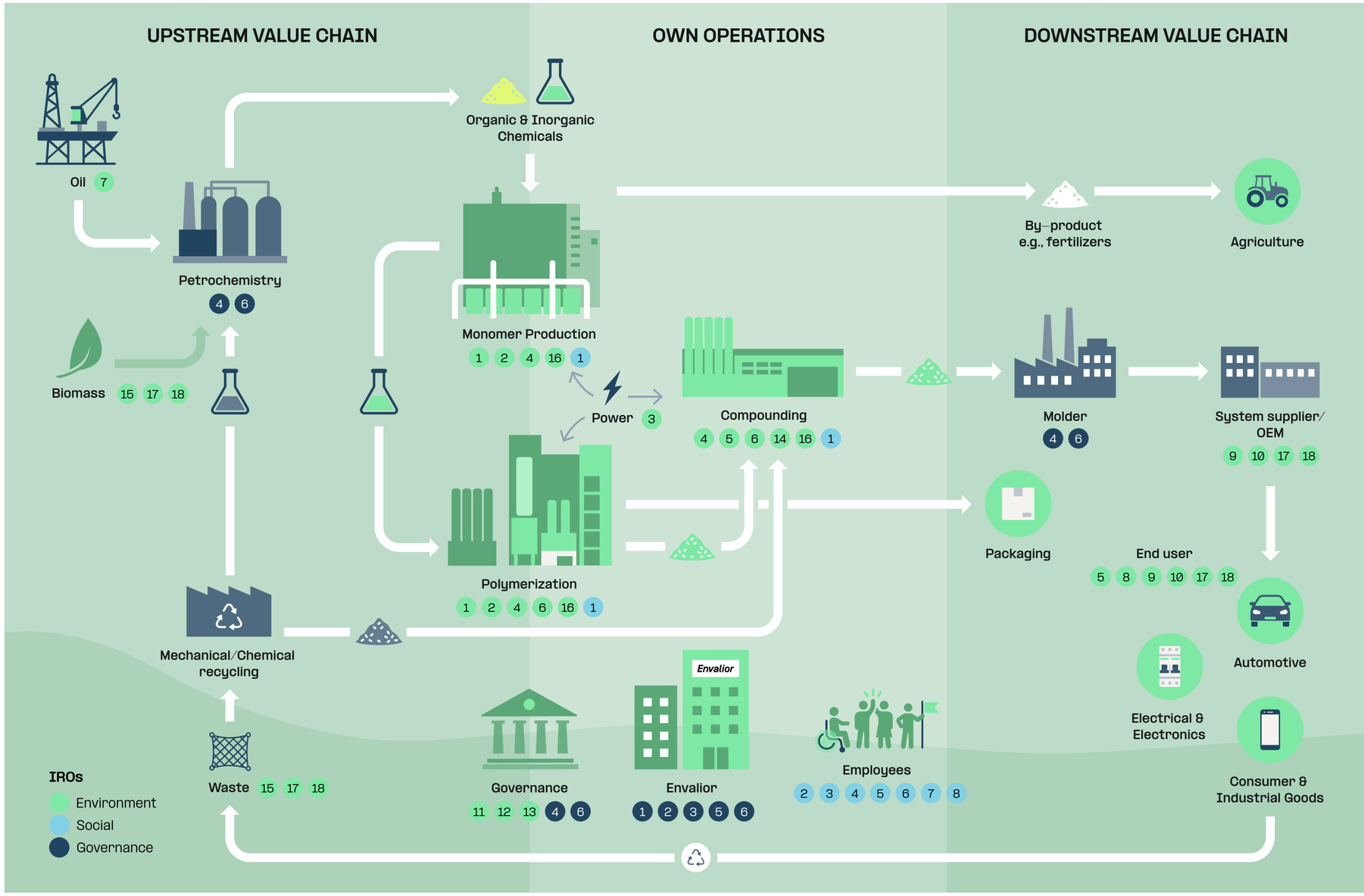
9 Lightweight materials reduce emissions and support e-mobility
10 Durable materials reduce consumption and extend product lifetimes
3 Employee engagement strengthens participation and motivation
4 Worker representation improves communication and decision-making
5 Collective bargaining improves working conditions and satisfaction
6 Learning and development empowers employees to grow
7 Clear roles and data protection strengthen trust and compliance
2 Ethical workplace culture and employee development
3 Anti-Bribery policies ensure ethical and compliant operations
4 Ethical business practices strengthen partner trust and reputation

Risks

11 Climate regulations increase operational and compliance costs
12 Energy market regulations drive cost and operational complexity
13 Substance restrictions disrupt formulations and product performance
14 Water scarcity risks disrupt operations and increase costs
15 Circularity requirements increase pressure on sustainable sourcing
16 Potentially high cost of chemical waste disposal
5 Retaliation risk discourages whistleblowing and reporting
6 Corruption and bribery risks in operations and value chain

Opportunities

17 Bio-based and recycled materials reduce footprint and improve circularity
18 Sustainable sourcing partnerships strengthen resilience and innovation
8 Diversity strengthens employer brand and talent attraction



INTERESTS AND VIEWS OF STAKEHOLDERS

(SBM–2)

Stakeholder engagement

At Envalior, stakeholder engagement is a core element of our sustainability strategy and business model and a key input for our Double Materiality Assessment (DMA). As a young company with strong industrial roots and a global value chain, we rely on structured and continuous dialogue to understand how our activities impact stakeholders and how stakeholder expectations influence our long–term value creation.

We systematically identified key stakeholder groups and engaged with them across our value chain, in line with the typical categories of affected stakeholders defined in ESRS 1.

These include:

- employees including workers' representatives and works councils
- suppliers and toll manufacturers
- affected communities, including local communities near production sites
- customers
- investors and owners
- regulators and public authorities

We engage with our stakeholders through structured processes such as the DMA, as well as through ongoing operational and strategic interactions. Stakeholder representatives take part in tailored engagement formats, sharing in–depth insights into their roles and perspectives to help ensure our assessment process is comprehensive and balanced. In addition, regular employee and customer engagement surveys provide further input, and the information gained from these directly informs how we prioritize sustainability topics and guides our strategic decision–making.

For us, this engagement opens up an ongoing dialogue process that helps us align our sustainability priorities with the expectations of those we impact – and are impacted by. We combine this structured approach with broader industry engagement through participation in initiatives such as the UN Global Compact, CEFIC, Plastics Europe, VNCI, and Operation Clean Sweep® (OCS). Further information on this can be found in the chapter Initiatives, Commitments, and Certificates.

Key stakeholder interests and perspectives

The engagement activities described below have helped Envalior gain a structured understanding of the key interests and views of our stakeholders and their relevance to the company's strategy and business model:

- The most important topics for employees were workplace health and safety, employee wellbeing, fair working conditions, diversity and equal treatment, and opportunities for training and development. This feedback directly informs our people strategy, occupational health and safety management, and organizational development priorities.

- Suppliers and toll manufacturers may raise expectations regarding clear, predictable, and fair procurement processes, as well as guidance and support to meet rising regulatory requirements and the cost that can arise from fulfilling enhanced sustainability criteria. These inputs flow into our supply chain risk management approach and the ongoing enhancement of our supplier management and compliance framework.

- Affected communities expressed interest in environmental protection, safe operations, and transparent communication. Their views are reflected in our site–level engagement practices, and in our environmental management.

- Customers emphasized not only availability, price, and performance, but also climate performance, circular solutions, regulatory compliance, and transparency. These aspects are closely aligned with our strategic focus on climate action, circularity, and sustainable product development.

- Investors and owners focused on governance structures, risk management, regulatory readiness (including CSRD), and long–term value creation. The information we received from them went into our strategic decision–making and sustainability governance.

- Regulators and public authorities expect compliance with applicable laws and regulations, particularly on environmental protection, chemical safety, and sustainability reporting, as well as transparent and timely disclosures.

Stakeholder input was a key element in identifying and assessing Envalior's impacts, risks, and opportunities (IROs).

Stakeholder views brought to management and supervisory bodies

The perspectives and interests of key stakeholders are systematically integrated into our governance and decision–making processes. Stakeholder insights gathered through the DMA, ongoing engagement activities, and operational processes are consolidated and reviewed by internal experts and topic owners. Each sustainability topic is assigned to one of Envalior's five cross–functional ESG Subcommittees, each sponsored by a member of the Executive Leadership Team (ELT) or the Vice President Strategy & Transformation.

Final decisions and strategic alignment are made by the ESG Board. The ESG Board ensures that stakeholder interests are reflected in strategic decisions, risk management, and sustainability priorities, and that material topics are aligned with our overall strategy and business model. Where relevant, stakeholder–related topics are also discussed directly at ELT level and, for investor–related matters, through established investor governance and reporting structures. For more information, please refer to the chapter on Governance.

Initiatives & Commitments

Envalior demonstrates and fulfills its commitment to sustainability leadership by actively participating in key industry associations, initiatives, and by holding relevant certifications. These engagements reinforce our dedication to responsible business practices, transparent value chains, and continuous improvement in environmental and social performance. Here is a list of the international bodies and initiatives of which we are a member or with which we actively cooperate:

- **Advanced Packaging Association**
  Envalior plays an active and strategic role in the Advanced Packaging Association (APA), a non-profit organization launched in 2023 by leading polymer industry players. Their mission is to promote the sustainability and recyclability of flexible packaging containing polyamide.

  APA unites stakeholders across the flexible packaging value chain. These include material producers, packaging manufacturers, food brands, retailers, and recyclers. They work together to facilitate knowledge sharing and advocate for legislation that recognizes the sustainability benefits of polyamide-based packaging.

- **CEFIC**
  As a member of CEFIC, Envalior engages with Europe's largest chemical industry association to promote innovation, sustainability, and best practices across the sector. CEFIC also coordinates the Responsible Care ® Global Charter in Europe.

- **econsense – Forum for Sustainable Development of German Business e. V.**
  Envalior is a member of econsense, a leading cross-industry network of German businesses for sustainable development. econsense brings together companies that operate internationally and are committed to advancing sustainability, facilitating knowledge exchange, and driving sector-wide progress on key sustainability topics. Through econsense, Envalior collaborates with peers, participates in thematic working groups, and contributes toward shaping sustainable business standards and policies in Germany and beyond.

- **EcoVadis**
  Envalior has been awarded the EcoVadis Gold Medal, placing the company among the top 5% of all assessed organizations and within the top 3% of our industry. EcoVadis is one of the world's most recognized sustainability rating platforms, evaluating companies on four core themes: environment, labor and human rights, ethics, and sustainable procurement. Achieving a Gold rating in our very first assessment is an exceptional result and underscores our strong commitment to responsible business practices and continuous improvement across our value chain. For our customers, this achievement translates into greater transparency, reduced supply chain risk, and access to innovative, sustainable material solutions. Additional information regarding our rating is provided here.

- **International Sustainability and Carbon Certification Association**
  As a member of the **International Sustainability and Carbon Certification** (**ISCC**) Association, at Envalior we support the development and implementation of credible sustainability certification systems for bio-based and recycled materials. This membership supports our commitment to traceable, climate-friendly, and deforestation-free supply chains.

- **Operation Clean Sweep®**
  Envalior participates in Operation Clean Sweep® (OCS), an industry initiative aimed at preventing plastic pellet, powder, and flake loss to the environment, ensuring best practices for environmental protection in the plastics supply chain. All eligible sites – Envalior's European sites – were certified according to OCS in 2025. We also plan to implement the program's best practices at sites outside Europe.

- **PlasticsEurope**
  Envalior is an active member of PlasticsEurope, the pan-European association of plastics manufacturers. Through this membership, we contribute to industry-wide efforts to accelerate circularity, climate goals, and sustainable solutions in the plastics sector. We are also represented on the PlasticsEurope Steering Board.

- **Responsible Care® Global Charter**
  Envalior is committed to the Responsible Care® initiative, the chemical industry's global program for continuous improvement in environmental, health, safety, and security performance. Responsible Care® provides a framework for operational excellence, transparent reporting, and stakeholder engagement. This cooperation helps Envalior drive safety and sustainability throughout its operations and supply chain.

- **Sustainable Castor Association**
  EcoPaXX® PA410 is our high-performance bio-based polyamide that is derived in part from castor oil. We are a member of the Sustainable Castor Association, supporting good agricultural practices and responsible sourcing of castor crops.

- **UN Sustainable Development Goals**
  The United Nations Sustainable Development Goals (SDGs) form a universal framework adopted by all UN member states in 2015 to address global challenges such as poverty, inequality, climate change, and environmental degradation. Comprised of 17 interconnected goals, the SDGs aim to create a sustainable and equitable future for all by 2030. Businesses like Envalior play a pivotal role in advancing these goals through responsible practices and innovative solutions. We focus our sustainability efforts on five key SDGs: SDG 3 (Good Health and Well-Being), SDG 5 (Gender Equality), SDG 7 (Affordable and Clean Energy), SDG 12 (Responsible Consumption

and Production), and SDG 13 (Climate Action). Our sustainability strategy outlines how Envalior's core pillars interact with these five SDGs.

- **United Nations Global Compact**
  Envalior participates in the United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative. The UN Global Compact's ten universal principles cover important topics such as human rights, labor, environment, and anti-corruption. We integrate these values into our strategy, culture, and daily operations, and report annually on our progress. In July 2025, we renewed our commitment to the ten principles of the UN Global Compact and submitted our Communication on Progress (CoP). It is available on the UNGC website.
- **VNCI**
  Envalior became a member of the Association of the Dutch Chemical Industry (VNCI) in 2025. Through this partnership, we are strengthening our commitment to sustainable innovation and responsible chemical production. Together with VNCI, we will be actively working to promote circular economy principles and environmental protection.

Certifications

Envalior holds a comprehensive portfolio of internationally recognized certifications, demonstrating its dedication to upholding quality, safety, and sustainability.

CERTIFIED FOR SUSTAINABILITY[1]

Certification	Scope and relevance
IATF 16949	Quality management standard for the automotive sector, focusing on continuous improvement and defect prevention. 89% of our production sites are certified.
ISCC PLUS	Certification for sites that handle bio-based and recycled materials, ensuring traceability and sustainability in supply chains. 83% of our production sites hold a certificate.
ISO 9001	Quality management systems certification, ensuring consistent product and service quality. 100% of our production sites are certified.
ISO 14001	Environmental management systems certification, ensuring a structured approach to environmental management, supporting regulatory compliance and continuous environmental performance improvement. 94% of our production sites are certified.
ISO 17025	A number of laboratories in our organization are certified.
ISO 45001	Provides a robust framework for an occupational health and safety management system (OHSMS). 6% of our global production sites are audited according to ISO 45001. Others will follow in 2026.
ISO 50001	Energy management systems certification, promoting efficient energy use and reduction of emissions. Our German production sites – which make up 11% of our global production sites – are certified.
OCS	OCS is a certification for pellet loss prevention in the plastics supply chain in Europe. 100% of our European production sites are certified.

[1] All certificates can be downloaded here: www.envalior.com/quality
IATF 16949: International Automotive Task Force 16949
ISCC PLUS: International Sustainability and Carbon Certification PLUS
ISO: International Organization for Standardization
OCS: Operation Clean Sweep

IMPACTS, RISKS, AND OPPORTUNITIES AND INTERACTION WITH THE BUSINESS MODEL

SBM–3

Description of material impacts, risks, and opportunities

Envalior's material impacts, risks, and opportunities arise from its business activities across its own operations, and from its upstream and downstream value chain. Material impacts are assessed regarding their relevance to people, the environment, and our business model. The Double Materiality Assessment (DMA) we conducted examined how our activities affect people, communities, and the environment, and how identified risks and opportunities may influence our strategy, decision–making, and long–term value creation.

Interaction with strategy and business model

Identified impacts, risks, and opportunities (IROs) are integrated into our sustainability governance model and Risk Management Framework. All material IROs are reviewed and validated by internal experts and the ESG governance bodies. Final oversight lies with the ESG Board. The methodology has remained consistent in the current reporting period and will be refined as Envalior grows and external expectations evolve.

We integrate all identified material impacts, risks, and opportunities into our strategic and operational decision–making processes. This ensures that negative impacts are mitigated, positive impacts enhanced, risks managed, and opportunities leveraged. Further details on how specific topics are handled can be found in the respective chapters of this report.

Current financial effects of material risks and opportunities

For the reporting period, Envalior has estimated the potential financial effects of its material sustainability–related risks and opportunities. Due to the nature of these risks and opportunities, their financial effects cannot be separately identified with sufficient reliability, and the level of measurement uncertainty is currently high.

As a result, quantitative information on current financial effects is not disclosed. Qualitative considerations of risks and opportunities are incorporated internally, including potential implications for operating costs and supply chain continuity.

Resilience of strategy and business model

Envalior continuously evaluates the resilience of its strategy and business model. As part of the Envalior Risk Management Framework, risks and opportunities are reviewed and updated at least twice a year. Mitigating measures are implemented where appropri–ate and practicable. These assessments consider short–term and emerging risks (medium– and long–term time horizon) and cover environment, social, and governance–related risks, among others. The assessments draw on internal expertise, the outcomes of the DMA, and experience from prior report–ing cycles. This approach supports our ability to adapt its strategy and business model in response to evolving sustainability challenges and opportunities and to maintain long–term value creation capacity.

IMPACTS, RISKS, AND OPPORTUNITIES

PROCESS TO ASSESS MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES AND MATERIAL INFORMATION

IRO–1

Identification and assessment process

Envalior conducts a Double Materiality Assessment (DMA) to identify and assess material sustainability–related impacts, risks, and opportunities across its own operations and along its upstream and downstream value chain.

In 2025, we updated and refined our DMA. We began this process by building on our established understanding of Envalior's business model, operational and legal structure, including subsidiaries and key value chain activities. By doing so, we ensured that all potential impacts on people, communities, and the environment, as well as the potential influence on Envalior's business model and long–term value creation, were considered.

Potential sustainability topics were compiled from multiple sources, including previous materiality assessments, international standards such as the European Sustainability Reporting Standards (ESRS), ESG ratings, and sector benchmarks. We further refined the list by consulting insights from in–house experts and incorporating practical perspectives from our daily operations.

In alignment with ESRS requirements, we defined assessment criteria and, where possible, coordinated with our Risk Management function to ensure consistency with enterprise–wide risk processes. Severity was assessed by evaluating the scale and scope of impacts, the likelihood of potential impacts, and the irremediable nature of negative impacts. For risks and opportunities, the likelihood and potential magnitude of financial effects were taken into account. All criteria were evaluated on a standardized one–to–five scale, and relevant time horizons were harmonized across topics.

Assessment and prioritization of impacts, risks, and opportunities

The impacts, risks, and opportunities we identified during this first step were then evaluated in structured workshops and review sessions with internal experts on the respective subject areas. They contributed their valuable insights based on their functional expertise and operational experience.

The maximality principle was applied, meaning that a sub–topic was classified as material if either impact materiality or financial materiality exceeded the defined threshold. We gave special attention to human–rights–related impacts, prioritizing severity and applying a gross approach where necessary.

Our assessment procedure captured both global and site–, regional– or product–specific perspectives as relevant. We focused particularly on areas where there is heightened risk related to specific activities, business relationships, or geographic locations. In this way, we made sure that prevention, mitigation, or remediation measures can be effectively targeted going forward where negative impacts are most likely.

The assessment was conducted at the sub–topic level as presented in the longlist of potential topics. To determine materiality for reporting purposes, we subsequently reviewed and refined the list of topics and their sub–topics, which were prepared in accordance with ESRS 1, based on the assessment outcomes.

Stakeholder involvement

The materiality assessment was informed by our stakeholder engagement. Stakeholders were classified into two groups: affected stakeholders (e.g., employees, suppliers, and customers) and informed stakeholders (e.g., internal experts and functional representatives).

We collected and compiled stakeholder input in targeted workshops, interviews, and surveys. These provided us with insights that helped us both identify and assess relevant impacts, risks, and opportunities. Where relevant, we drew on external expertise to complement our in–house knowledge. We provide additional details on ongoing engagement with affected stakeholders in the Stakeholder Management chapter of this report.

IMPACTS, RISKS, OPPORTUNITIES, AND DISCLOSURE REQUIREMENTS INCLUDED IN THE SUSTAINABILITY STATEMENT

IRO–2

The table on the right provides a consolidated overview of our material impacts, risks, and opportunities identified through our DMA. It gives a short explanatory description for each material sub–topic and specifies the relevant part of the value chain and the primary time horizon that was considered in our deliberations.

Detailed explanations of how we manage these material topics, including related policies, actions, and performance indicators, are provided in the corresponding topic–specific sections of this report.

OVERVIEW OF MATERIAL TOPICS IDENTIFIED THROUGH THE DOUBLE MATERIALITY ASSESSMENT

Topic	Evaluation	Description	Time horizon	Value chain[1]
E1 – Climate Change				
Climate change adaptation	Risk	The increasing stringency of climate–related regulations may lead to higher operational and compliance costs for Envalior and its suppliers.	Short–term	Upstream, own operations, and downstream 11
Climate change adaptation	Opportunity	Transitioning to more bio–based and recycled raw materials (as committed to in Envalior's ambition for 2030) offers a significant opportunity to reduce the company's carbon footprint and increase resource efficiency. This transition supports compliance with emerging regulatory requirements and aligns with customer demand for low–carbon, circular solutions.	Short–term	Downstream 17
Climate change mitigation	Negative impact	Envalior and its suppliers currently depend on the combustion of fossil fuels, which causes greenhouse gas emissions.	Short–, medium–, and long–term	Upstream and own operations 1
Climate change mitigation	Negative impact	Our own and upstream production processes result in the emission of various greenhouse gases (GHGs), including CO_2, N_2O, and methane. These emissions contribute to climate change due to their heat–trapping capacity, atmospheric persistence, and energy absorption potential.	Short–, medium–, and long–term	Upstream and own operations 2
Climate change mitigation	Positive impact	Our lightweight materials contribute to weight reductions and fuel efficiency enhancements in conventional combustion engines. Moreover, the products are increasingly used in alternative powertrains, in e–mobility for example, which supports climate change mitigation efforts and generates a positive impact on nature.	Short–, medium–, and long–term	Downstream 9
Energy	Negative impact	High energy consumption in production processes across our own operations, as well as upstream and downstream value chain activities, contributes to increased greenhouse gas emissions and environmental impacts, particularly where energy is sourced from fossil fuels.	Short–, medium–, and long–term	Upstream, own operations, and downstream 3
Energy	Risk	Due to its energy–intensive operations, Envalior is affected by ongoing regulatory developments in the European energy market. This includes potential changes in carbon pricing, emissions trading systems, and energy taxation. These developments may lead to increased operational complexity and cost pressure, particularly in the context of regional policy shifts and geopolitical uncertainties.	Short– and medium–term	Own operations (Intermediates) and downstream 12

[1] The value chain graphic can be found in the Strategy chapter.

TABLE CONTINUED ON NEXT PAGE

Topic	Evaluation	Description	Time horizon	Value chain[1]
E2 — Pollution				
Pollution of air	Negative impact	The release of air pollutants (such as nitrogen oxides, sulfur dioxide, and other emissions) in the upstream value chain and during our production processes may have negative impacts on the natural environment.	Short–, medium–, and long–term	Upstream and own operations 4
Substances of concern & substances of very high concern	Negative impact	Certain substances used in our formulations are classified as substances of concern or substances of very high concern. These substances could cause potential negative environmental impacts if they are not managed responsibly.	Short–, medium–, and long–term	Own operations 5
Substances of concern & substances of very high concern	Risk	Regulatory restrictions or bans on substances of concern, or reclassification to substances of very high concern could lead to disruptions in production formulations and impact product performance.	Short–, medium–, and long–term	Upstream, own operations, and downstream 13
Microplastics	Negative impact	Envalior produces and purchases large volumes of microplastics (for example, granulates), contributing to the overall generation of microplastics.	Short–, medium–, and long–term	Upstream, own operations, and downstream 6
E3 — Water				
Water withdrawals	Risk	In regions with high or increasing water stress — such as parts of India — local authorities may impose withdrawal restrictions or regulations that limit water availability for industrial use. This could lead to operational disruptions, increased costs, or even temporary production halts due to insufficient water supply. Envalior is dependent on local water ecosystems, and regulatory or physical constraints on water access could have a material effect on operations.	Short–, medium–, and long–term	Own operations 14

[1] The value chain graphic can be found in the Strategy chapter.

TABLE CONTINUED ON NEXT PAGE

Topic	Evaluation	Description	Time horizon	Value chain[1]
E5 – Resource Use and Circular Economy				
Resource inflows, including resource use	Negative impact	A significant portion of our resource inflows comes from non–renewable, extractive sources. The extraction and use of non–renewable resources in our value chain contributes to the depletion of natural resources.	Long–term (> 5 years)	Upstream 7
Resource inflows, including resource use	Risk	Increasing regulatory requirements on circularity and material safety may require changes in sourcing strategies, particularly for non–renewable or carbon–intensive inputs. Limited availability of sustainable raw materials may necessitate targeted investments and closer supplier collaboration to ensure long–term supply security and regulatory compliance.	Medium– and long–term	Upstream and own operations 15
Resource inflows, including resource use	Opportunity	Establishing strategic partnerships with suppliers in the area of sustainable feedstocks supports long–term supply chain resilience and enables joint progress toward environmental goals. Collaborating closely with upstream partners enhances transparency and innovation potential across the value chain. Sourcing sustainable materials also enables product differentiation and supports Envalior in meeting customer expectations, strengthening brand reputation, and engaging sustainability–focused markets.	Medium– and long–term	Upstream and downstream 18
Resource outflows related to products and services	Negative impact	The recyclability of our products in end products is challenging due to complex material compositions and a lack of suitable recycling infrastructure, often resulting in landfilling or incineration at end of life.	Short–, medium–, and long–term	Downstream 8
Resource outflows related to products and services	Positive impact	Our durable plastics contribute to lightweight, long–lasting products, reducing the frequency of replacements and overall material consumption.	Short–, medium–, and long–term	Downstream 10
Waste	Risk	Potentially high operating costs and regulatory sanctions related to the management and disposal of chemical waste, which is subject to strict regulatory requirements for transportation, treatment, storage, and disposal.	Short–, medium–, and long–term	Own operations and downstream 16

[1] The value chain graphic can be found in the Strategy chapter.

TABLE CONTINUED ON NEXT PAGE

Topic	Evaluation	Description	Time horizon	Value chain[1]
S1—Own Workforce				
Social dialogue	Positive impact	Employee engagement initiatives lead to a positive impact by strengthening the connection between employees and the company and ensure that employees' needs and opinions are integrated into our decision–making processes. When employees see their input translated into concrete actions, their motivation and trust increase. The insights collected guide targeted initiatives that improve how employees experience their working environment and their sense of belonging.	Short–term	Own operations 3
Freedom of association, works councils, participation rights of workers	Positive impact	Dedicated points of contact for both management and employees (works councils) have been established across all relevant global sites. This ensures streamlined communication and problem–solving. Decision–making becomes quicker in the long term, as there is no need to make case–by–case decisions.	Short– and medium–term	Own operations 4
Collective bargaining	Positive impact	Collective Bargaining Agreements (CBA) offer employees clear and transparent employment conditions, ensuring fair and consistent treatment for everyone covered by the agreement. They provide strong protection of rights with key terms on pay and working conditions. CBAs reduce uncertainty and potential conflicts by setting out agreed rules, and often include additional advantages such as enhanced pensions, training opportunities, and wellbeing provisions. These measures boost employee satisfaction and engagement.	Short– and medium–term	Own operations 5
Health and safety	Negative impact	Envalior's employees face potential health and safety risks due to their work in production plants and laboratories, where they handle chemicals and hazardous substances and operate process equipment. Exposure to fine dust and fumes, as well as improper handling of certain formulations and equipment, can impact employee health and safety.	Short– and medium–term	Own operations 1
Learning and development/Training and skills development	Positive impact	Learning and development strengthen employees' capabilities, enabling them to perform their roles more effectively and efficiently. This prepares employees for future roles, contributing to a more agile and future–ready organization. Development opportunities also increase engagement by empowering employees to take ownership of their growth, and by showing the company's commitment to their development.	Medium–term	Own operations 6
Diversity & equal treatment	Opportunity	Diversity enhances employer branding, making Envalior an attractive choice for top talent. It also improves market perception, stakeholder trust, and the ability to address diverse customer needs on a global scale.	Short–, medium–, and long–term	Own operations 8

[1] The value chain graphic can be found in the Strategy chapter.

TABLE CONTINUED ON NEXT PAGE

Topic	Evaluation	Description	Time horizon	Value chain[1]
Privacy	Negative impact	Potential violations of personal data protection rights due to the (unintentional) disclosure of sensitive employee data resulting from careless data handling. This may include possible data exchanges with actors in the upstream or downstream value chain.	Short–, medium–, and long–term	Upstream, own operations, and downstream 2
Privacy	Positive impact	Clear role definitions improve accountability, enhance security, and streamline processes within the organization. Safeguarding personal data fosters trust and maintains legal compliance. In addition, data protection training provided to employees raises awareness of privacy and security practices, reinforcing a culture of privacy and minimizing risks.	Short– and medium–term	Own operations 7
G1 – Business Conduct				
Corporate culture	Positive impact	Promoting ethical behavior with our Code of Business Conduct. Employees experience the impact of our corporate culture directly in the form of a supportive workplace environment, ethical standards, diversity, inclusion, and opportunities for professional growth.	Short–, medium–, and long–term	Own operations 2
Protection of whistleblowers	Negative impact	Lack of trust in reporting mechanisms and confidentiality discourages employees, in particular, from coming forward, enabling ongoing unethical practices to continue.	Short–, medium–, and long–term	Upstream, own operations, and downstream 1
Protection of whistleblowers	Risk	If whistleblowers expect to be punished, they will not come forward and speak up. Retaliation against whistleblowers could result in lawsuits and regulatory penalties.	Short–, medium–, and long–term	Upstream, own operations, and downstream 5
Anti–Corruption and bribery	Positive impact	Through clear anti–bribery policies and regular compliance training, we reinforce ethical behavior and legal compliance across our global operations. By promoting awareness and accountability among employees, the company helps reduce the risk of corrupt practices and supports a responsible business environment based on trust and transparency.	Short–, medium–, and long–term	Own operations 3
Anti–Corruption and bribery	Positive impact	Anti–bribery policies and procedures establish a transparent and ethical business environment, increasing trust among business partners. This fosters stronger market positioning, a competitive advantage in industries with stringent compliance requirements, and reduces risks to our reputation.	Short–, medium–, and long–term	Upstream and downstream 4
Anti–Corruption and bribery	Risk	Envalior may be exposed to risks of corruption, bribery, or unethical behavior in its operations or value chain, particularly in countries with weak governance structures. Such incidents can undermine trust, lead to legal consequences, financial penalties, and reputational damage.	Short– and medium–term	Upstream, own operations, and downstream 6

[1] The value chain graphic can be found in the Strategy chapter.

Changes compared to the previous reporting period

During the reporting period, we updated our Double Materiality Assessment (DMA). While the overall methodology, governance structure, and assessment logic remained consistent with the previous year, the prioritization and articulation of certain impacts, risks, and opportunities were refined to reflect updated internal insights and external developments. We did not identify any fundamental changes to the scope of our material sustainability topics.

Overview of disclosures and cross–references

Our Sustainability Report includes disclosures prepared in accordance with the applicable ESRS disclosure requirements. The content index outlines the disclosure requirements addressed and identifies where the relevant information is presented in the report, including disclosures incorporated by reference.

On the right is the list of disclosure requirements we followed while preparing the Sustainability Report based on the results of our materiality assessment.

LIST OF DISCLOSURE REQUIREMENTS INCLUDED IN THE SUSTAINABILITY REPORT

ESRS identification	Reference within the Sustainability Report
ESRS standard: ESRS 2	
BP–1 General basis for preparation of sustainability statement	General | General basis for preparation of Sustainability Report (BP–1)
GOV–1 The role of the administrative, management, and supervisory bodies in relation to sustainability	General | Governance | Sustainability–related incentive schemes (GOV–2)
GOV–2 Integration of sustainability–related performance in incentive schemes	General | Governance | Sustainability–related incentive schemes (GOV–2)
GOV–4 Risk management and internal controls over sustainability reporting	General | Governance | Risk management and internal controls over sustainability reporting (GOV–4)
SBM–1 Strategy, business model, and value chain	General | Strategy | Strategy, business model, and value chain (SMB–1)
SBM–2 Interests and views of stakeholders	General | Strategy | Interests and views of stakeholders (SBM–2)
SBM–3 Interaction of material impacts, risks, and opportunities with strategy and business model, and financial effects	General | Strategy | Interaction of material impacts, risks, and opportunities with strategy and the business model (SBM–3)
IRO–1 Description of the process to identify and assess material impacts, risks, and opportunities and material information to be reported	General | Impacts, risks, and opportunities | Process to assess material impacts, risks, and opportunities and material information (IRO–1)
IRO–2 Material impacts, risks, and opportunities and disclosure requirements included in the sustainability statement	General | Impacts, Risks, and Opportunities | Impacts, risks, and opportunities and disclosure requirements included in the Sustainability Report (IRO–2)
ESRS standard: E1 Climate Change	
E1–1 Transition plan for climate change mitigation	Environment | Climate Change (E1) | Transition plan for climate change (E1–1)
E1–4 Policies related to climate change mitigation and adaptation	Environment | Climate Change (E1) | Policies related to climate change (E1–4)
E1–5 Actions and resources related to climate change mitigation and adaptation	Environment | Climate Change (E1) | Actions and resources related to climate change (E1–5)
E1–6 Targets related to climate change	Environment | Climate Change (E1) | Targets related to climate change (E1–6)
E1–7 Energy consumption and mix	Environment | Climate Change (E1) | Energy consumption and mix (E1–7)
E1–8 Gross Scope 1, 2, 3 GHG emissions	Environment | Climate Change (E1) | Gross Scope 1, 2, 3 GHG emissions (E1–8)

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ESRS identification	Reference within the Sustainability Report
ESRS standard: E2 Pollution	
E2–1 Policies related to pollution	Environment	Pollution (E2)	Policies related to pollution (E2–1)
E2–2 Actions and resources related to pollution	Environment	Pollution (E2)	Actions related to pollution (E2–2)
E2–3 Targets related to pollution	Environment	Pollution (E2)	Targets related to pollution (E2–3)
E2–4 Pollution of air, water, and soil	Environment	Pollution (E2)	Metrics related to pollution (E2–4)
E2–5 Substances of concern and substances of very high concern	Environment	Pollution (E2)	Substances of concern and substances of very high concern (E2–5)
ESRS standard: E3 Water	
E3–1 Policies related to water	Environment	Water (E3)	Policies related to water (E3–1)
E3–2 Actions and resources related to water	Environment	Water (E3)	Actions related to water (E3–2)
E3–3 Targets related to water	Environment	Water (E3)	Targets related to water (E3–3)
E3–4 Water metrics	Environment	Water (E3)	Water metrics (E3–4)

ESRS identification	Reference within the Sustainability Report
ESRS standard: E5 Resource Use and Circular Economy	
E5–1 Policies related to resource use and circular economy	Environment	Circularity and Waste (E5)	Policies related to resource use and circular economy (E5–1) Environment	Circularity and Waste (E5)	Waste	Policies related to waste
E5–2 Actions related to resource use and circular economy	Environment	Circularity and Waste (E5)	Actions related to resource use and circular economy (E5–2) Environment	Circularity and Waste (E5)	Waste	Actions related to waste
E5–3 Targets related to resource use and circular economy	Environment	Circularity and Waste (E5)	Targets related to resource use and circular economy (E5–3) Environment	Circularity and Waste (E5)	Waste	Targets related to waste
E5–4 Resource inflows	Environment	Circularity and Waste (E5)	Resource inflows (E5–4)
E5–5 Resource outflows	Environment	Circularity and Waste (E5)	Resource outflows (E5–5) Environment	Circularity and Waste (E5)	Waste	Metrics related to waste

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ESRS identification	Reference within the Sustainability Report
ESRS standard: S1 Own Workforce	
S1–1 Policies related to own workforce	Social	Own workforce (S1)	Policies related to own workforce (S1–2)
S1–2 Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy	Social	Own workforce (S1)	Engagement with own workforce and channels to raise concerns (S1–2)
S1–3 Actions and resources related to own workforce	Social	Own workforce (S1)	Actions related to own workforce (S1–3)
S1–4 Targets related to own workforce	Social	Own workforce (S1)	Targets related to own workforce (S1–4)
S1–5 Characteristics of the undertaking's employees	Social	Own workforce (S1)	Characteristics of the undertaking's employees (S1–5)
S1–7 Collective bargaining coverage and social dialogue	Social	Own workforce (S1)	Collective bargaining coverage and social dialogue (S1–7)
S1–8 Diversity metrics	Social	Own workforce (S1)	Diversity metrics (S1–8)
S1–9 Adequate wages	Social	Own workforce (S1)	Adequate wages (S1–9)
S1–12 Training and skills development metrics	Social	Own workforce (S1)	Training and skills development metrics (S1–12)
S1–13 Health and safety metrics	Social	Own workforce (S1)	Health and safety metrics (S1–13)
S1–15 Remuneration metrics	Social	Own workforce (S1)	Remuneration metrics (S1–15)
S1–16 Incidents of discrimination and other human rights incidents	Governance	Human Rights	Incidents of discrimination and other human rights incidents (S1–16)

ESRS identification	Reference within the Sustainability Report
ESRS standard: G1 Business Conduct	
G1–1 Policies related to business conduct	Governance	Business Conduct (G1)	Policies related to business conduct (G1–1)
G1–2 Actions related to business conduct	Governance	Business Conduct (G1)	Actions related to business conduct (G1–2)
G1–3 Targets related to business conduct	Governance	Business Conduct (G1)	Targets related to business conduct (G1–3)
G1–4 Metrics related to corruption or bribery	Governance	Business Conduct (G1)	Metrics related to corruption or bribery (G1–4)

LIST OF DATA POINTS IN CROSS–CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

Disclosure requirement and related datapoint in ESRS	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law reference	Reference within the Sustainability Report
ESRS 2 GOV–1 Percentage of board members who are independent			Commission Delegated Regulation (EU) 2020/1816, Annex II		General (ESRS 2) | Governance | GOV–1
ESRS 2 GOV–1 Board's gender diversity	Indicator number 13 of Table #1 of Annex 1				General (ESRS 2) | Governance | GOV–1
ESRS 2 GOV–4 Statement on due diligence	Indicator number 10 Table #3 of Annex 1		Delegated Regulation (EU) 2022/1288, Annex I		Not reported yet
ESRS 2 SBM–1 Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245328 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on social risk Template 1: Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Delegated Regulation (EU) 2020/1816, Annex II		General (ESRS 2) | Strategy | Strategy, business model, and value chain (SBM–1)
ESRS 2 SBM–1 Involvement in activities related to chemical production	Indicator # 9 Table II of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		General (ESRS 2) | Strategy | Strategy, business model, and value chain (SBM–1)
ESRS 2 SBM–1 Involvement in activities related to controversial weapons	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		General (ESRS 2) | Strategy | Strategy, business model, and value chain (SBM–1)

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Disclosure requirement and related datapoint in ESRS	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law reference	Reference within the Sustainability Report
ESRS 2 SBM–1 Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		General (ESRS 2) | Strategy | Strategy, business model, and value chain (SBM–1)
ESRS E1–1 Transition plan for climate change mitigation				Regulation (EU) 2021/1119, Article 2(1)	Environment | Climate Change | Transition Plan for climate change (E1–1)
ESRS E1–6 Targets related to climate change	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Environment | Climate Change | Targets related to climate change (E1–6)
ESRS E1–7 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				Environment | Climate Change | Energy consumption and mix (E1–7)
ESRS E1–7 Energy consumption and mix	Indicator number 5 Table #1 of Annex 1				Environment | Climate Change | Energy consumption and mix (E1–7)
ESRS E1–8 Gross Scope 1, 2, 3 GHG emissions	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Environment | Climate Change | Gross Scope 1, 2, 3 GHG Emissions (E1–8)
ESRS E1–9 GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	Not reported yet

TABLE CONTINUED ON NEXT PAGE

Disclosure requirement and related datapoint in ESRS	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law reference	Reference within the Sustainability Report
ESRS E1–11 Exposure of the benchmark portfolio to climate–related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not reported yet
ESRS E1–11 Location of significant assets at material physical risk		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47 Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk			Not reported yet
ESRS E1–11 Breakdown of the carrying value of its real estate assets by energy–efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34 Template 2: Banking book – Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral			Not reported yet
ESRS E1–11 Degree of exposure of the portfolio to climate–related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		Not reported yet

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Disclosure requirement and related datapoint in ESRS	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law reference	Reference within the Sustainability Report
ESRS E2–4 Amount of material pollutants emitted to air, water, and soil	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Environment | Pollution | Metrics related to pollution (E2–4)
ESRS E3–1 Water–related policies	Indicator number 7 Table 2 of Annex 1				Environment | Water | Policies related to water (E3–1)
ESRS E3–1 Policy covering areas with water stress	Indicator number 8 Table 2 of Annex 1				Environment | Water | Policies related to water (E3–1)
ESRS E3–4 Total water recycled and reused	Indicator number 6.2 Table #2 of Annex 1				Environment | Water | Water metrics (E3–4)
ESRS E4–5 Activities negatively affecting biodiversity–sensitive areas	Indicator number 7 Table #1 of Annex 1				Not material
ESRS E4–5 Land degradation, desertification, soil sealing	Indicator number 10 Table #2 of Annex 1				Not material
ESRS E4–5 Natural species and protected areas	Indicator number 14.1 Table #2 of Annex 1				Not material

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Disclosure requirement and related datapoint in ESRS	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law reference	Reference within the Sustainability Report
ESRS E4–2 Sustainable land/agriculture practices or policies	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4–2 Sustainable oceans / seas practices or policies	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4–2 Policies to address deforestation	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E4–2 Policy covering sites in or near biodiversity sensitive areas	Indicator number 14.2 Table #2 of Annex 1				Not material
ESRS E5–5 Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex 1				Environment I Circularity and Waste I Resource outflows (E5–5)
ESRS 2 IRO–2 Risk of incidents of forced labor	Indicator number 13 Table #3 of Annex I				Governance I Human Rights
ESRS 2 IRO–2 Risk of incidents of child labor	Indicator number 12 Table #3 of Annex I				Governance I Human Rights
ESRS 2 GDR–P Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Governance I Human Rights I Policies related to Human Rights
ESRS S1–1 Processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I				Governance I Human Rights I Actions related to Human Rights

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Disclosure requirement and related datapoint in ESRS	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law reference	Reference within the Sustainability Report
ESRS S1–1 Occupational risk prevention policy or management system	Indicator number 1 Table #3 of Annex I				Social	Policies related to own workforce
ESRS S1–2 Grievance mechanism, including employee–related matters	Indicator number 5 Table #3 of Annex I and Indicator number 11 Table #1 of Annex I				Governance	Business Conduct	Actions related to business conduct (G1–2); Social	Own workforce	Engagement with own workforce and channels to raise concerns or needs (S1–2)
ESRS S1–13 Rate of work–related accidents	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Social	Health and Safety metrics (S–13)
ESRS S1–13 Number of days lost to injuries, accidents, illness	Indicator number 3 Table #3 of Annex I				Social	Health and Safety metrics (S–13)
ESRS S1–15 Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Social	Remuneration metrics (S1–15)
ESRS S1–15 Annual total remuneration ratio	Indicator number 8 Table #3 of Annex I				Social	Remuneration metrics (S1–15)
ESRS S1–16 Incidents of discrimination	Indicator number 7 Table #3 of Annex I				Governance	Human Rights	Incidents of discrimination and human rights incidents (S1–16)
ESRS S1–16 Human rights incidents	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Governance	Human Rights	Incidents of discrimination and human rights incidents (S1–16)

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Disclosure requirement and related datapoint in ESRS	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law reference	Reference within the Sustainability Report
ESRS S2–1 Processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I				Not material
ESRS S2–1 Code of conduct	Indicator number 4 Table #3 of Annex 1				Not material
ESRS S3–2 Grievance mechanism	Indicator number 11 Table #1 of Annex I				Not material
ESRS S2–3 Human rights incidents	Indicator number 10 Table #1 of Annex I and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S3–3 Human rights incidents	Indicator number 10 Table #1 of Annex I and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S4–2 Grievance mechanism	Indicator number 11 Table #1 of Annex I				Not material
ESRS S4–3 Human rights incidents	Indicator number 10 Table #1 of Annex I and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS G1–1 Policies consistent with United Nations Convention against Corruption	Indicator number 15 Table #3 of Annex 1				Business Conduct	Policies related to Business Conduct (G1–1)

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Disclosure requirement and related datapoint in ESRS	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law reference	Reference within the Sustainability Report
ESRS G1–1 Protection of whistle– blowers paragraph	Indicator number 6 Table #3 of Annex 1				Business Conduct	Policies related to Business Conduct (G1–1)
ESRS G1–4 Convictions and Fines for violation of anti–corruption and anti–bribery laws	Indicator number 17 Table #3 of Annex 1				Business Conduct	Metrics related to corruption or bribery (G1–4)
ESRS G1–4 Actions to address breaches of standards of anti–corruption and anti–bribery	Indicator number 16 Table #3 of Annex 1				Business Conduct	Actions related to Business Conduct (G1–2)

Supplementary information

In addition to the disclosures required under ESRS, Envalior provides some supplementary information to offer further context on selected sustainability initiatives and voluntary commitments. Such information does not replace or extend mandatory ESRS disclosures. Where supplementary information is pro–vided, it is presented alongside the relevant thematic chapters of this report.

03 ENVIRONMENT

ENVIRONMENT

We are firmly dedicated to mitigating the environmental impacts of our business activities. We aim to reflect this in our product portfolio, innovative design, and pioneering materials. We act by reducing emissions, minimizing pollution, and optimizing waste and water management.

Impacts, Risks and Opportunities (IROs)

Negative impacts

1. Fossil fuel use drives greenhouse gas emissions
2. CO_2, N_2O, and methane emissions from production drive climate change
3. High energy consumption in production processes
4. Release of air pollutants
5. Substances of concern pose environmental risks if mismanaged
6. Microplastics generation from production and material use
7. Use of non–renewable resources drives resource depletion
8. Limited recyclability leads to landfill and incineration

Positive impacts

9. Lightweight materials reduce emissions and support e–mobility
10. Durable materials reduce consumption and extend product lifetimes

Risks

11. Climate regulations increase operational and compliance costs
12. Energy market regulations drive cost and operational complexity
13. Substance restrictions disrupt formulations and product performance
14. Water scarcity risks disrupt operations and increase costs
15. Circularity requirements increase pressure on sustainable sourcing
16. Potentially high cost of chemical waste disposal

Opportunities

17. Bio–based and recycled materials reduce footprint and improve circularity
18. Sustainable sourcing partnerships strengthen resilience and innovation

TARGETS

35%

Scope 1 and 2 reduction achieved by 2030.

100%

renewable electricity sourced by 2030.

Offer an entire portfolio of bio– and/or recycled–based **alternatives** by 2030.

ACTIONS

Provision of transparent and reliable information on **sustainable attributes** (Product Carbon Footprint, Life Cycle Assessment, Sustainable Share).

Increase coverage of **ISCC PLUS management systems** to incorporate bio–based and chemically recycled feedstock into our existing production processes.

Building **rainwater harvesting systems and water storage capacity** in our sites in water–stressed areas.

METRICS

62%

renewable electricity purchased in 2025.

100%

of European sites audited and certified under Operation Clean Sweep (OCS).

14/18

sites operating with a water intensity below 1 m^3 per tonne.

CLIMATE CHANGE

E1

TRANSITION PLAN FOR CLIMATE CHANGE

E1–1

Envalior was established in 2023 by the merger of two businesses that had already initiated climate transition efforts prior to that. These legacy businesses implemented a wide range of decarbonization measures between 2016 and 2024 to reduce greenhouse gas (GHG) emissions. Through these efforts, they achieved a combined reduction in GHG emissions of approximately 65%. This progress was made possible through a mix of energy efficiency programs, process waste heat recovery for steam generation, the procurement of renewable electricity, and targeted investments in technologies aimed at reducing process emissions.

Building on these achievements, we conducted a comprehensive carbon footprint assessment across Scope 1, 2, and 3 emissions for the new base year 2024. This provides the foundation for all future climate-related planning and performance tracking. We have identified levers to accelerate decarbonization and have detailed our plans to reduce Scope 1 and 2 emissions by 35% by 2030, compared to 2024 levels.

Levers to accelerate decarbonization

Our decarbonization strategy is built on a combination of energy systems, operations, technologies, value chain, and governance levers. Bringing these together under one strategy enables us to deliver meaningful emissions reductions across Scopes 1, 2, and 3.

- **Energy-related levers** reduce emissions from electricity, heat, and fuel by shifting to renewable and low-carbon sources. They require infrastructure adjustments but offer significant Scope 1 and 2 reductions. Energy levers are vital for decarbonizing operations and ensuring long-term energy security, resilience, and strategic alignment.
- **Operational levers** enhance efficiency through process improvements, management systems, and employee engagement. They are cost-effective, scalable, and embed sustainability into daily routines. By fostering internal awareness and adaptability, they support regulatory readiness and continuous improvement across sites and functions.
- **Technical levers** address emissions directly at the source, especially from complex processes. They rely on advanced technologies and site-specific solutions. While often capital-intensive, they are essential for reducing hard-to-abate emissions and closing critical gaps toward climate neutrality.
- **Value chain levers** target Scope 3 emissions through sustainable product design, supplier collaboration, and improved transparency. They extend impact beyond operations and enable shared decarbonization with partners and customers, contributing to long-term value creation and regulatory alignment.
- **Governance levers** embed climate action in corporate strategy, ensuring oversight, alignment, and accountability. They include planning, monitoring, and reporting structures that drive implementation. Strong governance ensures consistency, risk management, and credibility across the organization's decarbonization journey.

Key actions in the transition plan

The levers outlined above are comprehensively addressed within our Global Policy Environment, ensuring an integrated approach to decarbonization. The following key actions, which are subsequently detailed in sections E1–E5, demonstrate how these levers are embedded in our transition strategy.

- **Renewable Electricity Plan:** The company will implement a comprehensive renewable electricity strategy across all global operations to significantly reduce carbon emissions.
- **Low-carbon heat sources:** By partnering with steam suppliers that use advanced, lower-emission technologies, we will transition toward low-carbon heat solutions.
- **Innovative technology investment:** Ongoing investments in pioneering technologies will help abate industrial process emissions and support our overall decarbonization journey.
- **Complementary measures:** Supporting actions target long-term decarbonization, including Scope 3 reductions, and reinforce our climate ambitions. To this end, we leverage low-carbon products, value chain engagement, and climate resilience strategies.

These include:

- expanding our sustainable product portfolio, incorporating increased use of bio-based and recycled raw materials
- carrying out ongoing Life Cycle Assessments (LCAs) for our key base polymers and providing Product Carbon Footprints (PCFs) to support customer decarbonization efforts across the value chain
- refining long-term climate goals by incorporating material Scope 3 categories in addition to Scopes 1 and 2
- developing a decarbonization roadmap extending beyond 2030, aligning with science-based targets and global climate objectives
- conducting a climate risk and resilience assessment, aimed at identifying physical and transitional risks and strengthening our climate resilience strategy.

Approval by administrative, management, and supervisory bodies

Our Climate Transition Plan is embedded in the company's ESG governance structure to ensure strategic alignment and executive accountability. It has been developed by Subcommittee 1 – Climate & Energy, and formally approved by the ESG Board, which is chaired by the CEO and is composed of leadership team members. Further details can be found in the Governance section of the General chapter.

Alignment with the overall business strategy

Our Climate Transition Plan is a core component of the company's overarching business strategy and our approach to creating long-term value.

The transition plan aligns with our strategic objectives in the following ways:

- **Strategic integration:** "Low carbon" is a key pillar of our Envalior CARES Strategy, which is fully embedded into corporate decision-making, research and development (R&D) priorities, and portfolio development. The company is actively shifting toward lower-emission technologies, circular products, and resource-efficient production systems.
- **Financial planning alignment:** Decarbonization levers identified in the transition plan – including renewable electricity sourcing, low-carbon heat, energy efficiency, and process emission abatement technologies – are being systematically integrated into capital expenditure planning and operational budgets. Climate-related investments are considered in project evaluation and prioritization processes.
- **Product and market strategy:** By providing bio-based and recycled raw materials, our sustainable product portfolio supports both emissions reductions and market differentiation. We use Life Cycle Assessments (LCAs) to drive product innovation and support decarbonization across the downstream value chain in close collaboration with customers.
- **Governance and risk management:** Climate risks and opportunities are being integrated into the company's enterprise risk management and strategy processes. We plan a comprehensive climate risk and resilience assessment to ensure the robustness of strategic choices under future climate scenarios.

Key assumptions and dependencies

Based on currently available technologies and resources, we expect the successful implementation of our Climate Transition Plan by 2030. Absolute emissions reductions are directly influenced by production volumes, making it essential to consider production output when evaluating overall climate performance. These factors are critical to achieving further emissions reductions and strengthening climate resilience.

Beyond 2030, future progress depends on advances in technology, increased availability of renewable energy, and sustained investments throughout the supply chain.

Locked-in GHG emissions

Envalior anticipates a level of locked-in GHG emissions that will remain unavoidable in the near to medium term due to structural and technological constraints. These include process intrinsic nitrous oxide (N_2O) emissions from intermediates production until full abatement systems are implemented, dependence on fossil-based heat and external steam infrastructure, and natural gas based high temperature processes that require long investment cycles to electrify. Additional locked-in emissions arise from the carbon intensity of regional electricity grids where renewable sourcing is not yet fully available, as well as from upstream raw materials for which low-carbon alternatives remain limited.

Progress in implementation

In the year 2025, we advanced the implementation of our Climate Transition Plan across multiple decarbonization levers. The share of purchased renewable electricity increased to 62% (thereby reducing market-based Scope 2 emissions), while we strengthened energy efficiency and heat recovery measures, progressed low-carbon heat concepts with external steam suppliers, and prepared the electrification of steam generation by carrying out electrode boiler studies. Engineering work on N_2O abatement systems continued, supporting long-term Scope 1 reductions. Across the value chain, PCF and LCA coverage expanded, alongside increased supplier engagement on primary data and sustainable feedstocks. Governance structures, climate roadmaps, and ISO-based management systems were further embedded, complemented by organization-wide sustainability and energy training.

POLICIES RELATED TO CLIMATE CHANGE

E1–4

Our Global Policy Environment is a key component of our sustainability and climate strategy. It provides the overarching framework for achieving our climate goals and managing climate risks. Our Double Materiality Assessment (DMA) identified the negative impacts caused by our activities in the form of carbon emissions from our production processes, or from the use of electricity from fossil–based generation.

The policy addresses these negative impacts and all climate–related sustainability matters outlined in the company's Climate Transition Plan, including mitigation, adaptation, and GHG emissions reduction. We developed the policy considering the perspectives of key stakeholders identified through the DMA, including employees, suppliers, customers, and local communities.

The policy drives our continuous improvement in energy and environmental performance and supports the implementation of our Climate Transition Plan. We apply it globally across all operations and along the entire value chain, and it is binding for employees, contractors, and partners. Oversight lies with the ESG Board chaired by the CEO and Subcommittee 1 – Climate & Energy and Subcommittee 2 – Health, Safety & Environment, with site–level environmental teams ensuring execution.

Our management's commitment to greenhouse gas (GHG) reduction is demonstrated through a dedicated budget for measures such as renewable electricity purchases. Sub–policies and directives define standards and responsibilities for consistent implementation.

ACTIONS RELATED TO CLIMATE CHANGE

E1–5

In line with our transition plan for climate change mitigation and identified levers for decarbonization, we have initiated actions to implement our policies:

Renewable Electricity Plan

Lever type: Energy–related (electricity)

Envalior is implementing a comprehensive Renewable Electricity Plan to systematically reduce market–based Scope 2 emissions across all global operations. The program combines long–term power purchase agreements (PPAs), energy attribute certificates (EACs), and on–site photovoltaic installations to accelerate the transition to low–carbon electricity while ensuring flexibility across regions and markets. Implementation will take place in coordinated phases up to 2030.

This action directly implements the commitments set out in our Global Policy Environment and operationalizes a core lever of our Climate Transition Plan. It represents one of the most significant contributors to achieving our 2030 Scope 2 reduction target as disclosed under E1–6.

Dedicated financial resources embedded in site–level and corporate capital expenditures (CapEx) and procurement planning support implementation, complemented by non–financial resources that include cross functional energy, technical, and sustainability teams. Based on 2024 electricity consumption, the Renewable Electricity Plan is expected to lead to around 90,000 t CO_2e in annual reductions by 2030. In the year 2025, the share of renewable electricity increased to 62%, further reducing market–based Scope 2 emissions.

Low–carbon heat solutions

Lever type: Energy–related (heat/fuel switch)

In the year 2025, we continued to develop our program to implement low–carbon heat solutions that reduce emissions from thermal energy demand. The measure combines process heat recovery optimization with the procurement of low–carbon steam. At our production site in Antwerp, Belgium, steam is supplied through the ECLUSE network, providing heat from waste incineration processes. Additional sites with high thermal energy demand, including locations along the Lower Rhine, further developed transition concepts together with existing steam suppliers to assess pathways to lower carbon heat sources.

We expect the program to achieve several thousand tons of CO_2e emissions reductions by 2030, with further expansion planned beyond that. The program implements our Global Policy Environment and is a core lever of our Climate Transition Plan. We manage investments through site–level energy planning processes and support implementation with dedicated technical teams. The measure plays a key role in driving Scope 1 reductions in line with our 2030 emissions target.

Fuel switch and electrification of heat supply

Lever type: Energy–related (heat/electrification)

We are preparing the transition from fossil–based to electric steam generation using electrode boilers powered by renewable electricity. This measure targets Scope 1 and 2 emissions reduction and supports the planned phase–out of coal–based heat supply at selected sites with external steam systems. In the year 2025, preparations for this continued, including technical assessments and coordination with the external steam supplier to evaluate infrastructure requirements and integration needs. This action applies to sites with high thermal energy demand and external steam supply arrangements, including Krefeld–Uerdingen, Germany, and Emmen and Geleen, the Netherlands.

Once implemented, the measure is expected to enable substantial CO_2e reductions at the site level. The program implements our Global Policy Environment and is a core lever of our Climate Transition Plan. Our external steam supplier manages the associated investments, while we provide site–level engineering, feasibility, and integration capabilities embedded in local decarbonization planning.

Energy efficiency and heat recovery measures

Lever type: Operational
(process optimization)

We have continued to implement energy efficiency and heat recovery measures to reduce energy demand and thermal losses. At our production site in Antwerp, Belgium, up to 60% of the heat used in caprolactam production is already recovered from previous process steps. Planned system optimizations aim to further increase steam utilization efficiency and reduce reliance on fossil-based steam.

Preparatory work for additional measures, which was initiated in previous years, progressed in 2025 and includes technical upgrades, improved process control, and enhanced heat recovery systems. We are improving energy efficiency and reducing energy consumption by using technologies and equipment such as in-process heat pumps, or by installing dry vacuum pumps.

These actions are expected to generate measurable CO_2e reductions by 2030. These operational measures form part of our continuous improvement approach and are aligned with local decarbonization roadmaps. Site-level technical teams support implementation, and they integrate optimization actions into ongoing operational planning.

Industrial process emission abatement

Lever type: Technical
(end-of-pipe)

We are advancing our program to reduce process related emissions, focusing on abatement of climate relevant gases such as nitrous oxide (N_2O). This measure aims to route relevant exhaust streams through a site-wide abatement system that converts nitrous oxide and other gases into harmless components. The initiative builds on earlier abatement installations and extends existing capabilities using integrated, plant-wide solutions.

In the year 2025, engineering and feasibility activities continued to define system requirements and optimize design options at selected production sites. Once implemented, these measures are expected to reduce approximately 89 t of N_2O annually, supporting long-term Scope 1 decarbonization and contributing directly to our Climate Transition Plan.

The program is supported by site-level engineering and technical teams and is embedded in local decarbonization planning. It implements our Global Policy Environment by targeting hard-to-abate industrial emissions using advanced abatement technologies.

Sustainable product and portfolio transformation

Lever type: Value chain
(product transformation)

This action aims to reduce Scope 3 emissions by transforming our product portfolio through the integration of bio-based and recycled feedstocks. Certified mass-balance systems such as ISCC PLUS are implemented at all relevant sites, supporting the commercialization of lower-carbon product variants. Further details are provided in the Circularity and Waste section of this chapter.

Product Carbon Footprints (PCF) and Life Cycle Assessments (LCA) are available for nearly all base products, enabling transparency and comparability across our portfolio. In the year 2025, we continued to apply these tools to additional products and expanded certified material streams.

The measure applies globally across all product lines and markets. It is designed as a long-term initiative, and it expands continuously beyond 2030. Downstream emissions reductions are expected, as customers are increasingly adopting these more sustainable alternatives, thereby supporting decarbonization across the value chain.

Scope 3 engagement and innovation

Lever type: Value chain
(supplier and customer engagement)

We are strengthening our Scope 3 engagement across our operations to increase transparency and reduce emissions along the value chain. In collaboration with suppliers, we gather primary data, including PCFs, and assess the use of bio-based and recycled feedstocks.

Parallel to this, we work with customers, particularly in the areas of e-mobility, electronics, and lightweight applications, to develop low-carbon product solutions. These collaborations support emission reductions beyond our direct operations, thereby accelerating sustainable innovation.

The initiative applies globally across all major supply chains and customer sectors. It is designed as a long-term program that extends beyond 2030. In the year 2025, we continued targeted supplier engagement and product-specific collaborations to enhance data quality and support value chain innovation.

This action implements our Global Policy Environment by advancing value chain decarbonization and contributes to our Climate Transition Plan through shared innovation with customers and suppliers.

ESG governance, planning, and climate roadmap

Lever type: Governance
(strategic planning and oversight)

We strengthened our ESG governance and climate-related planning in 2025 by using the structures we had already established in the base year 2024. The ESG Board, chaired by the CEO, oversees our climate strategy and ensures alignment across functions and sites. Our Climate Transition Plan and corresponding site-specific climate action plans, such as the one at our production site in Antwerp, Belgium, provide the strategic framework for implementing decarbonization measures and embedding climate action into business and capital-planning processes.

As a governance measure, the action does not directly reduce emissions but is an enabler for all other decarbonization activities. It is essential for making progress in long-term GHG emissions reductions. The program is implemented group-wide, continuously reviewed, and refined based on internal performance and stakeholder expectations. Related costs are included in overhead and sustainability management structures and supported by sustainability, legal, and finance teams.

Site–specific climate action plans

Lever type: Governance
(local implementation)

We continued developing site–specific climate action plans in 2025 to translate corporate climate goals into local implementation. Major production sites, such as in Antwerp, Belgium, further advanced their climate roadmaps in coordination with the corporate sustainability team and site–level technical teams. These plans align with our corporate strategy while addressing site–specific emission profiles, infrastructure needs, and regulatory requirements.

The site–level measures derived from these roadmaps are expected to generate incremental Scope 1 and 2 reductions in the coming years. Climate action planning is designed as a continuous process extending beyond 2030, enabling alignment with long–term decarbonization pathways.

This action implements our Global Policy Environment and supports our Climate Transition Plan by ensuring that sites systematically identify decarbonization options and integrate them into operational and investment planning.

ISO 50001 and ISO 14001 management systems

Lever type: Operational
(management systems)

In the year 2025, we continued operating our ISO–based management systems to strengthen energy and environmental performance. ISO 50001 is implemented at our German sites, while ISO 14001 is applied across most global production locations. These systems support continuous improvement by identifying energy–saving opportunities, monitoring performance against key environmental and energy parameters, and ensuring regulatory compliance.

This action forms part of our Global Policy Environment and supports our Climate Transition Plan by embedding structured management processes into site operations. Although it does not directly reduce emissions, it enables future efficiency gains and contributes to long–term decarbonization. Implementation is maintained through local compliance, energy, and SHE teams (Safety, Health, and Environment). Associated resources are integrated into site–level operational and management budgets.

Regular sustainability and energy training

Lever type: Operational
(capacity building and awareness)

We continued offering regular sustainability and energy training in 2025 to strengthen internal awareness and competencies. Training is conducted at production sites and office locations and includes annual compliance sessions for operations and SHE teams. All employees at operational sites have been trained in environmental issues. Environmental topics are included in SHEQ (Safety, Health, Environment, and Quality) training courses that are mandatory for all employees at each production site. We also provide targeted training for functions such as Research&–Development (R&D), marketing, and sales on topics including Life Cycle Assessments (LCAs), Product Carbon Footprints (PCFs), and sustainable product development.

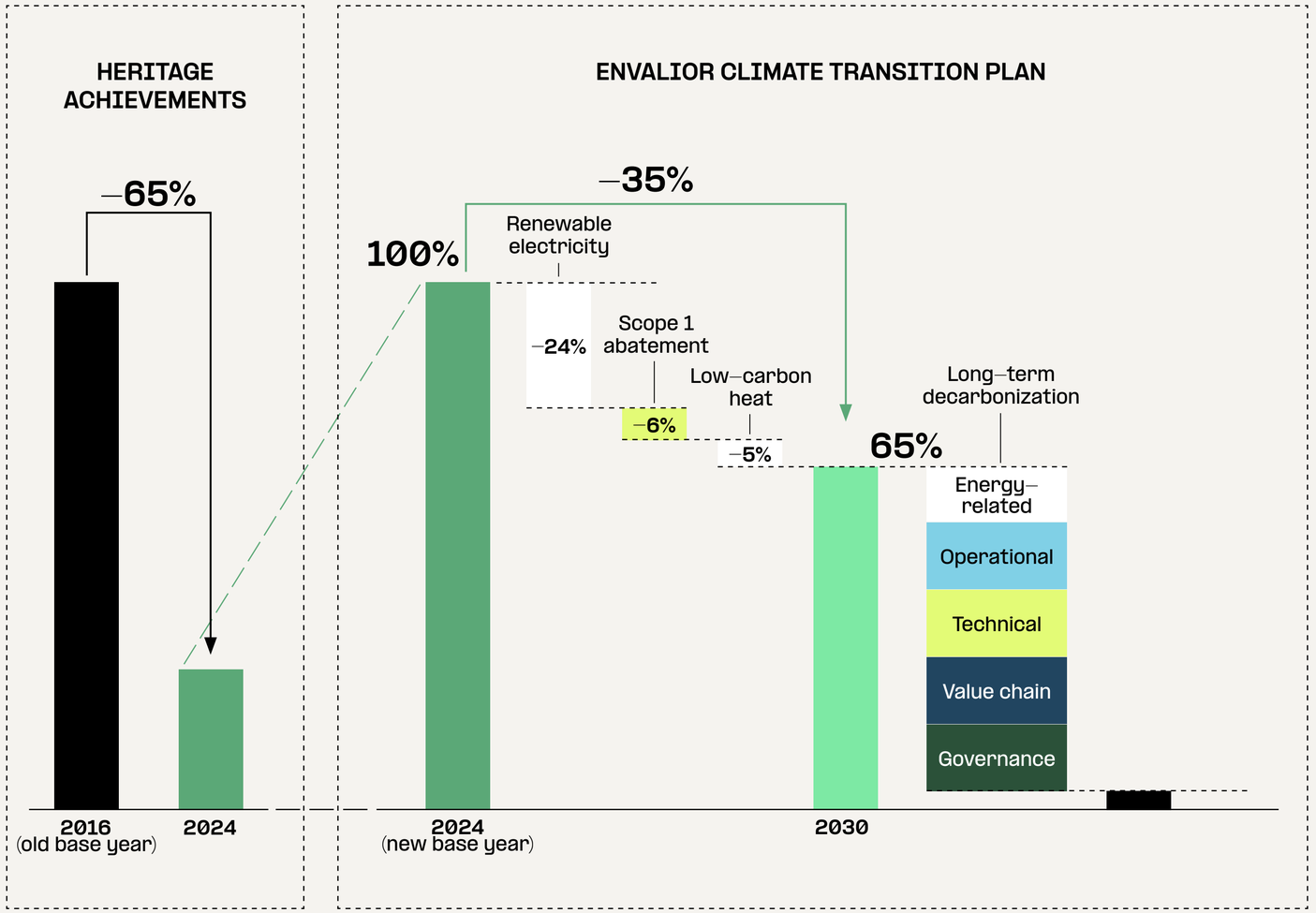
These programs support behavioral change and the effective implementation of climate–related measures across the organization. As an enabling action, this measure does not directly reduce emissions. However, it contributes indirectly to future reductions by improving knowledge, capability, and operational practice. Training is implemented site–wide and corporate–wide, and it is supported through HR (Human Resources), SHE, and sustainability budgets.

PCF and LCA calculation capabilities

Lever type: Value chain
(product transparency)

We continued strengthening our PCF and LCA calculation capabilities in 2025 to enhance emissions transparency across the value chain. A central expert team, standardized methods, and specialized software ensure consistent and reliable calculation of LCAs and PCFs across all product lines. The methodology follows internationally recognized standards, including ISO 14040, ISO 14044, and the World Business Council on Sustainable Development (WBCSD) Life Cycle Metrics guidelines.

These capabilities enable informed product decisions and support long–term Scope 3 reductions. In the year 2025, we updated LCAs for some key base polymers. We introduced further methodological improvements to enhance data quality and usability. The system is fully implemented and applies globally across all product lines and functions.



TARGETS RELATED TO CLIMATE CHANGE

E1−6

We have defined absolute greenhouse gas emissions reduction targets for Scope 1 and Scope 2 emissions to be achieved by 2030. Annual Scope 1 emissions are targeted to decrease by approximately 25,000 t CO_2e by 2030 compared with 2024, while annual Scope 2 market−based emissions are targeted to decrease by approximately 106,000 t CO_2e over the same timeframe. Together, these targets correspond to a combined 35% reduction in Scope 1 and Scope 2 emissions by 2030 versus the 2024 baseline.

We also pursue the supporting objective of achieving 100% renewable electricity by 2030, which underpins the Scope 2 reduction target. Scope 2 performance is tracked using the market−based method, while location−based emissions are reported in parallel for transparency and compliance.

Baseline 2024 emissions amounted to 242,064 t CO_2e for Scope 1 and 138,635 t CO_2e (market−based) for Scope 2. These values provide the reference point against which we can assess progress toward the 2030 targets.

Our decarbonization roadmap identifies the key levers expected to deliver these reductions. These include renewable electricity sourcing such as power purchase agreements (PPAs), energy attribute certificates (EACs), and on−site photovoltaic (PV) installations. Further levers include low−carbon heat solutions, the electrification of steam generation, energy−efficiency and heat−recovery measures, and process−emission abatement technologies, such as nitrous oxide (N_2O) reduction projects.

We assess the alignment of our Scope 1 and 2 targets with a 1.5 °C−compatible pathway, as required by ESRS E1−6. Going forward, we will disclose benchmarking results, including methodology and reference trajectory, as they become available. Scope 3 targets and intensity metrics remain under evaluation as part of the ongoing development of our long−term decarbonization roadmap.

Progress toward the defined targets is monitored annually. Further details are provided in the section on Gross Scopes 1, 2, 3 GHG Emissions in this chapter.

ENERGY CONSUMPTION AND MIX

(E1–7)

In the year 2025, our total energy consumption was derived from three primary sources: fossil–based fuels, nuclear–based electricity, and renewable energy. Fossil energy accounted for the largest portion of total consumption and was mainly driven by natural gas required for thermal processes. It was complemented by process waste gases and internally–generated by–product fuels inherent to chemical production. Together, these energy carriers constituted around 68% of our overall energy demand.

ENERGY CONSUMPTION BY SOURCE

in MWh	2025	2024
Fossil sources	**1,015,066**	**1,094,725**[1]
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products	7,259	7,928
Fuel consumption from natural gas	368,316	497,168
Fuel consumption from other fossil sources	276,835	234,082
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	362,655	355,547[1]
Nuclear sources	**93,780**	**81,227**[1]
Renewable sources	**378,864**	**327,568**
Total energy consumption	**1,487,709**	**1,503,520**[1]

[1] The comparative figure for 2024 has been adjusted to reflect updated data. This may also include methodological adjustments.

ENERGY PRODUCTION BY SOURCE

in MWh	2025	2024
Non–renewable energy production	13,167	16,632
Renewable energy production	49	57
Total energy production	**13,215**	**16,688**

Electricity originating from nuclear generation contributed around 5% to our energy profile. This share results exclusively from electricity purchased via national grids in countries where nuclear power is part of the energy system. We do not operate any nuclear installations; nuclear energy is only included through grid–supplied electricity.

We drew the remaining approximately 22% of energy consumption from renewable sources. This includes renewable electricity purchased through PPAs and EACs, as well as on–site solar generation. Renewable heat contributed marginally. These energy sources support the company's ongoing shift toward lower carbon operations and help reduce dependency on fossil energy.

We operate in a sector classified as having a high climate impact, given the energy–intensive nature of polymer and intermediate chemical production.

GROSS SCOPES 1, 2, 3 GHG EMISSIONS

E1–8

Our gross Scope 1, 2, and 3 emissions are presented in the table on the right. Emissions are reported based on the operational control approach and are aligned with the consolidated reporting scope. Scope 1 and 2 figures are derived from primary data across all production sites, with validation ensured through a centralized internal data review process.

GROSS SCOPE 1, 2 AND 3 GHG EMISSIONS AND TARGETS

in t CO_2e		2025	2024 (base year)	Change [%]	2030 (Target)
Scope 1		**261,201**	**242,064**	**8**	**217,000**
Scope 1 from EU ETS	in %	45	—[1]	–	–
Scope 2 (location–based)		220,679	202,448	9	–
Scope 2 (market–based)		**115,313**	**138,635**	**–17**	**33,000**
Total Scope 1 and Scope 2 (market–based)		**376,514**	**380,699**	**–1**	**254,000**
Total Scope 3		**6,276,977**	**5,912,786**	**6**	–
Scope 3.1 (purchased goods and services)		4,417,696	4,226,815	5	–
Scope 3.2 (capital goods)		12,187	9,774	25	–
Scope 3.3 (fuel– and energy–related upstream emissions)		58,342	37,773	54	–
Scope 3.4 (upstream transportation and distribution)		73,253	29,986	144	–
Scope 3.5 (waste generated in operations)		9,315	11,661	–20	–
Scope 3.6 (business travel)		1,292	929	39	–
Scope 3.7 (employee commuting)		7,864	3,589	119	–
Scope 3.8 (upstream leased assets)		3,179	3,450	–8	–
Scope 3.9 (downstream transportation and distribution)		118,678	138,851	–15	–
Scope 3.11 (use of sold products)		911,444	786,966	16	–
Scope 3.12 (end–of–life treatment of sold products)		663,728	662,992	0	–
Total Scope 1, 2, and 3		**6,653,491**	**6,293,485**	**6**	–

[1] Not reported in 2024

Scope 1, 2, and 3 emissions calculations follow GHG Protocol standards, utilizing emission factors from ecoinvent, the Intergovernmental Panel on Climate Change (IPCC), and national and international databases such as the Department for Energy Security and Net Zero (DESNZ), the International Energy Agency (IEA), and the United States Environmental Protection Agency (EPA). Fuel consumption and electricity use are converted to CO_2e using calorific values and market – or location–based factors.

Process–related carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) emissions as well as emissions from refrigerant leakages were included where relevant. Scope 3.1 emissions are based on supplier–specific data where available; otherwise, industry averages, ecoinvent models, or spend–based factors from the United States Environmental Protection Agency (EPA) were applied. Scope 3.2 to Scope 3.8 emissions are primarily calculated using spend–based emission factors, with data derived from enterprise resource planning (ERP) systems. Scope 3.9 is calculated based on distance–based factors and shipment data. Scope 3.12 accounts for regional end–of–life treatment pathways (e.g., landfill, incineration) based on product type and destination. Internal activity data is collected via Enterprise Resource Planning (ERP) and validated by trained data providers and data approvers across sites and corporate functions. To achieve high coverage, experts estimated values or applied extrapolation. Third–party verification ensures additional reliability. A detailed breakdown of methods, data sources, and assumptions is available in the methodology table for GHG emissions calculations on the next pages.

METHODOLOGY FOR GHG EMISSIONS CALCULATION

Emission Category	Emission Factors (EF)	Primary Data Sources	Key Assumptions and Methods
Scope 1 (direct emissions)	IPCC, DEFRA, GEMIS	Consumption and purchasing data from ERP systems, on–site measurements, operational reports	Fuel amounts converted to CO_2e using calorific values and standard factors; Methane (CH_4) and nitrous oxide (N_2O) included for stationary combustion processes
Scope 2 (purchased energy)	Market–based: supplier–specific factors; Location–based: IEA, national factors	Electricity bills, on–site measurements, energy contracts, certificates of origin	Market–based method used where EACs are available; otherwise, residual or location–based grid factors are applied
Scope 3.1 (purchased goods and services)	Scope 3.1.1 (materials): Supplier data, ecoinvent, models based on ecoinvent, models based on own data, or assumptions Scope 3.1.2 (other goods and services): Spend–based factors from EPA	Scope 3.1.1 (materials): Purchasing volumes in kg by material group (Spend Report) Scope 3.1.2 (other goods and services): Purchasing volumes in € by spend group (Spend Report)	Scope 3.1.1 (materials): Spend in kg converted to CO_2e using emission factors per material – supplier combination Scope 3.1.2 (other goods and services): Spend in € converted to CO_2e using EF per material group; exchange rates were considered
Scope 3.2 (capital goods)	Spend–based factors from EPA	Purchasing volumes in € by spend group (Spend Report)	Emissions derived from spends and category–specific EFs
Scope 3.3 (fuel– and energy–related upstream emissions)	Spend–based factors from EPA	Purchasing volumes in € by spend group (Spend Report)	Upstream–only emissions calculated for fuels, electricity and steam

IPCC: Intergovernmental Panel on Climate Change
DEFRA: Department for Environment, Food & Rural Affairs
GEMIS: Globales Emissions–Modell integrierter Systeme (English: Global emissions model for integrated systems)
EAC: Energy Attribute Certificates
IEA: International Energy Agency
EF: Emission factor
EPA: Environmental Protection Agency

TABLE CONTINUED ON NEXT PAGE

Emission Category	Emission Factors (EF)	Primary Data Sources	Key Assumptions and Methods
Scope 3.4 (upstream transportation and distribution)	Spend–based factors from EPA	Purchasing volumes in € by spend group (Spend Report)	Emissions derived from spends and category–specific EFs
Scope 3.5 (waste generated in operations)	Spend–based factors from EPA	Purchasing volumes in € by spend group (Spend Report)	Emissions derived from spends and category–specific EFs
Scope 3.6 (business travel)	Spend–based factors from EPA	Purchasing volumes in € by spend group (Spend Report)	Emissions derived from spends and category–specific EFs
Scope 3.7 (employee commuting)	ecoinvent	Number of employees used in management report	Estimates based on average commuting distance and travel (by car)
Scope 3.8 (upstream leased assets)	Spend–based factors from EPA	Purchasing volumes in € by spend group (Spend Report)	Emissions derived from spends and category–specific EFs
Scope 3.9 (downstream transportation and distribution)	Distance–based factors	Shipment data from ERP system (volumes, distances, destinations)	Based on automatically or customized route and product weight; extrapolation where data is not available
Scope 3.11 (use of sold products)	IPCC	Products sold from ERP system	Use phase emissions for main products are considered as zero while byproducts emit N_2O during use
Scope 3.12 (end–of–life treatment of sold products)	Regionalized EFs for plastics disposal (landfill, incineration, recycling)	Sales volumes by product type and region	Country–specific disposal routes applied; plastic types and typical treatment shares (e.g., landfill, incineration) included

In line with the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, we do not report Scope 3.10 (Processing of sold products), as the downstream processing of our intermediate products varies widely across applications and lacks sufficient data transparency for reliable estimations. Scope 3.13 (Downstream leased assets), Scope 3.14 (Franchises), and Scope 3.15 (Investments) were excluded after screening analysis confirmed they are not relevant to our operations.

IPCC: Intergovernmental Panel on Climate Change
DEFRA: Department for Environment, Food & Rural Affairs
GEMIS: Globales Emissions–Modell integrierter Systeme (English: Global emissions model for integrated systems)
EAC: Energy Attribute Certificates
IEA: International Energy Agency
EF: Emission factor
EPA: Environmental Protection Agency

POLLUTION

E2

POLICIES RELATED TO POLLUTION

E2–1

Our Global Policy Environment is a key component of our sustainability strategy and deals with the identified impacts, risks, and opportunities related to pollution. The policy drives continuous improvement in environmental performance. Pollution control is not just a compliance obligation. It is central to how we build a safer, cleaner, and more sustainable business. The Global Policy Environment is available internally and applicable across all our global operations, including employees and contractors. It confirms that we will continue to pursue operational excellence and innovate at every stage of our production processes to further reduce our environmental footprint and protect ecosystems. As a policy, it sets the guiding principles for our strategic direction and expected key behaviors with respect to the impacts, risks, and opportunities identified for pollution topics.

We pursue this by applying the most efficient available technologies, standardized environmental management systems, and practices, and through a continuous improvement plan. Key targets of our Global Policy Environment include monitoring, controlling, and preventing emissions of pollutants. We manage discharges in compliance with permits and follow best-practice standards. To avoid contamination, we apply appropriate procedures for handling, storing, and disposing chemicals, microplastics, and waste. We also implement appropriate spill response and remediation measures.

Implementation of our Global Policy Environment

We follow applicable substance regulations and internal procedures for handling and substitution, and we maintain an up-to-date substance inventory. We make sure safety information is widely available and easy to access. To support this, our policy references the EU Industrial Emissions Directive, ISO 14001 (Environmental Management System Standard), the EU REACH regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals), and the Operation Clean Sweep® (OCS) program.

Oversight lies with our ESG Board chaired by the CEO and Subcommittee 2 – Health, Safety & Environment, with site-level environmental teams ensuring execution. Subcommittee 2 defines KPIs, sets and reviews targets, monitors progress, and ensures corrective action where necessary. Sub-policies and directives define standards and responsibilities for consistent implementation. These standards apply globally across all operations and along our entire value chain, and they are binding for employees, contractors, and partners.

Management of hazardous substances

Our pollution control strategy pays special attention to the management of substances of concern (SoC) and substances of very high concern (SVHC) with a dedicated Customer (Product) Safety & Product Stewardship Policy. This policy describes our commitment to responsible chemicals management throughout our Engineering Materials production and along the value chain. We use chemical substances to manufacture products as starting materials for further processing in the value chain. This means that our products are used and transformed industrially in downstream processes. Certain substances used in our formulations are classified as SoC or SVHC. These could pose potential environmental impacts if they are not managed responsibly. Their safe use and the provision of information to our customers are governed by law. We comply with these laws, which include the EU REACH regulation and other relevant international standards, ensuring the safe handling and use of chemical substances. Our ambition is to drive the elimination of SVHC and to avoid or replace SoC as much as possible in our products. This will be monitored year on year.

ACTIONS RELATED TO POLLUTION

E2–2

Our operational processes, particularly in polymerization and compounding, have the potential to generate pollutants such as:

- air pollutants, such as combustion–related gases (e.g., nitrogen oxides (NO_x) and sulfur dioxide (SO_2))
- Water pollutants, for example quantified as chemical oxygen demand (COD) and process chemicals
- microplastics.

We work continuously to reduce the environmental impacts of our business, and all operational sites have been assessed for specific environmental risks.

For example, we do not use persistent organic pollutants or mercury, and our processes are designed to avoid the generation of hazardous or toxic substances. In addition, our process equipment is connected to an extraction system to control pollutants. We regularly review environmental aspects and reduce our environmental impact through targeted measures. As a result, we implement stringent measures and have installed the necessary equipment and systems to reduce air and water pollution at our plants. Monitoring microplastics plays a key role due to the nature of our business. Reducing microplastic pollution is a core part of our pollution–management activities.

Measuring air emissions

In accordance with our Global Policy Environment, we systematically measure air pollutants such as NO_x, SO_2, and Volatile Organic Compounds (VOCs). Globally, most of our sites are equipped to monitor and prevent the emission of harmful substances into the air. The compounding industry uses metal–based additives such as stabilizers, pigments, and flame retardants, many of which can contain heavy metals like lead, cadmium, chromium, and zinc. Heavy metals released into the air can settle in soil and water, leading to bioaccumulation and causing long–term ecological damage. In the coming years, we aim to monitor a range of these heavy metals and other pollutants and systematically assess the associated opportunities and risks arising from air emissions.

Reducing air pollution

In the year 2025, we maintained full compliance with permitted limits for air emissions across all global sites. Key initiatives included:

- An additional compounding site installed scrubbers and a fume–extraction system in 2025 to control air emissions, bringing the total to 13 out of 18 sites. We aim to further reduce emissions such as VOCs and odors by implementing additional scrubber systems and other measures as part of our ongoing efforts to reduce atmospheric pollutants and improve air quality in line with environmental compliance standards.

- Our site in Jiangyin, China, initiated a project in 2025 aimed at significantly reducing its VOC emissions by implementing an exhaust gas treatment facility to reduce emissions associated with the production of certain products.

Monitoring water pollutants

During the 2025 reporting period, we monitored and reported emissions to water in line with environmental compliance and pollution–prevention standards, although this topic was not identified as material in our DMA. These figures form the basis for ongoing efforts to reduce waterborne emissions and enhance wastewater treatment performance across operations.

Preventing water pollution

At our plants, all process wastewater is treated either on–site or at licensed industrial treatment plants before being discharged. All sites follow best practices for pollution control and mitigation. We have installed dust extraction, filtration, and cleaning systems at the mixing and extrusion points at all sites to prevent and mitigate contamination of process water.

To avoid groundwater contamination, most of our sites are equipped with water treatment facilities. We carry out regular soil measurements, and drains are connected to an effluent treatment plant (ETP).

We apply procedures and guidance for handling potential contamination risks, including spill management, proper chemical storage, equipment maintenance, employee training, routine sampling, and wastewater testing. Our sites operate in compliance with wastewater discharge limits and in accordance with applicable laws and local regulations. We carry out internal monitoring, and local authorities regularly verify compliance with these requirements. Consistent with our drive for continuous improvement, most of our sites are working to improve efficiency and minimize wastewater generation and pollution.

The Envalior site in Geleen, the Netherlands, initiated a project in 2025 to optimize process steps involving technical adjustments such as installing cleaning systems, redesigning material preparation areas, and optimizing process parameters. These measures are expected to reduce the pollutant load directed to the wastewater treatment facility. These investments are also intended to significantly reduce wastewater treatment costs.

Handling hazardous substances with due care

We operate a waste management system that classifies hazardous substances based on their chemical nature and reactivity. All sites follow a defined procedure for handling hazardous substances, including substances of concern (SoC) or substances of very high concern (SVHC). We aim to eliminate SoC and SVHC where feasible. When handling hazardous substances, we follow the information in the safety data sheets (SDS) and apply the required precautionary measures.

When introducing a new substance, the respective site follows our Management of Change (MOC) procedure. This process defines additional measures where required. We document environmental emergency

response measures for hazardous substances and implement site-specific procedures. Most of our sites follow the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). At our Intermediates production sites, which handle more bulk volumes, we design equipment to safely manage classified substances. We conduct regular inspections to verify compliance and operational integrity.

Our objective is to reduce the use of hazardous substances and prevent spills. We use secondary containment for liquid substances to prevent soil contamination in the event of a spill. To ensure that hazard assessments and related activities comply with applicable regulations and safety standards worldwide, we apply these requirements consistently across all operational locations.

Prioritizing customer safety

We provide a safety data sheet (SDS) with all products released to customers. Each SDS lists all legally reportable hazardous substances above applicable thresholds and provides guidance on safe handling, including an emergency contact number. We automatically distribute the SDS with every first shipment to the customer and whenever changes occur. We also make these documents available 24/7 on the plasticsfinder.envalior.com website.

Processing guidelines for the safe use of our products are available via the technical sales force and are also accessible at all times via the plasticsfinder.envalior.com website. We issue absence declarations and other regulatory documents via the same website or upon request. These documents provide relevant information on product composition, including information on SoC and SVHC. Incident notification and complaint handling processes are in place to quickly and efficiently capture and respond to any customer safety issues observed or recorded in the market.

Controlling and preventing spills

Our plant piping is designed to enable early leak detection and rapid response to prevent impacts on the soil that could lead to contamination. We handle plastic granulate and powder in accordance with best practices in the industry. In addition, Operation Clean Sweep® (OCS) practices are being implemented globally. OCS is a global initiative aimed at preventing the unintentional release of plastic granules, such as pellets, flakes, and powders, into the environment by promoting best practices for handling across all stages of the plastics value chain. We also have emergency response training and drills at our sites, and the relevant procedures are periodically practiced. Most of our sites have established practices to regularly monitor soil quality, even though soil contamination was not identified as material in our Double Materiality Assessment (DMA).

Reducing microplastic pollution

Widely recognized as an industry standard, plastic granulate – polymer particles smaller than 5 mm – is used to improve the efficiency and consistency of material handling and processing operations. At Envalior, we use granulate as the preferred format for both incoming raw materials and outgoing compounded products. This supports operational efficiency and reduces the risk of material loss and pollution during handling. By making this choice, we aim to minimize emissions and discharges of polymer particles throughout the supply chain and in production processes like compounding, injection molding, and extrusion.

OCS is implemented across our sites as a key framework for preventing the unintentional release of plastic granules, such as pellets, flakes, and powders into the environment. European Plastics Converters (EuPC) and Plastics Europe have made a commitment to jointly develop an OCS certification scheme. In line with this, all six eligible European production sites have implemented OCS practices and successfully passed audits.

Measures we have implemented to reduce microplastic emissions on our sites overlap with broader technical measures implemented to reduce emissions in general. For example, dust filters and dust collection systems, sewer control, and containment measures. Technical measures come together with operational measures such as regular training of operators on correctly handling microplastics and related spills.

Our Emmen site in the Netherlands initiated a project in 2025 to assess and ultimately reduce pellet spillage in certain process steps. Technical measures are being evaluated there to efficiently prevent and reduce spillage to inaccessible areas, and to improve mitigation measures. We anticipate that these measures will reduce overall microplastic emissions at the Emmen site.

TARGETS RELATED TO POLLUTION

E2–3

We have not set further quantifiable targets on other pollutants or SVHC and SOC usage. At Envalior, we are committed to reducing pollution to air and phasing out substances of concern (SoC) and substances of very high concern (SVHC) through our Global Policy Environment. Our progress outlined in this policy and supported by the aforementioned actions is continuously monitored by emission measurements, tracking of incidents via reporting tools, and audits.

We set a target for our own European operations for 2025 regarding the number of European sites implementing OCS practices, covering all six eligible European sites, measured by the successful passing of an audit under the OCS Europe certification scheme (Rules & Principles version 1.0 and Requirements version 1.0).

Implementing OCS practices provides us with the foundation for assessing microplastic spills and potential emissions. It enables us to understand sources of microplastic emissions and to implement and continuously improve preventive and mitigation barriers and measures. Through these actions, we reduce microplastic emissions by preventing releases, in line with our Global Policy Environment.

To further reduce global microplastic emissions, we aim to implement OCS practices in our North and South American sites in 2026, covering all three eligible sites in the Americas.

METRICS RELATED TO POLLUTION

E2–4

Our materials are predominantly used for the production of technical components and applications in sectors such as automotive, electrical, electronics, and industrial equipment. The granulate form is a temporary physical state of the material prior to its transformation into functional parts. In the year 2025, we handled a total of 602,903 t of polymers along our value chain. This figure includes both externally purchased polymer raw materials and internally polymerized base materials that were compounded and transported in granular form.

To ensure accurate reporting, the total of microplastics (granular plastics) used has been consolidated to prevent any double counting of mass. This approach ensures that we count each polymer batch only once, even if it undergoes multiple processing steps such as polymerization, compounding, and shipping. This entire quantity falls under the category of intentionally used microplastics, as the granulate is handled as an intermediate material before being further processed into durable goods by downstream customers.

In the year 2024, none of our European sites were audited for OCS practices. By the end of 2025, all European sites had successfully passed OCS audits. The total emissions of air pollutants from our plants amounted to 652 t in 2025.

AIR POLLUTANT EMISSIONS

in t	2025	2024
NO_x	474	—[1]
SO_2	178	—[1]
Hydrochlorofluorocarbons (HCFCs) in kg	34	—[1]

[1] Not reported in 2024

MICROPLASTIC METRICS

in t		2025	2024
European sites passing OCS audit	count	6/6	–[1]
Amounts of primary micro–plastics manufactured or used in products		602,903	–[1]

[1] Not reported for 2024.

WATER POLLUTANT EMISSIONS

in t		2025	2024
Chemical Oxygen Demand (COD)		2,335	1,402
Total nitrogen		360	143
Arsenic (as As)	in kg	8	–[1]

[1] Not reported for 2024.

SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN

E2–5

We are driving forward the elimination of substances of very high concern (SVHC) from our organization and our products. Using an approval process that includes a periodic justification review, we actively search for suitable alternatives to replace SVHC, and substitution programs are executed to implement these changes. Furthermore, the use of susbstances of concern (SoC) is avoided as much as possible in new products, and substances are replaced in existing products. This is embed–ded in our automotive–based project manage–ment process (APQP), which is based on the IATF 16949 standard and applies to all prod–ucts developed. Our ultimate goal is to minimize the risk of product formulation disruptions resulting from bans or the reclassification of used substances, while safeguarding and supporting customer safety.

WATER

E3

POLICIES RELATED TO WATER

E3–1

We take responsibility for managing water sustainably across our global operations. Although our manufacturing processes are not as water–intensive as in some industries, we recognize our duty to protect water resources, especially in regions facing scarcity or stress. Water is both a local and global issue, and our approach reflects this complexity in our Global Policy Environment.

Our Global Policy Environment applies world–wide across all operations and along the entire value chain. Furthermore, it applies to employees, contractors, and partners and addresses the impacts, risks, and opportuni–ties related to water withdrawal in areas of water stress as identified in our Double Materiality Assessment (DMA). Oversight lies with the ESG Board, chaired by the CEO, while Subcommittee 2 – Health, Safety & Environment is responsible for water–specific topics, with site–level environmental teams ensuring execution. Subcommittee 2 defines KPIs, sets and reviews targets, monitors progress, and ensures corrective action where necessary. Sub–policies and direc–tives define standards and responsibilities for consistent implementation. Further details are provided in the Governance section of our General chapter.

In line with our Global Policy Environment, we strive to use water responsibly at all locations and take additional measures in areas that suffer from water stress. By managing water withdrawals, consumption, and discharges, we aim to reduce operational impact and contribute to the protection of freshwater ecosystems.

Water stewardship and sustainable use

By embedding water stewardship into our operational practices, risk management, and innovation roadmap, our Global Policy Environment aims to minimize our impact on freshwater resources while ensuring resilience in a changing climate. We will continue to enhance transparency in our water reporting. At the same time, we will work collaboratively with industry peers, regulators, and local communities to advance sustainable water use and take additional measures in water–stressed areas.

Across all Envalior sites, we use water effi–ciently and avoid unnecessary consumption in production and auxiliary processes. Our water management approach also includes preventing contamination of water bodies through appropriate wastewater treatment and spill prevention measures. In addition, we conduct water risk assessments and implement local water stewardship initiatives, especially in high–risk areas.

ACTIONS RELATED TO WATER

E3–2

Water management and wastewater control are two key activities we undertake to make our processes more efficient and to mitigate water–related environmental impacts. Most of the water used in our production processes is discharged back into water bodies after being treated in our own facilities or in centralized or third–party wastewater treat–ment plants. We are reducing water con–sumption across different processes and have numerous water initiatives in place.

Performing location–based reporting and water risk assessment

Water stress is a direct consequence of climate change and the increasing overall demand for water. In the year 2025, we carried out a water risk analysis for all production sites using the Aqueduct Water Risk Atlas tool from the World Resources Institute (WRI). Four of our sites, namely Jhagadia, Pantnagar, and Ranjangaon in India, and Wuxi in China, are located in areas with high or extremely high water stress according to the WRI Aqueduct Water Risk Atlas. Four additional sites are located in areas with medium–high water stress. All remaining Envalior sites are located in areas of low water stress.

For sites located in areas of high water stress, prioritized based on our risk assessment results, we have taken targeted measures to better understand and reduce water con–sumption, including impact assessments. The remaining sites will follow in the coming years. This helps our sites to better understand current and future water availability as well as any constraints that may exist at specific locations.

Launching site–specific initiatives

Water plays a key role in our cooling systems, and we are working to optimize water consumption through efficiency measures and recycling. Most of our sites use closed–loop cooling systems, achieving recycling rates of 50% to 70%. Additional measures include automated cooling technologies, a zero–leak approach with prompt repairs, and process improvements such as dry vacuum pumping.

We are also strengthening site–specific water risk assessments to reflect local basin conditions and integrating improvement measures into operational management. This includes monitoring water withdrawals, upgrading equipment, and implementing targeted efficiency measures. Progress is tracked using defined performance indicators to ensure continuous improvement and alignment with ESRS E3 requirements.

Three of our four facilities located in high water stress areas have implemented rainwater harvesting systems with a combined storage capacity of 860 m³. Two of these sites have additional water storage facilities with a capacity of 1,650 m³, helping to mitigate water withdrawal risks.

At our Pune site in India, we continuously monitor water consumption and integrate this into our site–specific manufacturing planning. Efficiency measures implemented include automated cooling towers and waterless equipment, remain in place and effective. The facility operates as a zero–discharge site, with treated wastewater used for horticultural purposes.

At our Pantnagar site in India, water consumption is monitored and managed through defined and regularly reviewed efficiency measures. A continuous improvement initiative is in place to reduce water consumption per ton of production.

At our Jhagadia site in India, located in a water–stressed area, improvement efforts focus on increasing water efficiency use through process optimization, high–efficiency equipment, leak detection, preventive maintenance, and reuse and recycling measures, including closed–loop systems. Water withdrawal, consumption, and discharge are systematically monitored, with data regularly reviewed by local management to identify risks and define appropriate measures.

The Wuxi site in China has established a local water consumption target and tracks performance on a monthly basis, taking preventive measures where necessary.

TARGETS RELATED TO WATER

E3–3

At Envalior, we closely monitor our water data and related activities and strive for excellent water management. We take our responsibility for water pollutant reductions seriously and have set voluntary targets. During 2025, we initiated a review of our water–related targets as appropriate.

- By 2027, 100% of Envalior production sites located in water–stressed areas will have implemented a water action plan including mitigation and reduction measures.
- By 2030, 100% of Envalior production sites will implement globally defined best–practice actions for water withdrawal, consumption, and recycling with an intermediate focus on sites in water–stressed areas. In line with the Global Policy Environment, key actions have been initiated at our sites with high water stress. Lessons learned and best practices will be shared upon completion of the respective projects.
- Each Envalior plant is expected to achieve a water intensity of less than 1 m³/t of product produced by 2030.

WATER METRICS

E3–4

Water is an important element in our business operations and serves many different purposes. It is used in our production processes such as compounding, polymerization, and for cooling. At the same time, it is vital for non–process applications such as sanitation and cleaning. Our sites carry out an accurate water inventory and monitor water consumption levels either daily or weekly. The data collected is reported locally on a monthly basis.

Our total water consumption in the reporting period was 2,226 m³. Thanks to robust sustainability measures to manage and reduce our water footprint, we were able to recycle and reuse 171,014 m³ of process water in the same period.

Envalior sites located in an area of high water stress achieved a water intensity of less than 1 m³/t.

WATER CONSUMPTION, WITHDRAWAL, DISCHARGE, AND RECYCLING

in 1,000 m³		2025	2024
Total water consumption		**2,226**	**1,764**
Total water withdrawal		112,659	–[2]
Total water discharge		110,433	–[2]
Total water consumption in areas with water stress[1]		**48**	**46**
Total water recycled and reused		**171,014**	**130,718**
Number of sites with water intensity below 1m³/t	count	14	–[2]

[1] The baseline for establishing 2024 values has changed.

[2] Not disclosed in 2024.

CIRCULARITY AND WASTE

E5

POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

E5–1

Circularity is a core pillar in our sustainability strategy, Envalior CARES, and a long–term operational imperative embedded throughout our organization and along our value chain. Our vision for a circular economy drives innovation, product development, and value chain collaboration. We are evaluating and, where viable, implementing circular principles for Engineering Materials by minimizing waste during material production, optimizing processing efficiency at customer sites, and advising on and developing material solutions that achieve required performance in customer applications with reduced material usage, thereby supporting Scope 3 emissions reduction and resource efficiency across the value chain. We aim to reduce our reliance on virgin fossil resources by increasing the share of bio–based and recycled raw materials. We evaluate sustainable raw material alternatives. Building on this, we aim to offer an entire portfolio of bio– and/or recycled–based alternatives by 2030.

Our Global Policy Circular Economy defines the principles and objectives outlined above. It establishes our internal framework for implementing and promoting circularity. The policy addresses material risks related to increasing regulatory requirements and mitigates our negative impacts associated with the use of non–renewable, extractive resources. It also applies to all relevant stakeholder groups in our value chain. For customers and investors, it defines our ambition to enhance the circularity, durability, and value retention of our products. For internal functions and operations, it requires the integration of circular design, waste prevention, and material recovery practices. For suppliers and other upstream partners, it sets expectations regarding circularity principles, transparency on material flows, and support for regenerative resource cycles. The policy also contributes to regulatory compliance by reducing risks related to municipal and regional waste and recycling requirements.

It applies to all global operations, including research and development (R&D), procurement, manufacturing, logistics, sales, and marketing. It covers all business divisions, joint ventures, circular economy initiatives, and supply chain partners involved in the production and application of our polymer–based materials. Business directors of our product lines are accountable for implementation.

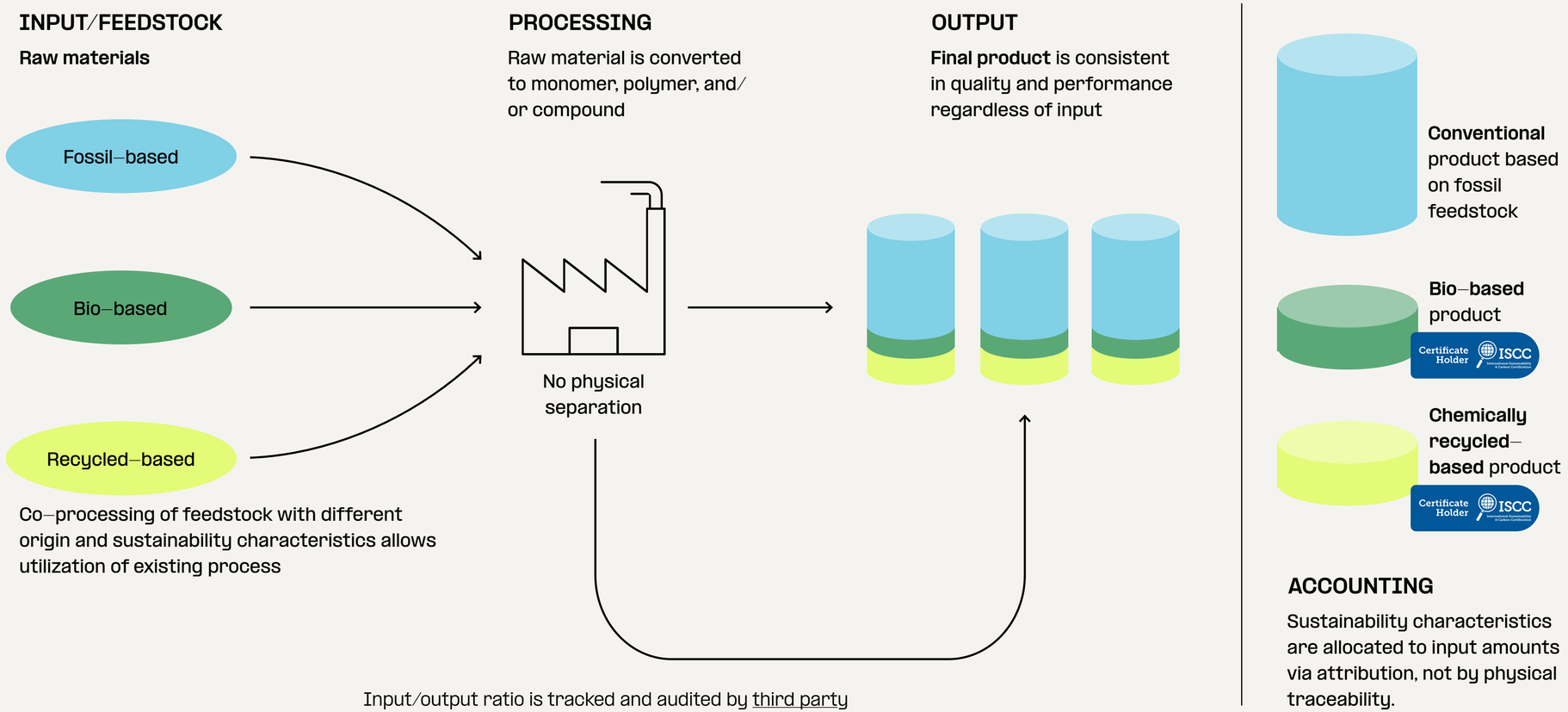
Utilizing third–party standards and initiatives to ensure high–quality standards

We utilize multiple third–party standards and initiatives in our Global Policy Circular Economy to further enhance integrity, reliability, and operational procedures. These standards are:

- ISO 14021 Environmental labels and declarations – Self–declared environmental claims (Type II environmental labelling)
- ISO 16620–1:2015 Plastics – Biobased content – Part 1: General principles
- ISO 16620–4:2016 Plastics – Biobased content – Part 4: Determination of biobased mass content
- ASTM D6866–24a Standard Test Methods for Determining the Biobased Content of Solid, Liquid, and Gaseous Samples Using Radiocarbon Analysis

Furthermore, our Global Policy Circular Economy acknowledges and utilizes important initiatives such as the International Sustainability and Carbon Certification (ISCC) PLUS and the Operation Clean Sweep® (OCS).

Mass–balance approach



Under the mass–balance system, the sustainability characteristics remain assigned to batches of material on a bookkeeping basis while the physical mixing of mass–balance material with different sustainability characteristics and the mixing of sustainable and non–sustainable material is allowed.

Ensuring sustainable resource use through ISCC PLUS certification

We commit to transparent and responsible sourcing of raw materials. In line with our Global Policy Circular Economy, we apply the ISCC PLUS standard to verify the sustainability and traceability of our mass–balanced materials across multiple production sites globally. We have ISCC PLUS–certified operations across Europe, Asia, North America, and South America. ISCC PLUS certifications confirm that we source mass–balanced raw materials in accordance with defined sustainability criteria and traceability requirements. This supports our transition to a low–carbon and circular economy.

We use a mass–balancing approach to incorporate bio–based and chemically–recycled feedstock into our existing production processes. This approach enables us to utilize established assets efficiently and scale circular solutions without fundamental changes to production infrastructure. It also allows us to track and attribute sustainable material inputs throughout multi–stage production processes.

The graphic on the left illustrates this process, showing how sustainable feedstocks are mixed and properly attributed to enable the use of existing assets by combining conventional production with sustainable inputs.

BIO– AND/OR RECYCLED–BASED ALTERNATIVES

RECYCLED–BASED	BIO–BASED	
Mechanical/feedstock recycling	**Bio–C14 traceable**	**Biomass mass–balancing**
Durethan® P–R2 PA6 Polyamide 6 made from post–consumer fishing nets	**EcoPaXX® PA410** Polyamides derived from castor oil	**EcoPaXX® B–MB PA410** Polyamids derived from castor oil and biomass waste mass–balanced
Durethan® M–R2 PA6 Polyamide 6 chemically recycled from post–consumer plastic waste and tire waste using a mass–balancing approach	**ForTii® ECO PA4T** Polyamides derived from castor oil	**Stanyl® B–MB PA46** First high–temperature polyamide from biomass waste mass–balanced
Durethan®/Akulon® M–R1 PA6/PA66 Polyamide 6 and Polyamide 66 based on post–industrial recycled glass fiber	**Arnitel® ECO TPC** A TPC derived in part from rapeseed oil	**Durethan® M–B2 PA6** Polyamide 6 made from feedstock sourced from Used Cooking Oil (UCO)
Pocan® H–R3 PBT/PET PBT and PET blends using post–consumer PET and post–industrial recycled glass fiber	**TEPEX® dynalite BLUE** Fully bio–based composite material from polylactic acid or PA1010 and flax	**Pocan® M–B2 & M–XB PBT** PBT incorporating bio–circular 1.4–butanediol from Used Cooking Oil (UCO) and post–industrial recycled glass fiber with up to 70% sustainable content
Arnite® T MRC PBT Mechanically–recycled PBT		**Arnitel® B–MB TPC** TPC based on biomass waste mass–balanced
Arnite® A CRC PET PET based on post–consumer feedstock		**Durethan® M–XB** Polyamide 6 derived from Used Cooking Oil (UCO) and post–industrial recycled glass fiber with up to 90% sustainable content

Making our products more circular year on year

A core element of our Global Policy Circular Economy is the systematic development of circular and low–carbon products. We expand our portfolio to include bio–based, mechanically–recycled, and chemically–recycled circular materials that meet defined technical and environmental standards.

This updated naming approach is designed to provide several key benefits:

- **More transparency at grade level:** key sustainability attributes become visible in the product name.
- **Easier qualification and documentation:** clearer identification supports chain–of–custody transparency and customer documentation.
- **Future–ready framework:** a modular suffix system makes it possible to add new circularity technologies without changing the core concept.

ACTIONS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

E5–2

To achieve our circularity goals, we evaluated recycled raw materials from pre–consumer and post–consumer sources. This enables continued use of materials at the end of life and increases the share of recycled content in our products. We also evaluate bio–based raw materials to increase their use in our products. We have implemented this approach as a standing operational practice since our founding in 2023. Progress is monitored organically through operational decision–making rather than by applying a fixed annual cycle. Therefore, this action is continuous and does not have a defined timeframe. This approach reduces our reliance on non–renewable, extractive resources and supports the development of strategic partnerships with suppliers of sustainable feedstock. Over time, we expect this to increase the share of renewable inputs and strengthen supply chain resilience.

We support our customers by providing Life Cycle Assessments (LCAs) of our main products, including polymers. These assessments enable our customers to measure the environmental impacts of our products across their life cycles, including the use phase. They support the development of durable and lightweight applications and provide transparency regarding material-related impacts.

We update Life Cycle Assessments (LCAs) in multi-year cycles aligned with market developments, project requirements, and evolving standards. Our aim is to reflect the most recent and reliable data. We expect this approach to contribute to continuous improvements in the environmental performance of our main products, supported by frequent LCA reviews and regularly updated Product Carbon Footprint (PCF) data. These insights inform material choices, enhance resource efficiency, and reduce the carbon footprint of products over time.

In the year 2025, we further increased LCA coverage across our portfolio and plan to extend coverage in subsequent years.

Our circularity actions are guided by the following strategic focus areas:

- replacing fossil-based raw materials with renewable or recycled alternatives
- reintroducing end-of-life products and materials into the value chain
- reducing resource use and waste across operations and product life cycles
- building transparency and trust with certified materials and processes.

In the year 2025, we expanded our evaluation of raw materials derived from advanced recycling technologies and assessed options for integration into our value chain.

Furthermore, we joined the five-year REPLACE project as part of the Circular Plastics NL (CPNL) program. The project aims to improve the recycling of complex plastic waste from end-of-life vehicles and electrical and electronic equipment through advanced sorting, purification, and recycling processes.

In addition, we have developed a carbon footprint roadmap for some of our main products to identify the main levers for emission reductions. A significant share of our product-related emissions originates from raw materials (Scope 3). We will align reduction measures with suppliers in the coming years.

Partnering with upstream suppliers

Scope 3 emissions represent a significant share of our product-related emissions. Collaboration with upstream suppliers is therefore essential. We establish strategic partnerships with suppliers to promote sustainable raw materials and circular economy principles across our value chain. These partnerships build on established procurement and supply chain management processes. Sustainability-related collaborations follow the same governance structures and evolve based on business needs, technological developments, and continuous improvement objectives rather than fixed timelines.

Where feasible, we introduce raw materials derived from post-consumer waste, bio-waste, and bio-based sources, or help our customers by offering alternative material solutions that address evolving regulatory requirements and market needs. We prioritize third-party certified raw materials, including those certified under International Sustainability and Carbon Certification (ISCC) PLUS. These certifications ensure transparency and traceability in sourcing non-fossil feedstocks and enable drop-in solutions that maintain performance while often reducing the Product Carbon Footprint (PCF).

Through these partnerships, we reduce reliance on virgin fossil resources by integrating bio-based and bio-circular feedstocks, including inputs derived from rapeseed oil, Used Cooking Oil (UCO), and biomass. We are currently introducing mass-balanced, chemically-recycled feedstocks into our production site in Antwerp, Belgium. This supports closed material loops and enhances resource efficiency. We have achieved broad ISCC PLUS certification coverage across our global operations and have initiated preparations to achieve ISCC PLUS certification at our site in Ranjangaon, India, in early 2026. Mass-balancing enables transparent allocation of sustainable feedstocks within complex production systems. It allows us to track the share of sustainable inputs entering production and to communicate verified sustainability attributes to customers, including bio-based and recycled content. This provides customers with reliable information to support informed purchasing decisions.

Helping customers make more sustainable choices

As a manufacturer of Engineering Materials, we enable circular material flows and assist customers in reducing the environmental impact of their products. We increase the use of recycled and bio-based raw materials while maintaining the performance, safety, and quality required for engineering applications.

In addition, we help reduce chemical usage, including dosage and frequency, and support improved product designs that use fewer harmful chemicals and promote substitutions. This addresses our material impact related to increasing regulatory requirements pertaining to circularity and material safety.

By working closely with customers, we also extend the lifetime of products through collaborative efforts. Our actions are driven by customer feedback and evolving regulatory requirements, ensuring that our initiatives are both responsive and compliant. We approach these efforts as part of a continuous improvement process, regularly refining our practices to support sustainable and safer material solutions. Our materials support durable and lightweight product design across multiple industries, further enhancing our material impact by reducing overall material consumption.

To empower informed decision–making, we provide transparent and reliable information on the sustainability attributes of our products. This includes data on recycled content, bio–based content, carbon foot–print, compliance with relevant standards, regulations, and recommended end–of–life pathways.

We support our customers by providing Life Cycle Assessments (LCAs) for our base polymers. This information allows our customers to measure the environmental impact of their products and meet their own sustainability requirements.

We collaborate with customers through technical support, joint development projects, and sustainability consultations. For example, we have completed a recyclability program for our thermoplastic copolyester portfolio and are engaging with customers on end–of–life strategies for their applications.

Customer feedback and evolving market requirements inform the continuous development of our product portfolio. Our objective is to make sustainable material choices technically feasible and economically viable for our customers.

TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

E5–3

In our efforts to advance circularity, we are expanding sustainable material solutions across our portfolio. We already offer many sustainable material grades for most of our product lines, and our aim is to offer an entire portfolio of bio– and/or recycled–based alternatives by 2030. This is embedded in our Global Policy Circular Economy and follows the same value chain and geo–graphical scope.

Our production processes currently require fossil–based raw materials. We therefore treat circularity as a strategic transformation lever rather than a science–based threshold. This means the target does not consider eco–logical thresholds. Goals have been set based on internally defined criteria and are driven by the expectation that future regulatory developments and customer demand will increasingly support circular material solutions.

This target is not quantitative as it is not measured. Therefore, no quantifiable targets for circular economy have yet been set.

We anchor our circularity objectives within our broader sustainability framework, alongside reductions in greenhouse gas emissions. Our sustainability and circular ambitions position us in the Specialty and High–Performance Engineering Materials industry and reflect our commitment to a sustainable materials ecosystem.

RESOURCE INFLOWS

E5–4

We have defined our key materials according to internal definitions that include key criteria such as volume, cost, operational relevance, and strategic importance. In total, we pro–cessed 1,084,368 t of key material in 2025.

RESOURCE INFLOW BY KEY MATERIALS CATEGORY

in t	2025	Percentage [%]
Base chemicals		17
Monomers		17
Polymers		50
Additives		16
Packaging		0.5
Total resource inflow	**1,084,368**	**100**

Base chemicals: Base chemicals are funda–mental chemical or inorganic substances that serve as building blocks for the production of monomers or intermediates.

Monomers: Monomers are the molecular precursors used to synthesize polymers. We do not use them directly in compounding. However, they constitute material inflows in resin production.

Polymers: Polymers are the primary structural material inputs forming the matrix of the compound. They determine the fundamental mechanical, thermal, and chemical properties of the final product.

Additives: Additives are non structural material inputs we intentionally incorporate into a polymer compound to modify or enhance performance, processing, durability, safety, or appearance.

Packaging: Packaging materials are all inputs used to contain, protect, or transport raw materials and finished compounds. These materials do not become part of the final product.

For further information, please refer to our value chain description.

RESOURCE OUTFLOWS

E5–5

Our products are intermediate materials (e.g., polymer pellets) intended for further processing into finished goods. As such, repairability does not apply at the material level. Instead, we contribute to durability and circularity through:

- **Material properties:** high–performance polymers designed for long service life in downstream applications (e.g., automotive, construction)
- **Support for repairability:** compatibility with established repair techniques (welding, bonding) when integrated into final products
- **Circularity features:** recyclable grades and design–for–recycling guidelines provided to customers to enable reprocessing and reuse
- **Customer guidance:** technical documentation on material behavior during repair and recycling processes

Repairability metrics are determined and reported at product application level by downstream manufacturers. We support these outcomes through material design and technical support. All our products are technically recyclable. However, complex material compositions may limit practical recyclability due to separation challenges, cost constraints, and insufficient recycling infrastructure, as reflected in our material impact assessment. Close cooperation with our customers is therefore essential.

WASTE

In addition to material outflows, waste generated across our operations represents a key aspect of resource outflows and is managed accordingly. At Envalior, we recognize that responsible waste management is essential to reducing our environmental footprint and advancing a circular economy. As a leading producer of Engineering Materials, our operations generate both process and product–related waste. We aim to minimize these waste streams through operational improvements, innovation, and collaboration across our value chain.

Our DMA identifies chemical waste management and disposal as a material risk. Strict regulatory requirements govern the transport, treatment, storage, and final disposal of chemical waste. Non–compliance with these obligations could result in elevated operating costs and potential regulatory sanctions. This risk highlights the importance of rigorous waste handling practices and continuous improvement in our waste management systems to ensure safe, compliant, and efficient operations.

We aim to maximize efficiency in raw material usage and minimize material losses. Wherever feasible, we reuse waste internally. In cases where certain waste streams from the production process cannot be avoided or reused, we apply safe disposal methods, such as thermal combustion, in accordance with regulatory requirements and internal procedures.

Policies related to waste

Our Global Policy Environment determines how all Envalior operations globally approach waste generation, waste handling, and waste management (with the exception of joint venture sites and entities not under Envalior's operational control). We minimize waste generation and ensure that all waste is managed responsibly. Our goal is to prevent pollution, conserve resources, and ensure safe handling across all waste streams, referencing ISO14001 and ESRS E5.

We reduce waste generation to a minimum using efficient production processes and responsible material use. In addition, we ensure proper segregation, storage, and disposal of hazardous and non–hazardous waste in compliance with legal and internal standards and monitor the share of waste recovery, recycling, and disposal in order to optimize these processes.

Oversight is provided by the ESG Board, chaired by the CEO, together with Subcommittee 2 – Health, Safety & Environment, while site–level environmental teams are responsible for implementation. Subcommittee 2 establishes KPIs, sets and reviews targets, monitors progress, and ensures that corrective actions are taken where necessary. Supporting sub–policies and directives outline standards and responsibilities to ensure consistent application. These standards apply globally to all Envalior entities, covering operations, employees, and contractors acting on behalf of Envalior.

Actions related to waste

We aim to keep material consumption and disposal quantities to a minimum by systematically recording our material flows with procedures and guidelines. To prevent waste generation, we carry out continuous process optimization and develop improved production methods. Most of our company locations implement an annual scrap reduction program and define site–specific objectives to support performance improvement. We have established processes for the safe, proper, and environmentally sound disposal of materials that cannot be recycled or whose recycling is not permitted by law.

To further strengthen waste management practices, we apply a structured waste sorting and disposal system in line with the principles of the EU Waste Framework Directive, including the separation of paper, glass, metals, plastics, organic waste, and residual waste for recycling or recovery. Chemical–specific waste streams and hazardous materials such as solvents, batteries, and chemicals are strictly segregated and handled exclusively by certified disposal companies. The potential to reintroduce recovered materials as input for our processes remains limited due to technical and regulatory constraints.

Our Pantnagar compounding facility in India initiated a project to reduce scrap by 20% compared to the previous year's volumes. This was achieved by sharing best practices from other sites, optimizing processes, adapting operating procedures, and raising employee awareness. Over the course of 2025, the Pantnagar site achieved a scrap reduction rate of 22%.

In the year 2025, the Pune plant in India started a project aiming to optimize the waste generated by its on–site wastewater treatment plant. We expect these optimizations in equipment and process routes to lead to reductions in the waste generated.

To increase awareness of waste reduction and proper handling, all employees receive annual on–site training on waste management

and sorting. We also have clear written procedures and guidelines to ensure that all employees are aware of waste handling and management requirements and obligations. In addition, our teams implement targeted programs to reduce waste, including waste reduction initiatives, process optimization measures, and equipment upgrades. When a process or management change occurs, additional training is required and provided.

We separate waste in accordance with local government permits or conditions and dispose of it in line with local disposal procedures. In most cases, non-hazardous waste is sold to scrap dealers to be reused in different and less critical processes. Hazardous waste is disposed of in line with applicable legislation. If it is to be incinerated or landfilled, it is only sent to waste management companies approved by us in order to minimize the impact on our ecosystems. Cross-border waste flows are limited. If present, they are managed by external, approved suppliers.

Waste storage areas are clearly marked so that process and non-process waste can be collected and stored properly. In addition, relevant precautions are taken when handling to ensure the health and safety of employees. Where applicable, our sites have specialized waste storage areas, supporting improved waste management practices.

Targets related to waste

We did not set formal, time-bound waste targets for the reporting period. Instead, we manage performance through the objectives defined in our Global Policy Enviroment to minimize waste generation, prevent pollution, conserve resources, and ensure safe handling across all waste streams. We implement ongoing measures, including scrap reduction programs, structured waste sorting and segregation processes (including hazardous streams managed by certified providers), and annual employee training. These measures support continuous improvement in waste prevention, recovery, and recycling across our sites. We track and report progress against our policy ambitions through these activities. We then use the results to determine whether and when to formalize quantitative targets in future reporting cycles.

Metrics related to waste

The table on the right discloses figures detailing our waste impact. These figures also serve as a basis for future improvements aimed at increasing circularity and strengthening sustainable waste management practices.

In the year 2025, Envalior generated a total of 33,513 t of waste, of which 30,054 t were diverted from disposal (89.7%) and sent to recovery operations. The waste generated by our operations consists of 28,763 t of non-hazardous waste (85.8%) and 4,751 t of hazardous waste (14.2%).

WASTE GENERATION AND TREATMENT

in t	2025	2024
Total waste generated	33,513	33,205

% of total waste	2025		2024[1]
	Non-hazardous waste	Hazardous waste	Non-hazardous and hazardous waste
Diverted from disposal	**81.7**	**8.0**	**88**
Recycling	56.4	0.8	
Reuse	0.5	0.0	
Incineration with heat recovery	21.2	6.9	
Other recovery operations	3.6	0.3	
Directed to disposal	**4.2**	**6.2**	**12**
Incineration without heat recovery	1.0	1.8	
Landfill	3.0	0.4	
Other disposal operations	0.0	4.0	
Disposal operations unknown	**0.2**	**0.0**	
Total waste generated	**85.8**	**14.2**	

[1] Data for 2024 was not collected on a disaggregated basis.

04 SOCIAL

SOCIAL

Wellbeing at all levels of our business operations is a number one priority at Envalior. We support worker representation, promote diversity and inclusion, and aim for a better gender balance in top management.

Impacts, Risks and Opportunities (IROs)

Negative impacts

1 Health and safety risks from handling hazardous substances
2 Potential violation of personal data protection

Positive impacts

3 Employee engagement strengthens participation and motivation
4 Worker representation improves communication and decision–making
5 Collective bargaining improves working conditions and satisfaction
6 Learning and development empowers employees to grow
7 Clear roles and data protection strengthen trust and compliance

Opportunities

8 Diversity strengthens employer brand and talent attraction

TARGETS

≥ 80%

participation and 80% engagement score achieved in the Global Employee Engagement Survey.

≤ 0.35

Total Recordable Incident Rate (TRIR) and a Process Safety Incident Rate ≤ 0.26 reached by 2026.

≥ 70%

completion of human rights training achieved among all relevant employees.

ACTIONS

Strengthening **employee engagement** through global surveys, follow–up actions, and continuous feedback mechanisms.

Supporting **employee development** through value–driven learning, targeted development initiatives, and continuous feedback culture.

Strengthening **risk and safety culture** through Life–Saving Rules, process safety fundamentals, and enhanced root–cause analysis.

Ensuring **fair and compliant working conditions** through standardized HR policies, consistent working time and benefit frameworks, and non–discrimination measures.

METRICS

78%

employee engagement score.[1]

0.35

Total Recordable Injury Rate (TRIR) for employees and contractors.[2]

100%

of our employees have access to health care.

20%

women in senior management positions.

[1] an increase of 4 percentage points compared to the previous year
[2] per 100 full–time equivalents (FTEs) or per 200,000 working hours

OWN WORKFORCE

S1

POLICIES RELATED TO OWN WORKFORCE

S1–1

At Envalior, we aim to create a work environment in which all employees can thrive and reach their full potential. We invest in their individual development, which not only benefits their own experience at work but also supports our collective business success. Our policies emphasize this ongoing commitment and are supported by our governance and implementation. They help us manage material impacts, risks, and opportunities (IROs) related to our own workforce.

In 2025, we continued to apply a decentralized workforce management model, combining global strategies and policies with local implementation. This approach supports consistency across the organization while allowing adaptation to local regulatory requirements, cultural expectations, and regional labor market conditions. Compared to 2024, we placed greater emphasis on monitoring local implementation and ensuring alignment with global standards.

Our global policy framework includes:

- Employee Code of Business Conduct
- SHEQEn (Safety, Health, Environment, Quality, Energy) Policy
- Diversity, Equity, and Inclusion (DE&I) Policy
- Human Rights Policy
- Global Hybrid Working Guidelines
- Living Wage Policy
- Global Employee Benefits Policy

These policies are guided by internationally recognized standards, including the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Ten Principles of the United Nations Global Compact (UNGC), and the International Labour Organization's (ILO) Fundamental Principles and Rights at Work. In 2025, we continued to align with these frameworks, support transparent labor practices, and reinforce respect for human rights across our operations, in line with the principles of the Universal Declaration of Human Rights.

Employee Code of Business Conduct

Our Code of Business Conduct sets out how we act, make decisions, and work together across the company. It translates our core values—safety, customer focus, collaboration, empowerment, and curiosity—into clear expectations for everyday behavior and business practices. The Code plays an important role in fostering a culture of integrity and trust. It supports our commitment to ethical business conduct and helps address key sustainability risks and impacts, including anti-corruption and bribery, as identified through our Double Materiality Assessment.

In 2025, the Code applied to all employees worldwide. Over 96% of our people worldwide read and signed it in both 2024 and 2025. We reinforced the Code in line with relevant laws and regulations and by supporting consistent ethical standards across functions and regions. Compared to 2024, we placed greater emphasis on awareness, accountability, and the role of the Code in promoting responsible conduct throughout the organization.

SHEQEn Policy

At Envalior, health and safety are foundational to how we care for our people and how we operate. We believe that everyone has the right to return home safely every day, and this belief guides the way we work across all locations and activities. Our Life-Saving Rules, Process Safety Fundamentals, and Safety, Health, Environment, and Quality (SHEQ) principles translate this commitment into clear and practical guidance for daily work. Together, they help shape a shared mindset and support consistent, safe behavior across our operations. Safety is also a core pillar of our Envalior CARES Strategy, reflecting its central role in our long-term success and sustainability.

Our global team of SHEQ experts manages the Safety, Health, Environment, Quality, Energy (SHEQEn) framework based on these principles. They ensure that policies are implemented in line with our expectations and translated into standards, procedures, and key fundamentals.

The policy aims to provide an injury-free and incident-free workplace by implementing the Life-Saving Rules (LSR) and SHEQ principles. Employees are expected to stop work when it cannot be completed safely. We take responsibility for minimizing health and safety risks and act as an example. We implement the necessary actions to achieve our objectives

by learning from incidents and taking corrective measures, while ensuring the availability of a well–informed, well–trained, and competent workforce. Our health and safety policy applies to both employees and contractors, who are key partners in achieving our safety objectives. No changes were made to the policy during the reporting period.

Diversity, Equity, and Inclusion (DE&I) Policy

Diversity, equity, and inclusion are fundamental elements of our culture at Envalior. We continue to strengthen how we embed these values across our organization. Our DE&I policy expresses this commitment and sets a clear expectation that everyone working for or with Envalior contributes to a culture of respect, fairness, and belonging. It applies to all employees, contractors, volunteers, and any other individuals working for or on behalf of Envalior, across all levels and departments. We expect everyone associated with us to uphold the principles outlined in this Policy and to contribute to creating an inclusive environment. Our DE&I Policy also addresses the opportunity identified in our Double Materiality Assessment (DMA) by strengthening diversity and equal treatment throughout the organization.

In 2025, we built on this commitment by actively guiding efforts to ensure equal opportunities and a culture of inclusion across all locations. We embrace diversity across dimensions such as race, ethnicity, gender, age, sexual orientation, disability, religion, socio–economic background, and other protected characteristics, recognizing that inclusion goes beyond representation alone.

In addition, it outlines measures for all functions – from hiring practices to internal training programs. It also establishes protocols to safeguard against discrimination or harassment, paving the way for a workplace where all can thrive. We further embed these values into our development programs, with a strong emphasis on building inclusive leadership so that every employee can fulfill their potential and feel fully part of our organization.

Human Rights Policy

As a signatory to the United Nations Global Compact (UNGC), we reaffirm our commitment to upholding universal principles on human rights, labor standards, environmental protection, and anti–corruption. Our Human Rights Policy, guided by international standards including the International Bill of Human Rights, OECD Guidelines for Multinational Enterprises, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, defines expectations across our operations, value chain, and business partners. It is supported by our Supplier Code of Conduct, which promotes alignment with these principles and addresses key risks identified in our Double Materiality Assessment, such as health and safety, diversity and equal treatment, freedom of association, and grievance mechanisms.

In 2025, we reinforced expectations for ethical and responsible conduct across our organization and value chain. We extended mandatory human rights training for managers and further integrated human rights considerations into governance and risk management processes. Further details are provided in the Human Rights chapter.

Global Hybrid Working Guidelines

Inclusive collaboration remains a key value for us and a critical enabler of performance and employee engagement. We believe that people do their best work when they feel connected to one another, supported in balancing work and personal life, and enabled to collaborate effectively across borders and time zones. In 2025, we continued to balance the benefits of on–site collaboration with the flexibility of remote work by publishing our Global Hybrid Working Guidelines. These are applicable to the entire office–worker community and specifically to employees whose job allows them to work from home (excluding employees with formal home–based contracts). While working from the office supports connection, collaboration, and a shared company culture, working from home contributes to employees' work–life balance and enables effective collaboration across time zones and international teams. After we set a clear vision for hybrid working in 2024, the hybrid working model remained firmly established in 2025. This approach continued to give employees access to appropriate equipment and tools to support both office–based and remote work. It supports productivity, inclusion, and employee wellbeing across our global workforce.

To sustain this way of working, hybrid and ergonomic practices are integrated into onboarding and development activities. This ensures employees are well prepared, informed, and equipped to work safely and effectively, including when working from home.

Living Wage Policy

At Envalior, we believe fair pay is fundamental to employee wellbeing and to building a respectful and sustainable workplace. We are committed to providing a living wage to all employees, supporting their overall well–being by ensuring they can meet their basic needs and maintain a decent standard of living for themselves and their families. Our approach to living wages reflects our broader commitment to fairness, human rights, and positive working conditions. Envalior's Living Wage Policy establishes a structured approach to how we define, implement, and ensure the provision of a living wage. This policy applies to all full–time, part–time, and temporary employees across all locations and aligns with the United Nations (UN) definition of a living wage and the principles articulated in the Universal Declaration of Human Rights. It contributes to the topics identified in our Double Materiality Assessment by supporting fair treatment, employee wellbeing, and a positive corporate culture. More information on living wages and how we have implemented them regionally can be found in the Adequate wages section of this chapter.

Global Employee Benefits Policy

In our company, employee benefits play an important role in supporting wellbeing, fairness, and peace of mind across our workforce. We have a Global Employee Benefits Policy in place to establish a consistent global framework for our employee benefits to support fairness, legal compliance, and employee wellbeing. It applies to all full–time, part–time, permanent, and fixed–term employees across all locations. It references relevant local laws, tax regulations, legislation, collective agreements, and our Code of Business Conduct.

We aim to ensure our employees and their families are protected and can plan for the future. In line with our Code of Business Conduct, we aim to provide healthy and safe working conditions for each employee, regardless of their function or management

level. We apply a localized rollout to ensure we meet local standards and requirements. Through this approach, we also consider environmental aspects.

ENGAGEMENT WITH OWN WORKFORCE AND CHANNELS TO RAISE CONCERNS

S1–2

We believe open dialogue and mutual trust are essential to a healthy and sustainable workplace. At Envalior, we maintain structured engagement with our workforce and workers' representatives to ensure open dialogue, transparent communication, and effective mechanisms for raising concerns and addressing needs. Our approach emphasizes ongoing conversation and shared responsibility. By fostering regular engagement and constructive dialogue, we seek to strengthen employee voice, promote understanding, and build solutions together – supporting a culture of respect, inclusion, and continuous improvement across the organization.

Promoting engagement and social dialogue

Strong engagement with our workforce remains a core priority and is essential for achieving our organizational ambitions. In 2025, we further strengthened our commitment to respectful, transparent, and effective social dialogue. At Envalior, our employees are our most valuable asset. Building on the foundations established in 2024, we enhanced communication processes across the organization by ensuring we actively listen to employee insights, ideas, and concerns. We strengthened trust by addressing these matters in a timely and structured manner. This approach reflects our understanding that effective communication channels are critical to meaningful engagement and the long-term success of our business.

Strengthening employee engagement

In 2025, we maintained meaningful social dialogue to actively encourage employee engagement. We further embedded these practices into our decision-making processes. We evolved our approach from predominantly establishing platforms to consistently turning employee input into workplace improvements as part of our team-by-team improvement plans. Dialogue through negotiation, consultation, and information exchange continued to serve as a cornerstone of our engagement model. We support a global framework complemented by local initiatives at both formal and informal levels. We further strengthened engagement through our regional employee representative network, the 'Envaliors'. This network brings together employee ambassadors who share insights from local teams, support cultural alignment, and contribute to initiatives that connect employees across regions.

Following the successful launch of the UNITE&GROW Pulse Survey in 2024, we conducted the survey again at the end of 2025. It remains a key instrument for measuring employee engagement and identifying areas for improvement. The overall engagement score increased by four percentage points to 78%, with no decline in any dimension. Employees respond to multiple questions clustered under core engagement themes, enabling us to identify strengths and areas for improvement across the employee experience. We observed a significant increase in various key dimensions, including trust in managers, an inclusive culture, collaboration, and empowerment. We also identified improvement areas, particularly in communicating company priorities, strengthening change management capabilities for managers, and expanding meaningful development opportunities for employees. We increasingly used survey insights to define action plans at both global and local levels, reinforcing trust, accountability, and continuous improvement.

In addition, we use employee engagement insights to enhance our recruitment approach. By linking employee feedback to recruitment, we strengthen our ability to attract individuals who share our values and contribute to our long-term success.

Enhancing communication effectiveness

Open and effective communication is at the heart of our social dialogue at Envalior. We established a strong foundation in 2024 through accessible communication channels. Building on the strong foundation established in 2024, we further strengthened how we communicate in 2025, with a focus on making information timely, accessible, and meaningful for employees at all levels of the organization.

Our intranet continues to serve as a central and trusted source of information, with regular global and local updates. We publish a quarterly CEO letter that provides alignment on priorities and initiatives. Digital screens across our production sites and offices worldwide help us deliver real–time updates. Our video news updates provide an engaging format to share company developments and highlight employee contributions.

Global and local town hall meetings continued throughout 2025, with increased focus on two–way interaction and follow–up on topics raised by employees. Regular team meetings, surveys, and digital feedback tools further supported transparent communication. We monitored their effectiveness through our annual pulse survey, resulting in a positive score of 78 (+4 compared to 2024).

In addition, our Speak–Up Program remained an accessible and confidential way for employees to raise concerns, reinforcing transparent and responsible communication across the organization.

ACTIONS RELATED TO OWN WORKFORCE

S1–3

Our commitment to a supportive, inclusive, and equitable workplace is reflected in concrete measures throughout Envalior. In 2025, we continued to build on the foundations established in 2024. This allowed us to strengthen the consistency and effectiveness of these measures and translate our global ambitions into locally relevant actions. Our actions focus on promoting employee well–being, ensuring fair and compliant working conditions, and maintaining a safe and healthy work environment.

In 2025, the emphasis shifted from primarily establishing frameworks and programs to integrating them more deeply into day–to–day people processes and strengthening the link between policies, implementation, and measurable outcomes.

The following sections illustrate how we apply this commitment across key focus areas.

Empowering learning and career development dialogues

By applying a value–oriented learning philosophy, targeted development initiatives, and a culture of continuous feedback, we enable employees at all levels to grow, develop critical skills, and shape their own career paths. Our approach is guided by our people strategy and supported by a range of learning and development initiatives that encourage personal growth, internal mobility, and inclusive leadership. To further reinforce fairness and inclusion, we incorporate bias checks within our performance management processes to monitor and identify potential discrimination, for example, based on gender, age, or seniority. In addition, a structured validation process is applied to nominations for leadership development programs to ensure diverse and balanced participant groups. Further details are provided in the Training and Skills Development section in this chapter.

Implementing fair and compliant working conditions

We apply working time models and leave arrangements that comply with local legal requirements and applicable Collective Labor Agreements (CLAs). In 2025, we continued to monitor local compliance and strengthen the consistent application across regions. Where CLAs are in place, working hours are governed accordingly through those agreements. In all other cases or locations, we strictly adhere to national labor laws and standards. We have time and attendance systems in place to monitor working hours in many locations, and these are also linked to our payroll systems to ensure accurate payroll processing.

Compared to 2024, we communicated region–specific benefits – such as parental leave, carers' leave, and health care coverage – more systematically and embedded them more clearly within our broader approach to employee wellbeing. We offer all leave and work arrangements fairly and consistently, regardless of gender, family status, or marital status. We also implement specific actions to prevent workplace harassment, including training programs such as our "Respecting Others" training, which clearly communicate expected behaviors and standards. These arrangements and actions reflect our commitment to non–discrimination and our Diversity, Equity, and Inclusion (DE&I) values.

Offering family–friendly programs

Family–friendly practices and programs form an integral part of our commitment to supporting the diverse needs of our workforce. These programs are designed in line with local customs and regulatory requirements. We provide benefits that help employees balance professional and family responsibilities, including paid parental leave. Employees may also request unpaid or part–time leave to manage caregiving duties, subject to applicable local policies.

In addition to statutory holiday leave, we offer region–specific leave arrangements that reflect employee needs and comply with local legislation. These provisions are formalized in country–specific policies or governed through CLAs or Collective Bargaining Agreements (CBAs), where applicable. This approach ensures that our global workforce receives locally relevant support aligned with our values.

Recognizing the importance of flexibility, we support a variety of work arrangements based on job requirements and team needs. Local HR policies may provide additional guidelines to address specific regional needs.

Applying fair and adequate wage practices

Fair and adequate remuneration remains a key component of our social responsibility. In 2025, we continued to apply our consistent approach to job evaluation and pay progression across the organization, aligned with global principles and local legal or collectively agreed requirements. Further details are available in the Adequate wages section in this chapter.

Supporting trust through grievance mechanisms

We want everyone connected to Envalior to feel safe speaking up when something does not feel right. Our Speak-Up Program provides a confidential and multilingual way for employees and external stakeholders to raise concerns – whether related to working conditions, misconduct, or policy breaches – without fear of retaliation.

In 2025, the Speak-Up Program remained a central element of our governance framework. Building on its continued use in 2024, we reinforced awareness of the mechanism, supporting trust and confidence in the organization's ability to address concerns appropriately. Further information on usage and effectiveness is provided in the Business conduct section in this chapter.

Promoting mental wellbeing and a caring culture

Mental wellbeing remains a priority. In 2025, our online global Mental Health Hub and local support initiatives continued to provide internal and external resources for employees. We increased regional awareness of these resources and encouraged their use.

Compared to 2024, managers played a more active role in raising awareness of available support. These efforts support our ambition to maintain a caring culture in which employees feel supported and able to seek help when needed.

Strengthening our risk and safety culture

In 2025, we continued to implement the Life-Saving Rules and initiated deep-dive sessions to ensure consistent application. In 2026, we will continue to conduct site deep dives. We maintain a zero-compromise approach to safety, and this commitment will continue in 2026. We introduced Process Safety Fundamentals to further reduce process-safety incidents. We strengthened local and regional capabilities through dedicated training in operational excellence and process safety. All employees receive training on health and safety risks and good working practices every year.

We conduct regular reviews to ensure that risk assessments remain up to date, and we take immediate action to adapt safety protocols in response to operational changes, new technologies, or evolving regulatory requirements. Employees actively participate in occupational safety initiatives, including joint safety inspections and collaboration in selecting personal protective equipment. We provide regular updates on safety-related measures. We investigate incidents systematically and share lessons learned to prevent recurrence. In 2026, we are strengthening root-cause analysis capabilities at plant level to support a continued downward trend in incidents.

In 2026, a standard for contractor safety will be developed to ensure that contractors are aware of the Life-Saving Rules. We expect to strengthen risk mitigation through the work permit system to improve contractor safety performance. In 2026, we will develop training programs for our site leaders with the aim of enhancing their leadership skills, particularly in the area of SHE.

All of the following actions have been implemented and continuously updated over recent years and will be continued in the future:

- Conduct hazardous substance assessments through the Management of Change (MOC) process to identify risks before substances enter the workplace. We define and implement appropriate technical and organizational control measures, perform exposure monitoring where relevant, and implement corrective actions as needed as part of a continuous process embedded in the MOC procedure.
- Provide regular health check-ups in accordance with local legislation to monitor employee health trends and identify potential occupational risks.
- Maintain and regularly update site-specific noise maps. Through the MOC process, we evaluate the potential noise impact of new or modified equipment and implement measures to reduce noise exposure where required as part of ongoing activities.
- Execute preventive maintenance plans according to plan to ensure the adequate operation of safety-related equipment. Timely inspection of SHE-critical equipment is monitored through leading key performance indicators (KPIs) as part of ongoing activities.
- Maintain health and safety emergency plans for all locations. We conduct regular drills and translate lessons learned into action as part of ongoing activities.

TARGETS RELATED TO OWN WORKFORCE

S1–4

Looking ahead, we are strengthening how workforce priorities are embedded in our everyday business decisions by setting clearer and more measurable targets. These targets focus on human rights, social dialogue, employee engagement, and occupational health and safety, and are supported by defined timelines and measurable outcomes.

In the area of human rights, we aim to embed our Human Rights Policy into day–to–day decision–making. By the end of 2026, we target at least 70% completion of human rights training among all relevant employees.

To strengthen social dialogue, we target at least 70% coverage under Collective Bargaining Agreements (CBAs) or Collective Labor Agreements (CLAs) at all sites with more than 50 employees. With regard to employee engagement, we aim to foster a workplace in which employees feel engaged and connected. For the next global employee engagement survey, we target at least 80% participation and an overall engagement score of 80%. In occupational health and safety, we expect a Total Recordable Incident Rate (TRIR) of ≤ 0.35 and a Process Safety Incident Rate of ≤ 0.26 by 2026. These targets support our long–term objective of performing among the top quartile in our industry in terms of safety across all operations. To support this objective, we are implementing Process Safety Fundamentals to reduce leakages and spills, with the ultimate aim of achieving zero spills. We maintain our objective of 100% coverage of employees under our health and safety management system. We remain committed to providing a safe and healthy workplace for employees and contractors and to ensuring that working conditions meet high standards of safety, dignity, and wellbeing. The Executive Leadership Team (ELT) and the ESG Board regularly review Safety, Health, and Environment (SHE) performance. The ESG Board is the highest decision–making body for sustainability–related topics within Envalior.

CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

S1–5

To develop a people and culture strategy that aligns with our business goals, we rely on transparent and consistent workforce data. The following tables highlight key characteristics of our workforce based on headcount as of the end of the reporting year, with comparative figures for the previous reporting period.

EMPLOYEE HEADCOUNT BY CONTRACT TYPE AND GENDER, INCLUDING EMPLOYEE TURNOVER RATE

in headcount	2025	2024	2025	2024	2025	2024	2025	2024
	Female		Male		Other/not specified		Total	
Permanent employees[1]	718	759	3,283	3,427	1	2	4,002	4,188
Temporary employees[1]	61	52	194	185	1	2	255	239
Employees total	**779**	**811**	**3,477**	**3,612**	**2**	**4**	**4,258**	**4,427**
Number of employees who have left the undertaking							265	228
Employee turnover rate in %							6.6%	6.0%

[1] Information on employees by contract type and gender has been updated for 2024 compared to last year's reporting following a data correction process to ensure improved accuracy and completeness.

EMPLOYEE HEADCOUNT IN THE 8 LARGEST COUNTRIES (≥ 50 EMPLOYEES PER COUNTRY)

in headcount	2025	2024
Germany	721	720
Netherlands	736	721
Belgium	928	1,000
Greater China	801	782
Japan	53	49
India	284	272
United States of America	254	254
Brazil	72	68

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

S1–7

The majority of our employees are covered by Collective Labor Agreements (CLAs) or company–level agreements that define key aspects of employment. These agreements establish provisions related to working conditions, wages, training and development, health care, and work–life balance. This coverage reflects our commitment to fair, transparent, and compliant employment practices across all regions in which we operate.

Valuing employee representation

We recognize the important role of employee representation and actively support the establishment and effective functioning of representative bodies. Through close collaboration with these bodies, employees have a structured and meaningful voice in matters that affect their working conditions.

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

Coverage rate	2025	2024	2025	2024	2025	2024
in %	Collective bargaining coverage				Social dialogue	
	Employees – EEA (for countries with more than 50 employees)		Employees – non EEA		Workplace representation – EEA only (for EEA countries with more than 50 employees)	
0–19			Japan	Japan		
20–39			India, United States of America	India, United States of America		
40–59			Brazil	Brazil		
60–79	Germany	Germany	Greater China	Greater China		
80–100	Belgium, Netherlands	Belgium, Netherlands			Germany, Belgium, Netherlands	Germany, Belgium, Netherlands

We conduct regular consultations to negotiate company-specific agreements covering working conditions, training opportunities, and compensation structures. We uphold labor rights by complying with applicable labor laws, employment contracts, collective agreements, and established representation frameworks. Employees are free to engage in social dialogue and to exercise their right to freedom of association in all regions in which we operate.

Across our sites, 68% of employees are covered by CBAs or CLAs. In addition, in all European Economic Area (EEA) countries with more than 50 employees (the Netherlands, Germany, and Belgium) 100% of employees are either covered by a CBA or a CLA or represented through formal workplace representation structures such as works councils.

Fostering collective bargaining and negotiation

Collective bargaining is a core component of our social dialogue framework. Through Collective Bargaining Agreements (CBAs), we negotiate key aspects of employment, including terms and conditions of employment and other workplace related topics. These agreements promote fair treatment and equitable benefits for all employees.

We consider employee participation essential for a healthy and thriving workplace. This participatory approach ensures that employees have a meaningful voice in decisions that influence their work and well-being. Our commitment to transparent and constructive negotiation practices supports employee engagement and contributes to a productive work environment.

DIVERSITY METRICS

S1-8

As outlined in our Diversity, Equity, & Inclusion (DE&I) Policy, we aim to foster a workplace in which every employee feels valued and respected. Our DE&I practices promote inclusion, prevent discrimination, and support equal opportunities across all levels of the organization.

Improving diversity through development and recruitment

As of 2025, women represent 18% of our workforce, corresponding to 718 employees.

Women hold 30% of the Executive Leadership team (ELT) positions and 20% of top executive positions. We operate as a global organization across 18 countries and represent 55 nationalities within our workforce. We value diverse perspectives and promote diversity through targeted recruitment, leadership development, and succession planning initiatives. To further prevent discrimination during the recruitment phase, we are strengthening our unconscious bias training by placing greater emphasis on inclusive interviewing practices. In addition, our Responsible Recruitment Policy ensures that diverse selection and interview panels are in place to provide different perspectives and mitigate bias, reinforcing our commitment to fair and inclusive recruitment.

CHARACTERISTICS OF OUR EMPLOYEES

in %	2025	2024
Women within the Executive Leadership Team (ELT)	30	30
Women in senior management positions	20	20
Women employed in relation to the organization	18	18
Employees under 30 years old	10	11
Employees between 30 and 50 years old	58	56
Employees over 50 years old	32	33

ADEQUATE WAGES

S1-9

At Envalior, we are committed to ensuring that our employees receive adequate wages and benefit from working conditions that support their wellbeing and professional development. Our total rewards strategy reflects this commitment by promoting a fair, transparent, and supportive work environment in accordance with applicable legal requirements and local market standards.

Providing transparent and equitable rewards

Transparency and equity are core principles of our total rewards design. Our compensation framework reflects job requirements, experience, geographic context, and skill profiles. We benchmark pay and benefits regularly against comparable employers in our industry to remain competitive for both current and future employees. This enables us to provide market-aligned compensation, with salary development linked, in part, to performance. Our reward package balances monetary and non-monetary elements tailored to local market conditions.

We maintain a strong commitment to paying adequate wages as set out in our Living Wage Policy. We benchmark our wages against living wage standards every two years based on recognized living wage benchmark methodologies. Our latest benchmark, conducted in the fourth quarter of 2025, confirmed that our wages are above living wage standards across all locations. As part of our holistic approach to employee wellbeing, this contributes to a healthy and safe working environment in which employees feel secure and are able to grow both personally and professionally.

Motivating employees with short– and long–term incentives

To focus on delivering the right business outcomes, we offer a range of incentive plans. Our short–term incentives support the achievement of short– and medium–term company goals, while our long–term incentives align employee interests with those of shareholders as well as other stakeholders, and strengthen the long–term retention of key contributors to ensure business continuity.

As employee health and safety remain paramount, we foster a work environment that provides the flexibility to balance personal and professional responsibilities while creating a sense of belonging and connection across our workforce.

Driving development and recognition

Our total rewards approach actively supports employee development. We encourage our employees to take ownership of their careers by offering structured learning opportunities and fostering continuous growth. We value and reward both individual and team performance, as well as innovation, through dedicated recognition programs that acknowledge meaningful contributions.

Overall, our commitment to fair wages, strong working conditions, and the recognition of performance is reflected in our comprehensive total rewards strategy. Through this approach, we aim to cultivate a supportive and high–performing workplace for all employees.

Ensuring fair and consistent salary progression

Each position is assigned to a defined job level with a corresponding salary scale or pay level. When a role undergoes a significant change or when a new position is created, we apply a standardized and validated job evaluation methodology. Where applicable, we align this process with employee representation bodies and the provisions set out in Collective Bargaining Agreements (CBAs) and Collective Labor Agreements (CLAs).

Salary increases follow a globally consistent approach while complying with local legal requirements and CLA provisions. Adjustments may result from mandatory local changes, collectively agreed increases, or company–driven merit increases.

To determine the overall salary increase budget for each country or location, we rely on benchmark market data. Merit increases follow global principles and are based on market developments, individual performance, and company results.

TRAINING AND SKILLS DEVELOPMENT METRICS

S1–12

We are committed to fostering a culture of continuous growth, grounded in our company values and supported by a range of learning and development initiatives. Our values–driven training programs help employees understand how our values guide decision–making and shape expected behaviors in daily practice.

Taking a strategic and holistic approach to learning

Our learning and development approach equips employees with the skills, capabilities, and confidence required to perform effectively in their current roles while preparing them for future career opportunities within Envalior. We provide a range of training programs and learning opportunities designed to support skill development and career growth. Some courses are mandatory to ensure everyone remains aligned with our core values and guiding principles, including specific training on discrimination and harassment, such as our "Respecting Others" training, to promote a respectful, inclusive, and safe working environment.

This approach focuses on targeted initiatives that address both business–critical capability needs and skills development programs tailored to our employees' needs and individual ambitions. These initiatives are supported by structured learning initiatives that integrate digital learning solutions, curated content, peer learning, and hands–on support for personal growth.

With the introduction of our unified performance cycle in 2025, we further embedded development and continuous feedback into our ways of working. As part of this annual cycle, we conduct regular performance assessments supported by check–ins throughout the year. In 2025, close to 60% of our workforce was covered by the unified global performance cycle, receiving regular performance and career reviews through a structured and consistent process. Employees not yet fully integrated into the global performance cycle, such as certain shop floor roles, already engage in ongoing feedback and development conversations outside the formal process. We are continuing to work on expanding the coverage of our performance cycle and further strengthening relevant and supportive performance management practices across all employee groups. Managers and employees are encouraged to integrate personal development and ongoing feedback into their regular conversations. To support this process, we provide internal resources, such as micro–learning formats, guidelines, and practical tools that can be accessed when needed to strengthen skills and behaviors. Development goals form an integral part of the annual process and serve as the foundation for individual development plans. This enables employees and managers to define concrete growth measures that support both current role effectiveness and future career aspirations. We also draw on business and functional strategies to identify capability needs and ensure that employee development remains aligned with organizational priorities.

To support this approach, we track participation in learning activities and training intensity across the organization. In 2025, 76% of employees received skills-related training (2024: 52%), and an average of 72 hours of training per employee was recorded at sites with more than 50 employees (2024: 40). The reported training hours are based on data captured in our Learning Management System and reflect a substantial, though not yet fully comprehensive, representation of learning activities. A share of training – such as classroom sessions and on-the-job learning – is not consistently recorded at this stage. We are therefore continuously improving training registration and reporting accuracy.

Core learning modules are integrated into our new onboarding process, ensuring that new employees gain foundational knowledge, learn about safety practices and hybrid working practices, and develop a clear understanding of our values from the beginning of their employment.

Enabling future-proof leadership

Strong leadership is essential to delivering our strategy and living our values at Envalior. That is why leadership development remains a strategic focus within our people strategy. In 2025, we developed our leadership framework, which outlines the principles, behaviors, and expectations aligned with our values and long-term strategy.

Our approach covers all leadership levels, from senior executives to team leaders, shift supervisors, and laboratory coordinators across our sites. This ensures that leaders operate according to our shared leadership philosophy.

Building on the leadership framework, we will introduce a structured leadership development program designed to equip leaders across levels with the capabilities required to lead effectively in line with our shared principles.

Empowering internal expertise

We recognize that meaningful learning also emerges from the expertise within our workforce. We therefore enable internal trainers and subject matter experts to create and deliver training content. Using accessible authoring tools and our OneHR Learning Management System, teams translate critical procedures, best practices, and knowledge into scalable learning formats.

To further strengthen and broaden expertise within our organization, we piloted a mentoring initiative designed to connect employees across functions and countries. This pilot enabled participants to build cross-functional networks, learn from one another, and benefit from internal expertise. Based on the positive outcomes of the pilot, we plan to expand mentoring into a broader offering in the coming period to support knowledge sharing, collaboration, and personal development.

Promoting internal mobility through transparent opportunities

Career growth at Envalior also includes exploring new roles and gaining broader experience across the organization. To support internal mobility, employees can access Workable, our internal job portal. The platform provides clear visibility into open positions and offers a structured and user-friendly process to explore and apply for opportunities. As a result of our continued efforts to stimulate internal mobility, 17% of role transitions in 2025 were filled internally.

HEALTH AND SAFETY METRICS

S1–13

At Envalior, we are committed to providing a safe and healthy workplace for our employees, contractors, and visitors. Safety is one of our core values and an integral part of our Envalior CARES Strategy. Health and safety principles are embedded in our Code of Business Conduct, ensuring robust management of health and safety risks and transparent reporting of performance and related impacts.

Ensuring 100% health and safety coverage across operations

The health and safety of our employees are our number one priority. We share a collective responsibility for ensuring that everyone goes home safely every day. We have implemented clearly defined Life–Saving Rules and Safety, Health, Environment, and Quality (SHEQ) Principles to strengthen workplace safety.

Compliance with our Life–Saving Rules is non–negotiable. Visual reminders, including posters and banners, are displayed at all sites worldwide to reinforce safe behaviors. We take all necessary measures to ensure that our workforce remains safe at work and in all operational situations. Across all locations, one principle applies consistently: "We always have time to work safely."

100% of our workforce is covered by a health and safety management system in accordance with legal requirements and internal standards, as outlined in the Safety, Health, Environment, Quality, Energy (SHEQEn) Policy, individual labor contracts, and through representation in the SHE–related works councils. 100% of operational sites conduct health, safety, and process–safety risk assessments.

Improving occupational safety performance

The number of recordable work–related accidents decreased by 50% compared to the previous year. This reflects our continued efforts to systematically monitor and manage workplace safety, with a focus on preventing injuries and ensuring safe working conditions across operations. We continue to emphasize near–miss reporting, safety observations, and raising concerns through our incident reporting tool to proactively identify risks and prevent incidents.

Life–Saving Rules

HEALTH AND SAFETY METRICS

	2025			2024		
	Employees	Contractors	Total	Employees	Contractors	Total
Number of fatalities as a result of recordable work–related accidents	0	0	**0**	0	0	**0**
Number of recordable work–related accidents	15	1	**16**	24	9	**33**
Rate of recordable work–related accidents[1]	0.38	0.17	**0.37**	0.6	–	**0.76**
Lost calendar days related to recordable work–related accidents	336	0	**336**	557	69	**626**
Number of fatalities resulting from recordable work–related ill health	0	0	**0**	0	0	**0**
Number of recordable work–related ill health	0	0	**0**	0	0	**0**
Lost calendar days related to recordable work–related ill health	0	0	**0**	0	0	**0**

[1] Per 100 full–time equivalents (FTEs), equivalent to 200,000 working hours.

Upholding process safety

Process safety focuses on the safe operation of our production facilities. In 2025, we introduced process safety fundamentals to further reduce the number of process–safety incidents. We are strengthening local and regional competence through dedicated operational excellence and process safety training.

All health, safety, and process safety metrics are monitored and reviewed within our ESG governance structure. Subcommittee 2, Health, Safety and Environment (SHE), holds responsibility for health and safety topics. Further information is provided in the Governance chapter.

PROCESS SAFETY METRICS

	2025
Number of category 1 and category 2 process–safety incidents	12
Rate of process–safety incidents	0.26

REMUNERATION METRICS

S1–15

As part of our commitment to transparency and fairness, in line with our Code of Business Conduct, we report annually on key remuneration equity indicators. These indicators include the remuneration ratio and the gender pay gap. Together, they provide insight into internal equity, representation across different job levels, and the effectiveness of our reward governance framework.

Providing insight into our remuneration ratio

The remuneration ratio provides insight into internal equity, pay fairness, and how our reward practices align with our corporate values. The ratio for the reporting year reflects the structure of our global organization, the distribution of job levels across regions, and the competitive market positioning required to attract and retain key talent. As we continue to strengthen our sustainability performance, we remain committed to responsible remuneration practices that support equitable growth.

The remuneration ratio is defined as the total annual remuneration of the highest-paid individual compared to the median annual remuneration of all employees (full-time equivalent, FTE), expressed as a ratio. The calculation includes fixed compensation, variable pay, and applicable benefits.

Understanding drivers of the remuneration ratio

Monitoring this ratio allows us to evaluate the proportionality and fairness of our remuneration architecture. Variations in the ratio may arise from differences in geographic pay levels across our global footprint, changes in workforce composition and job level distribution, and market-competitive pay required to attract and retain specialized or critical talent.

Applying remuneration governance and oversight

We apply structured remuneration governance, including annual benchmark reviews based on independent market data, a transparent and consistent job evaluation methodology, and supervisory oversight of executive remuneration. These mechanisms support responsible remuneration practices aligned with our values and focus on fairness, competitiveness, and long-term value creation.

Addressing the gender pay gap

We report the unadjusted gender pay gap. The unadjusted gender pay gap represents the difference in average remuneration between male and female employees across the organization. This indicator provides transparency regarding overall pay patterns within the workforce and reflects broader structural characteristics, including the distribution of genders across roles and job levels.

The unadjusted gender pay gap is calculated using total annual remuneration, including fixed pay and target variable pay. We disclose this figure annually as part of our commitment to providing clear, consistent, and comparable information on remuneration equity.

REMUNERATION METRICS

	Definition	Value
Remuneration ratio	Highest-paid individual ÷ median employee remuneration (excluding the highest-paid individual)[1]	27,03
Unadjusted mean gender pay gap in %	(Average male pay − average female pay) ÷ average male pay[2]	−10.08

[1] Includes fixed compensation, target bonus, and benefits
[2] Organization-wide

05 GOVERNANCE

GOVERNANCE

We not only value ethical and transparent management but practice it rigorously across our operations. By integrating sustainability, fairness, and accountability into our governance practices, we aim to build trust and strengthen our acceptance and credibility among our workforce, along our supply chain, and in the communities where we operate.

Impacts, Risks and Opportunities (IROs)

Negative impacts

1 Low trust in reporting mechanisms enables unethical practices

Positive impacts

2 Ethical workplace culture and employee development

3 Anti–bribery policies ensure ethical and compliant operations

4 Ethical business practices strengthen partner trust and reputation

Risks

5 Retaliation risk discourages whistleblowing and reporting

6 Corruption and bribery risks in operations and value chain

TARGETS

0

confirmed information security incidents with material impact.

90%

of employees formally acknowledge the Code by 2025 (achieved).

Consistent application of the **Code of Business Conduct** and Supplier Code of Conduct across the orga–nization and along the value chain.

ACTIONS

Promotion of a strong speak–up culture through the global **Speak–Up Program**, in operation since 2023, enabling confidential or anonymous reporting of concerns.

Operation of a structured **information security** management system.

Strengthening awareness of human rights, respectful behavior, and non–discrimination through dedicated initiatives.

METRICS

0

confirmed violations of Anti–corruption and Anti–bribery regulations.

96%

of employees formally acknowledged the Code of Business Conduct.[1]

90%

of relevant suppliers in scope have undergone an on–site sustainability audit.

[1] Referring to roll–out of training between April and October 2024; trainings are valid for two years.

BUSINESS CONDUCT

G1

POLICIES RELATED TO BUSINESS CONDUCT

G1–1

At Envalior, responsible business conduct is fundamental to our credibility and long–term success as a global leader in Engineering Materials. We uphold the highest standards of integrity, transparency, and ethical behavior. This is reflected in our strict compliance with laws and regulations and our zero–tolerance stance on bribery, corruption, and anti–competitive practices.

We have implemented policies to address the material impacts, risks, and opportunities (IROs) identified under G1–1. These include potential gaps in trust in reporting mechanisms and confidentiality, which may discourage employees from speaking up, and thus allow unethical practices to continue. They also address concerns that whistleblowers may face negative consequences, which could prevent them from raising issues and may result in legal or regulatory risks. In addition, we consider potential exposure to corruption, bribery, or unethical behavior in our operations or value chain, particularly in countries with weak governance structures, where such incidents can undermine trust and lead to legal, financial, or reputational consequences.

Our Executive Leadership Team (ELT) formally approves all business conduct policies, ensuring that these topics are regularly reviewed, updated, discussed, and approved at the highest level of the company. To reinforce our commitment to ethical and compliant business practices, we became a signatory to the UN Global Compact in July 2024. This further embeds these principles into our corporate responsibility framework.

Code of Business Conduct

We aim to be a global leader in Sustainable and High–Performance Engineering Materials. This goes hand in hand with significant responsibility. Bearing this in mind at all times, our policies and activities address vital aspects of ethical conduct and business practices. The priority areas set down in our Code of Business Conduct include health and safety, dedication to sustainability, and an empowering and pioneering spirit.

Our Code of Business Conduct is mandatory internally, and we expect our external partners to comply with it as well. It reflects the core values we apply to all our operations and to the people who make up our workforce at all levels. At the end of the reporting period, 96% of our employees had formally acknowledged the Code of Business Conduct.

Our Code of Business Conduct sets clear standards for ethical conduct across three major domains: people, business, and communities. In the area of people, it addresses safety, inclusion, dignity, and equal treatment. In the business domain, it defines expectations relating to antitrust, anti–bribery and corruption, the prohibition of inappropriate gifts, responsible handling of information, conflict–of–interest rules, trade compliance, and anti–money laundering. With regard to communities, it covers human rights, environmental responsibility, and resource conservation. It also encourages individuals to speak up through established compliance channels and ensures appropriate support structures are in place.

The Code of Business Conduct establishes the foundations for ethical, safe, and legally compliant behavior across Envalior. It defines the company's values and outlines expectations for conduct concerning people, business integrity, and societal responsibility. It applies to all employees and managers globally and guides behavior in areas such as safety, integrity, antitrust, Anti–corruption, human rights, data protection, and responsible global operations. We expect our external partners to share the same core values in their operations. The Code of Business Conduct is relevant to employees, managers, the compliance team, human resources (HR), safety, health, and environment (SHE), legal, customers, suppliers, communities, and other external partners. No changes to the Code of Business Conduct took place during the reporting period.

Speak–Up Policy

Our Speak–Up Policy enables the reporting of any potential misconduct related to Envalior. It establishes a formal whistleblower mechanism that complies with Directive (EU) 2019/1937, in accordance with G1–1 6(a). The Policy prohibits retaliation against employees who report suspected misconduct in good faith and does not tolerate any form of discrimination. It also ensures compliance with all applicable laws requiring the protection of whistleblowers who file complaints in good

faith. Reports are assessed by the compliance function independently of line management, with clearly defined investigation and escalation procedures.

The Policy safeguards our values and enables early action to prevent potential harm to our employees, business partners, and other affected parties. It provides a clear and transparent complaints procedure to investigate every report thoroughly and protects whistleblowers from any form of retaliation. Investigations are performed independently and primarily by the compliance team. Depending on the topic, subject matter experts are included in the process.

The Policy applies globally to our own operations as well as to our upstream and downstream value chain. It is published externally.

It is available to any person – including active, former, or prospective employees, consultants, suppliers, or third parties related in any way to Envalior, such as customers – who has knowledge of or has experienced a violation of either our policies or the applicable law. Any such individual may report concerns in good faith. No changes to the Policy took place during the reporting period.

Anti-Bribery, Anti-Corruption, and Fraud Policy

Our Anti-Bribery, Anti-Corruption, and Fraud Policy prohibits all forms of bribery, corruption, facilitation payments, kickbacks, and fraud. It sets strict rules for interactions involving public officials, gifts and hospitality, donations, sponsorships, and third party engagements. The Policy requires transparent record-keeping, strong internal controls, and immediate reporting of suspected misconduct to uphold integrity and legal compliance across all operations. Our Anti-Bribery, Anti-Corruption, and Fraud Policy is substantively aligned with the principles and private sector expectations of the United Nations Convention against Corruption, in particular Articles 12 and 21, and reflects internationally recognized Anti-corruption standards.

The Policy aims to prevent bribery, corruption, and fraud by promoting integrity, transparency, and accountability in all business dealings. It ensures legal compliance, protects our reputation, and strengthens ethical decision making. We apply a zero-tolerance approach, and violations can potentially lead to disciplinary, legal, and reputational consequences.

The Policy applies to all Envalior Group companies with a shareholding of more than 50% and to all employees and managers. It is relevant to employees, managers, legal and compliance functions, executive leadership, third-party partners, and public officials. It is particularly relevant for high-risk functions, including sales roles where there is significant interaction with customers, as well as procurement positions involved in contracting and decision-making processes. No changes to the Policy took place during the reporting period.

Gifts and Hospitality Policy

Our Gifts and Hospitality Policy sets down strict global rules prohibiting luxury benefits, cash payments, and any advantages intended to influence business decisions. Only low-value benefits and appropriate business meals under defined conditions are permitted. It ensures compliance with anti-corruption laws by requiring case-by-case assessments, restricting interactions with public officials, and mandating accurate documentation and escalation to compliance where necessary. It also establishes specific approval procedures for sensitive transactions.

The Policy aims to prevent corruption, ensure ethical business conduct, and comply with global Anti-corruption laws by clearly defining when gifts or hospitality may be given or received.

The Policy applies globally to all Envalior employees, consultants, agents, and anyone acting on behalf of the company. It covers interactions with business partners and public officials. It is relevant to employees, managers, procurement and sales teams that interact with partners, the compliance team responsible for approvals and investigations, public officials, customers, suppliers receiving or giving gifts or hospitality, as well as HR, tax, and legal functions where applicable. No changes to the Policy took place during the reporting period.

Supplier Code of Conduct

Further details of our Supplier Code of Conduct are provided in the Sustainable procurement section of this chapter.

Our approach to information security governance

Information security is a core element of responsible corporate governance and a key enabler of sustainable business operations. Reliable and secure information systems support business continuity and protect confidential and personal data and are also vital to maintaining the trust of customers, employees, business partners, and regulators. Since cyber incidents can have material financial, operational, and reputational impacts, we address them as part of our sustainability management framework.

Information security is closely integrated into our overall internal control and risk management system. We have defined clear responsibilities to this end, and senior management is regularly informed about the information security risk landscape and the effectiveness of related controls. This ensures that we consider cyber risks and threats to information security alongside other strategic and operational risks.

We operate a structured information security management system aligned with recognized standards and regulatory requirements. The system follows a risk-based approach, supported by policies, defined processes, and regular reviews to ensure continuous improvement.

ACTIONS RELATED TO BUSINESS CONDUCT

G1–2

The compliance organization is embedded in a global matrix structure. While it is supported by regional compliance officers who operate independently of local management, it still reports to the global compliance function. This ensures both local relevance and global consistency in the application and oversight of compliance measures. Compliance is not limited to a single function – it is a shared responsibility across the entire organization. We undertake several measures to address the potential material negative impacts identified in our Double Materiality Assessment (DMA), including the following key actions.

Promoting a speak–up culture and encouraging regular feedback

At Envalior, we are committed to fostering a strong culture of compliance, grounded in the belief that ethical conduct is essential to our long–term business success. Our global whistleblower procedure – the Speak Up Program, established in 2023 – provides a robust and transparent mechanism that empowers individuals to voice concerns. At a wider level, it reinforces accountability across our organization. The system ensures confidentiality and data protection for everyone who uses it. All employees as well as external stakeholders, including suppliers, have access to it. This allows them to report potential misconduct either openly or anonymously. Examples include:

- situations in violation of our Code of Business Conduct or our policies, actual or potential violations of laws or regulations;
- criminal activities (for example, violations of antitrust laws);
- situations presenting a threat or causing serious harm to public interest;
- situations leading to violations of human rights or fundamental freedoms;
- discrimination, harassment, or bullying at the workplace;
- violations relating to health and safety or to the environment;
- retaliation against anyone for speaking up in good faith.

Our whistleblower procedure allows us to identify and address risks before they escalate. To promote transparency, we actively encourage both our employees and business partners to speak up if something seems wrong, as we firmly believe that integrity in business begins with every one of us.

Training our employees in ethical practices

Our training approach is risk–based, and it focuses on employees in high–risk functions such as sales, procurement, and management, including the Executive Leadership Team (ELT). It also covers specific regions to ensure that all employees are adequately equipped to recognize and respond to compliance risks. We carry out training programs for employees in at–risk functions. This ensures that employees at all levels of our operations understand and are on board with our business ethics. A key priority of our training is to prevent bribery, corruption, and fraud by sensitizing employees and other stakeholders to these issues. To achieve this, we raise awareness of the scope of our policy, as well as information on prohibited conduct, governance rules for high–risk interactions, internal controls, reporting mechanisms, and enforcement measures. This is an important foundation that backs up our zero–tolerance approach to such matters.

Compliance activities are structured along the pillars "prevent, detect, respond," enabling us to identify potential issues early and take swift, appropriate action. Any incident relating to antitrust or anti–bribery is investigated thoroughly, before being documented and followed up by mitigation measures, irrespective of the individuals involved.

Preventing corruption and bribery

Antitrust and anti–bribery compliance are core priorities of our global Compliance Program and reflect our unwavering commitment to conducting business with integrity and in line with applicable laws. To establish a robust compliance framework, we have performed antitrust, anti–corruption, and anti–bribery risk assessments on a global scale. Drawing on these results, we have developed comprehensive policies, clear guidelines, and a training program on preventing corruption and bribery deployed worldwide. This includes a dedicated Anti–Bribery, Anti–Corruption, and Fraud Policy as well as the Gifts and Hospitality Policy as outlined in the designated policy section of this chapter. The latter also establishes specific approval procedures for sensitive transactions. Political engagement and donations are strictly prohibited. Furthermore, dealings with competitors are regulated by clear approval processes. We use this process to clearly address bribery and corruption breaches. If breaches of anti–bribery laws and procedures occur, these will be addressed promptly, and adequate follow–up measures will be taken and monitored.

Managing trade compliance risks

Trade compliance is a high–risk element in our overall Compliance Program, particularly given our role as a global operating chemicals company. Compliance with trade control regulations, sanctions, and customs requirements is essential to ensure lawful cross–border operations and protect our business. We have implemented clear policies and procedures to manage trade compliance risks, supported by system–based controls.

Regular and ad–hoc risk–based screening of business partners and transactions is conducted to ensure compliance with applicable international regulations. Our Trade Compliance function works closely with relevant business units and external experts to monitor regulatory developments and adapt our processes accordingly. This enables us to navigate complex global requirements responsibly and effectively, while maintaining the highest standards of legal and ethical conduct.

Carrying out information security assessments

We conducted structured risk assessments on key systems and processes to identify vulnerabilities and prioritize remediation measures. We track corresponding actions under management oversight. Planned improvements include broader coverage, more frequent reviews for high–risk areas, and threat–led assessment techniques.

These assessments cover core IT systems, critical processes, and high–risk data flows. They are conducted annually, with ad–hoc

reviews. These measures improve risk visibility, support proactive mitigation, and contribute to the continuous strengthening of our information security framework.

Protecting third-party data

We carried out technical and organizational measures to protect third-party data. These included access controls, data classification, contractual security requirements, and monitoring. In the future, we plan further actions, such as stronger lifecycle integration with supplier management, enhanced access monitoring, and expanded encryption and logging practices.

These measures apply to all third-party data and are implemented on an ongoing basis. They reduce the risk of unauthorized disclosure and strengthen trust with our customers, partners, and suppliers.

Training employees in information security

We provide mandatory awareness training covering data protection, incident reporting, acceptable use, and cyber threats, supported by ongoing communications. We plan enhancements, including role-based training for high-risk functions and advanced awareness activities.

The training applies to all employees and long-term contractors. It is conducted annually, with refresher modules as needed. These measures reduce the likelihood of human-related incidents and support a sustained culture of security awareness.

Ensuring third-party information security due diligence

We apply risk-based and tool-supported due diligence to assess security governance, controls, and incident handling of selected suppliers. The results inform onboarding decisions and remediation activities. We plan to expand the program by introducing standardized assessment criteria and integrating it more closely into procurement and contract management.

The process applies to high-risk and critical suppliers during onboarding and through periodic reassessment. This approach reduces supply-chain security risks and ensures alignment with our organizational security expectations.

Reporting security concerns through whistleblowing

We maintain confidential whistleblower channels that enable employees and external stakeholders to report information security concerns, with protection against retaliation. Future actions focus on increasing awareness and closer integration with incident and compliance management.

The reporting channels are available to employees, contractors, suppliers, and other stakeholders on an ongoing basis. These measures support early detection of issues, reinforce ethical conduct, and enhance transparency and accountability.

TARGETS RELATED TO BUSINESS CONDUCT

G1-3

We have defined clear, measurable objectives to strengthen ethical conduct and organizational integrity. Our goal is to have 90% of our employees formally acknowledge the Code of Business Conduct by year-end 2025. This will play a significant role in strengthening internal awareness of ethical expectations and integrity standards. This target applies to all employees at all Envalior entities globally. It will be monitored as part of our training data reporting, and it will be reported to the ESG Board. We have already exceeded that target, as 96% of our employees have formally acknowledged the Code of Business Conduct.

We have also set a quantitative zero-incident target for major information security breaches for 2025 and 2026, with a baseline of zero incidents in 2025. A major security incident is defined as one that affects critical systems or has potential to impact Envalior's business and productivity, for example due to a denial-of-service attack, compromised asset, internal or external hacking, malware or ransomware outbreak, or general unauthorized access. This target applies to the company's own operations and is tracked through centralized information security incident reporting processes. In 2025, we achieved this target, with zero incidents recorded in our Security Information and Event Management (SIEM) system, which is monitored 24/7 by our security operation center.

Both targets directly address our material impacts, risks and opportunities, in particular exposure to corruption, bribery, and unethical behavior in regions with weak governance structures, which could result in legal, financial, or reputational consequences.

METRICS RELATED TO CORRUPTION OR BRIBERY

G1–4

We have systems in place to record and assess any potential incidents related to governance and risk management, including violations of anti–corruption and anti–bribery laws.

GOVERNANCE METRICS

		2025	2024
Number of convictions for violation of anti–corruption and anti–bribery laws		0	0
Total amount of fines for violation of anti–corruption and anti–bribery laws		0	0
Number of confirmed corruption incidents		0	0
Number of confirmed information security incidents		0	0
Employees trained on business ethics topics	in %	91[1]	–[2]
Functions at risk covered by training programs	in %	90	100
Employees who have formally acknowledged the Envalior Code of Business Conduct	in %	96	–[2]

[1] Referring to roll–out of training between April and October 2024; trainings are valid for two years.
[2] Not reported in 2024.

HOW TO REPORT COMPLIANCE VIOLATIONS

SPEAK UP

Anonymous reporting platform:
https://envalior.speakup.report/external

Our website:
https://www.envalior.com/en–us/about/website–info/speak–up

Email:
SpeakUp@Envalior.com

HUMAN RIGHTS

POLICIES RELATED TO HUMAN RIGHTS

We have established a dedicated Human Rights Policy. It is fully aligned to international standards such as the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact, which uphold universal principles covering human rights, labor, the environment, and anti-corruption.

The policy continues to serve as a foundational framework across our group-wide operations, all company departments, and all sites. In 2025, we further strengthened its integration by reinforcing accountability at both operational and leadership levels. Beyond our own activities, the policy also applies along our supply chain, and to external partnerships via our Supplier Code of Conduct. In this way, we clearly communicate our expectations and support business partners in aligning with internationally recognized human rights standards.

The policy obliges all stakeholders to act with integrity, equity, and respect for fundamental human rights. To ensure ongoing relevance and effectiveness, we conduct regular reviews of the policy, taking into account evolving legal requirements, emerging risks, and stakeholder expectations.

Aligned with international human rights frameworks, we maintain a zero-tolerance approach to discrimination of any form. All employees are entitled to freedom of association, fair and transparent compensation practices, safe and healthy working conditions, and reasonable working hours. In 2025, we continued to reinforce preventive measures and due diligence processes to safeguard these rights across our operations and supply chain. We strictly prohibit child labor, forced labor, and human trafficking, and we actively engage with suppliers and partners on potential risks.

Our commitment to diversity, equity, and inclusion (DE&I) also strongly guides the way we attract and select new talent. We strive to build candidate pipelines that reflect a wide range of backgrounds, perspectives, and experiences. In line with our DE&I Policy, we apply fair and consistent hiring practices, remove barriers that may disadvantage underrepresented groups, and ensure that the recruitment process is inclusive at every stage.

Actions related to Human Rights

We focus on strengthening the practical implementation of our human rights standards through a set of concrete actions embedded across the organization. In 2025, we reinforced accountability at both leadership and operational levels and expanded the integration of human rights standards into daily business practices. These efforts are reflected in the following key actions.

Verifying candidates' employment eligibility

Before issuing any employment contract, we verify both the legal right to work and minimum working age of prospective employees. This helps ensure that employment at Envalior is lawful, fair, and free from the risk of child labor or other forms of exploitation. We digitally scan government-issued identification (for example, passports or equivalent documents) for this purpose. To further strengthen the integrity and reliability of these checks, we are currently assessing enhanced digital age-verification solutions offered by third-party providers to further strengthen the integrity and reliability of this process.

Extending human rights expectations across our value chain

Through our Supplier Code of Conduct, supplier assessments, and audits, we continue to cascade our standards to suppliers and partners. We support them in aligning with internationally recognized human rights principles and strengthening due diligence practices in our supply chain. Further details are provided in the Sustainable Procurement section of this chapter.

We require all recruitment agencies and labor suppliers to formally commit to our anti-slavery standards and confirm that their practices are free from any form of exploitation. We conduct risk-based due diligence to assess potential vulnerabilities in our recruitment and labor supply processes, particularly in high-risk regions or sectors.

Ensuring fair and transparent employment practices

We continue to uphold rights related to freedom of association, fair compensation, safe and healthy working conditions, and reasonable working hours. In support of this, we carry out ongoing reviews of potential human rights risks.

To reinforce fairness, non discrimination, and transparency in all employment decisions, we are developing a specific policy for inter-

nal recruitment. This policy will extend our Responsible Recruitment Framework, and it will set clear expectations for hiring managers and recruiters, including ethical conduct, documentation standards, and equal opportunity safeguards.

Promoting awareness and accountability

We have monitored the completion and formal acknowledgment of mandatory human rights training for relevant employees and managers. This ensures a shared understanding of responsibilities and ethical expectations. It also supports a broader culture of responsible decision-making across all leadership levels.

We have integrated "Respecting Others" training into our mandatory global learning curriculum to strengthen awareness of respectful behavior, dignity at work, and non-discrimination. As of this reporting year, more than 85% of our employees have completed the training. This reflects strong employee participation and reinforces our cultural expectations.

Strengthening grievance mechanisms

We ensure that our Speak-Up Program remains an accessible and effective channel for reporting concerns. We systematically review, follow up on, and analyze all human-rights-related grievances to improve responsiveness and prevent recurrence.

Embedding ethical recruitment practices

We continue to reinforce human-rights-aligned hiring processes by ensuring consistency in standards across all recruitment channels (direct hires, referrals, and third-party partners) with a focus on non-discrimination, ethical conduct, and transparency. To strengthen accountability from the very beginning of the hiring journey, we have embedded human-rights awareness and expectations into our seven-step recruitment process.

At the start of every recruitment cycle, hiring managers receive a reminder and explanation of their responsibilities regarding:

- non-discrimination
- ethical hiring
- zero-tolerance principles
- responsible decision-making
- compliance with age-verification and right-to-work requirements

Applying the Employer Pays Principle

We bear all recruitment-related costs, including but not limited to job application fees, recruitment agency fees, reasonable travel expenses for interviews, medical examinations, and visa processing fees.

We do not charge any candidates, either directly or indirectly, for their participation in any part of the recruitment process. By implementing this principle, we ensure that job seekers are not financially burdened by the process of securing employment within Envalior, thus preventing exploitation and maintaining a fair and unbiased recruitment process.

Together, these actions embed respect for human rights throughout the organization and its value chain and drive continuous improvement in line with international standards and evolving stakeholder expectations.

Raising human rights awareness

We monitor our human rights performance as part of our accountability and reporting activities, with a focus on prevention, early detection, and effective remediation of any human-rights-related risks or violations. We communicate our progress transparently in sustainability reporting and other relevant disclosures.

To evaluate the implementation and effectiveness of our Human Rights Policy and drive improvement, we actively encourage feedback from workers and stakeholders. We ensure transparency and reinforce accountability through our Speak-Up Program, which acts as a secure, confidential channel for reporting concerns related to human rights. Further details are provided in the Business conduct section of this chapter.

TARGETS RELATED TO HUMAN RIGHTS

In 2026, we will continue to embed human rights practices at the core of our business. Key focus areas include raising awareness among 90% of our managers by exposing them to mandatory human rights training. We aim to apply a zero-tolerance approach to discrimination or harassment across all functions and operations and achieve at least 90% completion of mandatory "Respecting Others" training across all employees. We also plan to maintain an effective and fully accessible grievance procedure through our speak-up platform and ensure that our human rights ambitions will stay reflected in our Supplier Code of Conduct – as it already is in the current version.

In addition, we will continue to strengthen our human-rights-aligned recruitment practices by ensuring that 100% of all hires – whether through direct applications, employee referrals, or third-party recruitment partners – fully meet our human rights,

ethical hiring, and non–discrimination standards. We remain committed to maintaining full compliance across all recruitment channels and to reinforcing fair, transparent, and responsible hiring practices globally.

Tracking progress on our human rights commitments

We continue to embed respect for human rights across all leadership levels and throughout our organization. To support this, we actively promote awareness and accountability by systematically monitoring the completion and formal acknowledgment of our mandatory human rights training by managers and relevant employees. This approach helps ensure that human rights responsibilities are clearly understood and consistently applied in daily decision–making.

We also track and review all reported human–rights–related grievances, including how they are addressed and resolved. This ongoing analysis provides valuable insight into the effectiveness of our grievance mechanisms and strengthens our ability to respond promptly and appropriately to potential violations.

To drive accountability and continuous improvement, we regularly assess our performance against defined human rights indicators. In 2026, our target is to reach at least 80% completion as well as formal acknowledgment of human rights training among relevant employees. It is our declared ambition to further increase this coverage in the coming years. Parallel to this, we aim to secure formal acknowledgment of our Code of Business Conduct by 95% of employees, reinforcing a shared understanding of ethical behavior and human rights standards across the organization.

All recruitment activities comply with the EU Charter of Fundamental Rights and, in the U.S., the standards of the Bureau of Democracy, Human Rights, and Labor, alongside all applicable local and international laws. We do not employ minors under any circumstances and engage only vetted recruitment agencies and partners that uphold ethical, legal, and transparent practices. We conduct thorough due diligence to confirm that all partners meet our standards of integrity and fairness, ensuring the protection of candidates' rights throughout the hiring process. Furthermore, we are firmly committed to preventing modern slavery, forced labor, human trafficking, and any form of exploitation. We pursue this by applying strict controls and rigorous oversight of recruitment agencies and labor suppliers. By remaining strict on such policies, we aim to ensure full compliance with anti–slavery and human–trafficking regulations and safeguard the dignity and rights of every individual.

We continue to monitor our human rights performance as an integral part of our accountability and reporting processes, with an increased focus on prevention, early identification of risks, and effective remediation of potential human rights impacts. Our progress is communicated transparently through our sustainability reporting and other relevant disclosures, reinforcing our commitment to openness and continuous improvement.

To assess the implementation and effectiveness of our Human Rights Policy and to drive ongoing improvement, we actively seek feedback from workers and other relevant stakeholders. In 2025, we continued to strengthen these engagement channels to ensure concerns can be raised safely and constructively. Our Speak–Up Program provides a secure and confidential mechanism for reporting human–rights–related issues and potential misconduct, supporting a culture of trust, transparency, and accountability. Further details on the Speak–Up Program are outlined in the Business conduct section of this chapter.

INCIDENTS OF DISCRIMINATION AND OTHER HUMAN RIGHTS INCIDENTS (S1–16)

		2025	2024
Number of incidents of discrimination at work on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination, including harassment		0	0
Number of human rights incidents connected to its own workforce (excluding discrimination)		0	—[1]
Operational sites assessed for human rights impact or risks	in %	57	—[1]
Total amount of fines, penalties, and compensation for damages		0	—[1]

[1] Not disclosed in 2024.

SUSTAINABLE PROCUREMENT

POLICIES RELATED TO SUSTAINABLE PROCUREMENT

Our approach to sustainable procurement is anchored in a dedicated chapter within the overarching Procurement Policy. This policy framework establishes a consistent set of principles and requirements that integrate sustainability considerations into procurement governance and day-to-day sourcing activities. In 2025, we embedded sustainable procurement at the core of our Procurement Policy to ensure that sustainability expectations are formalized to steer decision-making effectively.

The Policy applies to the entire global procurement organization and covers both direct and indirect sourcing activities. It therefore provides a unified basis for addressing sustainability matters consistently across regions, business units, and categories.

Relevant key objectives of the Policy include standardizing procurement practices, promoting supply chain sustainability, reinforcing ethical conduct, and effectively managing risks and compliance requirements. These objectives support responsible business conduct and contribute to transparency, accountability, and resilience across our global procurement organization.

To ensure continued relevance and effectiveness, the Policy is reviewed and updated on an annual basis. Regularly revising this process allows us to reflect evolving regulatory requirements, emerging sustainability topics, and stakeholder expectations. This helps us continuously improve our sustainable procurement practices.

At Envalior, we are committed to upholding respect for human rights across our global operations, supply chain, and business partners. Our unwavering dedication to ethical business practices is grounded in respect for the dignity, safety, and wellbeing of all individuals in our value chain. Our Sustainable Procurement Policy is closely aligned with our Human Rights Policy, which is based on international human rights standards. These include the International Bill of Human Rights, the ILO Declaration on the Fundamental Principles and Rights at Work, as well as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

ACTIONS RELATED TO SUSTAINABLE PROCUREMENT

We have implemented a structured set of key actions aimed at preventing, mitigating, and addressing actual and potential adverse impacts along our value chain. Focus here is placed on responsible sourcing, environmental stewardship, human rights, and regulatory compliance. These are reflected in the following key actions.

Implementing our Supplier Code of Conduct

All suppliers are expected to adhere to our Supplier Code of Conduct, which outlines minimum standards related to human rights, labor conditions, environmental protection, and business integrity. Compliance with our Supplier Code of Conduct is embedded in contractual agreements with all key suppliers. Direct suppliers are qualified only after they have acknowledged our Supplier Code of Conduct, in line with the ethical standards set out in our Procurement Policy. By engaging with suppliers on their capacity to commit to these standards, we aim to raise their awareness of our expectations of their ethical conduct as well as their own sustainability due diligence efforts.

Reinforcing requirements in contracts

Social and environmental clauses have been incorporated into supplier contracts to explicitly communicate Envalior's expectations regarding health and safety, environmental compliance, and ethical business practices.

Completing supplier assessments and audits

We apply a risk-based approach to regularly prioritize our direct supplier base, considering business risk factors, supplier segmentation, performance metrics, and sustainability potential. Based on this, we assess supplier sustainability performance using evaluation questionnaires and data reviews. Targeted on-site audits address environmental, social, and governance aspects and any findings during audits lead to the development of corrective action plans. Our regular supplier performance evaluation system is risk-based

and includes roadmaps for continuous improvement.

Providing training on sustainability topics

All employees receive sustainability training as part of our Envalior CARES Strategy, which includes topics such as sustainable raw materials. Our goal is to further enable all buyers to make informed decisions and integrate sustainability considerations into their daily sourcing activities by offering them focused training on procurement and sustainability risk management. Raising awareness among buyers of sustainability risks will help us embed responsible sourcing principles within the procurement team.

Operating our supplier grievance mechanism

To promote accountability, we have established our Speak-Up Program. It is available to all stakeholders in our value chain (for example, our suppliers' workers and affected communities or minorities) and in various languages. This enables suppliers and other third parties to report suspected violations confidentially, anonymously, and without fear of retaliation. All reported concerns are investigated promptly and thoroughly. Further information can be found in our Code of Business Conduct, under "Our Values at Work".

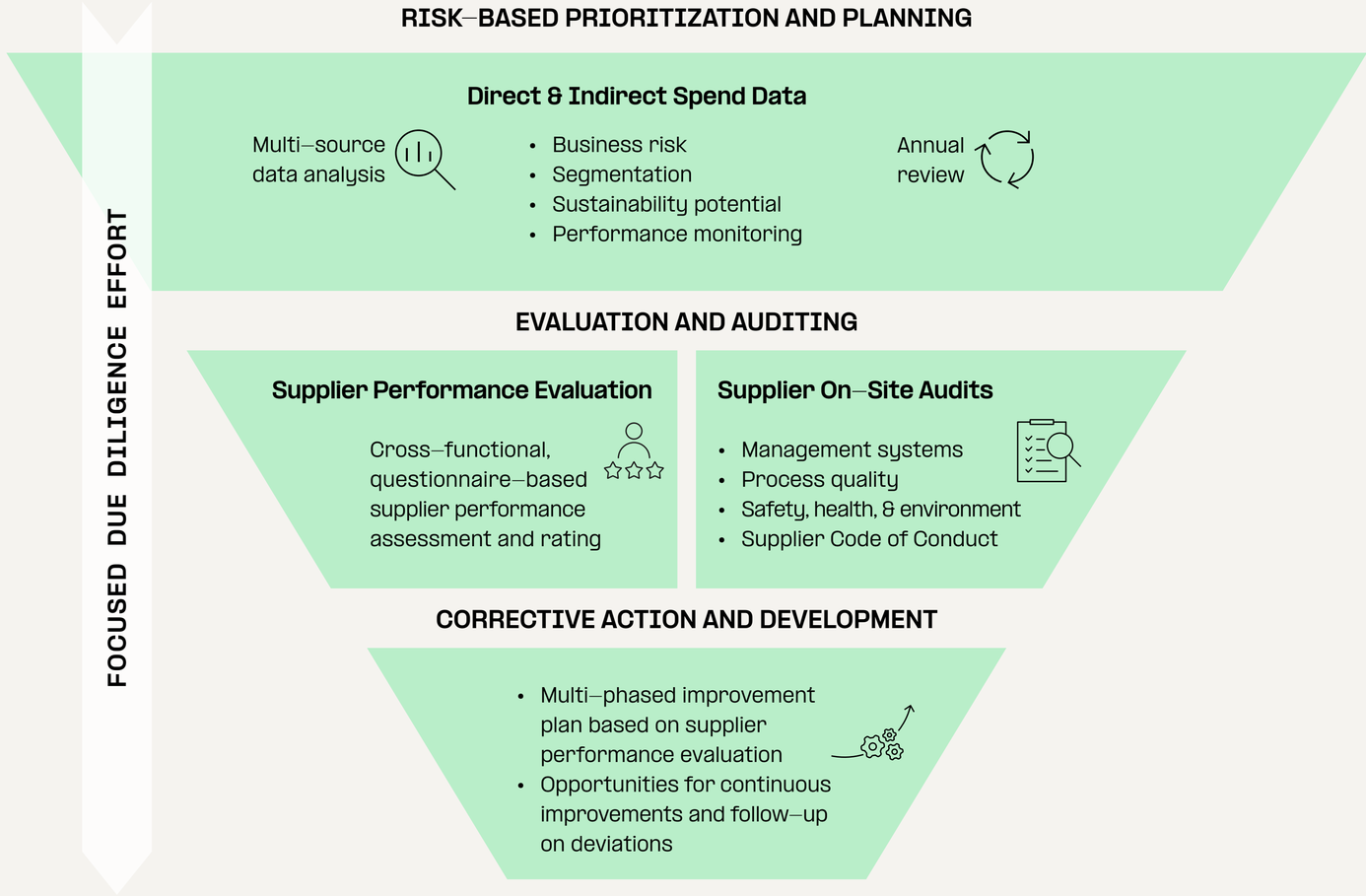
Ensuring due-diligence processes for conflict minerals

We perform systematic risk analyses to identify high-risk substances and suppliers, and we have mandatory Conflict Minerals Reporting Template (CMRT) submissions for in-scope suppliers in place. Targeted mitigation actions and structured follow-up ensure transparency and responsible sourcing across the supply chain for affected materials. A formal disengagement procedure is applied after repeated non-cooperation, following responsible exit principles.

Monitoring REACH compliance

We conduct ongoing assessments of supplier progress and compliance with REACH obligations to ensure safe chemical management throughout the supply chain (REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals). This includes verified reporting on substance registrations, safe-handling practices, and supplier conformity with EU regulatory requirements.

Sustainable procurement actions



TARGETS RELATED TO SUSTAINABLE PROCUREMENT

Procurement actively supports the achievement of our company-wide sustainability targets by integrating sustainability considerations into sourcing and supplier management processes. We have developed procurement policies, procedures, and supplier engagement processes that systematically integrate sustainability requirements into decision-making across relevant spend categories. This allows procurement to contribute effectively to sustainability objectives in environmental performance, ethical conduct, and responsible supply chain practices. We support progress through cross-functional collaboration with sustainability, compliance, and business teams, ensuring alignment between strategic ambitions and operational execution.

Looking ahead, we are committed to strengthening the role of sustainability within our procurement function even further. We plan to enhance the training of our procurement teams with a stronger focus on both social and economic aspects of sustainability. Our aim is to ensure they are well-equipped to identify risks, engage effectively with suppliers, and drive responsible sourcing decisions. This will be embedded into our ongoing learning and development strategy. In parallel, we are exploring the introduction of an incentive program for suppliers who, among other criteria, demonstrate exceptional performance in sustainability-related areas. By recognizing and rewarding responsible practices, we aim to encourage continuous improvement and deepen collaboration across our supply base. These initiatives reflect our broader ambition to integrate sustainability more deeply into all procurement decisions and partnerships.

METRICS RELATED TO SUSTAINABLE PROCUREMENT

As we continue to strengthen our Sustainability Due Diligence Framework, we are progressively building up our supply chain reporting capabilities, ensuring increasing transparency, completeness, and robustness of disclosed metrics over time. This year, we selected metrics based on the key actions that contribute most to our overarching Sustainable Procurement Policy. These metrics cover the company's core efforts in supply chain due diligence and are currently used to measure our progress in identifying, preventing, and mitigating negative impacts in our supply chain. The selected metrics for the past two reporting years demonstrate our firm commitment to disclosing the results of our due diligence engagements.

KEY METRICS FOR SUSTAINABLE PROCUREMENT

in %		2025	2024	
	Scope and input parameters			**Context and performance changes**
Suppliers that have undergone an on-site sustainability audit	Prioritized suppliers based on risk, performance, and segmentation; number of suppliers audited versus number of suppliers considered in annual audit execution plans	90	97	Year-on-year differences are due to changes in audit planning, for example, postponing audits for business reasons or to allow for more cost-efficient audit execution without compromising audit priorities
Audited or assessed suppliers engaged in corrective action or capacity building	All suppliers requiring corrective action following audit results, if applicable; number of suppliers with corrective action performed versus number of suppliers with relevant findings following audit	100	100	All audited suppliers are systematically engaged in corrective action if applicable, that is, if an audit results in findings that require corrective action
Suppliers who have signed the Supplier Code of Conduct	Approved direct suppliers with active business; number of suppliers with valid signature acknowledgment of our Supplier Code of Conduct versus total number of suppliers in scope	65	21	Roll-out of new Envalior Supplier Code of Conduct (version October 2023) ongoing in 2024; further action taken in 2025 to increase coverage and to achieve harmonization across legacy companies
Suppliers that have undergone a sustainability assessment	Prioritized suppliers based on segmentation; number of suppliers assessed versus number of suppliers considered in annual plans	36	69	Business priorities have been set in 2025 resulting in a temporary decrease in assessment activities

APPENDIX

SUSTAINABILITY METRICS

The following table provides an overview of Envalior's sustainability–related metrics. You can find detailed information in the relevant chapters of the Sustainability Report. The majority of our environmental data has been assured by a third party.

		2025	2024
General			
Revenue	in billion €	2.7	2.8
Executive Leadership Team (ELT) members	HC	10	10
Supervisory Board members	HC	5	—[1]
Women in ELT	in %	30	30
Sites certified according to 9001	in %	100	100
Sites certified according to 14001	in %	94	87
Sites certified according to 50001	in %	11	—[1]
Sites certified according to 45001	in %	6	6
Sites holding a ISCC Plus certificate	in %	83	—[1]
Environment			
Climate Change			
Scope 1 ●	in t CO_2e	261,201	242,064
Scope 1 from EU ETS ●	in %	45	—[1]
Scope 2 (location–based) ●	in t CO_2e	220,679	202,448
Scope 2 (market–based) ●	in t CO_2e	115,313	138,635
Total Scope 1 and 2 (market–based) ●	in t CO_2e	375,925	380,699

[1] Not reported in 2024.
HC = Headcount
● Externally audited data points (in accordance with or in reference to recognized assurance standards).

TABLE CONTINUED ON NEXT PAGE

		2025	2024
Total Scope 3 ●	in t CO_2e	6,276,977	5,912,786
Scope 3.1 (purchased goods and services) ●	in t CO_2e	4,417,696	4,226,815
Scope 3.2 (capital goods) ●	in t CO_2e	12,187	9,774
Scope 3.3 (fuel– and energy–related upstream emissions) ●	in t CO_2e	58,342	37,773
Scope 3.4 (upstream transportation and distribution) ●	in t CO_2e	73,253	29,986
Scope 3.5 (waste generated in operations) ●	in t CO_2e	9,315	11,661
Scope 3.6 (business travel) ●	in t CO_2e	1,292	929
Scope 3.7 (employee commuting) ●	in t CO_2e	7,864	3,589
Scope 3.8 (upstream leased assets) ●	in t CO_2e	3,179	3,450
Scope 3.9 (downstream transportation and distribution) ●	in t CO_2e	118,678	138,851
Scope 3.11 (use of sold products) ●	in t CO_2e	911,444	786,966
Scope 3.12 (end–of–life treatment of sold products) ●	in t CO_2e	663,728	662,992
Total Scope 1, 2 and 3 ●	in t CO_2e	6,653,491	6,293,485
Energy			
Energy consumption from fossil sources ●	in MWh	1,015,066	1,094,725[2]
Fuel consumption from coal and coal products ●	in MWh	0	0
Fuel consumption from crude oil and petroleum products ●	in MWh	7,259	7,928
Fuel consumption from natural gas ●	in MWh	368,316	497,168
Fuel consumption from other fossil sources ●	in MWh	276,835	234,082
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil in MWh sources ●	in MWh	362,655	355,547[2]
Energy consumption from nuclear sources ●	in MWh	93,780	81,227[2]
Energy consumption from renewable sources ●	in MWh	378,864	327,568
Total energy production ●	in MWh	13,215	16,688
Non–renewable energy production ●	in MWh	13,167	16,632
Renewable energy production ●	in MWh	49	57
Total energy consumption ●	in MWh	1,487,709	1,503,520[2]
Pollution of air			
NO_x ●	in t	474	–[1]
SO_2 ●	in t	178	–[1]
Total weight of air pollutants	in t	652	673
Hydrochlorofluorocarbons (HCFCs) ●	in kg	34	–[1]
Microplastic metrics			
European sites passing OCS audit ●	count	6 / 6	–[1]
Amounts of primary microplastics manufactured or used in products ●	in t	602,903	–[1]

[1] Not reported in 2024.
[2] The comparative figure for 2024 has been adjusted to reflect updated data. This may also include methodological adjustments.
● Externally audited data points (in accordance with or in reference to recognized assurance standards).

TABLE CONTINUED ON NEXT PAGE

		2025	2024
Pollution of water			
Chemical Oxygen Demand (COD) ●	in t	2335	1402
Total nitrogen ●	in t	360	143
Arsenic (as As) ●	in kg	8	—[1]
Water metrics			
Total water consumption ●	in 1,000 m³	2,226	1,764
Total water withdrawal ●	in 1,000 m³	112,659	—[1]
Total water discharge ●	in 1,000 m³	110,433	—[1]
Total water consumption in areas with water stress ●	in 1,000 m³	48	46[2]
Total water recycled and reused ●	in 1,000 m³	171,014	130,718
Number of sites with water intensity below 1m³/t ●	count	14	—[1]
Resource inflow by key materials category			
Base chemicals	in %	17	—[1]
Monomers	in %	17	—[1]
Polymers	in %	50	—[1]
Additives	in %	16	—[1]
Packaging	in %	0.5	—[1]
Total resource inflow	in t	1,084.368	—[1]

		2025		2024
Waste generation and treatment				
Total waste generated ●	in t	33,513		33,205
		Non-hazardous waste	Hazardous waste	
Diverted from disposal ●	in %	81.7	8.0	88
Recycling ●	in %	56.4	0.8	—[1]
Reuse ●	in %	0.5	0	—[1]
Incineration with heat recovery ●	in %	21.2	6.9	—[1]
Other recovery operations ●	in %	3.6	0.3	—[1]
Directed to disposal ●	in %	4.2	6.2	12
Incineration without heat recovery ●	in %	1.0	1.8	—[1]
Landfill ●	in %	3.0	0.4	—[1]
Other disposal operations ●	in %	0.0	4.0	—[1]
Disposal operations unknown ●	in %	0.2	0.0	—[1]
Total waste generated ●	**in %**	**85.8**	**14.2**	—[1]

[1] Not reported in 2024.
[2] The baseline for establishing 2024 values has changed.
● Externally audited data points (in accordance with or in reference to recognized assurance standards).

TABLE CONTINUED ON NEXT PAGE

		2025	2024
Social			
Own Workforce			
Employees total	HC	4,258	4,427
Female employees	HC	779	811
Male employees	HC	3,477	3,612
Other/not specified employees total	HC	2	4
Permanent employees total	HC	4,002	4,188
Permanent, female employees	HC	718	759
Permanent, male employees	HC	3,283	3,427
Permanent, other/not specified employees	HC	1	2
Temporary employees total	HC	255	239
Temporary, female employees	HC	61	52
Temporary, male employees	HC	194	185
Temporary, other/not specified employees	HC	1	2
Number of employees who have left the undertaking	HC	265	228
Employee turnover rate	in %	6.6	6
Employees in Germany	HC	721	720
Employees in the Netherlands	HC	736	721
Employees in Belgium	HC	928	1,000
Employees in Greater China	HC	801	782
Employees in Japan	HC	53	49
Employees in India	HC	284	272
Employees in United States of America	HC	254	254
Employees in Brazil	HC	72	68
Collective bargaining and social dialogue			
Collective bargaining coverage of employees in Belgium	in %	80–100	80–100
Collective bargaining coverage of employees in Germany	in %	60–79	60–79
Collective bargaining coverage of employees in the Netherlands	in %	80–100	80–100
Collective bargaining coverage of employees in Japan	in %	0–19	0–19
Collective bargaining coverage of employees in India	in %	20–39	20–39
Collective bargaining coverage of employees in the United States of America	in %	20–39	20–39
Collective bargaining coverage of employees in Brazil	in %	40–59	40–59
Collective bargaining coverage of employees in Greater China	in %	60–79	60–79

HC = Headcount

TABLE CONTINUED ON NEXT PAGE

		2025	2024
Social dialogue coverage of employees in Belgium	in %	80–100	80–100
Social dialogue coverage of employees in Germany	in %	80–100	80–100
Social dialogue coverage of employees in the Netherlands	in %	80–100	80–100
Diversity			
Women within the Executive Leadership Team (ELT)	in %	30	30
Women in top executive positions	in %	20	20
Women employed in relation to the organization	in %	18	18
Employees under 30 years old	in %	10	11
Employees between 30 and 50 years old	in %	58	56
Employees over 50 years old	in %	32	33
Health and safety & process safety			
Number of fatalities as a result of recordable work–related accidents – Total	No.	0	0
Number of fatalities as a result of recordable work–related accidents – Employees	No.	0	0
Number of fatalities as a result of recordable work–related accidents – Contractors	No.	0	0
Number of recordable work–related accidents – Total	No.	16	33
Number of recordable work–related accidents – Employees	No.	15	24
Number of recordable work–related accidents – Contractors	No.	1	9
Rate of recordable work–related accidents – Total	per 100 FTEs [2]	0.37	0.76
Rate of recordable work–related accidents – Employees	per 100 FTEs [2]	0.38	0.6
Rate of recordable work–related accidents – Contractors	per 100 FTEs [2]	0.17	—[1]
Lost calendar days related to recordable work–related accidents – Total	No.	336	626
Lost calendar days related to recordable work–related accidents – Employees	No.	336	557
Lost calendar days related to recordable work–related accidents – Contractors	No.	0	69
Number of fatalities resulting from recordable work–related ill health	No.	0	0
Number of recordable work–related ill health	No.	0	0
Lost calendar days related to recordable work–related ill health	No.	0	0
Number of category 1 and category 2 process–safety incidents	count	12	—[1]
Rate of process–safety incidents	in %	0.26	—[1]

[1] Not reported in 2024.
[2] Per 100 full–time equivalents (FTEs), equivalent to 200,000 working hours.

TABLE CONTINUED ON NEXT PAGE

		2025	2024
Remuneration			
Remuneration ratio[2]	ratio[2]	27.03	—[1]
Unadjusted mean gender pay gap[3]	in %	−10.08	—[1]
Governance			
Corruption and bribery			
Employees who have formally acknowledged the Envalior Code of Business Conduct[4]	in %	96	—[1]
Number of convictions for violation of Anti−Corruption and Anti−Bribery laws	No.	0	0
Total amount of fines for violation of Anti−Corruption and Anti−Bribery laws	€	0	0
Number of confirmed corruption incidents	No.	0	0
Number of confirmed information security incidents	No.	0	0
Employees trained on business ethics topics	in %	91	—[1]
Functions at risk covered by training programs	in %	90	100

		2025	2024
Human Rights			
Number of incidents of discrimination at work on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination, including harassment	No.	0	0
Number of human rights incidents connected to its own workforce (excluding discrimination)	No.	0	—[1]
Total amount of fines, penalties, and compensation for damages	in €	0	0
Operational sites assessed for human rights impact or risks	in %	57	—[1]
Sustainable Procurement			
Relevant suppliers that have undergone an on−site sustainability audit	in %	90	97
Audited or assessed suppliers[5] engaged in corrective action or capacity building	in %	100	100
Suppliers[6] who have signed the Supplier Code of Conduct	in %	65	21
Relevant suppliers that have undergone a sustainability assessment	in %	36	69

[1] Not reported in 2024.
[2] Highest−paid individual ÷ median employee remuneration (excluding the highest−paid individual
[3] (Average male pay − average female pay) ÷ average male pay
[4] Acknowledgment of the Code of Business Conduct is renewed every two years. Therefore, the number here refers to 2024 and 2025.
[5] All suppliers requiring corrective action following audit results
[6] Approved direct suppliers with active business.

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Published by

Envalior GmbH
Flughafenstrasse 101
40474 Düsseldorf
Germany

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