SUSTAINABILITY REPORT 2024

ENVALIOR
CARES
LOW CARBON • SUSTAINABLE RESOURCES • SOCIAL RESPONSIBILITY

Envalior
Imagine the Future


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LOW CARBON • SUSTAINABLE RESOURCES • SOCIAL RESPONSIBILITY

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LETTER FROM *THE CHAIRMAN*

ENVALIOR CARES
LOW CARBON • SUSTAINABLE RESOURCES • SOCIAL RESPONSIBILITY

Building on the past towards a better future

Envalior stands at a unique crossroads — a young, dynamic company built upon the strong heritage of its predecessors. Founded in 2023, this new market player has rapidly grown into a leading player in engineering materials. Envalior has created a distinctive portfolio of sustainable, innovative, and high-performance material solutions that serve industries worldwide.

A firm commitment to sustainability shapes every business aspect at Envalior — from supply chain and production processes to daily operations. The goal is clear: to ensure that all activities create a lasting net positive impact on society. With a focus on ethics and long-term responsibility, the company seeks to improve industry standards today and in the future.

Fulfilling Envalior's sustainability promise

Sustainability is not only a statement at Envalior, but a firm commitment pursued by setting concrete targets. These include 100% renewable electricity supply by 2030, reducing Scope 1 and 2 emissions by 35% by 2030, and a great deal more — clearly set down in this Sustainability Report.

I am proud of what this Report reveals about the company. It reaffirms Envalior's responsibility to lead by example. It is a testament to what we can achieve together when driven by purpose and guided by shared values.

Inspiring people to achieve their best

But, more than that, it also reflects the remarkable contributions of the people who make these achievements possible. My sincere thanks go to Envalior's outstanding workforce for their dedication, hard work, and commitment. And, on behalf of everyone at Envalior, I extend my gratitude to Envalior's external stakeholders — customers, business partners, and shareholders — for joining the company on its inspiring journey toward a more sustainable, equitable, and successful future.

« With a focus on ethics and long-term responsibility, the company seeks to improve industry standards today and in the future. »

Roberto Gualdoni
Chairman of the Shareholders' Committee

LEADING *THE CHANGE*

As a young company with strong roots and a clear vision, Envalior is here to set new standards in sustainable and high-performance engineering materials. Our international presence is strengthened by local R&D and production facilities, enabling us to offer our clients one of the broadest portfolios in the engineering materials arena, powering a wide range of applications.

Our company-wide commitment to addressing the environmental and social impacts of our business is embodied in Envalior CARES — reflecting three key pillars: Low **CA**rbon, Sustainable **RE**sources, and **S**ocial Responsibility. We are advancing resource efficiency, reducing emissions, and integrating sustainable feedstocks into our portfolio, backed by proven technologies and robust processes.

At the same time, we are pursuing a clear path to climate neutrality, aiming to reduce Scope 1 and 2 emissions by 35% by 2030, based on the 2024 baseline, while also preparing to decarbonize our supply chain beyond 2030. And we aim to reach 100% renewable electricity supply by 2030.

Sustainability also means integrity. We introduced a Code of Business Conduct, setting clear ethical standards for our employees, partners, and suppliers. We are committed to strong governance, the protection of human rights across our supply chain, and the health, safety, and well-being of our people. Our employees are essential to our progress — and we invest in a workplace that reflects that.

Our dedication to sustainability isn't just part of our strategy — it's part of who we are and a key company value. At Envalior, we see this as an opportunity to lead with purpose and to create long-term value through innovation and collaboration. Our journey is ongoing, but our direction is clear. We will continue to challenge ourselves, engage our stakeholders, and invest in a sustainable future because we believe that is the foundation of lasting success.

Thank you for your trust and partnership.

> « Our dedication to sustainability isn't just part of our strategy — it's part of who we are. »

Calum MacLean
Envalior CEO

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SUSTAINABLE & HIGH–PERFORMANCE ENGINEERING MATERIALS

Envalior is a global leader in engineering materials with around 4,000 employees worldwide. It was established in 2023 through the merger of Lanxess High Performance Materials and DSM Engineering Materials. With a long track record of customer–driven innovation, Envalior specializes in developing sustainable and high–performance engineering materials, including PA6, PA66, PBT, PA46, PPS, TPC, PET, PA4T, PA410, and Thermoplastic Composites.

Focus markets include Mobility, Electrical & Electronics, and Consumer Goods.

Imagine the Future

In Envalior, the prefix "EN" represents our dedication to ENgagement, ENgineering excellence, an ENtrepreneurial mindset, and care for the ENvironment. The suffix "VALIOR" underscores our unwavering commitment to creating value — for our customers, our employees, and for society as a whole.

As a top–2 global player in PA6, we shape the future through innovation, sustainability, and solutions that help our customers succeed in a rapidly changing world.

GLOBAL REACH
OUR SITES

Headquartered in Düsseldorf, Germany, we have 18 production sites, 12 Research and Development (R&D) centers and around 4,000 employees around the globe. Our global footprint and local expertise allow us to provide our broad portfolio of material solutions to more than 2,000 customers across the world, and to respond quickly to global and domestic changes in the markets we serve.

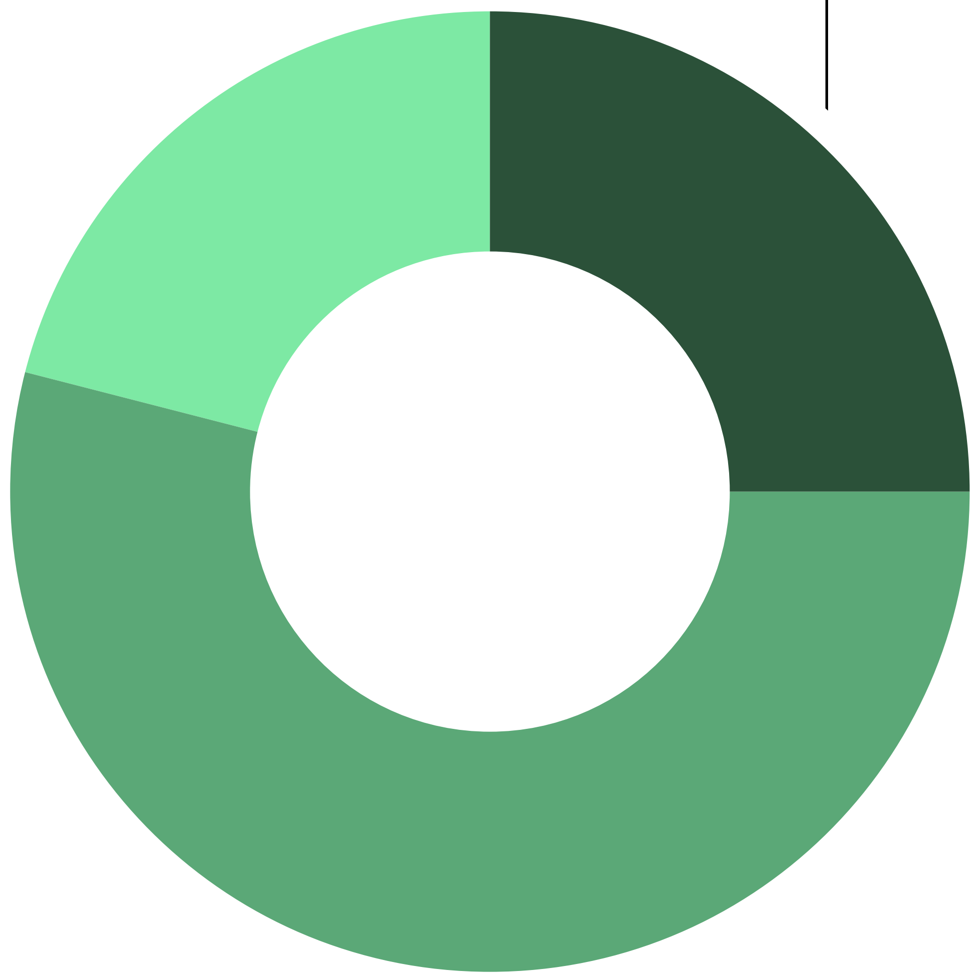
ENVALIOR *FACTS & FIGURES* 2024

Scope 1 emissions	242,604 t CO_2e
Scope 2 emissions (market–based)	138,635 t CO_2e
Scope 2 emissions (location–based)	202,448 t CO_2e
Scope 3 emissions	5,912,786 t CO_2e

30

Production sites and R&D centers around the world

Revenue split per division



€ 3Bn

Total revenue ranks us among the top global Engineering Materials companies

~4,000

Highly engaged employees globally

30%

of women in our Executive Leadership Team (ELT)

WHY ENVALIOR?

Envalior delivers sustainable and high-performance engineering materials with the agility and global reach to meet customers' needs anywhere in the world.

The combination of a global portfolio, local R&D and compounding capabilities enables us to provide tailored, high-quality solutions delivered precisely where and when they are needed.

We help customers reduce time, risk, costs, and CO_2e by making applications smarter, safer, smaller, lighter, longer-lasting and more sustainable.

One of the broadest portfolios in the industry

We offer a variety of products: From intermediates to performance and specialty materials, including PA6, PA66, PBT, PA46, PPS, TPC, PET, PA4T, PA410, Thermoplastic Composites — and more.

Backward integrated

We produce our own intermediates, giving us control over the quality of raw materials and delivering trusted, consistent performance.

Sustainability at the core

Our bio-based and recycled materials — like Pocan X-MB (made with used cooking oil), Akulon Repurposed (from discarded fishing nets), Stanyl B-MB (bio-mass balance) and Durethan ECO (with post-industrial glass fiber) — help reduce CO_2e footprints.

Global reach, local support

We're a global company with local facilities and teams, ensuring fast, agile support wherever our customers are.

Innovation for impact

Our forward-thinking teams are continuously developing new materials and solutions that enable smarter, lighter, safer, and more sustainable products.

Engineering Services

We co-develop at every stage — from concept to design and production — helping customers achieve first-time-right results.

OUR INNOVATIVE *PORTFOLIO*

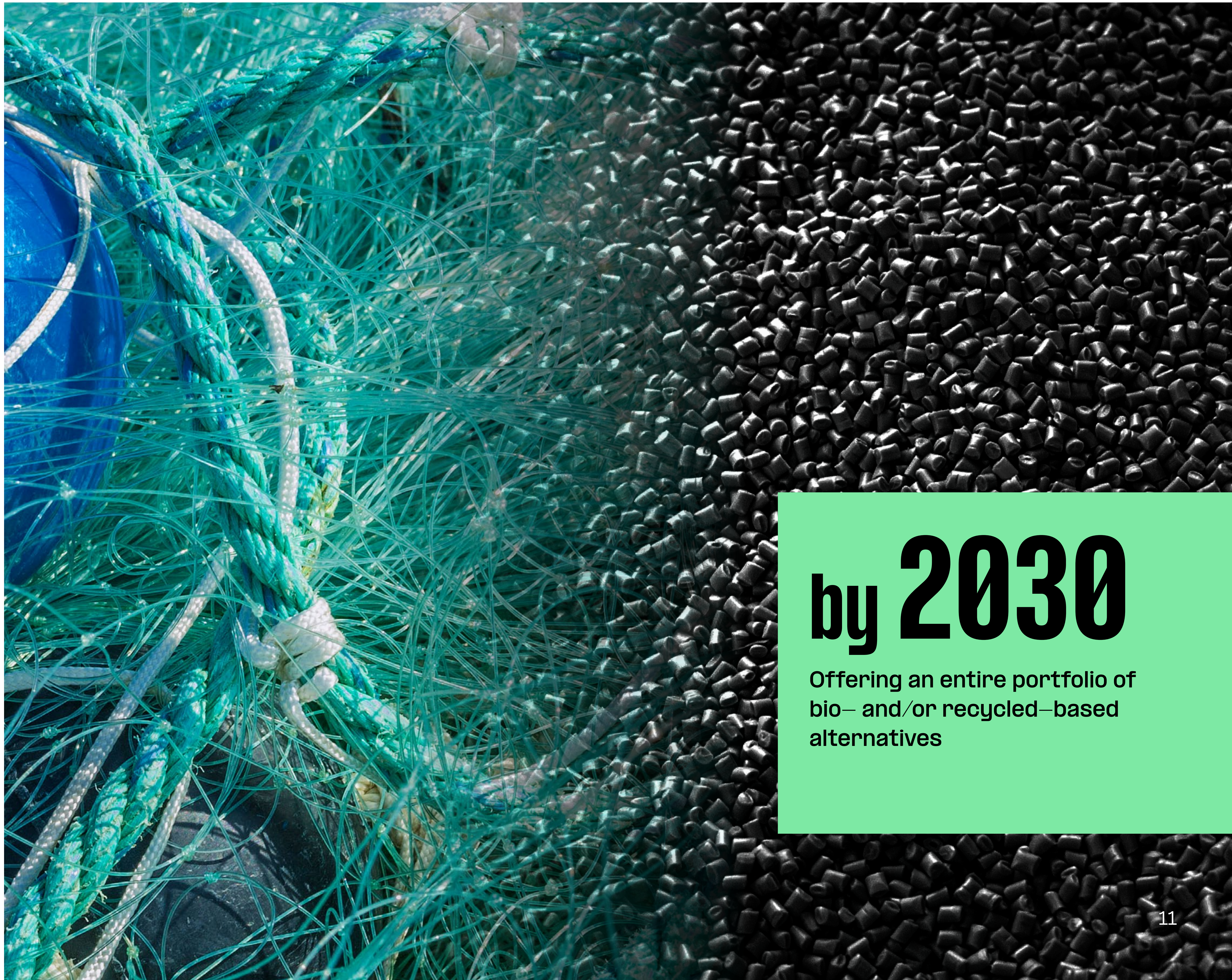
Recycled Materials

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 and developed to meet strict, demanding technical and environmental standards. Besides pre–consumer materials, we place a strong focus on sourcing post–consumer waste as a priority, 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 waste, such as Used Cooking Oil (UCO). Either as C14 traceable content or using a certified mass–balance approach, we integrate sustainable feedstocks 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. With our bio–based solutions, customers can take meaningful climate action and support the transition to a fossil–free, future–oriented materials industry.

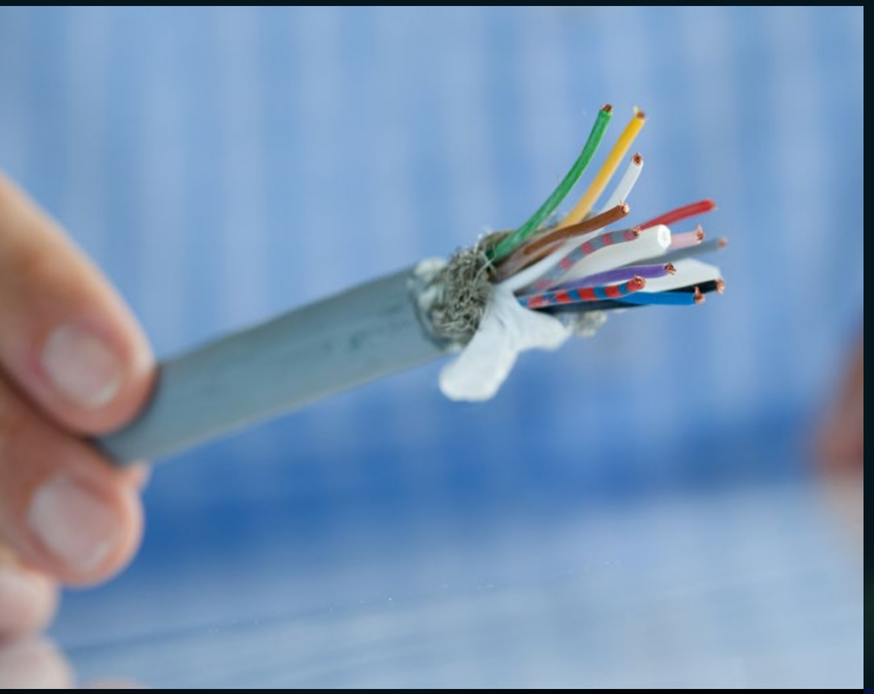
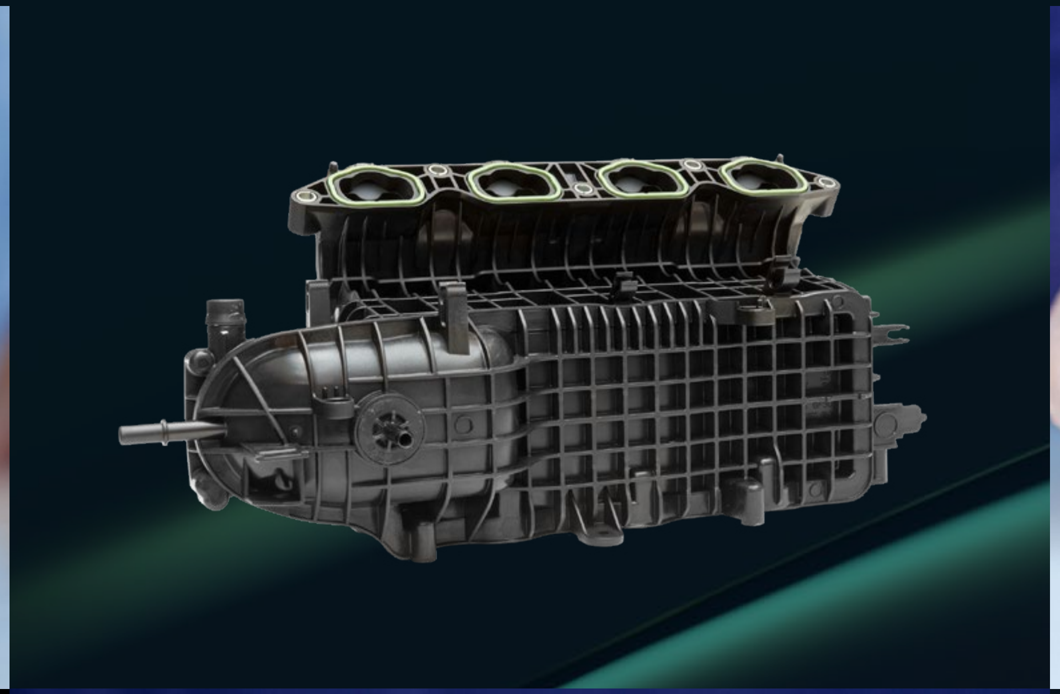
For further details see chapter "Circularity and Waste".



by 2030

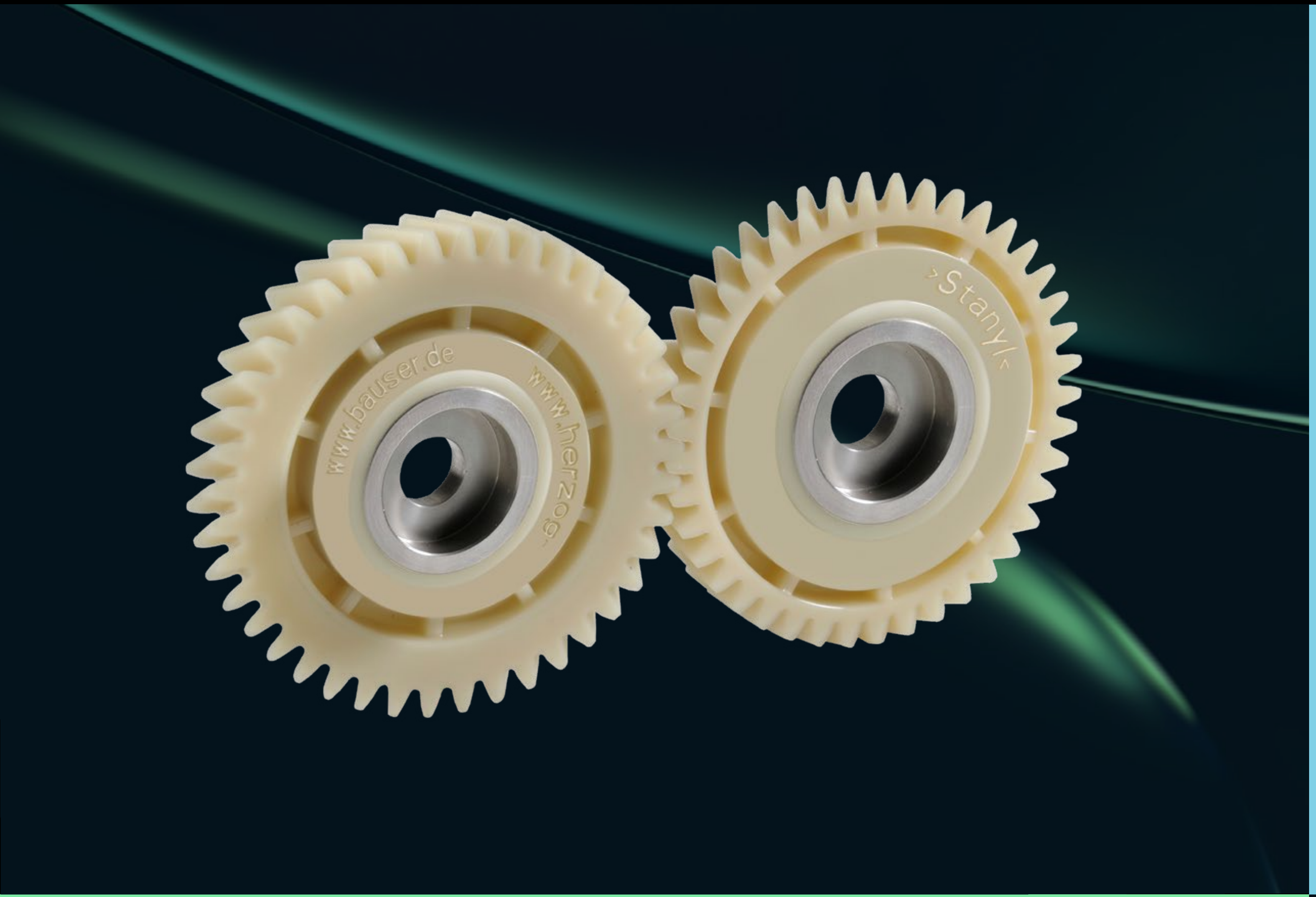
Offering an entire portfolio of bio– and/or recycled–based alternatives

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




Through our broad portfolio of engineering materials and collaborative Engineering Services, we help customers reduce time, risk, costs, and CO_2e by making products smarter, safer, smaller, lighter, longer–lasting and more sustainable. We engineer diverse applications ranging from snowboard bindings to state–of–the–art sports apparel, lightweight car parts to USB connectors.

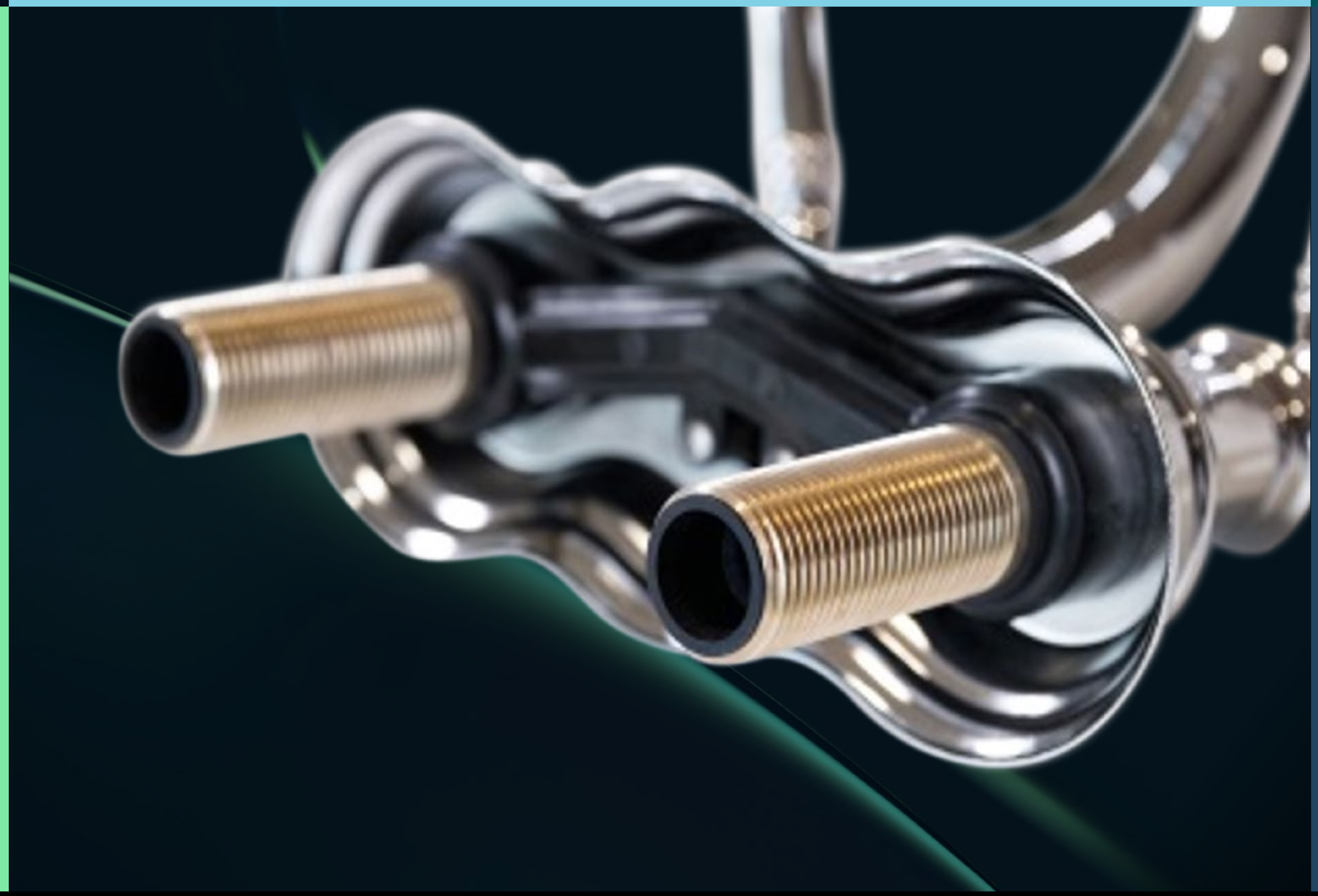


ECOPAXX®

EcoPaXX® PA410 is a high-performance bio-based polyamide derived from castor oil. In water management, it excels in terms of quality and durability while adhering to strict regulatory requirements.

STANYL® PA46

Our high-performance polyamide, Stanyl® PA46, enhances the durability of gears and bearings. Its excellent resistance to fatigue, wear, and high temperatures enables compact designs without compromising performance.

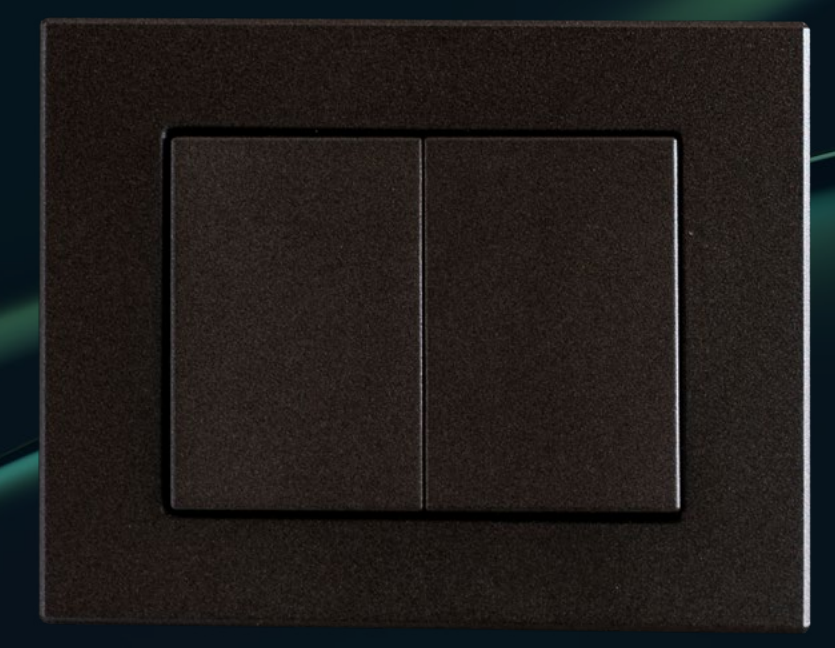


ARNITEL® B-MB

Our Arnitel® B-MB allows more sustainable choices in breathable membranes for outdoor sports apparel. As a mass-balanced drop-in solution, it offers a smaller product carbon footprint without any losses in quality and performance.

AKULON® CRC–MB

Akulon® CRC–MB derived from recycled feedstocks (plastic or car tyre waste pyrolysis oil) is used in a wide range of electrical applications. Its material properties support circular economy and the use of recycled resources.



DURETHAN® BLUE

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

AKULON® REPURPOSED

Akulon® RePurposed is a high–performance polyamide 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

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.

5

subcommittees form strong governance structure for material sustainability topics

UN Global Compact participant since

2024

ISO 14001

Global coverage of environmental management system

10

members of the Executive Leadership Team (ELT) in ESG board *

* Highest decision body for sustainability

BASIS OF PREPARATION

Our 2024 sustainability statement has been compiled with a keen eye towards alignment and future compliance with EU sustainability directives. The information presented here is based on our double materiality analysis, with which we were able to identify, assess, and report on the sustainability topics that are material to our business. This was undertaken from an outside–in perspective (financial materiality), and an inside–out perspective (impact materiality). The outcome of this analysis helps to provide a full picture of our sustainability performance, high–lighting impacts, risks and opportunities.

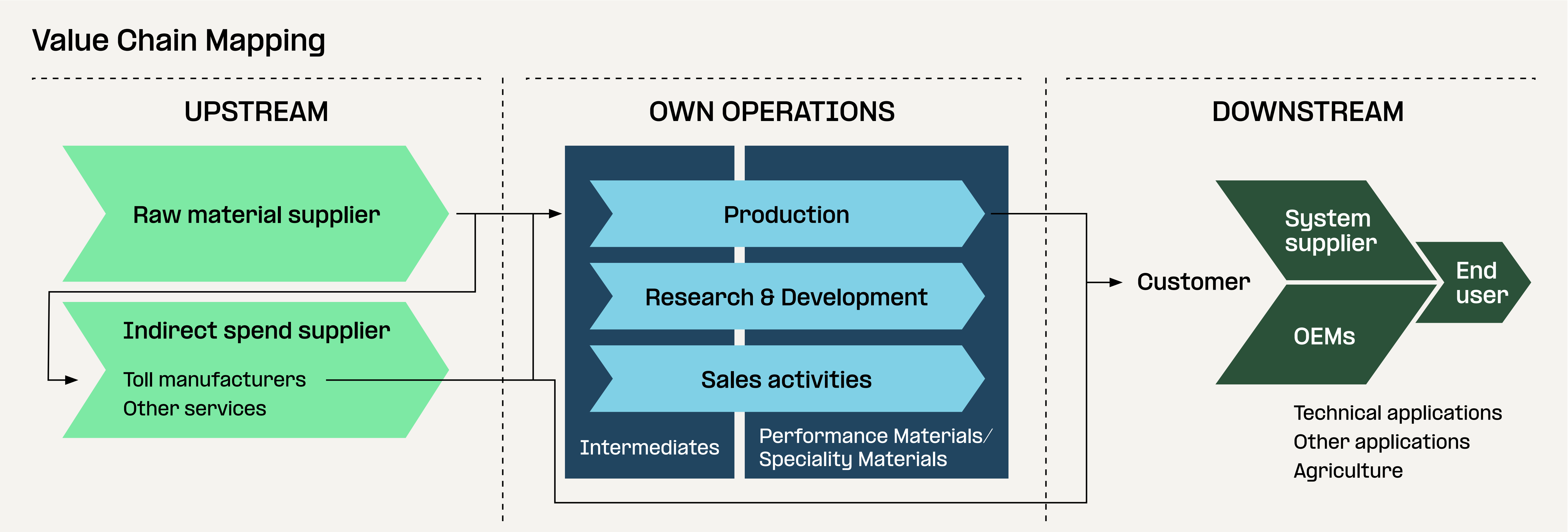
SUSTAINABILITY STATEMENT PREPARATIONS

Envalior's sustainability statement was prepared on a voluntary basis and is designed to meet the information needs of our stakeholders. In future, Envalior GmbH will be required under the EU Corporate Sustainability Reporting Directive (CSRD) to publish a sustainability statement that complies with the European Sustainability Reporting Standards (ESRS) as part of its annual management report.

Our 2024 sustainability statement has been prepared at consolidated level and in line with the same principles of consolidation as the consolidated financial statements. All material Envalior subsidiaries, which are joint ventures, are included in the consolidated sustainability statement. There is a slight difference between the consolidated financial and consolidated sustainability statements: while the financial statement considers Envalior NHU Engineering Materi–als (Zhejiang) Co., Ltd. (in short NHU) at 60% and DuBay Polymer GmbH (in short DuBay) at 50%, the sustainability statement considers NHU at 100%, but does not consid–er DuBay at all. The concept of operational control was applied to define the consolidation.

Mapping our value chain

Envalior's sustainability statement covers our whole value chain, both our upstream and downstream value chains. The value chain was examined in Envalior's 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.



INFORMATION ON SUSTAINABILITY METRICS

Sustainability-related impacts, risks and opportunities may change over time, which is why we applied the time horizons below in the sustainability statement. These were chosen to align with our Risk Management department. These time horizons differ slightly from the specifications set down in the ESRS, as we chose the periods outlined below to match the reporting periods in our financial statement:

- **Short-term:** < **3 years**
- **Mid-term: 3 to 10 years**
- **Long-term:** > **10 years**

Evaluating our metrics

Our sustainability metrics encompass both direct operational data and estimated value chain data obtained through indirect sources. Primary data is collected from our production sites and internal business systems. In addition, we incorporate supplier-provided information for key materials and rely on reputable external databases and modeling tools to estimate upstream and downstream impacts where direct data is not available. Expert-based internal estimates are used to close remaining data gaps and ensure comprehensive coverage.

The preparation of our Scope 3 emissions data is based on a combination of primary data from the company's production sites, supplier-provided data, and secondary data from established databases. Primary data is applied to significant raw materials, while extrapolation methods are used for less significant materials. Indirect spend is evaluated using spend-based emission factors, and transportation emissions are estimated with internal logistics tools and expert assessments. Downstream emissions are calculated by combining primary sales data with secondary data and expert estimations to ensure comprehensive coverage.

The accuracy of Scope 3 data is highest for categories with the most significant impact, such as Intermediate Raw Materials (IM) and Performance Materials (PM)/Specialty Materials (SM), while accuracy for less material or non-strategic categories remains limited. Ongoing improvements focus on centralizing data management and enhancing collaboration with key suppliers and partners.

Striving to maximize accuracy

To enhance the accuracy of our sustainability metrics moving forward, we are centralizing our data management processes and implementing stronger, more robust data collection frameworks. This includes further engagement with our most significant suppliers and partners to obtain more precise and comprehensive data. Additionally, we aim to refine our estimation methods and incorporate advanced modelling techniques to obtain more accuracy in our value chain data.

Disclosures of quantitative metrics and monetary amounts subject to a high level of measurement uncertainty are explained in the corresponding chapters together with the data. Any disclosures concerning sources of measurement uncertainty are explained in the respective chapters together with the data. When disclosures pertain to assumptions, approximations and judgements made in measurement, these are explained in the relevant chapters together with the data.

Certifications

Envalior holds a comprehensive portfolio of internationally recognized certifications, demonstrating its commitment to quality, safety, and sustainability:

CERTIFIED FOR SUSTAINABILITY*

Certification	Scope and Relevance
ISCC PLUS	Certification for sites that handle bio-based and recycled materials, ensuring traceability and sustainability in supply chains. Most of our production sites hold a certificate.
ISO 9001	Quality management systems certification, ensuring consistent product and service quality. All our production sites are certified.
ISO 14001	Environmental management systems certification, supporting environmental protection and compliance. The majority of our production sites are certified.
ISO 50001	Energy management systems certification, promoting efficient energy use and reduction of emissions. Our German production sites are certified.
IATF 16949	Quality management standard for the automotive sector, focusing on continuous improvement and defect prevention. The majority of our production sites are certified.
OCS (Operation Clean Sweep)	Certification for pellet loss prevention in the plastics supply chain. By the end of 2025, our European production sites will be certified externally.
ISO 45001	Provides a robust framework for an occupational health and safety management system (OHSMS). By 2025, some of our production sites will be certified to ISO 45001.
ISO 17025	A number of laboratories in our organization are certified.

* All certificates can be downloaded here: www.envalior.com/quality

GOVERNANCE

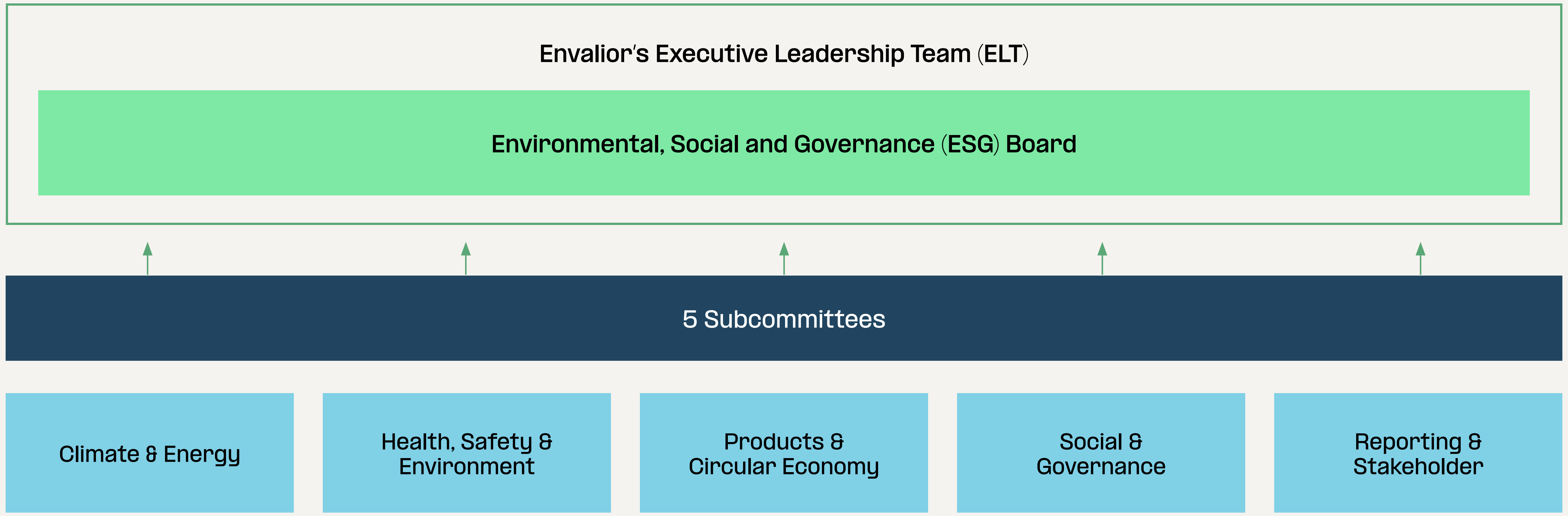
Governance refers to management systems, policies, and practices a company uses to ensure responsible decision–making, risk management, and accountability. For stakeholders, strong governance provides transparency, builds trust, and ensures that sustainability and ethical considerations are integrated into the company's long–term strategy and operations. Envalior not only places great emphasis on stakeholder needs but also aims to act as a role model, taking the lead through ethical governance practices.

SUSTAINABILITY GOVERNANCE RESPONSIBILITIES

Sustainability governance at Envalior is anchored in a two–tier structure. The central governance body is the ESG Board, chaired by the CEO, which meets four times per year. The ESG board includes all 10 members of Envalior's Executive Leadership Team (ELT) and is supported by five cross–functional ESG Subcommittees, each focused on a specific sustainability topic cluster and headed by at least one ELT member. These Committees act as decision–making bodies and convene every two months.

The corporate sustainability team prepares structured updates on material sustainability impacts, risks, and opportunities (IROs), and the effectiveness of relevant policies, targets and Key Performance Indicators (KPIs). 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. Our CHRO is responsible for the workforce in her role as CHRO and represents employee interests as part of the ELT and ESG Board in supervisory bodies.

Organization of sustainability governance



EXECUTIVE LEADERSHIP TEAM

Envalior's executive leadership team (ELT) is made up of 10 members, three of whom are women, and has the overall responsibility for the whole group. Because of their diverse and broad experience, the members are capable of monitoring and steering key sustainability topics.

Role	Name
CEO	Calum MacLean (m)
CFO	Stephen Bennett (m)
CHRO	Anneleen Drieskens (f)
CPO	Paula Tinkler (f)
EVP Intermediates	Peter Henrichfreise (m)
EVP Legal & Compliance	Sascha Fehlemann (m)
EVP Manufacturing	Bob van der Leek (m)
EVP Performance Materials	Christophe Cazabeau (m)
EVP Specialty Materials	Caroline Mitterlehner (f)
MD Asia	Jason Zhang (m)

SUSTAINABILITY TOPICS MANAGEMENT

Material sustainability topics are integrated into Envalior's broader strategy and risk management processes. The ESG Board plays a key role in aligning strategic initiatives and major business decisions with sustainability priorities, supported by direct ELT involvement in each Subcommittee. Identified sustainability risks and opportunities are considered, ensuring they are evaluated alongside other strategic risks. This structure enables timely consideration of ESG topics in decision-making and risk mitigation across the organization.

The following material topics are discussed within the ESG governance structure and are directly mapped to the respective Subcommittees:

- **Subcommittee 1 — Climate & Energy:** Climate-related risks and opportunities, decarbonization strategy, GHG emission data and reduction (Scope 1 to 3), energy efficiency, renewable energy. We have a dedicated management team working on GHG emissions reductions.
- **Subcommittee 2 — Health, Safety & Environment:** Site-related environmental impacts, occupational health and safety, substances of concerns, resource use (e.g., water, waste, pollution), and sustainable operations.
- **Subcommittee 3 — Sustainable Product:** Portfolio steering (Product Carbon Footprint roadmaps, development of Circular Economy products, Product Stewardship implementation).
- **Subcommittee 4 — Social & Governance:** Human rights, working conditions, diversity, equity and inclusion, business conduct, sustainable procurement.
- **Subcommittee 5 — Reporting & Stakeholder Engagement:** CSRD/ESRS[1] implementation, stakeholder engagement, sustainability ratings, and associations and transparency obligations.

All Subcommittees report relevant insights and decisions to the ESG Board, ensuring strategic alignment and ELT-level oversight.

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[1] "Corporate Sustainability Reporting Directives" and "European Sustainability Reporting Standard"

Initiatives, commitments, certificates

Envalior is committed to sustainability leadership through active participation in key industry associations, initiatives, and by holding relevant certifications. These engagements reinforce Envalior's dedication to responsible business practices, transparent value chains, and continuous improvement in environmental and social performance.

UN Global Compact

Envalior is a participant in the United Nations Global Compact, the world's largest corporate sustainability initiative. By adhering to the Compact's 10 universal principles covering human rights, labor, environment, and anti-corruption, Envalior integrates these values into its strategy, culture, and daily operations and reports annually on its progress.

In July 2025, Envalior will renew its commitment to the 10 principles of the UN Global Compact and submitted its (Communication on Progress) report, which is available to the public on their website.

UN Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) are 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.

Envalior focuses its sustainability efforts on three key SDGs: 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 three SDGs.

International Sustainability and Carbon Certification (ISCC) Association

Envalior is a member of the ISCC Association, supporting the development and implemen–tation of credible sustainability certification systems for bio–based and recycled materials. This membership supports Envalior's commitment to traceable, climate–friendly, and deforestation–free supply chains.

CEFIC

As a member of CEFIC, Envalior engages with Europe's largest chemical industry associa–tion to promote innovation, sustainability, and best practices across the sector. CEFIC also coordinates the Responsible Care® program in Europe.

PlasticsEurope

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

Operation Clean Sweep (OCS) Program

Envalior participates in the Operation Clean Sweep® program, 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.

econsense — Forum Nachhaltige Entwicklung der Deutschen Wirtschaft e.V.

Envalior is a member of econsense, a leading cross–industry network for sustainable development among German businesses. econsense brings together internationally active companies committed to advancing sustainability, facilitating knowledge ex–change, and driving sector–wide progress on key sustainability topics. Through econ–sense, Envalior collaborates with peers, participates in thematic working groups, and contributes to the shaping of sustainable business standards and policies in Germany and beyond.

Sustainable Castor Association

EcoPaXX® is our bio–based PA410 which is partially derived from castor oil. We are a member of the Sustainable Castor Association, supporting good agricultural practices and responsible sourcing of castor crops.

Advanced Packaging Association (APA)

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 with the mission to ensure that flexible packaging containing polyamide is recognized as sustainable and recyclable.

APA unites stakeholders across the flexible packaging value chain: material producers, packaging manufacturers, food brands, retailers and recyclers to facilitate knowledge sharing and advocates for legislation that recognizes the sustainability benefits of polyamide–based packaging. Polyamide is valued for its superior mechanical properties, such as puncture resistance, gas, and aroma barrier cap–abilities, and thermoformability. These attributes allow for thinner, more durable packaging that extends shelf life and reduces food waste. Additionally, Polyamide–containing multilayer films have been shown to be compatible with existing poly–ethylene (PE) recycling streams, supporting circularity in packaging waste.

Responsible Care® Charter participation

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, helping Envalior drive safety and sustainability throughout its operations and supply chain.

EcoVadis

We have committed to submitting our first corporate sustainability profile to EcoVadis in 2025 and expect to receive our first assessment before the end of the year 2025.

VNCI

Envalior has committed to become VNCI (Association of the Dutch Chemical Industry) member 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 circulary economy principipes and environmental protection.

STRATEGY

Envalior fosters collaboration, innovation and a clear commitment to a more sustainable future. The following sections highlight how our business model, global team, and industry partnerships enable us to deliver cutting-edge solutions and contribute meaningfully to the evolving demands of modern industry.

SUSTAINABILITY ALONG THE VALUE CHAIN

Working closely with our customers, we use our materials and expertise to help create applications with a focus on performance and sustainability, supporting the transition to a net-zero economy. We achieve this by working with our partners along the value chain — molders, system suppliers and original equipment manufacturers (OEMs) — and across the development process, from material production to testing of parts.

We also recognize that meaningful progress on sustainability requires strong collaboration across our entire value chain. That's why we work closely with our suppliers to promote responsible sourcing, reduce environmental impact, and drive innovation in sustainable materials and processes. As part of our commitment to transparency and climate action, we are actively addressing our Scope 3 upstream emissions — those generated through activities such as the production of purchased goods and services, transportation, and business travel. We are also requesting our suppliers to sign our Supplier Code of Conduct to make sure that they are aligned with our own sustainability efforts and policies.

Approximately 4,000 highly engaged employees work at Envalior globally. Our total revenue of 3 billion euros in 2024 ranks us among the world's top engineering materials companies. Envalior's main organizational structure consists of three divisions. The Performance Materials and Specialty Materials divisions create engineering and specialty compounds offering premium properties such as mechanical strength, durability, and heat and electrical resistance. The two divisions' leading brands include Stanyl®, Arnitel®, Durethan®, Akulon®, EcoPaXX, ForTii®, Xytron®, Tepex® and Pocan®. Many of the world's best-known companies rely on our materials to make components for their high-value goods, and our commitment to collaboration and innovation has helped us build lasting relationships with them.

Our Intermediates division produces raw materials and polymers, including caprolactam, polyamide film and extrusion grades, ammonium sulfate, and glass fiber. Many of these products are used internally by our Performance Materials division to make our own engineering materials. Some are also sold on the merchant market. The backward integration is a key differentiator of our business, providing lower-cost materials, supply security and market resilience. In this way, we maintain a strong control over our supply chain.

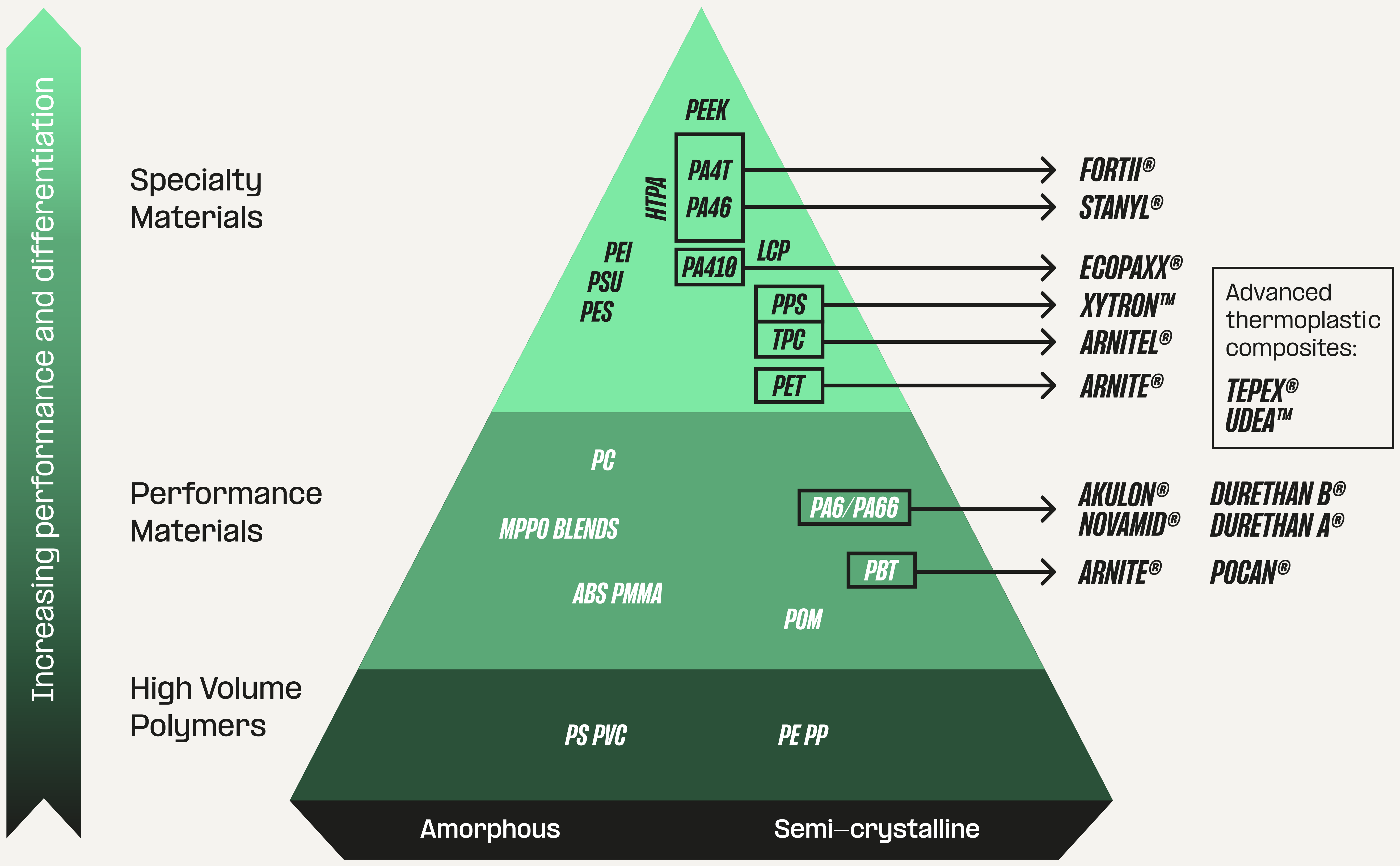
The backward integration also gives us the ability to implement innovative technology and allows us for a more joined-up and specialized product development process — for the benefit of our customers. We are able to take proactive steps — such as setting clear expectations for suppliers, promoting low-emission materials, and fostering long-term partnerships — to drive meaningful improvements in sustainability across our upstream value chain. The Intermediates division also supplies the external market in a range of industries, from food packaging materials to agriculture.

Providing high performance in three divisions

We hold a leading a global market position in PA6 grades (Durethan®, Akulon®) and some leading positions in specific niche applications in PA66 (Durethan®, Akulon®) and PBT (Pocan®, Arnite®). Our Performance Materials division has a wide range of applications in many sectors, including automotive, electrical and electronics, consumer goods, food appliances, water pipes, medical devices, and furniture. Specific end uses include charging connectors for electric vehicles (EVs), circuit breakers, ski bindings and outdoor power equipment.

Our Specialty Materials division produces high-performance polymers, compounds

Our broad high–performance solutions portfolio



and advanced thermoplastic composites that enable lighter, stronger and more durable and sustainable end products. We offer grades based on high performance polyamides (PAs), thermoplastics polyesters and PPS. Our patented products include:

- Stanyl® PA46, which is widely used in the automotive industry and on USB charging connectors made by the leading smart–phone manufacturers;
- Arnitel®, a thermoplastic TPC co–polyester with many applications from automotive parts to charging cables to breathable outdoor clothing; and
- Xytron® PPS and Tepex® Advanced Composites, used in various parts in electrical vehicles, and structural parts, respectively.

The portfolio is completed by our other high–performance polyamides ForTii® PA4T, Arnite A PET and EcoPaxx.

Serving significant future markets

The key industries and sectors we serve are, among others, automotive, electrical and electronics, food packaging, industrial equipment, consumer goods, medical, transportation and construction. External factors that affect the demand for products include industry and societal trends such as mobility and connectivity, the increasing demand for sustainable products, consumer spending, and general economic and geo–political developments. Envalior is not active in the fossil fuel, controversial weapons, or cultivation and production of tobacco sectors.

Our vision is to be the preferred partner in sustainable and high–performance engineering materials shaping the world of today and tomorrow. We see ourselves as a solution provider by delivering advanced material innovations that support our customers in meeting evolving technical challenges and environmental goals across industries. We aim to achieve this by:

- building on our leading position in our existing markets and applications
- focusing on product sustainability
- creating new applications and entering new markets
- operating more efficiently and realizing synergies

Creating business driven by values

Our core values shape the way we work, how we take care of each other, and how we protect the planet:

- **Health & Safety:** We always have time to work safely, and to prevent unsafe situations. Safety, health and the environment will always be our priority.
- **A proven dedication to sustainability:** We are passionate about driving carbon-efficient and circular materials across the value chain to protect our planet and help create a better, more sustainable world.
- **Inclusive collaboration:** Sharing knowledge and building on each other's expertise is at the heart of our culture. We promote and maintain an open, inclusive working environment in which everyone feels welcome.
- **Empowered and pioneering spirit:** Our pioneering spirit drives us to continually explore new materials solutions for, and with, our customers. We feel empowered to take the initiative in a positive working environment.

Envalior CARES — about sustainability and the future

Envalior's sustainability strategy, branded as Envalior CARES, is anchored in three core pillars: Low **CA**rbon, Sustainable **RE**sources, and **S**ocial Responsibility. Each pillar is supported by dedicated strategies, targets, key performance indicators (KPIs), and action plans, reflecting Envalior's commitment to integrating sustainability into its business model and value chain.

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 will be disclosed in chapter "Climate Change".

Key initiatives include:

- sourcing renewable electricity as part of our renewable electricity plan
- moving to low-carbon heat sources in partnerships with steam suppliers using lower-emission technologies and reducing use of fossil-fuel-based energy sources by utilizing process waste heat
- 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). They are tracked through clear 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, with a target to provide an entire portfolio of bio- and/or recycled-based alternatives by 2030. We are currently building a product range — including bio-based, mechanically recycled, and chemically recycled grades — designed to meet stringent technical and environmental standards. The company's approach includes:

- Developing high-performance engineering materials from renewable or recycled feedstocks.
- 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: Health and Safety, a proven dedication to sustainability, inclusive collaboration and empowered and pioneering spirit. Our People Strategy emphasizes creating a united culture, empowering employees, and fostering inclusive leadership. We aim to positively impact society by collaborating with our customers to create high-performance and sustainable applications. As a signatory to the United Nations Global Compact, Envalior supports the 10 universal principles and contributes to the UN Sustainable Development Goals (SDGs), particularly those focused on social well-being, through employee engagement, awareness programs, and partnerships across our value chain.

Integration with business model and value chain

Envalior's business model is centered on the development and supply of sustainable, high–performance engineering materials for global markets. The company serves diverse customer segments, including automotive, the electrical and electronics, and industrial sectors, and operates across multiple regions with a significant global workforce.

Sustainability considerations are embedded in every aspect of the value chain:

- **Inputs:** Prioritizing renewable energy and sustainable raw materials.
- **Operations:** Implementing resource efficiency and emission–reduction measures.
- **Outputs:** Delivering innovative, circular and low–emission product solutions to customers.
- **Partnerships:** Collaborating with suppli–ers, customers, and stakeholders to drive systemic change.

Catering to customer needs and expectations

Our customers increasingly demand innovative solutions to make people's lives better, safer, more convenient and healthier, while addressing the challenge of climate change. New standards in design, comfort and ease of use are combined with the quest to cut energy use. These trends drive the demand for high performance materials. With our broad, high–quality performance materials portfolio and in–depth technology know–how, we work in close collaboration with customers across the globe to develop new applications in response to their search for better, smarter, stronger, safer, smaller, lighter, longer–lasting or more sustainable solutions.

Commitment to compliance and responsibility

Envalior is fully dedicated to complying with European directives when handling the materials it develops and markets, striving to ensure the highest possible safety and sustainability. We offer an extensive bio–based and recycled–based innovation portfolio to close the loop. Envalior is concentrating on sustainability by developing high–performance polymers, which are mainly based on basic chemicals produced from gas or oil. To enhance the climate impact of its products Envalior aims to use eco–friendly raw materials and increase recyclability to extend product lifecycles.

Envalior's products are being used worldwide in the automotive industry, the electrical and electronics sector and consumer goods market, where they are being used in specialized high–performance applications. Safety is also a priority that plays a vital role in everything we do. We strive to ensure safety in all aspects of what we do — making the workplace, our products, our value chain and our operational processes safe and sustainable for everyone.

STAKEHOLDER ENGAGEMENT

At Envalior, we recognize that collaboration across the value chain is essential to drive sustainable impact. As a young company with strong industrial roots, we are committed to transparent dialogue and continuous engagement with our stakeholders — not only as part of our Double Materiality Assessment (DMA), but as a key element of our sustainability strategy.

Who we engage with and why

To understand our sustainability impacts, risks, and opportunities (IROs), we systematically identified and engaged with key stakeholder groups across our value chain. This included employees, suppliers and toll manufacturers, local communities, customers, investors and regulators.

Stakeholders' representatives participated in tailored formats so we could gain in-depth insights about their roles, to provide us with their vital perspectives and to make our assessment process as holistic as possible.

The input from stakeholders was used to identify relevant sustainability topics and assess their significance from the stakeholder point of view. The insights directly shaped the identification of material impacts, risks, and opportunities and were validated through internal expert discussions. While all stakeholder perspectives were considered, only the topic of Own Workforce was classified as material. The interests of other groups are partially addressed within other ESRS.

These dialogues were initially designed to inform our Double Materiality Assessment (DMA) but also reflect our broader commitment to transparent and collaborative stakeholder relationships. As part of a global value chain, Envalior views open exchange with stakeholders as a fundamental enabler of responsible business.

We view this engagement as an ongoing dialogue that helps us align our sustainability priorities with the expectations of those we impact — and are impacted by. We combined this structured approach with broader industry engagement through active participation in initiatives such as the UN Global Compact, Cefic, Plastics Europe, and collaborative platforms like Ocean Bound Plastics. Please refer to chapter "Sustainability Topics Management" for further information.

How we engage

The primary structure for stakeholder dialogue is our DMA process. During this process, we organized multi-stakeholder workshops and expert consultations to identify and validate material IROs (Impacts, Risks, Opportunities). The formats applied here included workshops with works councils and HR (Own Workforce), structured discussions and feedback sessions with Procurement (suppliers), interviews and surveys (communities), customer dialogues (sales & sustainability), internal expert panels (Legal, Safety, etc.), and strategic meetings with the Executive Leadership Team (ELT) and investor representatives. For each sustainability matter, we discussed potential impact areas, risk exposures and business opportunities. Additional interviews and sessions were conducted with internal specialists, on energy, for example. And in some cases, indirect engagement took place via industry associations, particularly with NGOs and regulators.

Importantly, material topics are not just collected — they are processed through our ESG governance model. Each topic is assigned to one of our five cross-functional ESG Subcommittees, sponsored by Executive Leadership Team (ELT) members. Final decisions and strategic alignment are made by the ESG Board. For more information, please refer to the chapter "Governance".

How engagement influences our business

We carry out regular employee and customer engagement interviews, as the information and perspectives gained through these play a direct role in how we prioritize sustainability matters and steer strategic focus. So far, stakeholder engagement has has helped us shape our approach to topics such as climate action, circularity, employee wellbeing, and supply chain risk management.

We are continuously evolving our stakeholder engagement model. Future steps include broadening our global community engagement and increasing transparency around decision-making processes. We aim to make our relationships with stakeholders even more dynamic, inclusive, and integrated into core business decisions.

DOUBLE MATERIALITY ASSESSMENT

In this 2024 Sustainability Report, Envalior takes important steps toward aligning with the European Sustainability Reporting Standards (ESRS). As part of this process, we conducted a double materiality assessment to identify and prioritize the sustainability topics that matter most — both in terms of Envalior's impacts on society and the environment, and the potential risks and opportunities which may influence Envalior's financial performance and long–term value creation. We proceeded as outlined below.

Understanding the company context

To ensure a holistic assessment, we started by mapping Envalior's operational and legal structure. We then analyzed our subsidiaries' operations, as well as upstream and down–stream activities across the entire value chain. The aim was to identify impacts, risks, and opportunities (IRO) and assess their materiality.

Compiling the relevant topics

Next, we drew up a long and comprehensive list of potential sustainability topics, guided by ESRS to ensure relevance and comparability. This was informed by external sources such as heritage materiality assessments, ESG ratings, SDGs, and leading standards (e.g., GRI, SASB). Further insights came from in–house experts, who indirectly incorporated additional external perspec–tives arising from their daily work. No entity–specific topics arose.

Defining criteria

Assessment criteria were developed in collaboration with Envalior's Risk Management function to ensure alignment with our broader enterprise risk processes. This included harmonized time horizons, likelihood scales, and the incorporation of criteria such as severity, scope, scale, irremediability (for impact materiality), and magnitude of financial effects (for financial materiality). A standardized 1 to 5 scoring scale was used across all criteria.

Stakeholder analysis and inclusion

Stakeholders were categorized into two groups: affected stakeholders (e.g., employees, communities, suppliers) and informed stakeholders (e.g., experts, regulators). Stakeholders were identified with the support of internal specialists and engaged using tailored methods such as workshops, interviews, and surveys. These interactions informed both the identification and assessment of IROs. Additional details can be found in the chapter "Stakeholder Engagement".

Identifying and evaluating Impacts, Risks and Opportunities

In a series of stakeholder workshops, participants assessed the relevance of impacts, risks, and opportunities in relation to Envalior's strategy. Each sustainability matter was evaluated against the defined criteria, with the Maximality Principle applied: if any one dimension (e.g., impact or financial) reached the materiality threshold, the corresponding sub–topic was classified as material. Human–rights–related impacts were assessed with additional diligence using a gross approach, prioritizing severity.

All IROs were assessed globally, with site–, regional– or product–specific focus where necessary.

Integration into broader processes

When IROs are identified, these feed directly into our sustainability governance model and risk management framework. Sustainability–related opportunities are also considered in strategic business decisions.

Governance and evolution

All material IROs are reviewed and validated by internal expert panels and the ESG governance structure. 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.

IMPACTS, RISKS AND OPPORTUNITIES

The table shows the outcomes of our detailed analysis of the sustainability-related impacts, risks and opportunities that arise from our business operations. This assessment provides a basis for future compliance with ESRS reporting requirements.

E1	Climate change			
Topic	**Evaluation**	**Short description**	**Time horizon**	**Location**
Climate change mitigation	Negative impact	Envalior currently depends on combustion of fossil fuels that causes greenhouse gas emissions.	Short-term (< 3 year)	Upstream and own operations
Climate change mitigation	Negative impact	Envalior's production processes result in the emission of various greenhouse gases, 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	Own operations
Climate change mitigation	Positive impact	Envalior's lightweight materials contribute to reducing weight and improving fuel efficiency in conventional combustion engines. Moreover, the products are increasingly used in alternative powertrains, such as e-mobility, which supports climate change mitigation efforts and generates a positive impact on nature.	Short-, medium- and long-term	Downstream value chain
Climate change mitigation	Risk	The increasing stringency of climate-related regulations may lead to higher operational and compliance costs for Envalior and its suppliers.	Short-term (< 3 year)	Upstream, own operations and downstream
Climate change mitigation	Opportunity	Transitioning to more bio-based and recycled raw materials (such as the Envalior 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 (< 3 year)	Downstream value chain
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-term to medium-term	Own operation (Intermediates) and downstream
Energy	Risk	Dependence on traditional energy sources resulting from collective contracts in Chemparks limits flexibility in energy sourcing. Long-term contracts tied to traditional energy sources may hinder the transition to more sustainable energy options.	Short-term (< 3 year)	Own operations

E2	**Pollution**			
Topic	**Evaluation**	**Short description**	**Time horizon**	**Location**
Substances of concern & very high concern	Negative impact	Certain substances used in Envalior's formulations are classified as substances of concern or very high concern. These substances could pose a potential environmental impact if they are not managed responsibly.	Short–, medium– and long–term	Own operations
Substances of concern & very high concern	Risk	Regulatory restrictions or bans on substances of concern, or re–classification to very high concern could lead to disruptions in production formulations and impact product performance.	Short–, medium– and long–term	Upstream, own opera–tions and downstream
Microplastics	Negative impact	Envalior produces and purchases large volumes of microplastics (e.g., granulates), contributing to the overall generation of microplastics.	Short–, medium– and long–term	Upstream and own operations
Microplastics	Negative impact	Products sold by Envalior may generate microplastics at the end–of–life stage, especially when used in specific applications (e.g., components that degrade into microplastics during disposal).	Short–, medium– and long–term	Downstream value chain

E3	**Water and marine resources**			
Topic	**Evaluation**	**Short description**	**Time horizon**	**Location**
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 can lead to operational disruptions, increased costs, or even temporary production halts due to insufficient water supply. Envalior is dependent on local water ecosystems, and regulato–ry or physical constraints on water access could materially affect operations.	Short–, medium– and long–term	Own operations

E5	Circular economy			
Topic	**Evaluation**	**Short description**	**Time horizon**	**Location**
Resource inflows, including resource use	Negative impact	A significant portion of Envalior's resource inflows comes from non–renewable, extractive sources. The extraction and use of non–renewable resources in Envalior's value chain contributes to the depletion of natural resources.	Long–term (> 10 years)	Upstream value chain
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
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 in sustainability–focused markets.	Medium– and long–term	Upstream and downstream
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 value chain
Resource outflows related to products and services	Positive impact	Our durable plastics contribute to long–lasting products, reducing the frequency of replacements and overall material consumption.	Short–, medium– and long–term	Downstream value chain
Waste	Risk	Tightening regulations on packaging design, recyclability, and waste reduction may require product adaptations and increased reporting efforts. These regulatory developments can impact material selection, design processes, and market access across key applications.	Medium– and long–term	Own operations and downstream

S1	Own workforce			
Topic	**Evaluation**	**Short description**	**Time horizon**	**Location**
Social dialogue	Positive impact	Employee engagement surveys leads to the positive impact that employees and employer are connected and respective demands and opinions of employees are integrated into decision–making processes of Envalior. It motivates employees to engage with the company, when they recognize that their opinions matter.	Short–term (< 3 year)	Own operations
Freedom of association, works councils and information, consultation and participation rights of workers	Positive impact	Dedicated points of contact for both management and employees (Worker's council) established across all relevant global sites. This ensures streamlined communication and problem–solving. Decision–making is quicker in the long term as there is no need for individual case–by–case decisions.	Short–term (< 3 year)	Own operations
Collective bargaining	Positive impact	Collective bargaining leads to fairer work conditions and greater employee satisfaction worldwide.	Medium– and long–term	Own operations
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. Exposure to fine dust, fumes, or smoke, as well as improper handling of certain formulations, can impact employee health.	Short– and medium–term	Own operations
Training and skills development	Positive impact	A structured performance management process enhances employee development, accountability, and alignment with business goals.	Medium–term (3–10 years)	Own operations
Diversity	Positive impact	Envalior's commitment to diversity fosters an inclusive workplace where a diverse workforce drives innovation, creativity, and global competitiveness. This contributes to stronger problem–solving capabilities and a more resilient organizational culture.	Short–, medium– and long–term	Own operations
Diversity	Opportunity	Diversity enhances employer branding, making Envalior an attractive choice for top talents. 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
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.	Short– and medium–term	Own operations

G1	Business conduct			
Topic	**Evaluation**	**Short description**	**Time horizon**	**Location**
Corporate culture	Positive impact	Promoting ethical behavior with our code of business conduct: Employees experience the direct impact of corporate culture through a supportive workplace environment, ethical standards, diversity, inclusion, and opportunities for professional growth.	Short–, medium– and long–term	Own operations
Protection of whistleblowers	Negative impact	Lack of trust in reporting mechanisms discourages employees in particular from coming forward, enabling ongoing unethical practices to continue.	Short–, medium– and long–term	Upstream, own opera–tions and downstream
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 opera–tions and downstream
Corruption and bribery prevention and detection including training	Positive impact	Through clear anti–bribery policies, Envalior reinforces ethical behavior and legal compliance across its 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
Corruption and bribery prevention and detection including training	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 compet–itive advantage in industries with stringent compliance requirements, and reduced reputational risks.	Short–, medium– and long–term	Upstream and downstream
Corruption and bribery incidents: Investigation of bribery cases	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 opera–tions and downstream

MANAGEMENT OF RISKS AND OPPORTUNITIES

Envalior has implemented a Global Risk Management Framework to identify, analyze and assess our risks and opportunities. This helps us develop the necessary measures to minimize and counteract the risks we face while pursuing opportunities as quickly and as effectively as possible.

Our Global Risk Management Framework is based on the international standard COSO–ERM (Committee of Sponsoring Organizations of the Treadway Commission — Enterprise Risk Management). The accountabilities and responsibilities regarding risk management are assigned according to the three–line model of the Institute of Internal Auditors (IIA).

Mitigating risks and grasping opportunities

Our Group CFO is responsible for overseeing risk management for Envalior as a whole, while our business divisions and functions are responsible for identifying, assessing and managing their own specific risks and opportunities day to day.

Our Executive Leadership Team (ELT) monitors our risk and opportunities landscape carefully and, where necessary, oversees the development and implementation of new or extended measures to limit the impact of any evolving or emerging risks, and to leverage opportunities.

Businesses and functions are also responsible for communicating their risks and opportunities to their teams. It is their job to make sure everyone understands the part they can play in minimizing the likelihood of a risk occurring, while at the same time taking action to maximize opportunities.

We systematically record key risks in our risk management system, assessing each risk against its potential impact and how likely it is to occur. We also develop and implement mitigating measures for each risk. The risk register was updated in 2024 by carrying out risk assessments, workshops or interviews with Envalior's management.

The Envalior Group risk management framework ensures that our risks and opportunities are reviewed and updated at least twice a year. And it provides assurance that identified risks are managed by taking mitigating action where appropriate and practicable.

Maintaining a risk appetite that promotes sustainability

Envalior has also established a risk appetite framework. In this, we define the company's willingness to accept risks in a number of relevant areas. These include strategic, operational, financial, sustainability, SHE (Safety, Health, Empowerment), legal and compliance, as well as reputational risks. There are five categories in the risk appetite framework: Risk Averse — Avoidance, Cautious, Balanced, Opportunistic and Highly Risk Seeking.

In relation to sustainability, the risk appetite was defined as balanced, meaning that Envalior recognizes the importance of integrating sustainability into our business model in terms of both maximizing opportunities and minimizing risks. Envalior is willing to invest in innovative, sustainable solutions even when these may carry some level of uncertainty. In the risk management framework, sustainability–related risks are assessed, mitigations are implemented if needed and monitored on a regular basis.

Sustainability risks are a vital part of our risk assessments

At Envalior, an important part of our risk management activities is to identify what events and situations, both internally and externally, may impact the sustainability objectives set out in our Unite & Grow strategy.

Sustainability risks are categorized as general, transitional or physical risks (see examples in table below). In addition, our Double Materiality Assessment (DMA) explicitly assessed the severity and scale of sustainability impacts on people and the environment across the value chain. You find more information on that topic in our chapter about our Double Materiality Assessment.

Once we have gained an understanding and assessment of our sustainability risks, the next step is to prioritize what needs to be done to mitigate identified risks, while also focusing on future prevention.

SUSTAINABILITY RISKS AND THEIR CONSEQUENCES

Sustainability Risks	Examples
General risks	Losing financing from ESG investors
	Violating regulations, which can result in huge fines
	Losing socially conscious customers
Transitional risks	Risks resulting from societal changes required to address mitigation and adaptation to reduce GHG emissions and to limit climate change
	Policy & Legal (increased pricing for GHG emissions, increased reporting obligations, exposure to litigation, impact on existing portfolio)
	Markets (change in customer behavior, increased costs of raw materials)
	Technology (substitution by lower emission products/material, unsuccessful investment in new technology, upfront costs transition)
	Reputation (shift in customer preference, stigmatization of industry, increased stakeholder concern / negative feedback)
Physical Risks	Risks coming from climate change, which can be event–driven (acute, e.g., hurricanes) or longer–term shifts in climate patterns (chronic, e.g., rising sea levels)

The set–up and examples of the categories Transitional and Physical Risk are mentioned in the Recommendations of the Task Force on Climate–related Financial Disclosures (TFCD).

03 ENVIRONMENTAL

We are firmly dedicated to mitigating the environmental impacts of our business activities. We aim to reflect this in our product portfolio through rigorous R&D activities, innovative design and pioneering materials that put sustainability at the top of our agenda. We act by reducing emissions, minimizing pollution, and optimizing waste and water management.

By 2030

Offering an entire portfolio of bio– and/or recycled–based alternatives

Reduce Scope 1 and 2 emissions

by 35%

compared to 2024

100%

renewable electricity

by 2030

Each Envalior plant will achieve a water intensity of

$< 1\ m^3/t$

by 2030

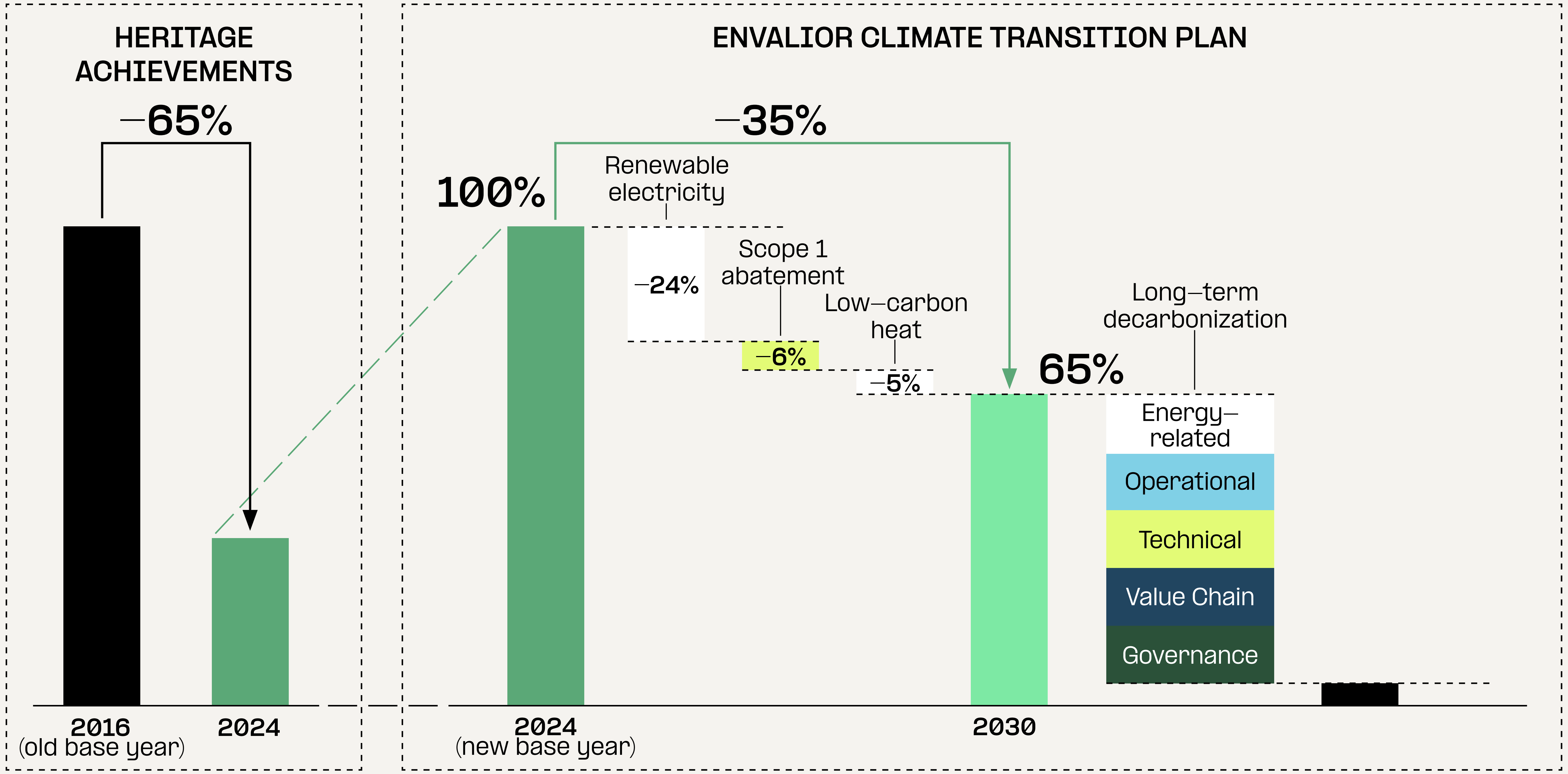
CLIMATE CHANGE

Climate change is one of the most urgent and far–reaching challenges of our time, with profound implications for the environment, society, and the global economy. Envalior takes its responsibility in these areas seriously, and we take action to mitigate climate impacts by reducing greenhouse gas (GHG) emissions and transitioning toward a low–carbon future. Central to our climate strategy is a commitment to transforming the way we produce and consume energy — shifting away from fossil fuels and increasing reliance on renewable and efficient energy systems.

ENVALIOR'S TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

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

Scope 1&2 Climate Transition Plan



With the formation of Envalior, 2024 was the first full calendar year of activity and was designated as the new base year for setting climate targets and defining the company's transition plan. This re–baselining allows for a harmonized and forward–looking climate strategy that reflects Envalior's integrated operations and sustainability ambitions.

Key elements in our transition plan:

- **Corporate carbon accounting:** A comprehensive carbon footprint assessment across Scope 1, 2, and 3 emissions has been conducted for the base year 2024, forming the basis for all future climate–related planning and performance tracking.
- **Setting a target for reducing Scope 1 and 2 emissions:** Building on the 65% reduction in GHG between 2016 to 2024, Envalior has detailed their plans to reduce 2024 levels of Scope 1 and 2 emissions by 35% by 2030. This reduction will be driven by:
  - implementing a renewable electricity plan across global operations.
  - shifting to low–carbon heat sources, in particular through partnerships with steam suppliers using lower–emission technologies.
  - continuing investment in innovative technologies to abate industrial process emissions.
- **Complementary measures:** Supporting actions target long–term decarbonization, including Scope 3 reductions, and reinforce Envalior's climate ambition through low–carbon products, value chain engagement, and climate resilience strategies including:
  - expanding Envalior's sustainable product portfolio, incorporating increased use of bio–based and recycled raw material alternatives.
  - carrying out ongoing life cycle assessments (LCAs) for our key products 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 the company's climate resilience strategy.

Through these actions, Envalior is committed to a transparent and ambitious path to mitigate climate change and support the decarbonization of both its own operations and those of its partners and customers.

Levers identified to accelerate decarbonization

Envalior's decarbonization strategy is built on a combination of energy systems, operations, technologies, value chain and governance levers, able 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.

Aligning transition with our strategy and financial planning

Envalior's climate transition plan is a core component of the company's overarching business strategy and long–term value creation approach.

The transition plan is aligned with Envalior's strategic objectives in the following ways:

- **Strategic integration:** "Low carbon" is a key pillar of Envalior's sustainability strategy "Envalior CARES", which is fully embedded into corporate decision–making, Research and Development priorities, and portfolio development. The company is actively shifting towards lower–emission technologies, circular product offerings, 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.

Envalior's climate transition plan is a core element of its business strategy and embedded within Envalior's governance structure.

- **Product and market strategy:** Envalior's sustainable product portfolio, by providing bio-based and recycled raw material alternatives, supports both emissions reductions and market differentiation. Life cycle assessments (LCAs) and product carbon footprints (PCFs) are used to drive product innovation and to support downstream value chain decarbonization 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. A comprehensive climate risk and resilience assessment is underway to ensure the robustness of strategic choices under future climate scenarios.

Managing transition at the top

Envalior's climate transition plan is embedded in the company's ESG governance structure to ensure strategic alignment and executive accountability. It is developed by ESG Subcommittee 1: Climate and Energy, and formally approved by the ESG Board, chaired by the CEO and composed of Leadership Team members (see chapter "Governance").

POLICIES FOR CLIMATE CHANGE MITIGATION AND ADAPTATION

Envalior's Environmental Policy is a key component of the company's sustainability and climate strategy. It establishes the overarching framework for achieving our climate goals and managing climate risks. In the Double Materiality Assessment (DMA) in particular the negative impacts Envalior has with carbon emissions through its production processes, or using electricity from fossil-based generation have been identified. The policy addresses these negative impacts and all climate-related sustainability matters outlined in the company's Climate Transition Plan, including mitigation, adaptation, and greenhouse gas (GHG) reduction.

The policy drives continuous improvement in energy and environmental performance and supports the implementation of Envalior's GHG transition plan. It applies globally across all operations and the entire value chain, and is binding for employees, contractors, and partners. Oversight lies with the ESG Board chaired by the CEO and Subcommittees 1 and 2, with site-level environmental teams ensuring execution.

Our management's commitment to GHG reduction is demonstrated by a dedicated budget for measures like renewable electricity purchases. Sub-policies and directives define standards and responsibilities for consistent implementation.

ACTIONS AND RESOURCES TO IMPLEMENT OUR POLICIES

Following Envalior's transition plan for climate change mitigation and the identified levers for decarbonization, we have initiated a number of actions to implement our policies:

Key Action 1: Renewable Electricity Plan

Lever type: Energy-related (Electricity)

Envalior is implementing a renewable electricity program to reduce Scope 2 greenhouse gas emissions by steadily increasing the share of renewables across its operations. The program combines Power Purchase Agreements (PPAs), Energy Attribute Certificates (EACs), and onsite solar PV installations to enable a diversified and scalable transition.

The initiative is being rolled out in phases, with full implementation targeted by 2030. In 2024, the renewable electricity share reached 57%. During the reporting period, new projects were launched at key sites such as Krefeld-Uerdingen and Antwerp, contributing to further progress.

Based on electricity consumption data from 2024, the program is projected to deliver continuous emission reductions targeting approximately 90,000 t CO_2e reduction per year in 2030. These reductions are a central element of Envalior's climate transition plan and support the company's GHG reduction targets.

Key action 2: Low-carbon heat solutions

Lever type: Energy-related (Heat/Fuel Switch)

Envalior is implementing low-carbon heat solutions to reduce emissions from thermal energy use through a combination of process heat recovery and procurement of low-carbon steam. At the Antwerp site, steam is already sourced from the Ecluse network, which supplies heat generated from waste incineration.

In 2024, planning activities were initiated at additional sites in cooperation with existing steam suppliers to enable the transition to lower–emission alternatives. These efforts are part of Envalior's broader climate strategy and are expected to contribute several thousand tons of CO_2e reductions annually by 2030. Further implementation steps are foreseen beyond 2030 to deepen the impact.

The program builds on existing technical foundations and is integrated into local decarbonization roadmaps. Investments are managed within site–level energy planning processes and are supported by dedicated technical teams. The measure plays a key role in driving Scope 1 reductions in line with Envalior's 2030 emission target.

Key action 3: Fuel switch and electrification of heat supply

Lever type: Energy–related (**Heat/Electrification**)

Envalior is preparing the switch from fossil–based to electric steam generation using electrode boilers powered by renewable electricity. This measure targets Scope 1 emissions and supports the planned phase–out of coal–based heat supply at selected sites with external steam systems. Preparatory work started in 2024 and includes technical assessments and coordination with the external steam supplier. Implementation is planned by 2030 and is expected to deliver substantial CO_2e reductions annually at the site level once operational. The action is part of a broader effort to decarbonize thermal energy across Envalior's operations.

Key action 4: Energy efficiency and heat recovery measures

Lever type: Operational (**Process optimization**)

This operational measure aims to reduce energy demand and thermal losses through technical upgrades, improved process control, and heat recovery systems. In Antwerp, up to 60% of the heat usage in caprolactam production comes from recovered heat from previous process steps. Planned system optimizations aim to further increase steam utilization efficiency and reduce reliance on fossil–based steam.

Preparatory work for new measures began in 2024 and is expected to yield measurable CO_2e reductions annually by 2030, including an estimated 1,038 t from one major upgrade. These actions are part of Envalior's continuous improvement approach and are aligned with site–level decarbonization roadmaps.

By the use of technologies and equipment such as in–process heat–pumps or installation of dry vacuum pumps, we improve energy efficiency and reduce energy consumption.

Key action 5: Industrial process emission abatement

Lever type: Technical (**End–of–pipe**)

This technical measure aims to reduce climate–relevant process emissions by routing exhaust streams through a shared plant–wide system, enabling conversion of nitrous oxide (N_2O) and other gases into harmless components. It builds on earlier site–level abatement measures and extends existing capabilities through system–wide integration.

In 2024, the measure was in the engineering phase, with feasibility and project design initiated. Once implemented, it is expected to reduce approximately 89 t of N_2O annually. Completion is targeted by 2030 and focuses on sites with caprolactam and hydramine production.

Key action 6: Sustainable product and portfolio transformation

Lever type: Value chain (**Product transformation**)

This action aims to reduce Scope 3 emissions by transforming Envalior's product portfolio through the integration of bio–based and recycled feedstocks. Certified mass–balance systems such as ISCC PLUS (see also chapter "Circularity and Waste") are implemented at all relevant sites, supporting the commercialization of lower–carbon product variants.

Nearly all base products are covered by Product Carbon Footprints (PCFs) and Life Cycle Assessments (LCAs), enabling transparency and comparability across the portfolio. In 2024, Envalior applied 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, continuously expanding beyond 2030. Downstream emission reductions are expected as customers increasingly adopt these more sustainable alternatives, supporting decarbonization along the value chain.

Key action 7: Scope 3 engagement and innovation

Lever type: Value chain (**Supplier and customer engagement**)

This value chain–related measure focuses on engaging suppliers and customers to increase transparency and drive reductions in Scope 3 emissions. Envalior collaborates with suppliers to gather primary data, including Product Carbon Footprints (PCF), and assesses the use of bio–based and recycled feedstocks.

In parallel, Envalior works with customers — particularly in e–mobility, electronics, and lightweight applications — to develop low–carbon product solutions. These collaborations support emission reductions beyond Envalior's direct operations and accelerate sustainable innovation.

The initiative applies globally across all major supply chains and customer sectors. It is designed as a long–term program extending beyond 2030. In 2024, Envalior finalized full Scope 3 accounting and initiated targeted supplier engagement to enhance emissions data quality and support value chain decarbonization.

Key action 8: ESG governance, planning and climate roadmap

Lever type: Governance
(**Strategic planning and oversight**)

This organizational action focuses on strengthening climate-related governance and strategic alignment. In 2024, Envalior established a company-wide ESG Board chaired by the CEO, supported by five dedicated Subcommittees. A corporate climate roadmap was introduced, aligned with site-level roadmaps.

While this measure does not directly reduce emissions, it is a foundational enabler for all other climate actions and essential for achieving long-term GHG reduction goals. It ensures accountability, strategic coordination, and consistent execution across the organization.

ESG governance is fully implemented and embedded in Envalior's governance framework. It is continuously reviewed and refined based on internal performance and stakeholder expectations.

Key action 9: Site-specific climate action plans

Lever type: Governance
(**Local implementation**)

This organizational action focuses on translating corporate climate goals into site-specific action. Starting in 2024, major production sites — such as Antwerp — began developing climate roadmaps in coordination with the corporate sustainability team and technical teams. These plans align with corporate strategy while addressing local emission profiles, infrastructure, and regulatory contexts.

The site-level measures derived from these roadmaps are expected to generate incremental Scope 1 and 2 reductions in the coming years. Roadmap development is designed as a continuous process extending beyond 2030.

Key action 10: ISO 50001 and ISO 14001 management systems

Lever type: Operational
(**Management systems**)

This action strengthens operational sustainability by embedding ISO 50001 (energy management system) and ISO 14001 (environmental management system) into site operations. ISO 50001 applies to Envalior's German sites, while ISO 14001 is implemented across most global production sites.

Both systems support continuous improvement by identifying energy savings, monitoring performance in energy and environmental parameters, and ensuring facilitating compliance. They are expected to contribute to future emission reductions through enhanced process control and operational efficiency.

The systems are fully integrated into day-to-day operations and maintained by local compliance and SHE (Safety, Health and Environment) teams.

Key action 11: Regular sustainability and energy trainings

Lever type: Operational
(**Capacity building and awareness**)

This action strengthens internal awareness and capabilities through regular training on sustainability and energy topics. Programs are conducted at production and office sites, including annual compliance sessions for operations and SHE (Safety, Health and Environment) teams, as well as targeted trainings for functions like Research and Development (R&D), marketing, and sales on topics such as Life Cycle Assessment (LCA), Product Carbon Footprint (PCF), and sustainable product development.

The trainings play a key role in enabling behavioral change and effective implementation of climate-related measures. Over time, they are expected to indirectly support emission reductions across operations and the value chain.

Key action 12: PCF and LCA calculation capabilities

Lever type: Value chain
(**Product transparency**)

This value chain-related action supports emissions transparency by enabling high-quality Life Cycle Assessments (LCA) and Product Carbon Footprints (PCF) across Envalior's portfolio. A central expert team, standardized methods, and specialized software ensure consistent and reliable data.

Our methodology for LCA and PCF calculations follows existing international standards such as, ISO 14040:2006 "Environmental management — Life cycle assessment — Principles and framework", ISO 14044:2006 "Environmental management — Life cycle assessment — Requirements and guidelines" and the Life Cycle Metrics for Chemical Products set by the World Business Council for Sustainable Development's (WBCSD) guidelines.

The calculations enable better product decisions and support long-term Scope 3 reductions. In 2024, Envalior updated PCFs for several core product lines and introduced methodological improvements to enhance data quality and usability.

The system is fully implemented and applies globally across all product lines and business functions. Ongoing updates ensure alignment with regulatory expectations and customer needs.

90%

of nitrous oxide emissions* were reduced by investments in technical abatement solutions before 2024

* Nitrous oxide (N_2O) has a global warming potential (GWP) of 273 over a 100-year time horizon, meaning that one metric ton of N_2O emissions corresponds to 273 metric tons of CO_2e emissions. This value is based on the most recent findings of the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6, 2021).

ENVALIOR'S CLIMATE-RELATED METRICS AND TARGETS

Envalior monitors and manages its climate-related performance using a defined set of material metrics that reflect both regulatory expectations and internal priorities. Key indicators include absolute and intensity-based greenhouse gas (GHG) emissions for Scope 1 and Scope 2, absolute emissions for Scope 3, total energy consumption, and the share of renewable energy. These metrics were identified as material through our Double Materiality Assessment (DMA) and are used to steer our decarbonization strategy across all operations under operational control.

Envalior has set absolute reduction targets for Scope 1 and Scope 2 emissions, using 2024 as the harmonized base year. By 2030, annual Scope 1 emissions are to be reduced by approximately 25,000 t CO_2e, and annual Scope 2 emissions are targeted to decrease by approximately 106,000 t CO_2e. These separate and absolute targets complement the previously established combined Scope 1 and 2 annual reduction goal of 35% by 2030 compared to 2024 levels. They reflect Envalior's integrated post-merger emissions baseline and are applied across all production sites under operational control. Scope-specific targets are designed to strengthen operational guidance and support long-term decarbonization planning.

We intend to review and refine these scope-specific targets as part of the ongoing implementation of our decarbonization roadmap. In particular, intensity-based indicators and Scope 3 targets will be evaluated as the company progresses towards alignment with science-based targets.

Establishing 2024 as our baseline year

The year 2024 serves as the harmonized baseline year following the merger of the legacy businesses that established Envalior. The emissions inventory for this year includes full-year data for Scope 1, 2 and 3 emissions across all operating sites and relevant corporate functions. More information about the calculation methodology is given in chapter "Gross Scopes 1, 2, 3 and total GHG emissions".

ENERGY CONSUMPTION AND MIX

In 2024, Envalior's energy mix was composed of approximately 78% fossil and nuclear-based energy and 22% renewable sources. This distribution reflects both prevailing market conditions and the legacy infrastructure across the company's global operations. While energy efficiency measures have been implemented consistently over the past decades, the remaining potential for further improvements is increasingly limited.

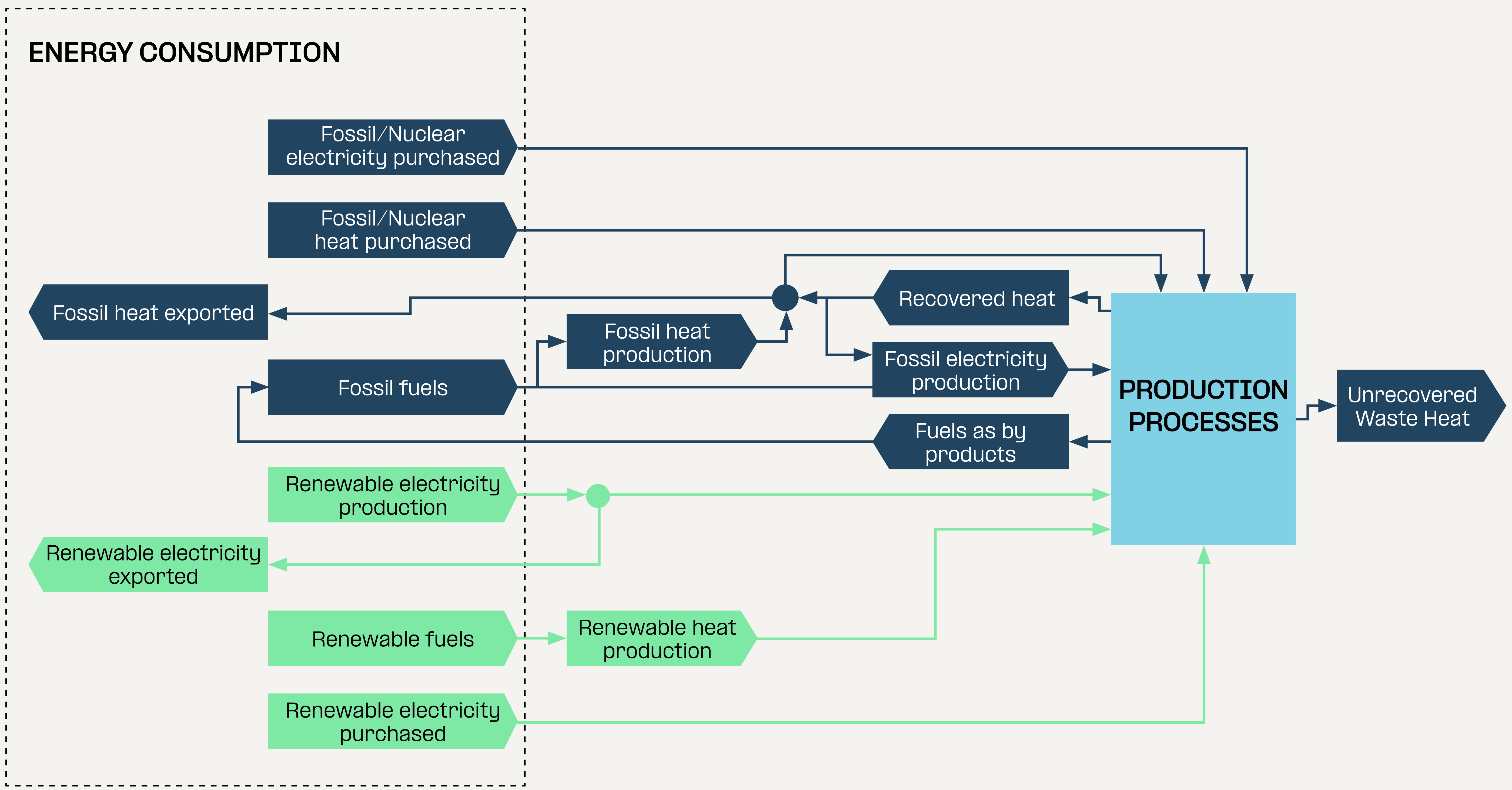
Cutting GHG emissions by reshaping our energy profile

Accordingly, Envalior's strategic focus has shifted toward a systemic decarbonization of its energy supply. This includes investments in renewable electricity via power purchase agreements (PPA), Energy Attribute Certificates (EAC), and onsite solar installations, as well as a gradual transition to low-carbon and electrified heat supply. These measures are expected to significantly reshape the company's energy profile and underpin the long-term reduction of greenhouse gas emissions.

ENERGY CONSUMPTION PROFILE

Data point	Number [MWh]
Total energy consumed	1,501,200
Fossil/Nuclear energy consumed	1,173,632
Coal consumed	0
Oil consumed	7,928
Natural gas consumed	497,168
Other fossil fuel consumed	234,082
Fossil/nuclear electricity and heat purchased	263,581
Fossil energy produced	1,145,718
Fossil energy exported	16,632
Renewable energy consumed	327,568
Renewable fuel consumed	21
Renewable electricity/heat purchased	324,328
Renewable energy produced	3,275
Renewable energy exported	57

Envalior Energy balance



Decarbonizing energy consumption across all business operations

In 2024, the share of renewable energy in Envalior's total energy consumption was 22%, comprising electricity procured through PPAs and EACs, along with minor contributions from onsite solar installations and biofuels.

The energy mix for the same year was shaped by the legacy structure of Envalior's operations and procurement setup. Fossil sources — including natural gas, purchased grid electricity, and process off-gases — accounted for 78% of the company's total energy use. This composition is expected to shift over time as decarbonization levers such as electrification, fuel switching, and renewable sourcing are further implemented.

All of Envalior's operations fall under high climate impact sectors, specifically NACE Code "Manufacture of basic chemicals, fertilizers and nitrogen compounds, plastics and synthetic rubber in primary forms". This classification underpins the company's reporting obligations and reinforces its strategic focus on decarbonizing energy use across its business operations.

ENERGY RESOURCE SHARES

Data point	Number [%]
Fossil/Nuclear energy share	78
Renewable energy share	22

ENERGY INTENSITY BASED ON NET REVENUE

Data point	Number
Energy consumption from high-impact sectors [MWh]	1,501,200
Energy intensity [MWh/€ million]	533

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

Envalior's Gross Scope 1, 2, and 3 emissions are presented in the table. 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 GREENHOUSE GAS EMISSIONS — SCOPE 1, 2 AND 3 (2024)

GHG protocol category	Number [t CO_2e]
Scope 1	242,064
Scope 2 (location–based)	202,448
Scope 2 (market–based)	138,635
Total Scope 1 and Scope 2 (market–based)	**380,699**
Scope 3.1 (purchased goods and services)	4,226,815
Scope 3.2 (capital goods)	9,774
Scope 3.3 (fuel– and energy–related upstream emissions)	37,773
Scope 3.4 (upstream transportation and distribution)	29,986
Scope 3.5 (waste generated in operations)	11,661
Scope 3.6 (business travel)	929
Scope 3.7 (employee commuting)	3,589
Scope 3.8 (upstream leased assets)	3,450
Scope 3.9 (downstream transportation and distribution)	138,851
Scope 3.11 (use of sold products)	786,966
Scope 3.12 (end–of–life treatment of sold products)	662,992
Total Scope 3	**5,912,786**
Total Scope 1, 2 and 3	6,293,485

GHG INTENSITY BASED ON NET REVENUE (2024)

Data point	Number
Total emissions Scope 1, 2 and 3 (location–based) [t CO_2e]	6,357,298
Intensity (location–based) [t CO_2e / € million in revenue]	2,259
Total emissions Scope 1, 2 and 3 (market–based) [t CO_2e]	6,293,485
Intensity (market–based) [t CO_2e / € million in revenue]	2,236

Scope 1, 2 and 3 emission calculations follow GHG Protocol standards, utilizing emission factors from ecoinvent, IPCC, national and international databases such as DEFRA and GEMIS. 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 by 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 EPA factors (United States Environmental Protection Agency) were applied. Scope 3.2 to 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 ERP and validated by trained data providers and data approvers across sites and corporate functions. To achieve high coverage, experts estimated or applied extrapolation. Third–party verification ensures additional reliability. A detailed breakdown of methods, data sources, and assumptions is available in Table Methodology for GHG Emissions Calculation.

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; CH_4 and 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)	Well–to–tank factors from ecoinvent, GEMIS	Same energy consumption data as in Scope 1 and 2	Upstream–only emissions calculated for fuels, electricity and steam
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

Explanations of abbreviations used in the table

- 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

Emission Category	**Emission Factors (EF)**	**Primary Data Sources**	**Key Assumptions and Methods**
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)	GHG protocol	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, Envalior does not report Scope 3.10 (Processing of sold products), as the downstream processing of its intermediate products varies widely across applications and lacks sufficient data transparency for reliable estimations. 3.13 (Downstream leased assets), 3.14 (Franchises), and 3.15 (Investments) were excluded after screening analysis confirmed they are not relevant to Envalior's operations.

Explanations of abbreviations used in the table

- 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

As a global producer of high-performance engineering materials, Envalior is acutely aware of the environmental risks posed by industrial pollution. Preventing and controlling pollution is a core aspect of our environmental responsibility and a foundation of our sustainability strategy.

POLICIES TO MINIMIZE POLLUTION

Envalior's Environmental Policy is a key component of the company's sustainability and waste strategy. 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. At Envalior, we will continue to pursue operational excellence and innovate at every stage of our production to further reduce our environmental footprint and protect ecosystems.

We are committed to minimizing emissions to air and water. We pursue this by applying the most efficient available technologies, standardized environmental management systems and practices, and through a continuous improvement plan.

Oversight lies with the ESG Board chaired by the CEO and Subcommittee 2, with site-level environmental teams ensuring execution. Sub-policies and directives define standards and responsibilities for consistent implementation. These standards apply globally across all operations and the entire value chain, and is binding for employees, contractors, and partners.

POLLUTION OF AIR AND WATER

Envalior's operations — particularly in polymerization and compounding — have the potential to generate pollutants such as:

- **Air emissions:** Volatile organic compounds (VOCs), particulate matter (PM), and combustion-related gases (NO_x and SO_x).
- **Water pollutants:** Chemical Oxygen Demand (COD), total suspended solids (TSS), process chemicals.

Measuring air emissions

We systematically measure air pollutants such as NO_x, SO_2 and VOCs. Globally, most of our sites are equipped to monitor and prevent the emission of harmful substances into the air. Scrubber systems, for example, have been installed on sites to control air pollution.

The total emission of air pollutants from our plants amounted to 673 t in 2024. These emissions contribute to air pollution and are being monitored as part of ongoing efforts to reduce atmospheric pollutants and improve air quality in line with environmental compliance standards. The compounding industry uses metal-based additives such as stabilizers, pigments and flame retardants — many of which can contain heavy metals such as lead, cadmium, chromium, and zinc. Heavy metals released into the air can settle in soil and water, leading to bioaccumulation and long-term ecological damage. In the coming years we want to record and monitor a number of these heavy metals and other pollutants and record all opportunities and risks arising from emissions into the air.

Monitoring water pollutants

During the 2024 reporting period, Envalior monitored and reported emissions to water in line with environmental compliance and pollution prevention standards. The total Chemical Oxygen Demand (COD) discharged amounted to 1,402 t, indicating the presence of oxidizable organic and inorganic substances in wastewater. Emissions of nitrogen (N) totaled 143 t, while phosphorus (P) discharges reached 3 t, both of which are key contributors to nutrient pollution and potential eutrophication. Additionally, the volume of suspended solids released was 212 t, reflecting particulate matter present in the effluent. These figures form the basis for ongoing efforts to reduce waterborne emissions and enhance wastewater treatment performance across operations.

POLLUTION MANAGEMENT ACTIONS AND RESOURCES

Envalior works continuously to reduce the impacts of our business on the environment. We regularly review environmental aspects and reduce our environmental impact through targeted measures. Stringent measures are undertaken as a result, and we have installed the requisite equipment and systems to reduce air and water pollution at and from our plants. Monitoring microplastics plays a special role at Envalior due to the nature of our business, and reducing microplastic pollution is a key part of our pollution-management activities.

Reducing air pollution

In 2024, Envalior maintained full compliance with permitted limits for air emissions across all global sites. Key initiatives included:

- 7 out of 11 compounding sites installed scrubbers and a fume-extraction system to control VOCs and odors where applicable. We also aim to further reduce emissions by using additional scrubber systems and other measures.
- All our compounding sites have a centralized or individual point-of-dust collection system (DCS).
- Our compounding sites do not release fugitive emissions into the environment.

Preventing water pollution

A major goal at Envalior is to eliminate untreated discharges entirely and ensure zero harmful substance exceedances in all water permits. At our plants, all process wastewater is treated either onsite or at licensed industrial treatment plants before discharge. Envalior sites follow best practices for control and mitigation. At Envalior's operational sites, we have installed dust extraction systems, filtration and cleaning systems at the mixing and extrusion points.

No significant water pollution incidents were reported in the 2024 reporting year.

To avoid groundwater contamination, most of our sites have installed water treatment facilities, regular soil measurements are carried out, and drains are connected to an effluent treatment plant (ETP). Some sites are designed to prevent leakage and groundwater contamination according to local legislation, and regular inspections take place. Wastewater assessment is carried out regularly and reported to local authorities in a timely manner. Consistent with our drive for continuous improvement, one of our European sites (Emmen/NL) has initiated a study to improve efficiency and minimize wastewater pollution.

Controlling spills and soil contamination

Chemicals at Envalior are stored using secondary containment systems to prevent soil contamination in the event of leaks or spills. Our plant piping is designed in such a way that leakage can be detected easily and responded to fast, allowing us to prevent impacts on the soil leading to contamination. We also have emergency response training and drills at our sites, and the procedures are practiced periodically. The majority of our sites have established practices to measure the soil quality on a regular basis. In 2024, no soil contamination report has been submitted to the internal system.

Reducing microplastic pollution

Widely recognized as an industry standard, granular plastics — polymer particles smaller than 5 mm — are used to improve the efficiency and consistency of material handling and processing operations. At Envalior, granulate is the preferred format for both incoming raw materials and outgoing compounded products, supporting operational efficiency and reducing the risk of material loss and pollution during handling. This choice aims to minimize emissions and discharges of polymer particles throughout the supply chain and production processes, including compounding, injection molding, and extrusion.

Our materials are predominantly used for the production of technical components and applications in sectors such as automotive, electrical and electronics, and industrial equipment. The granulate form represents a temporary physical state of the material prior to its transformation into functional parts. In 2024, Envalior handled a total of 325,192 t of polymer granulate across its 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 each polymer batch is counted 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 under Envalior's operational control and used as an intermediate material before being further processed into durable goods by downstream customers.

Operation Clean Sweep® (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. European Plastics Converters (EuPC) and Plastics Europe have made a commitment to jointly develop an OCS certification scheme. In line with this scheme, all of Envalior's European sites will undergo external audits by the end of 2025.

SUBSTANCES OF CONCERN

Envalior is committed to responsible chemi–cals management throughout its engineering materials production and value chain. We use chemical substances to manufacture prod–ucts as starting materials for further processing in the value chain. Our products are used and transformed industrially in downstream processes. Their safe use and the provision of information to our custom–ers are governed by law. Envalior complies with the EU REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation and other relevant international standards, ensuring the safe handling and use of chemical substances.

Handling hazardous materials with due care

In Envalior's waste management system, we have classified hazardous substances based on their chemical nature and reactivity. All Envalior sites have a defined procedure for handling hazardous substances. We drive the elimination of substances of very high concern. When handling hazardous sub–stances, sites always follow the information in the safety data sheets and take the necessary precautions.

Our goal is to reduce the use of hazardous substances and prevent spills. We use secondary containment for liquid substances, so that contamination of the soil is prevented in case of spills. All chemical and exposure limits for hazardous substances are identi–fied and kept worldwide to perform (hazard) research at all our operational locations.

When a new substance is introduced at one of our location, the location follows Manage–ment of Change (MOC), which also prescribes additional measures, if necessary. Regarding hazardous substances, environmental emergency response measures are docu–mented, and site–specific procedures are in place. Most sites follow the Globally Harmonized Systems of Classification and Labelling of Chemicals (GHS labeling system). Especially for our Intermediate production sites, which handle more bulk volumes of material, the equipment is designed to handle the classified substances and regular inspections are performed.

By 2025

all European sites will be audited according to Operation Clean Sweep

WATER

Envalior is committed to advancing sustainability across all aspects of its operations, including responsible water stewardship. Envalior recognizes the critical role that water plays in environmental sustainability, human health, and resilient supply chains.

POLICIES OF RESPONSIBLE WATER MANAGEMENT

Water is a vital natural resource that sustains ecosystems, communities, and industrial activity. At Envalior, we are committed to managing water responsibly throughout our global operations. Although our manufacturing processes are not water–intensive compared to 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 Envalior's approach reflects this complexity in its environmental policy.

Our environmental policy applies globally across all operations and the entire value chain, and applies to employees, contractors, and partners. Oversight lies with the ESG Board chaired by the CEO and Subcommittee 2 for water specific topics, with site–level environmental teams ensuring execution. Sub–policies and directives define standards and responsibilities for consistent imple–mentation. For more information please see the "Governance" chapter.

Optimizing sustainable water use

By embedding water stewardship into our operational practices, risk management, and innovation roadmap, we aim to minimize our impact on freshwater resources while ensuring resilience in a changing climate. We will continue to enhance transparency in water reporting and work collaboratively with industry peers, regulators, and local communities to advance sustainable water use.

Our water stewardship strategy is built on two pillars:

1. Reducing freshwater withdrawal by reusing or recycling water

2. Check the water quality of discharged wastewater or treating it in an effluent treatment plant (ETP) to remove pollutants, heavy metals, toxic substances, and organic matter before the water is dis–charged into the environment or reused.

ACTIONS TO INCREASE PROCESS EFFICIENCY

Water management and wastewater control are two of the 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 facility, or in centralized or third–party wastewater treatment plants. We are reducing our water consumption for differ–ent 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 demand of water overall. In 2024 Envalior carried out a water risk analysis with the Aqueduct Water Risk Atlas tool of the World Resource Insti–tute (WRI) for all production sites. More than 10 sites are in areas with medium or low water stress. Seven sites are located in areas with high or very high–water stress.

These are Genk/BE, Jhagadia/IN, Pantnagar/IN, Ranjangaon/IN, Wuxi/CN, Gastonia/US and Geleen/NL.

For some of these sites we have taken precautions to understand how to reduce the water consumption, such as performing an impact assessment. The rest of the sites will follow in the coming years. This helps our sites to better understand the current and future water availability and the constraints that may exist at specific locations.

Launching site-specific initiatives

We are continuously working on optimizing water consumption and one of the key reductions is achieved by recycling water. Almost 94% of water is recycled in our processes, which helps to keep the consumption lower.

Water is an important part of our cooling systems. Most of our sites are installed with closed-loop cooling systems with water recycled in the range of 50% to 70%. In addition, some sites have also implemented automatic cooling systems to reduce water consumption. Our site in Evansville/US achieved a 20% water reduction by modifying its conventional water-cooling system into an automatic system already in 2022.

Some sites have launched initiatives such as a zero-leak culture and repairing leaks immediately. Process changes have also been implemented through dry vacuum pumping to reduce water consumption.

Our Envalior sites have started to evaluate the use of natural water — mainly rainwater — to control water runoff. Our Pantnagar/IN site has implemented rainwater harvesting systems and reuses the water after treatment in our landscaped areas. That is particularly relevant as according to WRI data, this site is classified as a very high water stressed site and receives only an average of 80 to 90 mm of rainfall per year.

Pursuing wastewater pollution reductions

Envalior sites operate in compliance with wastewater discharge limits and regulations, in accordance with applicable laws and regulations. Internal monitoring and local authorities regularly check compliance with legal requirements. At our sites, we apply best practices for management, such as spill management, proper chemical storage, equipment maintenance, employee training, routine sampling and testing of wastewater.

WATER-RELATED TARGETS

Envalior closely monitors its water data and water-related activities and strives for excellent water management. We take responsibility for water pollutant reductions seriously and have set ourselves targets.

- By 2027, 100% of Envalior sites located in water-stressed areas will have implemented a water action plan including mitigation and reduction measures.
- By 2030, 100% of Envalior sites will implement globally defined best-practice actions for water withdrawal, consumption and recycling.
- Each Envalior plant will achieve a water intensity of < 1 m^3/t by 2030.

We plan to revise our water-related targets as appropriate, or as needed.

WATER CONSUMPTION AT ENVALIOR

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 is reported locally on a monthly basis.

Envalior's total water consumption in the reporting period was 1,764 (1,000 m^3). Thanks to robust sustainability measures to manage and reduce our water footprint, we were able in the same period to recycle and reuse 130,781 (1,000 m^3) process water in total.

WATER AT ENVALIOR AT A GLANCE (2024)

Data point	Number [1,000 m^3]
Total water consumption	1,764
Total water consumption in areas at water risk, including areas of high-water stress	85
Total amount of water recycled and reused	130,781

CIRCULARITY AND WASTE

Promoting a circular economy is a key component of Envalior's sustainability strategy. Our objective is to preserve the value of products, materials, and resources for as long as possible, thereby enhancing resource efficiency and minimizing environmental impacts. By implementing circular principles in our business processes and throughout the value chain, we actively contribute to waste reduction and the conservation of natural resources.

POLICIES TOWARDS CIRCULARITY

At Envalior, circularity is not just a sustainability pillar — it is a strategic priority and an operational imperative. Our vision for a circular economy is embedded throughout our organization, driving innovation, product development, and value chain collaboration. We are redefining how engineering materials are made, used, and re-used — minimizing waste, extending product lifecycles, and maximizing resource efficiency. Our guiding principles and ambitions are outlined in our circular economy policy. We are aiming to transition away from using virgin resources by increasing the usage of bio-based and recycled raw materials and resources.
For example, we are not only committed to evaluating sustainable raw material alternatives, but also to offer entire portfolio of bio- and/or recycled-based alternatives by 2030. Our circular economy policy relates to Envalior's impact to require fossil-based materials for its production processes. 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 materials. Business directors of Envalior's product lines are accountable for implementing the circularity policy.

Making our business more circular year on year

One major component of our circularity policy is the development of our circular product portfolio. To this end, we are building a robust portfolio of circular materials — including bio-based, mechanically recycled, and chemically recycled grades — designed to meet stringent technical and environmental standards.

Notable examples include:

Mechanically recycled-based materials

- Akulon® RePurposed: PA6 made from post-consumer fishing nets.
- Arnite® MRC: Mechanically recycled PBT.
- Pocan® ECO and ECOT: PBT and PET blends using post-consumer PET and post-industrial recycled glass fiber.
- Durethan® ECO: PA6/PA66 based on post-industrial recycled glass fiber.

BIO AND/OR RECYCLED-BASED ALTERNATIVES

RECYCLED-BASED	BIO-BASED	
Mechanical/Feedstock recycling	**Bio-C14 traceable**	**Bio-Mass Balancing**
Akulon® RePurposed PA6	EcoPaXX® PA410	EcoPaXX® B-MB PA410
Akulon® CRC-MB PA6	ForTii® ECO PA4T	Stanyl® B-MB PA46
Durethan® ECO PA6/PA66	Arnitel® ECO TPC	Akulon® B-MB PA6
Pocan® ECO (T) PBT/PET	TEPEX® dynalite BLUE Bio-based composites	Pocan® X-MB PBT
Arnite® T MRC PBT		Arnitel® B-MB TPC
Arnite® A CRC PET		Durethan® BLUE PA6

Chemically recycled–based materials:
- Akulon® CRC–MB: PA6 chemically recycled–based from post–consumer plastic waste and tire waste via mass–balancing approach
- Arnite® A CRC: PET based on post–consumer feedstock

Bio–based materials (C14 traceable)
- EcoPaXX® and ForTii® ECO: polyamides derived from castor oil.
- Arnitel® ECO: a TPC derived in part from rapeseed oil.
- Tepex® dynalite BLUE: Fully bio–based composite material from polylactic acid or PA1010 and flax fabrics.

Bio–mass–balanced grades
- Stanyl® B–MB: First high temperature polyamide from biomass waste mass–balanced.
- Arnitel® B–MB: TPC based on biomass waste mass–balanced
- Pocan® X–MB: PBT incorporating bio–circular 1.4–butanediol from used cooking oil and post–industrial recycled glass fiber with up to 70% sustainable content.
- Akulon® B–MB: PA6 derived from used cooking oil.

At Envalior, we are developing new products with circular solutions in mind, and we strive for grades with a minimum of 25% sustain–able feedstock.

ACTIONS AND RESOURCES

To achieve the goals we have set ourselves, we will evaluate recycled raw materials from post–consumer applications in order to enable continued use of products at end–of–life and increase the use of recycled content in our materials. We will also evaluate bio–based raw materials to increase the use of bio–based content in our materials. We support our customers by making available and constantly updating life cycle assess–ments of our main polymers. This input allows our customers to measure the envi–ronmental impact of our products in the later product use phase. We aim to implement a Scope 3 emissions reduction roadmap by 2026.

Our circularity strategy focuses on:
- replacing fossil–based raw materials with renewable or recycled alternatives
- ensuring end–of–life products and materials are reintroduced into the value cycle
- reducing resource use and waste across operations and product life cycles
- building transparency and trust with certified materials and processes.

Partnering with upstream suppliers

Envalior seeks to establish strategic colla–borations with supply chain partners to promote the use of sustainable raw materi–als in the production along our value chain, supporting circular economy principles. Our aim is to prioritize third party certified raw materials as for example under ISCC PLUS standard (International Sustainability and Carbon Certification), ensuring transparency and traceability in sustainable sourcing while allowing for drop–in solutions which maintain performance and often come with a smaller product carbon footprint.

We are firmly committed through such partnerships to reducing reliance on virgin fossil resources by integrating bio–based and bio–circular feedstocks, derived from rapeseed oil, Used Cooking Oil, biomass, into the production process. Currently, we are introducing mass–balanced, chemically recycled feedstock into the Envalior pro–duction site in Antwerp/BEL, further demonstrating a focus on closing material loops and enhancing resource efficiency, directly supporting sustainable resource management and circularity.

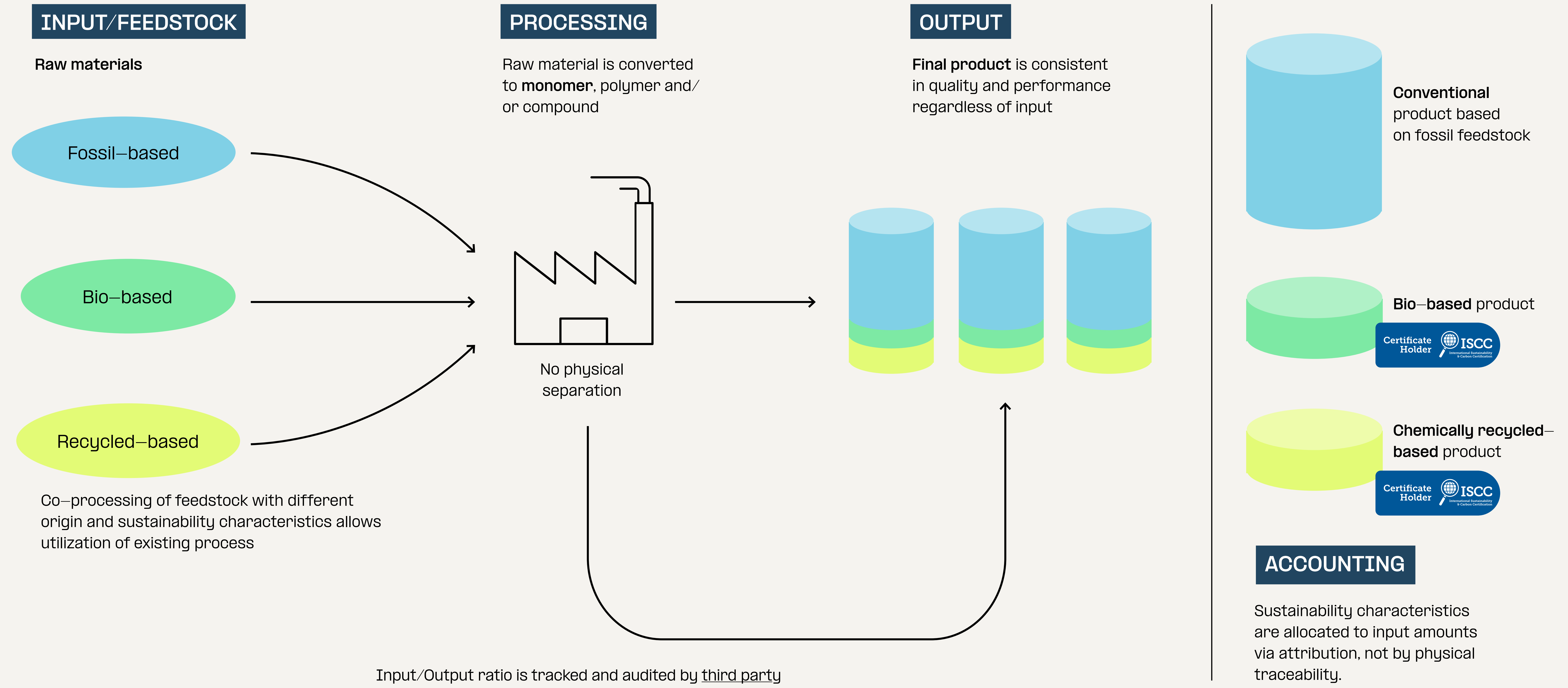
Ensuring sustainable resource use through ISCC PLUS certification

At Envalior, we are committed to transparent and responsible sourcing of our raw materi–als. We utilize ISCC PLUS standards to verify the sustainability and traceability of our mass–balanced materials across multiple production sites in Europe. We have a global footprint of operations which are ISCC PLUS certified — across Europe, Asia, North America, South America. Achieving ISCC PLUS certification ensures that our mass–balanced raw materials are sourced sustainably, supporting circular economy principles.

Transitioning to a low–carbon, circular economy requires the adoption of non–fossil raw materials derived from biomass or waste. Our use of mass–balancing allows us to incorporate bio–based and chemically recycled feedstock into our existing pro–duction processes and benefit from the efficiency of existing production assets — facilitating a fast, economic and scalable transition. This method enables us to track and allocate sustainable material inputs throughout multi–stage production, pro–viding definitive traceability in sustainability for our end products. Even when mixed with fossil–based materials, our mass–balanced products maintain the same high per–formance and quality, making them ideal drop–in solutions for our customers without the need for requalification.

By implementing these practices, Envalior actively contributes to reducing reliance on virgin fossil resources, promoting the use of renewable and recycled materials, and closing material loops — thus promoting sustainable resource management and circularity.

Mass–Balance



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.

Helping customers to make more sustainable choices

Mass–balancing helps our customers make informed product choices, because it helps us transparently communicate the environ–mental impact of our products — especially regarding materials like bio–based or recy–cled content. Even if materials become mixed during the recycling process, tracing the amount of sustainable material entering our production system through mass–balancing means we can make accurate statements about how sustainable our products are, giving customers the option to choose products with a verified lower environmental footprint. The graphic to the left shows how this works in practice.

OUR CIRCULARITY TARGETS

In its endeavors towards more circularity, Envalior is firmly dedicated to providing sustainable solutions. 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.

The ambition relates to the fact that Envalior requires fossil–based materials in its productions processes.

Our circularity goals are anchored in our broader sustainability framework, alongside greenhouse gas emissions reduction. Our sustainability and circular ambitions position Envalior among the frontrunners in the specialty and performance engineering materials industry, setting us apart in our commitment to a sustainable materials ecosystem.

WASTE

At Envalior, we recognize that the responsible management of waste is central to reducing our environmental footprint and advancing towards a circular economy. As a leading engineering materials company, our operations generate both process and post–consumer waste, and we are committed to minimizing these through innovation, operational excellence, and collaboration across our value chain.

It is part of Envalior's DNA to reach maximum efficiency in raw material usage and as few as possible raw material losses. Wherever possible, disposal volumes are reused internally. In cases where certain waste streams from the production process cannot be avoided or reused, we make sure in our waste management that safe disposal methods are applied (e.g., thermal combustion).

Optimizing waste management

In waste management, we aim to keep material consumption and disposal quantities to a minimum by systematically recording our material flows with procedures and guidelines. We strive to avoid generating waste by continuously optimizing our processes or developing new production methods. Most of our sites implement an annual scrap reduction program and define goals for achieving the corresponding targets. We have established processes for the safe, proper, and environmentally sound disposal of materials that we cannot recycle or whose recycling is not permitted by law. We apply a structured waste sorting and disposal system, taking the German model as an example, by separating 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. Regarding the use of recovered input materials, the potential for using these as input in compounding is limited. However, one of our compounding sites (Pantnagar/IN) has proposed a project to regrind and reuse at least 5t per month in our plant. In addition, there are opportunities arising in the polyamide 6 (PA6) polymerization process.

Training our employees in better waste management

To increase employee awareness of waste reduction and sorting, all our employees receive annual on–site training on waste, and how to sort it based on the type of waste. We also have clear written procedures and guidelines so that everyone is aware of waste handling and management. In addition, the team is tasked with reducing waste through various programs such as waste reduction, process optimization, and equipment upgrades. When a process or management change occurs, additional training is required and provided.

OUR PROJECTS FOR A BETTER FUTURE

Improvement Projects	Site/Region	Project title 2024	Remarks
1	Uerdingen/DE	Increase of OEE (Overall Equipment Efficiency)	The aim of this project is to reduce the number of planned and unplanned interruptions. In this way, we contribute to the reduction of waste and scrap.
2	Kaohsiung/TW	Increase of OEE (Overall Equipment Efficiency)	The goal of this project is to reduce unplanned downtime and frequency and reduce the time for cleaning, and changeover of production. This will help to reduce waste and scrap.
3	Pantnager/IN	Use the recovered/ re–ground materials	Try to limit the amount of scrap and reuse at least five t of scrap per month.

88%

waste diverted
from landfill

In accordance with local government per–missions or conditions, waste separation is arranged, and disposal takes place in line with local disposal procedures. In most cases, the non–hazardous waste is sold to scrap dealers so that it can be reused in other and less critical processes. Hazardous waste is disposed of according to government legisla–tion. If this waste is to be incinerated or landfilled, it is only sent to our approved waste management companies so that we minimize the impact on our ecosystems. Cross–border waste flows are limited. If present, they are taken care of by our external, approved suppliers.

Waste storage areas are well marked so that all process and non–process waste can be collected and stored. In addition, relevant precautions are taken to handle waste and ensure the health and safety of employees. Where applicable, our sites have specialized waste storage areas, allowing us to better manage waste.

Recording waste to inform future strategies

The table on the right discloses figures that detail our waste impact. It also serves as a source of information for future improve–ments towards increased circularity and more sustainable waste management.

OUR WASTE IN NUMBERS (2024)

Data point	Number [all sites]
Total waste generated [t]	33,205
Total weight of hazardous waste [t]	4,038
Total amount of hazardous waste out of total waste [%]	12
Total weight of non–hazardous waste [t]	29,166
Total weight of waste recovered [t]	29,291
Non–recycled waste (excluded disposal and recovery) [t]	3,914
Percentage of non–recycled waste [%]	12
Percentage of total waste from operations diverted from landfill [%]	88

04 SOCIAL

The well-being at all levels of our business operations is a number one priority at Envalior. Internally, we support worker representation, promote diversity and inclusion, and aim for a better gender balance in top management. Externally, we strive for a fair and sustainable supply chain, promote protection of human rights, and serve society at large.

74%
Employee Engagement Score

20%
of women at top management level

0.76
Total Recordable Injury Rate (TRIR) for our own employees and contractors*

* Per 100 full-time equivalents, or per 200,000 working hours

100%
of our employees can access health care

70%
employees covered by Collective Labor Agreement (CLA) or Collective Bargaining Agreement (CBA)

OWN WORKFORCE

Envalior's global workforce of around 4,000 employees is the driving force behind our sustainability ambitions, fostering a culture of inclusion, safety, and continuous improvement. We prioritize the wellbeing, development, and empowerment of everyone who works at Envalior by upholding the highest standards in safety, quality, and environmental stewardship.

POLICIES RELATED TO OWN WORKFORCE

Through our policies, actions, and ongoing commitment, we aim to create an environment where all employees can thrive and reach their full potential — driving our collective success. Our policies manage material impacts, risks and opportunities related to our workforce. Envalior uses a decentralized approach to managing our global workforce, with global strategies and policies where possible, while allowing for local adaptations based on regulatory requirements, culture, and regional context

Global policies include our Diversity, Equity and Inclusion (DE&I) Policy, Human Rights Policy, and our Code of Business Conduct. They are guided by internationally recognized standards such as the UN Guiding Principles on Business and Human Rights, the Ten Principles of the UN Global Compact, and the ILO's (International Labour Organization) Fundamental Principles and Rights at Work. These frameworks help set priorities and guide our approach to ensure transparent labor practices. Our approach is built to align with the fundamental principles and respect for human rights across our operations — in line with the core values of the United Nations Universal Declaration of Human Rights.

SHEQEn–Policy (Safety, Health, Environment, Quality, Energy)
At Envalior, Health and Safety is our number one value. We have developed clearly defined Life–Saving Rules and SHE&Q (Safety, Health, Environment and Quality) Principles to protect all employees' safety and health. These policies and practices are consistently applied by our employees when running operations. This area is managed by Envalior's global team of SHE&Q experts, which ensure policies are implemented in line with our standards. Safety plays a special role in our sustainability strategy "Envalior CARES". Details of how this works and how it ensures the best health and safety in all our operations is set out in the chapter "Health and Safety"

Employee Code of Business Conduct
Envalior's Code of Business Conduct serves as a guiding framework for ethical behavior, decision–making, and cultural alignment across the organization. It is designed to help all employees live up to Envalior's core values — safety, customer focus, collaboration, empowerment, and curiosity — by translating these into everyday behaviors and business practices. All employees are expected to comply with relevant laws and regulations to operate in line with the highest ethical standards and embody our company values.

Diversity, Equity and Inclusion Policy
Envalior's Diversity, Equity and Inclusion (DE&I) policy establishes our commitment to a diverse, equitable, and inclusive workplace. We strive to ensure that our workplace reflects a diverse array of perspectives, experiences, and backgrounds. We embrace differences in race, ethnicity, gender, age, sexual orientation, disability, religion, socio–economic background, and other personal identities. Our DE&I policy is designed to promote a culture of inclusion, eliminate discrimination, and ensure equal opportunities for all.

Human Rights Policy
As a signatory to the UN Global Compact, we are committed to universal principles supporting human rights, fair labor conditions, the environment, and anti–corruption. Envalior's Human Rights Policy outlines our continuous efforts to uphold the highest standards across our operations, businesses and supply chains. Our employees and business partners are expected to conduct their work with the greatest standards of integrity, ethics, fairness, and respect. For more information on this topic, refer to our chapter "Human Rights"

Global Hybrid Work Policy
Inclusive collaboration is one of our key values and is crucial for Envalior's success. Working from the office strengthens connections with colleagues and helps build a united company culture. It creates opportunities for personal interaction and meaningful collaboration. Working from home improves work–life balance and makes it possible to work across multiple time zones in international and remote teams. We balance the advantages of both worlds and allow teams flexibility within a hybrid working model — where employees have access to equipment and tools to best support their work–life and home office set–up.

PROCESSES FOR ENGAGING WITH OWN WORKFORCE

At Envalior we take great efforts to foster engagement with our own workforce and their representatives. Vital to the success of all interactions are strong and functioning communication processes and channels. We make sure that these are marked by respect, that employee concerns are listened to, taken seriously, and acted upon. We do that in recognition of the fact that our workforce is the most valuable asset we have.

Supporting employee engagement

Envalior initiates and participates in meaningful social dialog to actively encourage employee engagement. Our approach includes regular consultation with employee representatives, open communication channels, and platforms for sharing feedback — all aimed at ensuring employee voices are reflected in decision-making and continuous workplace improvement. Social dialog — whether through negotiation, consultation, or information exchange — is a cornerstone of our inclusive work environment.

Promoting effective communication

Effective communication is the foundation of social dialogue. We have set up multiple channels to ensure regular and open communication with our workforce. Our intranet offers a wide range of information, with each function sharing key updates that are easily accessible to all employees. We also hold regular global and local townhall meetings to provide updates and gather feedback from the organization.

Additionally, regular team meetings, surveys, and feedback tools promote transparent communication. In particular, Envalior conducts an annual engagement survey known as the "UNITE&GROW Pulse Survey" to measure employee satisfaction and identify areas of improvement. In 2024, we launched our survey for the first time. Around 80% of our employees responded voluntarily to the survey. This approach helps recognize employee sentiments, while building trust and lasting relationships.

ACTIONS AND RESOURCES RELATED TO OWN WORKFORCE

Our commitment to a supportive, inclusive and equitable workplace is reflected in a range of concrete measures. These demonstrate how we put our values into action by promoting employee wellbeing, ensuring fair working conditions and maintaining a safe and healthy work environment.

The following selected examples illustrate how we bring this commitment to life across different focus areas.

- **Empowering learning and career progression**
  Through targeted learning programs, ongoing feedback and an annual performance cycle, we empower employees to actively shape their development and careers. See "Training and skills development" in this chapter for more details.

- **Implementing fair and compliant working conditions**
  We implement locally compliant working time models and leave arrangements, aligned with national laws and collective labor agreements where applicable. In addition, we offer region-specific benefits such as parental, or carers' leave and health care coverage as part of our commitment to employee wellbeing. For further information, see "Workplace standards and remuneration metrics" in this chapter.

- **Applying fair and adequate wage practices**
  We ensure fair and adequate wages by taking a structured approach to job evaluation and pay progression, aligned with global principles and local legal or collective requirements. See "Fair and adequate wages" in this chapter for further details.

- **Supporting trust through grievance mechanisms**
  We provide an anonymous and multilingual grievance mechanism via our Speak-Up Program, enabling employees and stakeholders to report concerns related to working conditions, misconduct or policy breaches without fear of retaliation. Further information is available in the chapter "Collective bargaining and social dialog".

- **Promoting mental wellbeing and a caring culture**
  We promote mental wellbeing through our global Mental Health Hub and local support programs, combining internal and external resources. People managers are encouraged to raise awareness and foster openness. We aim to build a caring culture where employees support each other and feel safe to seek help. See "Workplace standards and remuneration metrics" in this chapter for further details.

CHARACTERISTICS OF OUR EMPLOYEES

To develop a people and culture strategy that aligns with our business goals, it is essential to have clear insights into the characteristics of our workforce. The table below highlights some of the key characteristics of the individuals who make up our workforce.

THE PEOPLE WHO WORK FOR US

Data Point 2024	Number [head count]
Number of employees	4,018
Number of employees by gender	Male: 3,298 Female: 718 Not disclosed: 2
Average number of employees	3,993
Number of employees in countries with 50 or more employees representing at least 10 % of total number of employees	3,939
Average number of employees in countries with 50 or more employees representing at least 10% of total number of employees	3,915
Information on employees by contract type and gender	Permanent Female: 525 Permanent Male: 2,771 Temporary Female: 52 Temporary Male: 185 Undeclared: 2
Number of employees who have left undertaking	228

COLLECTIVE BARGAINING AND SOCIAL DIALOG

The majority of our employees are covered under Collective Labor Agreements (CLA) or company agreements that address areas such as working conditions, wages, training and development, health care and work–life balance.

Supporting employee representation

We recognize the importance of employee representation and actively support the establishment and functioning of employee representation bodies. Our collaboration with the general employee representative bodies ensures that employees have a voice in matters affecting their working conditions. We hold regular meetings with them to discuss and negotiate company–specific agreements, covering topics such as working conditions, training and compensation

FAIR EMPLOYEE REPRESENTATION

Data Point 2024	Number [%]
Percentage of total employees covered by collective bargaining agreements	70
Percentage of own employees covered by collective bargaining agreements is within coverage rate by country with significant employment (in the EEA)	51
Percentage of own employees covered by collective bargaining agreements (outside EEA) by region	19
Percentage of employee turnover	6

structures. Envalior respects labor rights through compliance with labor laws, employment contracts, collective agreements, and employee representative bodies. Employees have the freedom to actively engage in social dialog, freedom of association, and employee representative bodies in their respective regions. 70% of employees are covered by Collective Bargaining Agreement (CBA) or Collective Labor Agreements (CLA) across all locations and sites.

Fostering collective bargaining and negotiation

Collective bargaining is a key component of our social dialog strategy. Through Collective Bargaining Agreements (CBAs) agreements, we negotiate terms of employment, working conditions, and other workplace topics. These agreements are designed to ensure fair treatment and equitable benefits for all employees. With our commitment to fair negotiation practices we strive to improve employee engagement and productivity.

We believe that employee participation is essential for a thriving workplace. This participatory approach ensures that employees have a say in matters that affect their work and wellbeing.

DIVERSITY MEASURES AND METRICS

As outlined in the description of our DE&I Policy, we seek to create a workplace where every employee feels valued and respected. Our DE&I practices and policies are designed to promote a culture of inclusion, eliminate discrimination, and ensure equal opportunities for all.

Improving diversity by development and recruitment

As of 2024, our workforce comprises 718 women, with 20% of leadership positions held by women. We are a global organization with a highly diversified workforce in and from 18 countries and representing 55 nationalities within the company. We value diverse perspectives and actively work to increase them through targeted recruitment and development efforts.

30%

of women in our Executive Leadership Team (ELT)

CHARACTERISTICS OF OUR EMPLOYEES

Data Point 2024	Number [%]
Percentage of women within the Executive Leadership Team (ELT)	30
Percentage of women in top executive positions	20
Percentage of women employed in relation to the whole organization	18
Distribution of employees (head count) under 30 years old	11
Distribution of employees (head count) between 30 and 50 years old	56
Distribution of employees (head count) over 50 years old (integer/percent)	33

FAIR AND ADEQUATE WAGES

At Envalior, we are committed to taking significant steps to ensure that our employees receive adequate wages, and that they work in conditions that promote their well-being and professional growth. Our Total Rewards Strategy reflects our dedication to creating a fair, transparent, and supportive work environment.

Providing transparent and equitable rewards

Transparency and equity are core principles of our Total Rewards design. Our compensation strategy is designed to reflect job requirements, experience, geography, as well as skills. We periodically benchmark our pay and benefits against comparable employers in our industry to ensure that the Envalior package remains competitive for existing and future employees.

This approach aims to pay competitive salaries in the market, partly dependent on performance. Envalior has a clear focus on paying living wages to all our employees as well.

Our reward package comprises a balance between monetary and non-monetary compensation and benefits elements appropriate for the respective local market. This holistic approach supports our commitment to a healthy and safe workplace where employees feel secure and can develop both personally and professionally.

Motivating employees with short- and long-term incentives

To motivate and create focus on delivering the right business outcomes, we provide various impactful incentive plans to our employees. Our short-term incentives focus on achieving short- and medium-term company goals. And our long-term incentives aim to align the interests of employees with those of company stakeholders and shareholders, while supporting the longer-term retention of key contributors to ensure business continuity.

Employee health and safety are paramount at Envalior. We foster an environment in which employees enjoy the flexibility to balance their personal and working life, and where they feel a sense of belonging and can connect with each other.

Driving development and recognition

Our rewards actively support people's development. We encourage employees to take charge of their careers through engaging learning opportunities. We also value and reward both individual and team performance, as well as innovation. Several recognition programs are in place to celebrate these achievements.

In summary, Envalior's commitment to fair wages, good working conditions, and recognizing performance is captured in our comprehensive Total Rewards Strategy. Through this, we aim to create a supportive and thriving workplace for all employees.

Ensuring fair and consistent salary progression

Each position at Envalior is assigned to a job level with a corresponding salary scale or pay level. If a reclassification of the job level is needed due to significant change in the job, or a new job being created, a validated job evaluation method will be followed, which is often aligned with the various employee representations in mutual agreement or Collective Bargaining as well as Collective Labor Agreements (CBA/CLAs).

Salary increases follow a globally consistent approach while complying with local legal requirements and/or CLA provisions. Increases may result from mandatory local adjustments, collectively agreed raises, or company-driven merit increases.

We use benchmark data to determine the overall salary increase budget for each country or location. Merit increases are guided by global principles that consider both market trends and individual performance.

WORKPLACE STANDARDS AND REMUNERATION METRICS

At Envalior, we are committed to providing a safe, healthy, and supportive work environment for all our employees. We adhere to the highest standards of occupational health and safety, ensuring that our workplaces are free from hazards, and are conducive to the wellbeing of our workforce. Our policies and practices are designed to promote fair treatment, respect, and dignity for all employees, fostering a culture of mutual trust and collaboration.

Offering family-friendly programs

Offering family-friendly practices and programs is an important part of Envalior's supportive approach to the needs of our own workforce. Programs are designed based on local customs and regulations. We provide numerous benefits that help employees better manage their family life such as (paid) parental leave. Employees may also request unpaid or part-time leave to help manage childcare responsibilities, subject to local policies.

In addition to statutory holiday leave, Envalior offers a variety of regionally specific leave types that reflect employee needs and meet local requirements. These are defined in country-specific policies or governed through Collective Labor or Collective Bargaining Agreements (CLAs/CBAs) where applicable. This approach ensures that our global workforce is supported in a way that is both locally relevant and aligned with our company values.

Ensuring flexible working arrangements

Recognizing the importance of flexibility, we support a variety of different work arrangements — including remote work, hybrid models, adjusted hours, and part-time options — based on job requirements and team needs. Local HR policies may provide additional guidelines to address specific regional needs.

All leave and work arrangements are offered fairly to every employee, regardless of gender, family status, or marital status. We are committed to fostering a non-discriminatory workplace in line with our diversity, equity, and inclusion (DE&I) values.

Working hours

At Envalior, we have a Global Working Hours Policy in place to ensure that all employees' working hours are fully aligned with the legal and regulatory requirements of the countries in which they are employed. Where Collective Labor or Collective Bargaining Agreements (CLAs/CBAs) 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. Employees are entitled to statutory holiday leave every year, which we consider vital so that they can maintain a healthy work-life balance. We have time and attendance systems in place to monitor working hours in many locations which are also linked to our payroll systems to ensure correct payrolls.

Providing for good mental health

Health and safety are a top priority and our key value at Envalior. We care just as much for the employee's mental and emotional wellbeing as we do for their physical health. To guide employees seeking mental health support, we provide a central Mental Health Hub on our intranet, offering a comprehensive overview of all local programs and platforms available. Through these local initiatives, we offer a wide range of mental health support — both internally and via external specialized providers.

While these programs are available upon employee request, we also believe that raising awareness around mental health is a key responsibility of our people managers. We actively encourage them to foster awareness and make space for mental health conversations within their teams — for example, through pulse checks or during team meetings.

Our goal is to cultivate an open and caring culture where colleagues look out for one another, and employees feel empowered to seek support whenever they need it.

Addressing grievances and disputes

We have zero tolerance at Envalior for any kind of harassment, discrimination, or inadequate working conditions. To create an environment where employees feel safe and empowered to stand up for themselves and for others, we have developed our Speak-Up Program. It provides a robust grievance mechanism that encourages internal and external employees and stakeholders to report any concerns about potential breaches of the Code of Business Conduct, law, or policies in good faith without fear of retaliation. All employees and stakeholders in our value chain have access to an anonymous platform in their language of choice.

We also gather feedback via regional leadership, local town halls and managers, and through our employee representation bodies. We have established strong relationships with our workers' representatives, and we collaboratively look into any grievances and work together to resolve disputes. By addressing grievances promptly and effectively, we aim to prevent conflicts and promote a positive workplace culture. More detailed information about this can be found under Business Conduct in this report.

TRAINING AND SKILLS DEVELOPMENT

Envalior is dedicated to the continuous development and growth of our employees. We offer training programs and learning experiences to help our employees enhance their skills and advance their careers. Certain training courses are mandatory for our employees so that they can stay up to date with our key values and principles.

Furthering career progression and personal growth

Our approach to learning combines on–the–job experience with training tailored to individual needs. Continuous feedback is embedded in our performance management process, while the Envalior Leadership Development Framework offers a structured path for mentoring and growth.

Through our OneHR global platform, employees can access mandatory global courses. Additional skill–specific training is offered at regional and country levels, often delivered in local languages to enhance relevance and impact.

Our performance philosophy is based on collaboration, continuous feedback, and meaningful connections. We empower our employees to take ownership of their personal growth, encourage active engagement, and recognize their achievements.

Learning and development framework
Envalior fosters a culture of continuous improvement, where development happens through feedback, hands–on experience and learning from mistakes. We believe that investing in people's growth is essential to stay competitive and adaptable in a fast–changing world. Training is an essential part of this, and we provide both global mandatory trainings as well as a range of training and development opportunities for all members of our own workforce. We make skills advancement and career development achievable for all employees by providing them with access to OneHR — a central HR platform that serves as a centralized hub for core HR processes and data.

Workable — our internal job portal
Employees can use this to explore new career opportunities. The portal provides transparent and equal access to open roles across the company.

TRAINING FOR THE FUTURE

Data Point 2024	Number [%]
Percentage of employees who received regular performance and career reviews	63
Percentage of employees who received skills–related training	52*
Average hours of training provided per employee	40**

* The 52% number is due to the fact that only half of the employees had been transferred to the new ENVALIOR training system. For the 2,000 employees that had completed the transition, we have a completion training rate of 90%. An earlier transition was not possible due to dependencies and technical challenges that arose due to set up of service level agreements with one heritage company.

** Representing for sites with more than 50 employees.

HEALTH AND SAFETY

Envalior is 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 sustainability strategy "Envalior CARES." It is firmly embedded in our Code of Business Conduct, ensuring robust management of health and safety risks and transparent reporting of performance and impacts.

WE ALWAYS HAVE TIME TO WORK SAFELY

At Envalior, our employee's health and safety are a number one priority, and we all have a role to play aiming to secure that everyone goes home safe, every day. We have developed clearly defined Life Saving Rules and SHEQ (Safety, Health, Environment, and Quality) Principles to improve our safety. If we work together to comply with our Life Saving Rules, fewer colleagues will get hurt.

To help our employees integrate these Rules and Principles into their daily work, a number of communication and training measures have been implemented, e.g., posters and banners have been placed throughout our sites around the world, serving as a constant reminder of safe practices. In addition, Envalior's new Life Saving Rules (LSRs) and SHEQ Principles were introduced with a video from Envalior's CEO.

Employees proactively organize events and formats to spread the message about safety guidelines and practices. This shows that, as we continue to prioritize safety as our number one value, awareness of and

Life Saving Rules

responsibility for this is taken seriously by everyone at Envalior. One thing stands true for all our employees at all our locations: we always have time to work safely.

Creating a safe work environment without compromise

It is important that all our employees and contractors know Envalior's Life Saving Rules and SHEQ Principles. This is an area where there is no compromise. At Envalior, we do everything required to ensure that our workforce stays safe at work — and in all situations.

100 % of the company's own workforce is covered by a health and safety management system, in accordance with legal require–ments and internal standards, as outlined in the SHEQEn[1] policy, individual labor con–tracts, and through representation in the SHE works councils.

While 24 work–related accidents were recorded in 2024 in our own workforce, and 33 including contractors, there were no fatalities among our workforce caused by work–related injuries or work–related health problems, and none among con–tractors carrying out work on our sites.

SHEQ Principles


Look after yourself

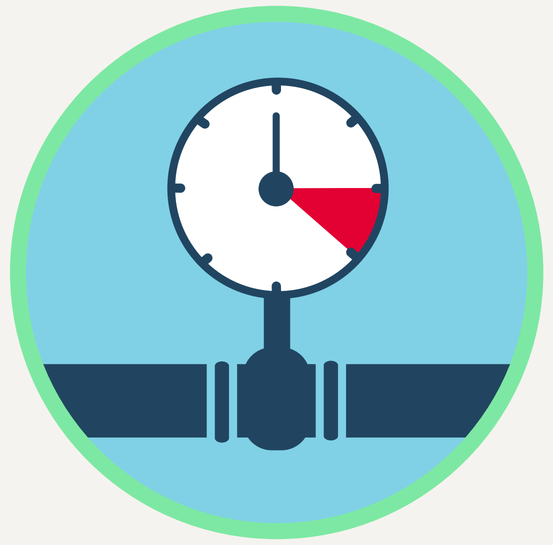

Look after each other


Stop, think and act

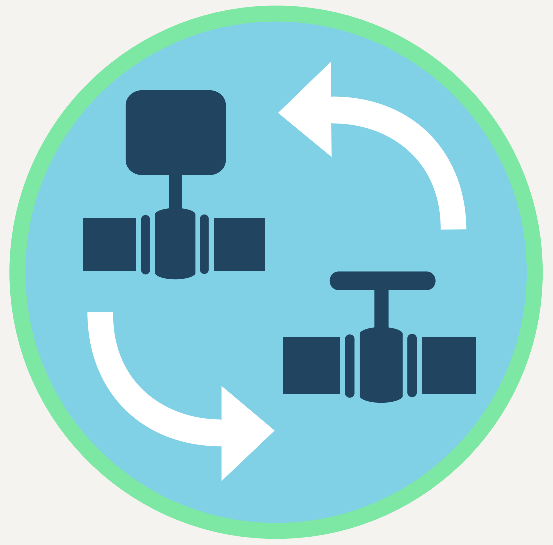

PPE* as an effective 'Last line of defence'


A clean and organised workplace


Safe vehicle, safe driver


Safe processes and operation


Robust work control


No change without assessment


Protection of the environment


Looking after our customers' needs


Report, investigate and learn

* PPE (Personal Protective Equipment)

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[1] "En" is an addition to SHEQ and stands for "Energy" as the policy is also addresses energy.

Improving our safety record

The progress we have made on safety in 2024 is significant. Thanks to our company–wide initiatives to develop a strong safety culture, a clear focus on improvement, and a continued focus on safety within our teams, we have seen tangible improvements.

Our total recordable injury rate (TRIR) — for our own employees and contractors — dropped to 0.76[2] in 2024. While this is meaningful progress, there is still room for improvement as we strive to reach our target of being top quartile. During the reporting period, the TRIR for the company's own workforce was 0.6. These figures reflect the number of incidents resulting in recordable injuries and are monitored as part of the company's occupational health and safety management system. Our underlying definition for recordable injuries is in line with OSHA (Occupational Safety and Health Administration). Continuous improvement efforts are in place to further reduce incident rates and ensure safe working conditions across all operations.

Maintaining a healthy work environment

In 2024, the company recorded a total of 626 lost workdays due to work–related injuries, affecting both its own employees and contractors. Of these, 557 lost days were attributed to the company's own workforce, while 69 days were related to contractor personnel. Notably, there were no lost workdays resulting from work–related fatalities or occupational ill health. These figures reflect the company's ongoing efforts to monitor and manage workplace safety, with a continued focus on preventing injuries and maintaining a healthy work environment.

The numbers are monitored and reviewed within Envalior's ESG governance structure — Subcommittee 2 — Health, Safety and Environment is responsible for safety related topics. For more information please go to the chapter on governance.

Learning from the past to forge a safety path for the future

Learning from past incidents — by thorough investigations and sharing the lessons learned — has helped us to prevent reoccurrences and is resulting in a downward trend. Our long–term goal is to be among the top–quartile performers in the industry. We are also implementing a set of process safety fundamentals that will help to reduce leakages and spills. Our aim is to achieve "no spills".

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[2] Per 100 full–time equivalents, or per 200,000 working hours

05 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.

90%

of our employees projected to formally acknowledge our Business Code of Conduct by 2025

0

confirmed information security incidents

0

confirmed convictions for violations of anti-corruption and anti-bribery regulations

BUSINESS CONDUCT

Strong governance is the cornerstone of Envalior's approach to responsible business and sustainable growth. Our governance framework is designed to ensure transparency, accountability, and ethical decision–making at every level of the organization, guided by our leadership team and company–wide business principles. We are committed to complying with all relevant laws and regulations, maintaining robust internal controls, and fostering a culture of integrity and trust. Through clearly assigned roles, effective oversight, and continuous improvement of our governance practices, Envalior aims to create long–term value for all stakeholders while advancing our sustainability objectives.

BUSINESS CONDUCT POLICIES

Business ethics form the foundation of Envalior's reputation as a trusted and respected leader in the global engineering materials industry. Guided by our Code of Business Conduct, we are committed to upholding the highest standards of integrity, transparency, and ethical behavior in every aspect of our operations — from strict compliance with laws and regulations to a zero–tolerance approach to bribery, corruption, and anti–competitive practices. Our corporate policies are approved by the members of the Executive Leadership team. Our key values of safety, customer focus, collaboration, empowerment, and curiosity shape our daily decisions, ensuring that we always act responsibly toward our employees, business partners, and the communities in which we operate. This unwavering commitment to ethical conduct not only safeguards our long–term success but also helps us create lasting value for society and advance our sustainability goals.

Acting responsibly along our Code of Business Conduct

Envalior's Code of Business Conduct is mandatory internally, and we expect our external partners to comply with it, too. It reflects the core values we apply to all our operations and to the people who make up our workforce at all levels. Our Code of Business Conduct is acknowledged by our employees. Integrity is a vital part of our company legacy, and our success is underpinned by good business conduct — both principles and practices — that earns us the trust and respect of all our stakeholders.

Envalior aims to be a global leader in sustainable and high–performance engineering materials. This goes hand in hand with great responsibility. With this always in mind, our policies and activities cover vital aspects of ethical work and business. The priority areas set down in our Code of Business Conduct include health and safety, dedication to sustainability, inclusion, and an empowering and pioneering spirit.

Ensuring a strong compliance culture

At Envalior, we are committed to creating a strong positive compliance culture. We are convinced that such a culture drives our business success. To mitigate our major material risks, we have put policies in place to manage such material impacts in an adequate manner. In July 2024, we signed the UN Global Compact principles to demonstrate and formalize our commitment to doing business in an ethical and compliant way.

Envalior's whistleblower procedure — the Speak–Up Program — has been in place since 2023. It is available to all employees and external stakeholders, including suppliers, and it allows them to report on a potential misconduct they witness, either openly or anonymously. This helps us identify and address potential risks before they escalate.

Promoting a speak–up culture and regular feedback

The Speak–Up Program follows a global approach and is in line with the applicable laws. It provides a robust and transparent mechanism that encourages a speak–up culture and promotes accountability and responsibility. Anyone who uses the system is ensured confidentiality and data protection by our Speak–Up tool.

SUPPLIER MANAGEMENT

Envalior is a globally operating company and, as such, we carry a lot of responsibility for employees, customers, shareholders, and the societies in which we operate. We are firmly dedicated to conducting all our business in a way that is consistently responsible, value–based, and lawful. And we want to impart these values to everyone in our supply chain.

Communicating shared values: Our Supplier Code of Conduct

Our Supplier Code of Conduct is informed and guided by our key principles of work–place safety, respect for people, recognition of their fundamental rights, and a belief in the power of their diversity. Our organiza–tional policy is based on openness, fairness, and trust, and is aimed at promoting person–al growth and integrating different views. Health and safety are our top priorities.

These principles are turned into ethical business conduct by requiring our suppliers to observe environmental regulations and international standards; conserve natural resources and mitigate environmental impacts, reduce energy consumption and harmful emissions, properly handle pollut–ants and hazardous waste, and comply with applicable laws.

Envalior's Supplier Code of Conduct contains information on how to use the speak–up procedures, which are also available to Envalior's suppliers.

PREVENTION OF CORRUPTION AND BRIBERY

For Envalior, antitrust and anti–bribery compliance are core priorities of our global Compliance Program and reflect our unwav–ering commitment to conducting business with integrity and in line with applicable laws. To establish a robust compliance framework, we have performed dedicated antitrust and anti–bribery risk assessments on a global scale. Based on these results we have developed and put in place comprehensive policies, clear guidelines, and a globally implemented training concept. This includes a dedicated Gift and Hospitality Policy to ensure that all benefits are handled trans–parently and in compliance with legal and internal standards. Political engagement and donations are strictly prohibited. Further–more, dealings with competitors are regulated by clear approval processes.

Training our employees in ethical practices

Our training approach is risk–based, focusing on employees in high–risk functions and regions to ensure they are adequately equipped to recognize and respond to compliance risks. We have devised and carry out training programs for employees in at–risk functions. Ensuring that employees at all levels of our business operations understand and are on board with our business ethics is a key priority.

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.

The compliance organization is embedded in a global matrix structure, supported by regional compliance officers who operate independently of local management, but still report to the global function. This ensures both local relevance and global consistency in the application and oversight of compliance measures. Our policies and procedures are regularly reviewed and updated to reflect changes in legislation and evolving best practices. Compliance is not limited to a single function — it is a shared responsibility across the entire organization.

TRAINING EMPLOYEE AWARENESS (2024)

Data point	Number [%]
Percentage of functions at risk covered by training programs	100

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. Adherence to export control regulations, sanctions regimes and customs requirements is essential to ensure lawful cross–border activities and safeguard our business operations. We have implemented clear policies and procedures to manage trade compliance risks, supported by system–based controls.

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.

CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

Envalior has 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. During the reporting period, zero confirmed convictions for violations of anti–corruption and anti–bribery regulations were recorded. Furthermore, no internal corruption incidents were identified through our established compliance procedures and no information security incidents were confirmed.

KEEPING CORRUPTION AT BAY (2024)

Data point	Number
Number of convictions for violation of anti–corruption and anti–bribery laws	0
Amount of fines for violation of anti–corruption and anti–bribery laws	0
Number of confirmed corruption incidents	0
Number of confirmed information security incidents	0

How to report compliance violations

SPEAK UP

Online (anonymous):
https://envalior.speakup.report/external

Online, Website and Policy:
www.Envalior.com/SpeakUp

Email:
SpeakUp@Envalior.com

HUMAN RIGHTS

At Envalior, the governance of human rights is embedded in our broader commitment to responsible and ethical business conduct. This is firmly grounded in respect for the dignity, safety, and well–being of all individuals.

To clearly define how Envalior commits to its human rights goals, we have established a dedicated Human Rights Policy. It is aligned with international standards like ILO's (International Labour Organization) Fundamental Principles and Rights to work, the UN Global Compact, upholding universal principles covering human rights, labor, the environment, and anti–corruption.

Our Human Rights Policy: Ensuring a fair working environment

Our Human Rights Policy applies universally across all company departments, sites and operations. Externally, it extends to our supply chain and external partners through our Supplier Code of Conduct, which outlines our expectations and encourages our business partners to align with these principles. This policy sets a clear and binding expectation that all stakeholders operate with integrity, equity, and respect for fundamental human rights. Our Human Rights Policy is periodically reviewed to keep pace with evolving legal requirements and ethical expectations.

In line with international human rights frameworks, we do not tolerate any form of discrimination. Our employees enjoy freedom of association, fair compensation, safe and decent working conditions, and reasonable working hours. We strictly prohibit all forms of child labor, forced labor, and human trafficking throughout our operations and those of our suppliers.

Raising human rights awareness

Our human rights performance is monitored 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 implementation and effectiveness of our Human Rights Policy, as well as drive improvement, we actively encourage feedback from workers and stakeholders. To ensure transparency and reinforce accountability, our Speak–Up Program acts as a secure, confidential channel for reporting concerns related to human rights. More details on how this works can be found in the chapter "Business Conduct" of this report.

Tracking our progress on human rights

We are committed to firmly embedding human rights at all leadership levels. To this end, awareness and responsibility are promoted by monitoring which managers have completed or formally acknowledged our mandatory training on human rights. We also review all human rights–related grievances reported and resolved, providing insight into the effectiveness of our grievance mechanisms and our responsiveness to potential violations.

To drive accountability and progress, we review our performance on a regular basis by checking the progress of our human rights indicators. Our target is to increase the awareness and integration of human rights principles through the completion of formal training by 70% of people managers. By 2025, we also want to secure formal acknowledgement of our code of conduct by 90% of all our employees.

SUSTAINABLE PROCUREMENT

Sustainable procurement is a key pillar of Envalior's overall sustainability strategy. We recognize the significant impact our supplier base has on both social and environmental dimensions. As such, we are committed to fostering long–term, responsible relationships with our suppliers. This includes continuously working with them to improve labor conditions, reduce environmental foot–prints, and ensure ethical practices throughout the value chain.

Upholding shared values with our suppliers

Our efforts are guided by a comprehensive Sustainable Procurement Policy. The policy outlines clear responsibilities across our organization and is aligned with Envalior's targets. It is regularly reviewed and updated to reflect evolving standards and stake–holder expectations. All employees involved in procurement are well aware of the policy and their role in its implementation. A central component of our approach is the integra–tion of sustainability criteria into supplier selection and evaluation processes. We engage proactively with suppliers to identify risks and opportunities for improvement.

To formalize our expectations, we have implemented a Supplier Code of Conduct. It sets out core principles, including respect for human rights, environmental steward–ship, and occupational health and safety. It is embedded in our contractual agreements with all key suppliers. In this way, we ensure that our business partners align with our values and commitments. The Code also reflects international frameworks such as the UN Global Compact and ILO (Inter–national Labour Organization) conventions.

Giving a safe space to report grievances

To promote accountability, we have estab–lished our Speak–Up tool available to all stakeholders in our value chain. This enables workers, suppliers, and other third parties to report suspected violations confidentially and without fear of retaliation (see the Business Conduct chapter for more infor–mation on Speak–Up). All reported concerns are investigated promptly and thoroughly. In addition, we have a plan to put several procedures in place to drive continuous improvement within our supplier base.

These include regular risk assessments, sustainability audits, and performance reviews. Collaboration is essential, and we plan to actively participate in industry initiatives to align with global best practices. We will also conduct workshops and share resources to support supplier development. Feedback from stakeholders is incorporated into the refinement of our practices.

Firmly anchoring supply chain sustainability

Our sustainable procurement approach is dynamic and designed to evolve alongside the growing complexity of global supply chains. We aim not only to mitigate risks but also to create shared value with our partners. By embedding sustainability into every stage of procurement, we drive positive impact across our operations. This holistic approach strengthens resilience and supports our broader sustainability goals. Ultimately, we believe that sustainable procurement is not just a responsibility — it is a strategic advantage.

APPENDIX

ABOUT THIS REPORT

This Sustainability Report 2024 has been prepared by Envalior GmbH on a voluntary basis and is intended to address the information needs of our stakeholders. Looking ahead, Envalior will be subject to the reporting obligations under the EU Corporate Sustainability Reporting Directive (CSRD) and will be required to publish a sustainability statement in accordance with the European Sustainability Reporting Standards (ESRS) as part of its annual management report. As of the date of publication, CSRD Implementation Act (CSRD–UmsG) has not been implemented into German Law. This Sustainability Report represents Envalior's first step toward alignment with the ESRS. Envalior plans to continue advancing its processes and will report on sustainability performance in accordance with ESRS standards in the coming years.

This report marks Envalior's first sustainability report following the company's foundation in 2023 and covers our performance in the areas of environmental protection, social responsibility, and corporate governance. It addresses material topics identified through our stakeholder engagement and materiality assessment process. For more information, see "Double Materiality Assessment".

The report illustrates how Envalior creates long–term value for its stakeholders and how sustainability is integrated into our corporate purpose and business strategy. It directly supports Envalior's long–term success by aligning environmental, social, and governance (ESG) topics with our operations and decision–making processes.

The reporting period covered is from January 1 to December 31, 2024. This Sustainability Report was published online on September 8, 2025. More information on the scope of consolidation for sustainability reporting can be found under "Basis of Preparation".

Our Sustainability Report is published in both German and English and will be issued annually going forward. 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.

Elements of this report have been subjected to external assurance in accordance or in reference to recognized assurance standards to enhance the credibility and reliability of the information presented. Audited elements of this report are GHG emissions (Scope 1, Scope 2 and Scope 3), Total energy consumption, Total energy consumption from fossil/nuclear sources, Total energy consumption from renewable sources, Fossil/nuclear share, Renewable Share, Renewable electricity share, Total weight of air pollutants, Total hazardous waste generated, Total non–hazardous waste generated, Total weight of waste diverted from disposal, Share of waste diverted from landfill, Total water consumption and Total water recycled and reused.

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