



# For a world full of positive chemistry for all

Sustainability Report 2023 - 2024



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## About this report

This report highlights Prefere's progress and achievements in 2023 and 2024, with all data points reported for FY2023 unless stated otherwise.

**Frameworks and data selection:** This sustainability report incorporates selected elements from the European Sustainability Reporting Standards (ESRS) issued by the European Financial Reporting Advisory Group (EFRAG) and from the Sustainability Accounting Standards Board (SASB) the Chemicals Sustainability reporting standard. All data points in the Environmental (E), Social (S), and Governance (G) sections were identified as material through our single materiality assessment, with a double materiality assessment planned for 2025. Greenhouse gas (GHG) data (Scopes 1-3) is reported in accordance with the Greenhouse Gas Corporate Accounting Protocol.

**Measurement basis:** Our accounting policies have been applied consistently throughout the financial year. Calculation factors used to determine ESG data are detailed in the appendix, along with references to relevant standards.

**Consolidation:** ESG data is consolidated in line with the principles applied to our financial statements. The consolidated ESG data includes the parent company and all subsidiaries controlled by Prefere Resins. Any deviations from these principles are specified in the accounting policy and alongside the reported data points in the Environmental, Social, and Governance tables.

**Key accounting estimates and judgements:** Certain data points, such as Scope 3 emissions, require assessments and estimates. We continuously reassess these estimates based on experience, evolving ESG reporting standards, and other relevant factors. Any changes in estimates are recognized in the period they occur. Judgements are also applied in implementing accounting policies. For further details on key estimates, judgements, and assumptions, please refer to the quantitative ESG data tables.

**Threshold for restatements:** When adjustments to ESG data are made, we assess whether restatements are necessary. Any restated data will be clearly indicated.

**External review:** We plan to pursue external verification in future reports. The data presented in this report has not yet been subject to assurance.

**Forward-looking statements:**

This report may contain forward-looking information. Such information is subject to a variety of significant uncertainties, including scientific, business, economic and financial factors. Therefore, actual results may differ significantly from those presented in such forward-looking statements. Investors must not rely on this information for investment decisions.

# Preferre at a glance

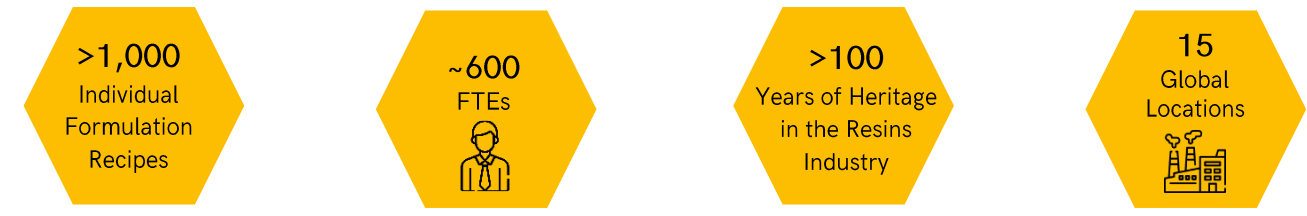
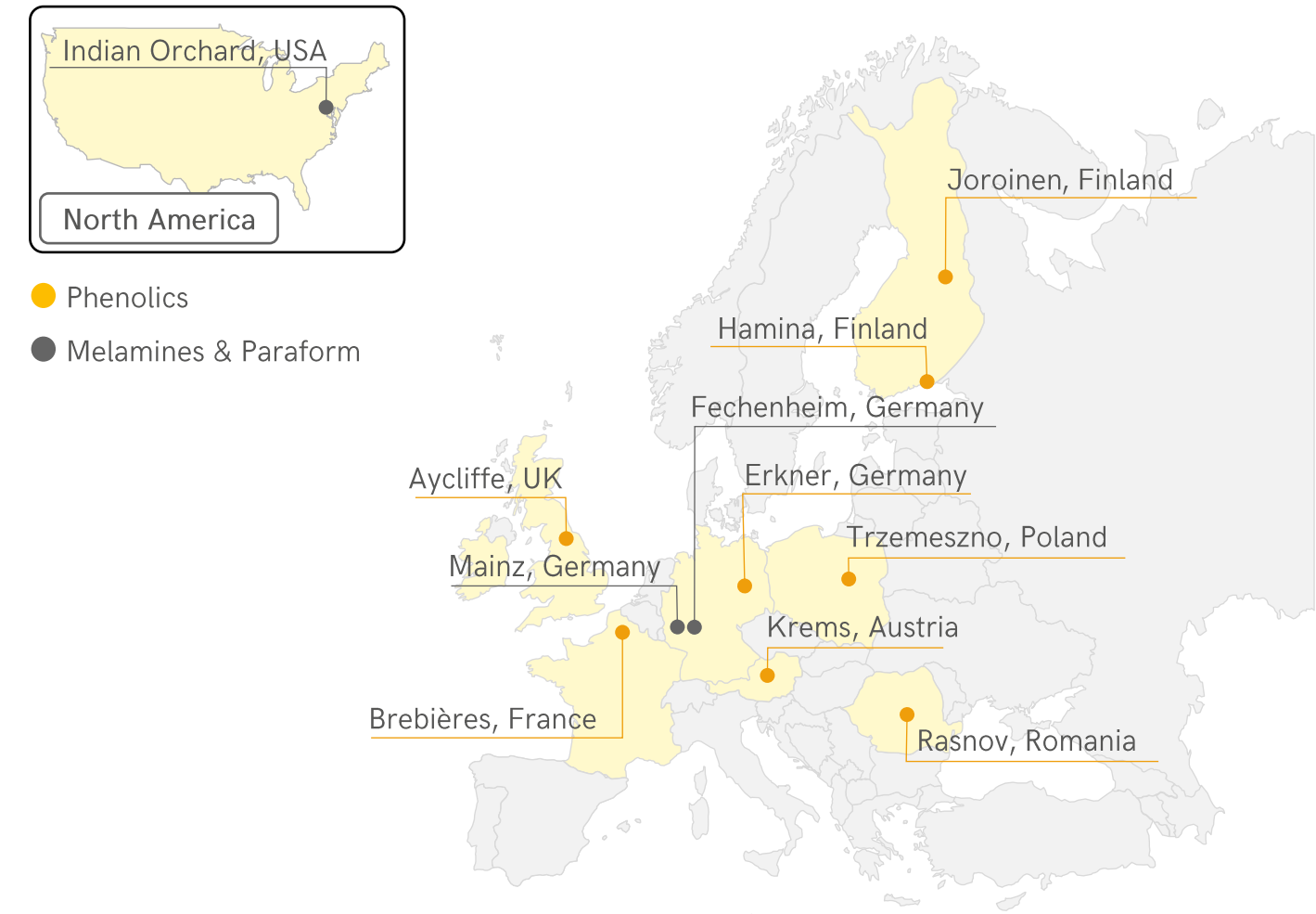
Preferre Resins is a leading manufacturer of phenolic and melamine resins, and performance materials such as formaldehyde and its derivatives. Headquartered outside of Berlin, Germany with 10 strategically located production sites and some 600 employees worldwide. The Group serves its customers through three business units: Phenolics, Melamines, and Paraform. Preferre is a leader in its market segments in Europe and North America. We serve a wide range of industries such as Construction, Insulation, Automotive and selected other industrial segments. Preferre produces on an annual basis more than 500,000t of product based on more than 1,000 customized formulations.

## Industry Leadership and Innovation

As a European leader in phenolic resin production, Preferre is at the forefront of technology-driven and bio-based solutions. The company is dedicated to enabling the development of more sustainable, lower-carbon, and bio-based resins such as lignin-phenol resins, which are made using plant-based raw materials. Complemented by low and ultra-low emission and low-bake resins, Preferre continues to lead in both traditional and innovative resin solutions.

## Organizational structure

Three customer-centered and technology-driven Business Units effectively meet the distinct needs of different market sectors. Through competent technical service and customized product development Preferre ensures to meet individual market needs and continuous improvement in all aspects of customer demand.



## Sites and Operations

Preferre operates 10 production sites across Europe (9) and the United States (1). Dedicated Research & Development laboratories are located in Germany (2), Finland (1) and Austria (1). Our footprint is supplemented by four manufacturing tolling partners in Europe and Asia.

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# Our Sustainability Approach

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Sustainability is central to Prefere’s mission of creating long-term value for both stakeholders and the environment. This section highlights our responsible innovations, sustainability achievements, and commitment to addressing global challenges.

Through *our sustainability journey*, we showcase milestones in decarbonization, resource efficiency, and stakeholder collaboration. In *creating value through sustainability*, we demonstrate how our initiatives drive economic resilience, societal well-being, and environmental stewardship.

Our *materiality assessment* ensures we prioritize the most critical risks and opportunities, while stakeholder engagement enables us to align with the expectations of customers, employees, suppliers, investors, and communities. *Megatrends impacting our business* include the demographic, economic, and environmental shifts shaping our industry and the growing need for sustainable innovation.

These elements form the foundation of our sustainability strategy, guiding our efforts to adapt, innovate, and thrive in a rapidly evolving world.

# Our key innovations

Our key innovations include advancements in specialized resin formulations and their applications across diverse industries. Prefere is developing phenol-formaldehyde resins tailored for engineered wood and laminates, offering exceptional durability and versatility. For insulation applications, we have introduced low-emission solutions that exceed stringent emission limits during both product use and processing. Glass and rock wool products further contribute to sustainability by enhancing thermal efficiency.

In industrial applications, Prefere delivers high-performance materials such as abrasives, foam, and friction products, driving innovation in heavy industries. Our melamine coating resins for automotive, can, and coil industries reflect the company's ability to meet demanding performance and sustainability standards. Cutting-edge liquid and powder resins have revolutionized tire and technical rubber manufacturing, enhancing both durability and efficiency. Additionally, Prefere's products for paint, paper, and textiles demonstrate remarkable versatility and functionality.

Our paraformaldehyde and chemical intermediates underscore our strong presence in advanced chemical manufacturing. Specialized products such as Hexamethylene tetramine (HMT) and Triallyl Cyanurate (TAC) reinforce our leadership in rubber industry solutions. Finally, the introduction of potassium/sodium cyanates and Dimethoxymethane (DMM) for machinery and healthcare applications highlights our ongoing commitment to cross-sector technical excellence.

Business Unit	Description	Applications
Phenolics	<ul style="list-style-type: none"> <li>Adhesive binder formulations mainly including phenolic (PF), melamine (MF) and urea resins (UF)</li> <li>Strong growing green resins platform</li> </ul>	 <b>Engineered Wood</b>  <b>Mineral Wool</b>  <b>Abrasives</b>  <b>Paper Impregnation</b>  <b>Phenolic Foam</b>  <b>Refractory</b>
Melamines	<ul style="list-style-type: none"> <li>Comprehensive range of melamine resins for automotive coatings, specialty industrial applications furniture and laminates</li> </ul>	 <b>Automotive</b>  <b>Can &amp; Coil</b>  <b>Laminates</b>  <b>Textile</b>  <b>Rubber &amp; Tyres</b>  <b>Paper</b>
Paraform	<ul style="list-style-type: none"> <li>Provider of merchant (para-) formaldehyde with additional capacities for captive use</li> <li>Complementary portfolio of specialty derivatives</li> </ul>	 <b>Resins &amp; Chemical Intermediates</b>  <b>Pharma</b>  <b>Rubber &amp; Tyres</b>  <b>Hygiene</b>  <b>Oil &amp; Gas</b>  <b>Construction</b>

# Sustainability distinctions

Prefere's commitment to sustainability is demonstrated by its strong performance in key industry ratings, for example, EcoVadis.

In 2023, Prefere earned a Silver Medal from EcoVadis, placing it among the top performers in its industry for sustainability. The company has also been submitting annual climate change disclosures to CDP since 2022.

These external assessments not only enhance sustainability performance but also provide valuable insights and promote transparency for both customers and investors. Prefere's active participation in these ratings underscores its dedication to strengthening ESG practices and maintaining its leadership in the industry.



## ECOVADIS

EcoVadis evaluates supplier sustainability across global supply chains. In 2023, Prefere scored 68 points on its EcoVadis scorecard, placing it in the top 10% of companies globally and earning a Silver medal.



## CDP

CDP is a not-for-profit organization that helps manage environmental impacts through global disclosures. Prefere has submitted annual climate change disclosures to CDP since 2022.



## SCIENCE-BASED TARGETS

A Science-Based Target (SBT) aligns emissions goals with climate science to limit global warming. In 2023, Prefere committed to setting an SBT to drive long-term emissions reductions.

# Our sustainability journey

## 2017-2020

### 2017

- Market launch of lignin-based resins in the phenolic resins segment, specifically for construction and engineered wood applications.

### 2018

- Silverfleet Capital becomes the new shareholder of Prefere Resins, driving further growth and innovation;
- The company establishes its first ESG benchmark, marking a commitment to sustainability.

### 2020

- Development of a lignin-based resin tailored for use in phenolic foam, representing a significant step forward in sustainable materials.

Understanding where we come from is important but understanding where we're heading is even more crucial. We've accomplished a great deal, but there's still much more to do.

## 2021-2023

### 2021

- Prefere's lignin-based resin for phenolic foam received the Brandenburg Innovation Prize.

### 2022

- Silverfleet announced the sale of Prefere to One Rock Capital Partners;
- Extended the sustainability strategy across the entire company;
- Conducted the first materiality assessment.

### 2023

- Attained the inaugural EcoVadis Sustainability rating at the Group level, earning a Silver medal;
- Submitted the first CDP Climate Change disclosure;
- Aligned GHG targets with the 1.5°C pathway and committed to setting a science-based target;
- Implemented a whistleblower hotline;
- Conducted compliance training for key positions;
- Appointed two ESG-Managers.

## 2024-2025...

### 2024

- Implemented ESG-Management Software to streamline ESG reporting processes;
- Calculated the first Group-wide Corporate Carbon Footprint;
- Provided Product Carbon Footprints for dedicated phenolic products;
- Defined Scope 1, 2 and 3 reduction targets in alignment with SBTi;
- Updated the decarbonization strategy;
- Extended compliance training to administrative employees and all new hires.
- Ramped-up a bio-based Phenol and Formaldehyde free binder for insulation applications
- Submitted a CDP disclosure, covering Climate Change, Water, Forest, Biodiversity, Plastic

### 2025

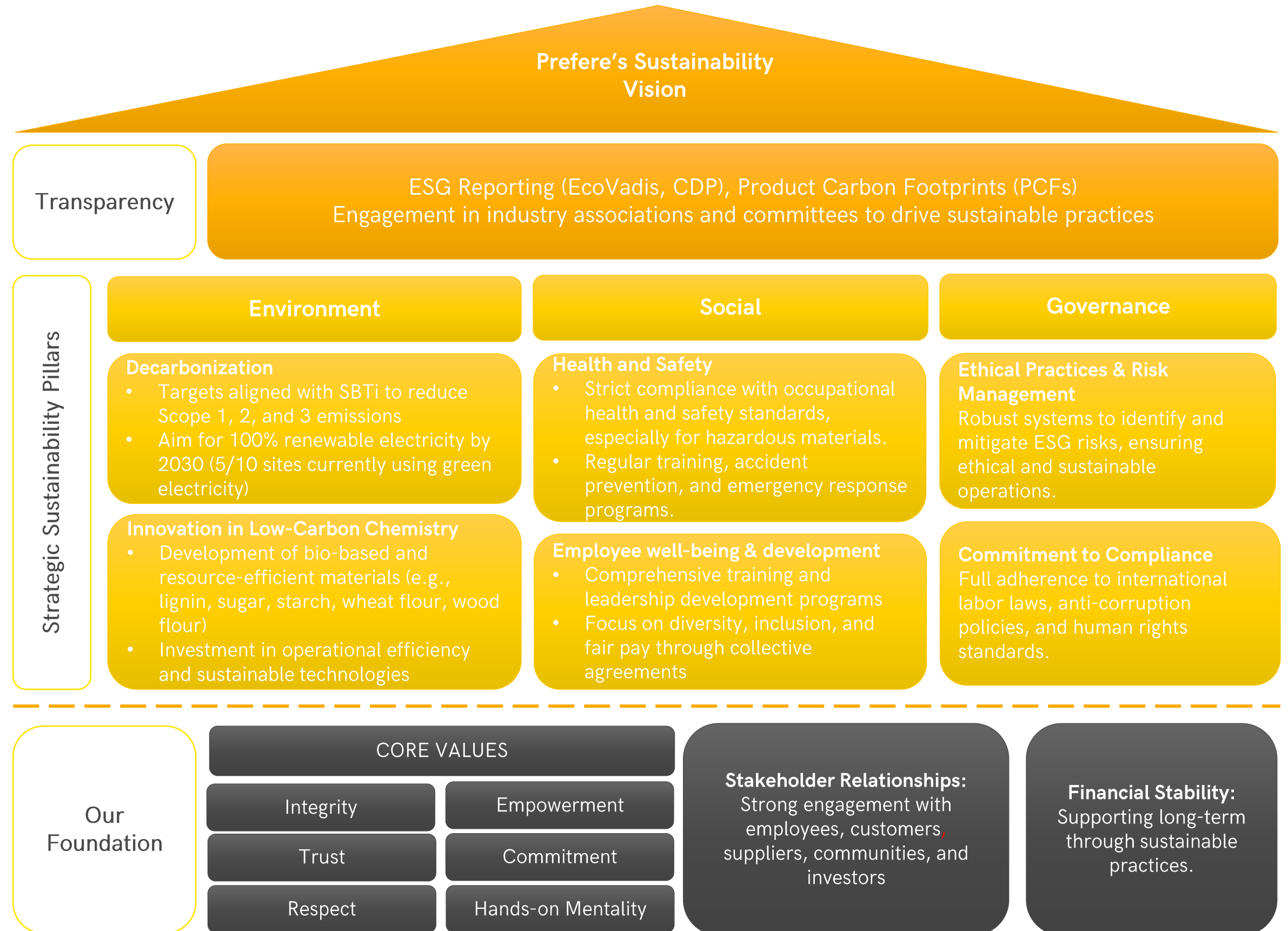
- Secure third-party verification of Product Carbon Footprint across all Prefere production sites;
- Validate science-based targets;
- Complete a double materiality assessment;
- Expand compliance training to all employees;
- Intensify supplier engagement initiatives.

# Creating value through sustainability

We place sustainability at the core of our operations by reducing our carbon footprint, innovating responsibly, and engaging with local communities. Our goal is to create measurable value for society while ensuring long-term business growth.

Our sustainability strategy addresses the key dimensions of responsible business: minimizing environmental impact, advancing social well-being, and upholding strong ethical practices. These pillars empower us to scale sustainably, ensuring that our operations positively contribute to society and the planet while building a resilient, future-ready business.

On the following pages, we detail how we identify and assess these impacts and risks through a single materiality approach. For comprehensive insights into our policies, initiatives, targets, and performance, refer to the Environment, Social, and Governance sections.



# Materiality assessment

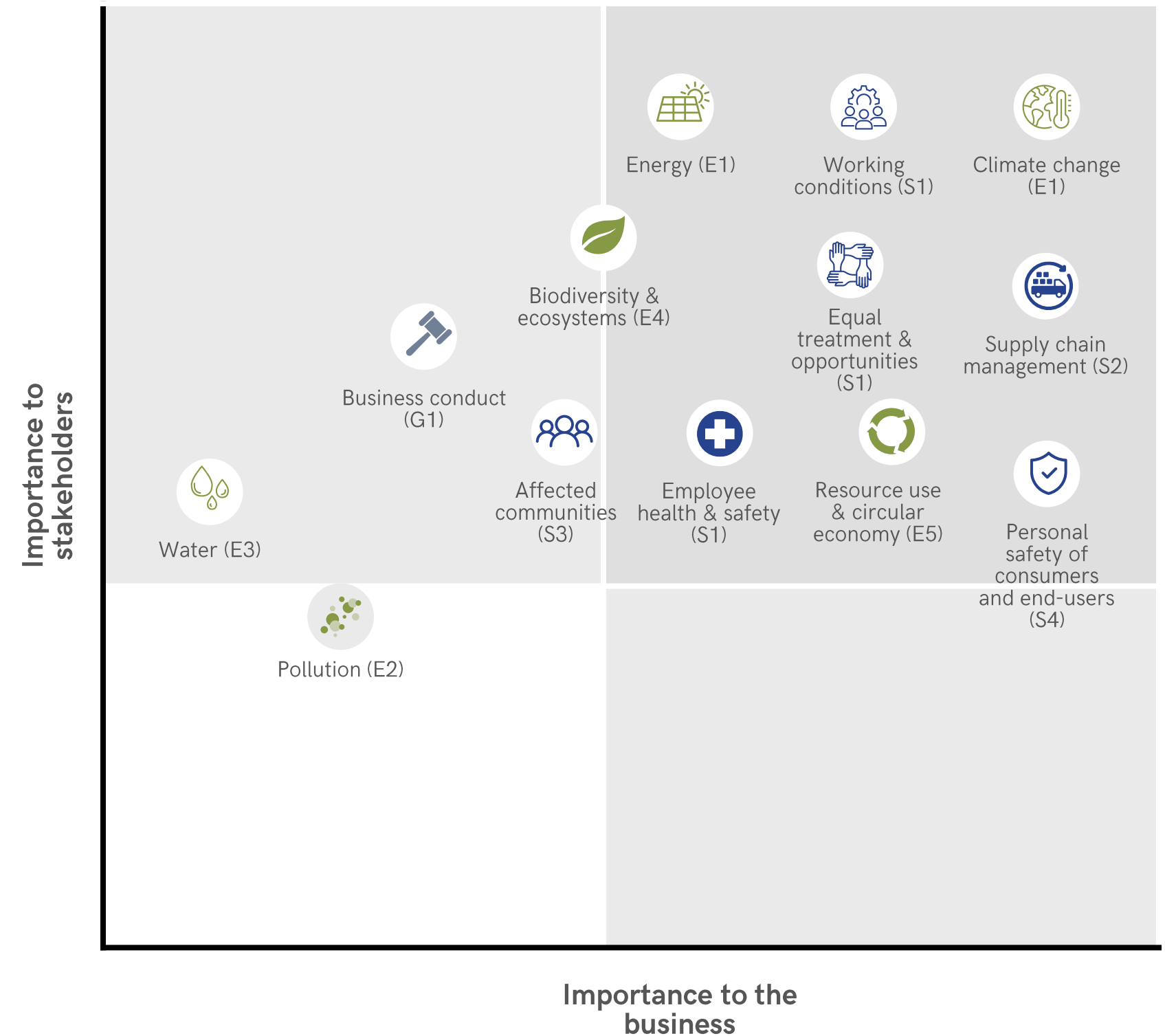
In 2022, Prefere conducted a single materiality assessment to evaluate ESG factors based on their impact on both the business and stakeholders. The process began with a desktop review of external stakeholders, including top customers and competitors, using SASB material topics (now aligned with ESRS). This helped identify key ESG issues that are most relevant to our stakeholders.

Interviews with management, employees, and investors provided valuable insights into how ESG factors affect the business, highlighting strategic priorities, operational challenges, and financial implications. By combining these external and internal perspectives, we developed a comprehensive materiality map that guides our business decisions and ESG reporting.

In 2025, in line with ESRS requirements, the company will conduct a double materiality assessment, focusing not only on how ESG issues impact the business but also on how the business affects the environment and society.

## Outcomes of the Assessment

The assessment identified the most material ESG topics for our business and stakeholders. The results, aggregated by ESRS topic, show that E1, E5, S1, S2, and S4 are our most material topics. We report on these and other less material topics in the body of this report and intend to refine our reporting to only the most material topics in future reports.



# Interests and views of stakeholders

## Key Highlights of Prefere’s Stakeholder Engagement

- 1. Transparency:** Prefere Resins ensures its corporate website is a central hub for all stakeholders to access information on products, environmental performance, and key documents, including Environmental Declarations and emergency procedures.
- 2. Industry Collaboration:** Through active participation in various industry associations, Prefere shares best practices on Environmental Health & Safety (EH&S) and stays ahead of regulatory changes that affect the industry.
- 3. Community Engagement:** Prefere engages with local communities, providing relevant safety information, and ensuring transparency on site activities and emergency response procedures.
- 4. Social Media:** The company uses LinkedIn to update stakeholders on company news, industry developments, and sustainability efforts, contributing to public awareness and engagement.

### Industry Associations we are active in:



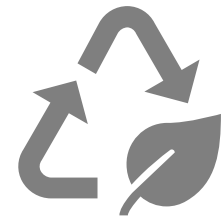
Stakeholder	Engagement Channels	Key Activities & Focus Areas
General public	Website (available in German and English), LinkedIn.	Transparency on products, processes, and environmental impact; sharing detailed environmental declarations.
Customers (Industrial)	Website, direct communication (email, phone, meetings).	Product info, sustainability and safety practices; transparency on decarbonization and innovation.
Employees	Internal communications, surveys, town hall meetings, Code of Conduct.	Employee engagement, training, diversity, and development initiatives, tariff agreements.
Industry associations	Membership in relevant industry associations and/working groups (See to logos).	Collaboration on regulatory changes, best practices, and safety in formaldehyde and melamine industries.
Local communities	Community outreach events, site visits, emergency brochures; environmental declaration.	Engagement on safety measures, environmental efforts, and local transparency.
Regulatory bodies	Regulatory reporting, task force participation, environmental declaration.	Proactive compliance and collaboration on environmental and safety regulations.
Suppliers & business partners	Supplier Code of Conduct, workshops, direct collaboration.	Responsible sourcing, ESG compliance, and fostering sustainable supply chains.
Investors & lenders	Financial reports, ESG disclosures, direct engagement.	Transparency on financial performance, ESG integration, and long-term sustainability strategies.

## Megatrends impacting Prefere

To address global challenges and stay ahead in a rapidly evolving market, Prefere Resins identifies critical areas where innovation is essential:



**Demographic pressure:** The growing global population continues to strain resources, particularly in regions like Europe, where population growth surpasses housing availability. Urbanization is accelerating in developing countries, while rural areas are regaining momentum post-COVID-19. Prefere is committed to develop low-carbon products for the construction industry that conserve resources while meeting the rising demand for housing and infrastructure.



**Sustainability:** The global shift toward limited carbon-emitting solutions is driving the adoption of bio-based raw materials and lightweight construction techniques and materials like wood. These approaches optimize resource consumption while enabling the creation of highly efficient, sustainable buildings that align with environmental objectives.



**Resource protection:** Is guiding our strategic initiatives and operational practices. As a chemical company, we are dedicated to safeguarding natural resources through innovative solutions. We intend to achieve by implementing cutting-edge technologies, optimizing our production processes, and collaborating closely with our suppliers and stakeholders.



**Premium innovation:** Industries are rapidly advancing technologically, converging toward more innovative and premium solutions. This trend reflects a growing preference for qualitative, cost-effective products with longer lifespans. Prefere is committed to driving innovation and offering premium solutions that meet evolving customer, and market demands while signaling its dedication to sustainable development goals (SDGs) and the global 2030 agenda.

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# Climate change

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Climate change is a material topic for Prefere due to its significant impacts on both our production processes and supply chain. As a leading manufacturer of phenolic and specialty resins, our operations are energy-intensive and reliant on raw materials that may be affected by climate change, resource scarcity, and extreme weather events. These impacts pose risks, including disruptions to our supply chain, increased costs for energy and materials, and heightened regulatory pressures as governments strengthen climate-related policies.

However, addressing climate change also presents valuable opportunities. By reducing our carbon footprint, improving energy efficiency, and transitioning to more sustainable raw materials, we not only mitigate climate risks but also unlock potential for innovation and long-term competitiveness. Proactively managing climate-related impacts allows us to stay ahead of regulatory requirements and meet the growing expectations of stakeholders—investors, customers, and communities—who are increasingly prioritizing sustainability. In doing so, we contribute to global efforts in climate mitigation while positioning Prefere as a leader in sustainable manufacturing practices.

# Climate scenario analysis

## Physical Climate Risk Assessment

Prefere conducted a comprehensive physical climate risk assessment across its sites, using flood maps, regional risk management plans, and internal evaluations. The assessment concluded that Prefere faces a low overall risk of natural hazards, with one exception: the Hamina site in Finland, which has a potential risk of coastal flooding.

This risk was identified through Finnish Environmental Administration flood maps and regional flood risk management plans. However, proactive mitigation measures have been implemented, including an internal flood risk assessment, a detailed emergency plan, and an insurance risk report confirming low risk, citing no significant flooding history

This high-level assessment of the sites' exposure to natural hazards was derived from general risk maps available online, including thinkhazard.org (2020), Pagani et al. (2018): Global Seismic Hazard Map, NASA Coastal Flood Risk Scenarios (2007), EU Copernicus Global River Flood Risk Forecasting (2020), and DTU Global Wind Atlas (2019). Thus, the general risks may not apply to specific site locations and conditions.

## Climate Change Scenario Analysis

Prefere also conducted a scenario analysis to evaluate climate-related risks and opportunities using three distinct pathways:

Scenario	IEA Net Zero Emissions (NZE) 2050	IEA Sustainable Development Scenario (STEPS)	RCP8.5 (Business-as-Usual)
<b>Temperature Alignment</b>	1.5°C or lower	2.0°C to 2.4°C	4.0°C and above
<b>Focus</b>	Transition risks, including policy shifts, renewable energy adoption, and decarbonization.	Balanced energy transition with renewables, natural gas, and nuclear energy supported by policy and innovation.	Acute and chronic physical risks from high emissions, including extreme weather and biodiversity loss.
<b>Outcome</b>	Investments in renewable energy and clean technologies are essential to align operations with net-zero goals by 2050.	Prefere could achieve emissions reductions while maintaining economic growth by enhancing energy efficiency and leveraging cleaner technologies.	Highlights the urgency for climate adaptation strategies to mitigate severe disruptions to operations and supply chains.

## Outcomes of Scenario Analysis

The implications of the IEA Net Zero Scenario would require substantial investments in renewable energy and innovative technologies to achieve net-zero emissions by 2050, requiring Prefere to adapt our production processes and supply chains significantly. In the IEA Sustainable Development Scenario (STEPS), Prefere would need to balance operational efficiency with sustainability goals, potentially leveraging cleaner technologies (e.g., bio-based raw materials) while ensuring compliance with evolving regulations. Lastly, operating under the RCP8.5 scenario could expose Prefere to severe climate-related disruptions, including extreme weather events and resource shortages, underscoring the urgency for proactive risk management and adaptation strategies to mitigate potential damages and ensure long-term viability.

# Decarbonization of our operations and value chain

Prefere's decarbonization strategy outlines a comprehensive approach to reduce the company's carbon footprint, increasing the use of bio-based raw materials, and improving product recyclability. This strategy addresses critical environmental impacts while reinforcing Prefere's commitment to sustainability.

By targeting carbon emissions, transitioning to bio-based alternatives, and enhancing recyclability, Prefere aims to meet regulatory requirements, respond to market demand for more sustainable products, and support customers in achieving their decarbonization goals. This proactive approach not only mitigates climate change but also positions Prefere as an industry leader, fostering innovation and creating long-term value.

## Material Impacts, Risks and Opportunities:

- **Material Impacts:** Climate change challenges Prefere's operations, necessitating investments in renewable energy, decarbonization technologies, and resilient supply chains to mitigate physical and transition impacts.
- **Risks:** Transition risks include regulatory and financial challenges, while physical risks such as extreme weather and resource disruptions could impact operations and supply chains.
- **Opportunities:** Transitioning to renewable energy, adopting cleaner technologies, and improving recyclability can enhance operational efficiency, resilience, and stakeholder trust.

## Policies and Approach:

- **Environmental Policy:** Prefere is committed to minimize its environmental impact through reduced emissions, resource conservation, and responsible waste management. Sustainable practices are integrated across the value chain, focusing on responsible sourcing, energy efficiency, and product lifecycle management to support a low-carbon future. Continuous improvement, innovation, and adherence to environmental standards drive the company's commitment to sustainability and transparency.
- **Reduce Carbon Footprint:** Prefere has set ambitious decarbonization targets for Scope 1, 2, and 3 emissions, aligned with the Science Based Targets initiative (SBTi) methodology, to lower its carbon footprint across all operations.
- **Increase Bio-Based Raw Materials:** Prefere is transitioning to bio-based alternatives to reduce dependency on fossil-based materials. Collaboration with suppliers to gather Life Cycle Assessments (LCAs) and Product Carbon Footprints (PCFs) ensures informed decision-making and measurable progress.
- **Enable Customers and End-Users:** Prefere provides solutions that enhance recyclability and reduce carbon footprints for customers. This includes products supporting mechanical recycling, biological degradation, feedstock recycling, and energy recovery. The company calculates product-level carbon footprints to promote transparency, accountability, and continuous improvement.

# Greenhouse gas emissions

Greenhouse gas (GHG) emissions (tCO <sub>2</sub> e)	2023	2022	2021
Direct GHG emissions (Scope 1)	34,580	36,654	39,257
Location-based indirect GHG emissions (Scope 2)	42,242	47,938	51,739
Market-based indirect GHG emissions (Scope 2)	39,908	44,765	51,789
Market - based indirect GHG emissions in the value chain from material categories (Scope 3)	1,040,327	---	---
1 Purchased goods and services	486,140	---	---
2 Capital goods	1,453	---	---
3 Fuel and energy-related activities	9,272	---	---
4 Upstream transportation and distribution	35,523	---	---
5 Waste generated in operations	13,097	---	---
6 Business travel	1,069	---	---
7 Employee commuting	1,093	---	---
9 Downstream transportation and distribution	3,711	---	---
10 Process of sold products	143,877	---	---
12 End-of-life treatment of sold products	345,093	---	---
<b>Location-based total GHG emissions</b>	<b>1,115,361</b>	---	---
<b>Market-based total GHG emissions</b>	<b>1,114,815</b>	---	---

GHG intensity (market-based) tCO <sub>2</sub> e / €	2023	2022	2021
GHG intensity based on turnover, Scopes 1 and 2	0.00015	0.00013	0.00019
GHG intensity based on turnover, Scopes 1, 2 and 3	0.0023	---	---

GHG emissions by business unit, 2023	Phenolics	Melamines	Paraform
GHG emissions (Scope 1 and 2 market-based), tCO <sub>2</sub> e	17,894	38,092	18,502
GHG intensity based on turnover (Scope 1 and 2), tCO <sub>2</sub> e / €	0.00006	0.00030	0.00031
GHG intensity based on turnover (Scope 1, 2 and 3), tCO <sub>2</sub> e / €	0.0023	---	---

**Scope 1:** Prefere reduced Scope 1 GHG emissions by 8% from 2022 to 2023, primarily due to a 3.4% decrease in natural gas consumption, which accounted for 63% of total Scope 1 emissions..

**Scope 2 (location-based):** Location-based emissions decreased by 13% from 2022 to 2023, driven by the use of purchased steam at the Prefere Paraform Formaldehyde plant.

**Scope 2 (market-based):** Market-based emissions reflect that 66% of purchased electricity is certified green power, resulting in 5,887 t CO<sub>2</sub>e from electricity and 33,977 t CO<sub>2</sub>e from steam consumption.

**Scope 3:** Scope 3 emissions were assessed across all relevant categories for the first time in 2023. Comparative data is not yet available, with the first comparison planned for 2024 as part of the updated Corporate Carbon Footprint.

**Emissions beyond scope 1-3:** Prefere plans to calculate embodied carbon and biogenic carbon emissions, with further assessments planned for the future.

**GHG intensity:** GHG intensity is measured based on annual revenue by business unit. While Scope 1 and 2 intensity saw a slight increase, overall GHG emissions intensity was calculated initially in 2023, serving as a basis for further comparisons.

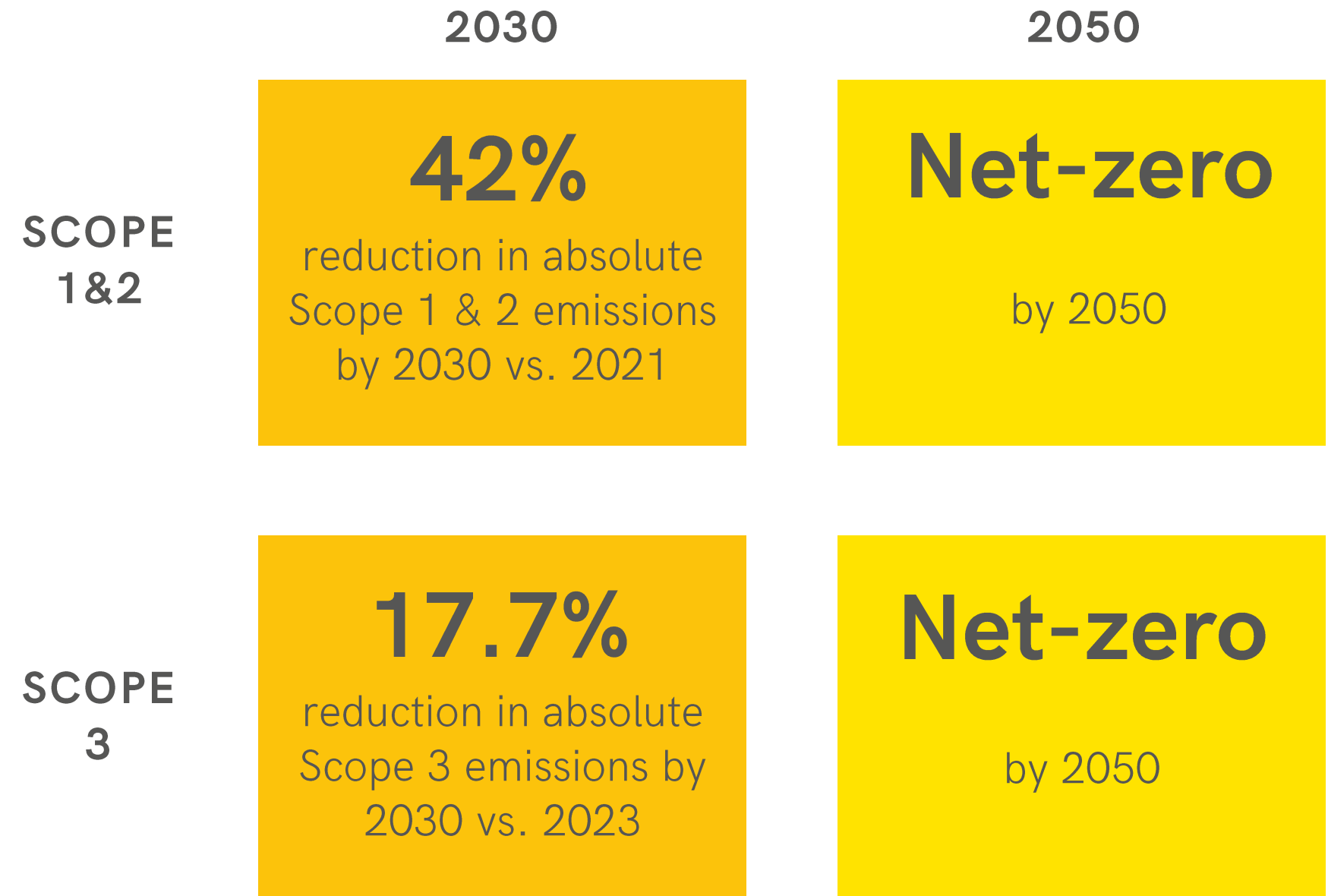
# Decarbonization targets

Prefere has committed to ambitious decarbonization goals aligned with the Science Based Targets initiative (SBTi):

- **2030:** A 42% absolute reduction in Scope 1 and 2 emissions from 2021 levels. Scope 3 emissions are intended to be reduced by 17,7 % based on 2023 emission level, covering 67% of Scope 3.
- **2050:** At least a 90% reduction of Scope 1 and 2 from 2021 levels and Scope 3 from 2023 level, with provisions for compensating any residual emissions in line with Net-Zero target definitions.

All targets are absolute, adhering to the SBTi methodology. They are based on market-based emissions calculations, incorporating green energy certificates. The baseline year for Scope 1 and 2 emissions is 2021, while Scope 3 targets use 2023 as the reference year. Prefere does not offset emissions through bio-based materials, ensuring that volume growth is met with higher reduction rates to achieve absolute targets.

The next step is to secure formal approval of these targets from the SBTi setting up a detailed reduction roadmap.



# Decarbonization roadmap

Preferre is pursuing a comprehensive decarbonization strategy through four key levers.

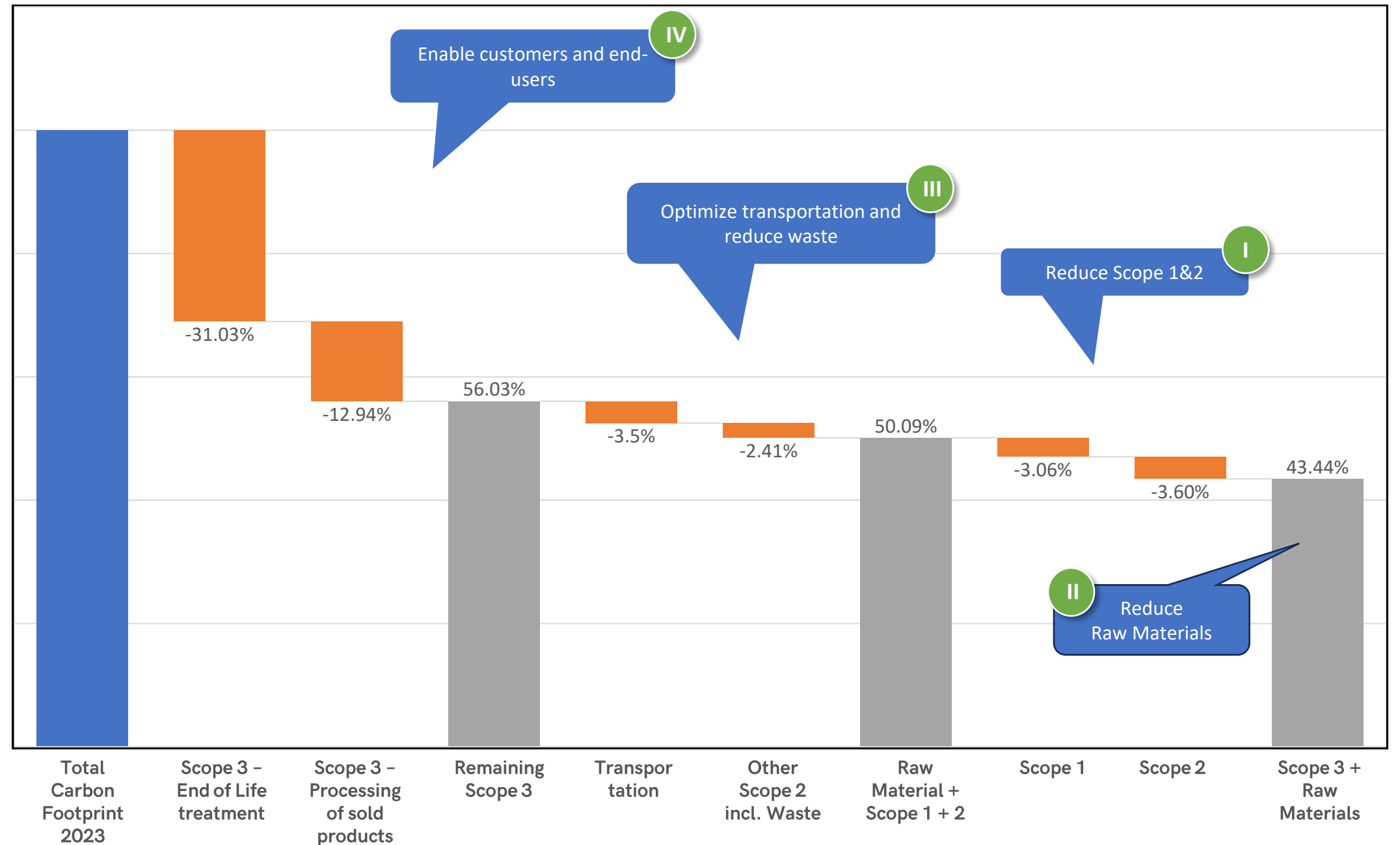
**Lever I: Reduce Scope 1 & 2 emissions** focuses on implementing a clear roadmap to reduce direct and indirect emissions, including the use of hydrogen (H<sub>2</sub>) and renewable energy.

**Lever II: Reduce Raw Materials** aims to lower the carbon footprint by using carbon-reduced and bio-based raw materials as they become available.

**Lever III: Optimize Transport & Reduce Waste** involves a range of initiatives, such as local sourcing, the use of electric trucks, and ensuring trucks are fully loaded to avoid empty runs, thereby cutting emissions.

**Lever IV: Enable Customers and End-Users** supports customers in reducing their processing-related carbon footprints by creating products that improve recyclability and promote re-use in other applications.

Scope 1, 2 and 3 reduction Roadmap until 2030



# Decarbonization levers

## Lever I: Scope 1 & 2 Reduction Roadmap

targets significant emissions reductions while supporting production growth. Energy use will be reduced with LED lighting, installation of power heat coupling and electric vehicles (EVs) across all sites. In addition steam system insulation in Erkner and utilization of energy-efficient thermal oil systems in Aycliffe will lead to further savings. Frankfurt will also implement solar energy and convert Formaldehyde off-gas to steam. Phenolics production sites will reduce natural gas and plan adoption of green steam by 2026.

For Scope 2, Prefere will increase the share of green electricity and green steam. For key sites like Frankfurt and Mainz hydrogen supply is planned. Installation of steam storage in Hamina, which is currently investigated, will drive further emissions reductions.

## Lever II: Reduce the carbon footprint of raw materials

, which account for 71% of Scope 3 Category 1 emissions. The strategy includes working with suppliers to provide LCAs and PCFs, prioritizing low-carbon commodities and shifting to suppliers with the lowest PCF.

For Methanol, blue methanol and carbon capture technologies will reduce emissions. For Melamine we will transition to gas-based where still produced from coal-based by 2025 and to blue melamine on longer term, with bio-based melamine cutting emissions by 38% by 2031.

Bio-phenol and lignin will replace fossil-based phenol, with lignin substituting up to 65 - 70% Phenol in some applications (Plywood and LVL).

Other bio-based materials, like dextrose, starch, tannin, and bio-based solvents, will further lower emissions.

## Lever III: Optimizing Transport and Reduce Waste

Since August 2023, Prefere has saved 1,835 tons of water and €370k by reducing wastewater through its recently introduced saccharification process. The company also re-works off-spec batches to improve yield and has introduced recycled packaging materials (IBC Erkner since September 2023, with a test in Frankfurt started September 2024).

For logistics, emissions are reduced by optimizing transport through bulk options like rail and barge and avoiding empty truck runs. Green logistics will become a requirement in the RFQ process. If capital good need to be replaced, Prefere will go with most efficient equipment. Additionally, we are supporting public transport (Deutschland ticket) or job bike (Mainz and Frankfurt) for commutes to work. We aim to minimize business travel and foster choosing most efficient means of transport by our business travel policy.

## Lever IV: Enabling Customers and End-Users

focuses on improving the entire lifecycle of Prefere's products, incorporating biogenic carbon as a carbon sink to reduce reliance on compensation measures. The company helps end-users to save energy and to use low-carbon materials like engineered wood or insulation material.

For customers, Prefere drives process and product innovations, such as low-bake and low-VOC resins, reduced hardening times for phenolic resins, and bio-based raw materials that enable recycling.

Additionally, Prefere works to improve the recyclability of products containing its resins and is refining the modeling of Scope 3 Categories 10 and 12 to create a more accurate corporate carbon footprint which is today based on worst case assumption for named categories.

# Energy Consumption

## Towards renewable energy:

Energy consumption data covers all Prefere Resins production sites and shows a significant decrease in total energy consumption from 2021 to 2023, driven by a notable reduction in fossil energy use. Renewable energy consumption fluctuated during this period, peaking in 2022, while its share of total energy consumption increased slightly over the years.

Currently, five of Prefere's ten production sites (Erkner, Mainz, Hamina, Joroinen, and Aycliffe) use renewable electricity, representing 66% of the total purchased electricity. This shift underscores Prefere's commitment to cleaner energy solutions.

Looking ahead, Prefere aims to achieve 100% renewable electricity consumption across all sites, further advancing towards its sustainability goals.

Total Energy Consumption	Unit	2023	2022	2021
<b>Total energy consumption</b>	<b>MWh</b>	<b>218,346</b>	<b>238,788</b>	<b>237,837</b>
Share of renewable sources in total energy consumption	%	10	11	9
<b>Purchased Electricity</b>	<b>MWh</b>	<b>33,191</b>	<b>37,318</b>	<b>37,513</b>
Fossil-based	MWh	11,121	11,003	16,554
Renewable	MWh	22,070	26,315	20,958
Share of purchased renewable electricity	%	66	71	56
Fuel Consumption	Unit	2023	2022	2021
Crude oil and petroleum products	MWh	962	978	1,110
Natural gas	MWh	106,850	110,906	114,694



# Environmental Risk Assessment & Management

Prefere has established robust risk assessment and management systems to identify, evaluate, and mitigate environmental risks across its operations. These systems systematically address potential impacts, ensuring sustainable practices, regulatory compliance, and continuous improvement.

## Environmental Risk Assessment

Prefere follows a structured process to effectively manage environmental risks, including:

- **Identifying Environmental Aspects:** Recognizing potential environmental impacts from site activities through systematic risk assessments.
- **Assessing Significance:** Evaluating the likelihood and consequences of each potential impact.
- **Implementing Control Measures:** Introducing mitigation measures to reduce significant risks.
- **Documentation and Review:** Maintaining thorough records and conducting regular reviews to ensure ongoing compliance and adaptability.

## Environmental Management Systems

Prefere has implemented comprehensive environmental management systems certified to the globally recognized ISO 14001:2015 standard, ensuring effective management of environmental impacts throughout its operations. The certification covers activities such as the development, production, processing, and marketing of synthetic resins and adhesives, as well as formaldehyde production.

In addition, Prefere Resins Germany GmbH holds the EMAS III certification, highlighting its dedication to continuous improvement in environmental performance, legal compliance, and transparent reporting.

These standards are applied consistently across Prefere's locations, including facilities in Germany, France, the UK, Finland, Poland, and Romania. This unified and rigorous approach enables Prefere to meet and exceed environmental regulations, minimize its environmental footprint, and drive sustainable performance improvements across its global operations.

Certification	Quality Management System	Environmental Management System	Health and Safety Management System	Energy Management System	
	ISO 9001	ISO 14001	EMAS	ISO 45001	ISO 50001
Phenolics, Erkner, Germany	✓	✓	✓		✓
Melamines, Frankfurt, Germany	✓	✓			✓
Paraform, Mainz, Germany	✓	✓			✓
Phenolics, Hamina, Finland	✓	✓		✓	
Phenolics, Joroinen, Finland	✓	✓		✓	
Phenolicsc, Brebières, France	✓	✓			
Phenolics, Trzemeszno, Poland	✓	✓		✓	
Ühenolics, Ransnov, Romania	✓	✓			
Phenolics, Newton Aycliffe, UK	✓	✓		✓	
Melamines, Indian Orchard, USA	✓				



# Air pollution

Prefere is dedicated to maintaining environmentally responsible operations by leveraging advanced technologies and comprehensive programs to monitor air quality, noise, and to minimize emissions. These efforts ensure compliance with regulations while safeguarding the health and well-being of employees, communities, and the environment.

## Material Impacts, Risks and Opportunities

- **Impacts:** Prefere’s operations affect air quality, noise levels, and particulate emissions, requiring robust mitigation measures to minimize environmental and community impacts.
- **Risks:** Failure to address air pollution, noise, and other emissions could result in regulatory non-compliance, reputational damage, and health risks for employees and nearby residents.
- **Opportunities:** Adopting advanced technologies and proactive environmental strategies can improve operational efficiency and safety, foster stronger community relations, and position Prefere as a sustainability leader.

## Commitments and Targets

- **Goal:** Prefere is committed to reducing its environmental footprint by managing emissions, noise, and pollutants proactively while ensuring compliance and supporting community well-being.
- **Target:** Starting in 2025, Prefere will set group-wide targets to reduce air pollution and drive meaningful progress.

## Key Measures

Prefere sets high environmental standards. In alignment with our environmental permits and country regulations, we consistently monitor air quality parameters and ensure full compliance, contributing to a healthier environment and sustainable operations:

- **Air Quality Monitoring:** Regular analysis of pollutants such as particulate matter, NOx, and VOCs ensures employees wellbeing and compliance with environmental regulations while minimizing risks to surrounding communities.
- **Leak Detection and Repair (LDAR):** A proactive LDAR program identifies and addresses leaks of hazardous air pollutants, reducing fugitive emissions and supporting environmental stewardship.
- **Noise Management:** Periodic noise measurements at site boundaries guide the use of noise barriers, equipment enclosures, low-noise machinery, and regular maintenance to mitigate noise pollution.
- **Dust and Particulate Matter Reduction:** Advanced dust collection systems, wet scrubbers, enclosed conveyors, and strict housekeeping practices minimize emissions and protect employer and nearby communities.
- **Additional Emissions Mitigation:** Measures include odor control technologies, vibration reduction, and strategies to mitigate impacts on local roads and lighting.

Through rigorous monitoring, advanced technologies, and proactive mitigation strategies, Prefere underscores its commitment to sustainable and responsible operations.

# Air and water pollution metrics

## Environmental Permits and Compliance

All Prefere production units hold valid environmental permits, operate using best available techniques, and are continuously monitored to ensure compliance with regulatory requirements.

## Reporting Principles for Metrics

- **Emissions to Air and Water:** Metrics are based on material emissions reported by production sites and submitted to relevant authorities.
  - **Water Emissions:** Calculated using flow rates and concentrations.
  - **Air Emissions:** Determined through a combination of continuous monitoring and periodic measurements, with final calculations based on airflow volumes and pollutant concentrations.
- **Coverage:**
  - Air emissions are reported for all production sites except Rasnov (Romania) and Indian Orchard (USA).
  - Water pollution is accounted for all relevant production sites, where sites need to report those metrics to the authorities.

These 2023 measurements will serve as a baseline for future reporting and tracking progress over time. Prefere plans to enhance reporting to provide a comprehensive overview across all locations.

Pollution to air in t/a	2023
NO <sub>x</sub>	45.8
H <sub>2</sub>	0.5
Ammonia	4.8
Total Organic Carbon (TOC)	0.2
Volatile Organic Carbon (VOC)	28.4
Dust /Particle Matters	1.0

Pollution to water in t/a	2023
Chemical Oxygen Demand (COD)	221.7
Biological Oxygen demand (BOD)	0.5

# Water management

Water is a critical resource for Prefere's operations, and the company acknowledges both the risks and opportunities associated with its use, including potential scarcity, regulatory challenges, and operational continuity. Prefere has established a comprehensive water management framework centered on sustainability and efficiency to address these challenges.

## Material Impacts, Risks and Opportunities

- **Impacts:** Prefere's water management practices prioritize reducing water consumption and preventing environmental contamination, ensuring regulatory compliance and supporting sustainability goals.
- **Risks:** Water-related risks such as scarcity, flooding, high temperature and quality issues could result in regulatory fines, operational disruptions, and higher costs.
- **Opportunities:** Investments in advanced water treatment and efficient cooling systems can enhance resource efficiency, mitigate water stress, and align with long-term sustainability objectives.

## Commitments and Targets

- **Goal:** Prefere is committed to sustainable water management practices to minimize environmental impact and ensure the efficient use of water resources.
- **Target:** By 2025, Prefere aims to establish group-wide targets for water consumption, reuse, and pollution reduction, driving meaningful environmental progress.

## Key Measures

Prefere employs a range of measures to manage water use and address water-related risks. This includes on-site and off-site wastewater treatment, innovative cooling systems, and detailed water stress assessments to ensure sustainable operations while minimizing environmental impact.

### Wastewater Treatment:

- **On-Site Treatment:** At the Rasnov site, advanced filtration and biological treatment processes ensure wastewater meets strict environmental standards before discharge.
- **Off-Site Treatment:** Wastewater is transported to specialized municipal treatment facilities for further processing, ensuring compliance with local regulations.
- **Closed water circulation:** The Hamina site operates a fully closed-loop water system, meaning no wastewater from production is discharged externally. This demonstrates a high level of commitment to water conservation, with only sanitary wastewater sent to external treatment plants.
- **Efficient Cooling Systems:** Prefere has implemented closed-loop cooling systems that utilize freshwater to cool reactors without contamination. These systems dynamically adjust water usage based on production needs and water temperature, optimizing efficiency and conservation while protecting local water sources.
- **Water Stress Assessments:** Prefere conducts comprehensive assessments of water stress exposure across its sites. These evaluations analyze risks related to water scarcity, flooding, water quality, and ecosystem services. By identifying potential risks, Prefere proactively implements mitigation measures to strengthen long-term water resource management.

# Water metrics

## Reporting Principles for Water Metrics

Water withdrawals encompass the extraction of drinking and cooling water across all production sites. To improve accuracy, we are actively enhancing our data acquisition processes to better quantify all streams and the evaporated amount from the cooling water system. For this report Prefere discloses the total withdrawals and discharges without considering the evaporated amount to be able to view the whole picture of the total withdrawals.

Water stress levels have been assessed for all locations using the WWF Risk Filter, which evaluates geographical factors and water consumption patterns. To improve the accuracy and reliability of these assessments, Prefere intends to integrate more detailed operational data in future evaluations. For the purposes of this report, sites classified as having medium to high, high, or extremely high-water stress levels are included in the calculations for areas of water stress.

Water consumption per site in m <sup>3</sup>	Water Stress area	2023
Melamines, Frankfurt, Germany	high	7,229
Melamines, Indian Orchard, USA	low to medium	0
Paraform, Mainz, Germany	low	252,088
Phenolics, Newton Aycliffe, UK	low to medium	24,693
Phenolics, Brebières, France	extremely high	1,120
Phenolics, Erkner Germany	high	68,350
Phenolics, Hamina, Finland	low	89,294
Phenolics, Joroinen, Finland	low	29
Phenolics, Rasnov, Romania	high	10,793
Phenolics, Trzemeszno, Poland	medium to high	6,838
<b>Total</b>		<b>460,433</b>

Water withdrawals in m <sup>3</sup>	2023
Surface Water	15,055,502
Collected Storm Water	64,376
Ground Water	662,648
<b>Total</b>	<b>15,782,526</b>

Water withdrawals in areas of water stress in m <sup>3</sup>	2023
Surface Water	6,801,598
Collected Storm Water	63,676
Ground Water	107,984
<b>Total</b>	<b>6,973,258</b>

Discharges in m <sup>3</sup>	2023
Waste Water discharges	1,254,572
Waste Water discharges in areas of water stress	24,458
Returned surface water	13,632,034
Returned surface water in areas of water stress	6,785,532

# Resource use & circular economy

## Waste and Hazardous Materials Management

Prefere is committed to sustainable waste and hazardous materials management by integrating circular economy principles, minimizing waste generation, and reducing hazardous substance use. The company employs advanced treatment technologies, material reuse strategies, strict handling protocols, and employee engagement to mitigate environmental impact and to ensure regulatory compliance.

## Material Impacts, Risks and Opportunities

- **Impacts:** Prefere’s waste and material management efforts focus on reducing waste, optimizing raw material use, minimizing environmental contamination, and protecting surrounding communities.
- **Risks:** Non-compliance, improper waste handling, or mismanagement of hazardous substances could result in legal challenges, fines, environmental harm, and reputational damage as well as additional costs through waste disposal.
- **Opportunities:** Investing in sustainable materials, advanced waste management technologies, and employee training enhances operational efficiency, supports circular economy objectives, and strengthens Prefere’s leadership in sustainability.

## Commitments and Targets

- **Goal:** Minimize environmental impact through responsible waste and hazardous materials management.
- **Target:** By end of 2025, Prefere will assess the feasibility of establishing group-wide waste reduction targets for both hazardous and non-hazardous waste. Additionally, Prefere aims to increase the use of recycled and less toxic alternatives compared to 2023 levels.

## Key Management Strategies

- **Material Reuse and Recovery:**
  - Recovering solvents and chemicals for reuse in production, reducing raw material consumption and waste.
  - Sorting and segregating materials such as plastics, metals, and paper for recycling and recovery while repurposing waste into inputs for other industries e.g. construction and agriculture.
  - Composting or utilizing organic waste for energy recovery to minimize landfill use.
- **Advanced Treatment and Containment:**
  - Implementing filtration and treatment systems to remove hazardous substances from wastewater, ensuring compliance with environmental regulations before discharge.
  - Utilizing double-walled storage tanks, secondary containment structures, and routine monitoring to prevent spills and leaks during hazardous material handling.
  - Enhanced and correctly sorted waste disposal for better reuse
- **Training and Awareness:**
  - Conducting regular training programs to educate employees on waste reduction, sorting practices, and proper handling of hazardous materials.
  - Hosting workshops and seminars to introduce best practices and emerging technologies in waste and hazardous substance management.
  - Promoting awareness through newsletters and internal communication platforms.

Prefere’s integrated approach effectively minimizes waste, mitigates risks associated with hazardous materials, and advances the transition towards a more circular and sustainable economy. By leveraging technology, employee engagement, and strict regulatory compliance, the company ensures long-term environmental stewardship and operational resilience.

## Resource use & circular economy

Prefere Resins integrates sustainable innovation into its resource use and circular economy strategies, leveraging dedicated research and development (R&D) capabilities to create environmentally responsible products and processes.

### Focus Areas in Sustainable Product Development

Prefere's R&D efforts prioritize:

- **Bio-Based Materials:** The company actively investigates replacing fossil-based raw materials with bio-based alternatives, such as lignin as a substitute for phenol.
- **Resource Efficiency:** R&D initiatives aim to develop products and processes that minimize resource consumption, reducing the environmental footprint.

### Collaborative Approach

Prefere emphasizes partnerships to advance sustainable solutions:

- **Engagement with Suppliers and Startups:** Collaboration with small and local suppliers, as well as startups, supports the development of innovative and sustainable materials through pilot projects.
- **Industry Participation:** Prefere contributes to industry-wide initiatives focused on advancing bio-methanol and bio-melamine production.

### Key Management Strategies

#### Lignin Phenol Resins (LPF):

LPF resins replace fossil-based phenol with lignin, a renewable byproduct of paper mills, significantly reducing carbon footprints. Prefere has achieved a 50% phenol substitution and is conducting trials targeting 65-70% substitution for expanded applications such as mineral wool, foundry, and foam. LPF resins support customers in meeting their carbon reduction targets, fostering strategic partnerships.

#### Pathway to Fossil-Free Resins:

Prefere is poised to produce fossil-free resins made from lignin, bio-phenol, and bio-methanol once bio-phenol and bio-methanol become more readily available. Efforts are underway to expand the bio-based raw materials portfolio, aligning with the company's commitment to sustainability. Upon customer request and in close cooperation with suppliers we will conduct an ISCC+ certification.

#### Bio-Based Binders:

Prefere is developing bio-based binder systems to meet customer demand for sustainable raw materials that enhance recyclability and reduce Product Carbon Footprint. The company has identified a wide range of bio-based raw materials, including bio-based solvents, alcohols, waxes, oils, and carbohydrates like dextrose and starch. Projects are underway to formulate and test these alternatives, with some bio-based binders designed to be formaldehyde- and/or phenol-free.

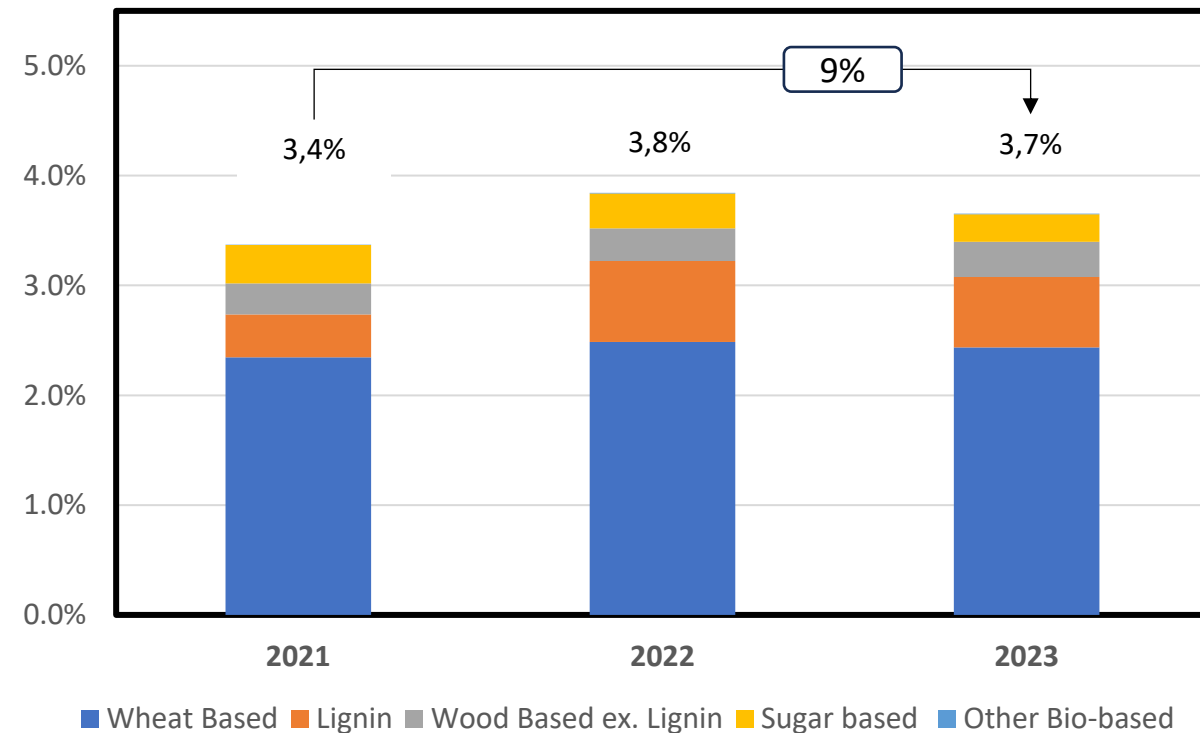
### Commitments and Targets

- **Goal:** Prefere is committed to maximizing the use of renewable materials in resin production to significantly reduce reliance on fossil-based materials and conserve resources.
- **Target:** By 2025, Prefere aims to establish a foundation for setting specific targets to increase the use of renewable, bio-based, and circular materials.

# Resource use & circular economy

At Prefere, we are dedicated to integrating sustainable and bio-based raw materials into our production processes as part of our broader commitment to environmental responsibility. Over the past two years, we have increased the share of bio-based materials in our operations by 9%, showcasing our determination to reduce reliance on non-renewable resources.

This progress has been achieved despite shifts in our product mix, which have temporarily reduced the sourcing of certain bio-based materials, such as wheat flour. Looking ahead, the roll-out of lignin across more product groups is set to play a pivotal role in further increasing the share of bio-based raw materials in our products.



## Reporting Principles for Metrics

Reported input materials for 2023 are limited to bio-based and fossil raw materials. From next year, the inclusion of packaging materials and further differentiation in reporting is planned.

Waste volumes reported include waste transferred directly from production processes and interim storage to final disposal methods, such as material and energy recovery, landfill disposal, incineration, and hazardous waste treatment. However, waste transferred from production processes to interim storage is not included in the disclosed volumes.

The reported waste volumes account for moisture content. The volume of process waste delivered to landfills reflects the total waste (in tonnes) sent to landfills from all production sites. Data on the volume of waste treated by external service providers and the treatment methods are obtained directly from those providers.

Waste Generated in t	2023	
Total waste generated	13,345	
Thereof waste recycled	8,148	61%
Total hazardous waste generated	12,769	96%
Thereof hazardous waste recycled	7,738	61%
Total non-hazardous waste generated	576	4%
Thereof non-hazardous waste recycled	410	71%

Input Flows in t	2023	2022	2021
Bio-based material	12,941	15,178	14,780
Fossil raw material	341,223	379,632	423,533

# Social

Prefere's sustainability strategy emphasizes key aspects that are integral to its operations and broader corporate goals. The company is committed to fair labor practices, diversity, and employee well-being, prioritizing employee engagement, equal opportunity, and maintaining strong working conditions across its global operations.

Health and safety, employee satisfaction, and diversity are central to Prefere's workforce strategy, with ongoing efforts to improve gender equality, prevent discrimination, and foster a supportive work environment. Additionally, Prefere actively engages with local communities through transparent communication and by addressing potential impacts, such as environmental safety and emergency preparedness.

These commitments enable Prefere to effectively manage social risks, enhance its reputation, and integrate sustainability into its operations, supporting its goals of compliance, employee welfare, and community engagement.

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# Own workforce

## Human and labor rights

Prefere is dedicated to cultivating a supportive and inclusive workplace that prioritizes employee well-being and safety. The following initiatives underscore our commitment to enhancing employee satisfaction, fostering professional growth, and building a sustainable, equitable work environment.

### Material Impacts, Risks, and Opportunities

- **Material Impacts:** Employee well-being initiatives drive engagement, retention, and operational efficiency while aligning with stakeholder expectations.
- **Risks:** Insufficient measures may lead to increased turnover, dissatisfaction, and reputational risks.
- **Opportunities:** Investing in well-being and personal growth initiatives attracts diverse talent, strengthens decision-making, and fosters an engaged, resilient workforce.

### Commitments and Targets

- **Commitment:** Prefere is dedicated to identifying, preventing, and eliminating forced or child labor, modern slavery, and human trafficking across all operations and supply chains. Our Code of Conduct and Human Rights Policy guide these efforts, outlining our commitments and expectations.
- **Goal:** Cultivate a culture of inclusivity and well-being where all employees can thrive.
- **Target:** Conduct a human rights risk assessment covering 100% of our operations by 2026.

### Social Dialogue

Prefere is committed to fostering strong labor relations through active engagement with employee representatives and unions. We negotiate and implement collective agreements covering working conditions, diversity initiatives, and other key employment aspects.

Regular meetings between employee representatives and local management address operational processes, procedural adjustments, and personnel matters, including task changes, exit planning, new hires, and other employee-related topics. Prefere fully supports workers' rights, including freedom of association and the right to collective bargaining, fostering a collaborative and mutually beneficial workplace.

### Working Conditions and Work-Life Balance

Prefere's production sites operate in countries with high statutory standards for working conditions and work-life balance, governed by local policies, tariff agreements, and employee handbooks.

To support work-life balance, Prefere offers Flexible Working Policies and Homeworking Policies, enabling employees to adjust their working patterns or work remotely. Family-friendly benefits—including bereavement leave, maternity and paternity leave, and time off for dependents—help employees manage personal responsibilities alongside their professional commitments.

Creating an attractive work environment is a priority. Prefere actively engages with employees through feedback sessions, global town hall meetings, local Q&A sessions with management, and an annual Management Forum involving over 60 managers from across the Group.

# Own workforce

## Human and labor rights

### Employee Engagement, Well-Being, and Satisfaction

Prefere prioritizes the well-being of its employees by providing access to occupational health services to address physical and mental health concerns. The company has initiated mental health support programs to raise awareness, reduce stigma, and offer resources for employees. Regular employee satisfaction surveys provide valuable input to improve working conditions, while transparent remuneration processes ensure fair and competitive pay through annual reviews. Prefere's sites are primarily located in Europe, where legally mandatory minimum wages apply. During the annual salary review process, Prefere ensures compliance with local legal requirements.

### Advancing Equal Opportunities

Prefere is committed to advancing equality through its Humans Rights Policy and Harassment and Discrimination Policy, which promote merit-based decisions and a safe, inclusive environment. With 20% of the total workforce being female, Prefere is actively working to improve gender diversity. Additionally, Prefere sets the target of achieving 30% women in the group management team, which comprises the C-level, the VP-level and group manager functions. Annual gender pay gap analyses and the introduction of unconscious bias training in 2023 further reinforce inclusive practices.

By fostering a workplace that respects and values individual uniqueness, Prefere strives to attract, engage, and retain top talent.

### Compliance channel

In line with the EU directive on whistleblower systems, Prefere implemented a whistleblower hotline and policy in 2023, as detailed in the Governance Information section. Employees can raise concerns directly with a manager, human resources, or through the whistleblower system.

During 2023 and, no work-related incidents of discrimination were reported to HR or via the whistleblower system. This includes cases based on gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination, as well as incidents of harassment as a specific form of discrimination involving internal or external stakeholders across operations.

Additionally, no cases of human rights policy violations were reported in 2023 and 2024.

# Own workforce

## Employee development & skills

Prefere fosters employee growth and career progression through its Professional Development Program (PDP), which aligns individual career goals with the company’s strategic objectives. The program provides personalized development plans, access to training, and mentorship opportunities, promoting continuous learning and career mobility.

### Material Impacts, Risks, and Opportunities

- **Material Impacts:** A strong focus on employee development drives productivity, retention, and innovation, contributing directly to Prefere’s operational success and ESG objectives.
- **Risks:** Limited training or career growth opportunities could lead to low employee engagement, high turnover, and skill shortages, negatively affecting overall performance.
- **Opportunities:** Investing in employee development enhances workforce skills, improves morale, and reinforces Prefere’s reputation as an employer of choice.

### Commitments and targets

- **Goal:** Ensure every employee has access to career development resources and personalized performance feedback.
- **Target:** Redesign the Professional Leadership Development Program as a successor to the current PDP, tailored to meet the needs of modern and agile working methods.

### Key measures:

While Prefere does not have a specific policy addressing training and skills development, the company believes that performance, talent, and competence management should be driven by regular dialogues between managers and employees, rather than dictated by policy.

**Employee Training and Development:** Training is a cornerstone of Prefere’s employee development strategy, offering tailored programs that range from induction training for new hires to ongoing skill enhancement initiatives. These efforts close skill gaps, improve job performance, and support professional growth, ensuring employees are equipped for success.

In 2023, Prefere introduced a company-wide compliance training tool to educate employees on key compliance areas, including data protection, information security, and anti-corruption. Additionally, all employees began training on the content of the Code of Conduct, with the aim of completing training for the entire workforce by 2025. Every new employee receives the Code of Conduct as a supplement to their employment contract.

**Workforce Support during Reductions:** In the event of workforce reductions, Prefere is committed to supporting employees through open consultation processes, fair selection criteria, statutory redundancy pay, and additional financial compensation where applicable.

By integrating career development, skill-building, and workforce support, Prefere fosters a workplace culture that values growth, adaptability, and resilience.

**Recruitment:** Prefere’s multi-stage selection process ensures that applicants for open positions are evaluated openly and transparently. The company strives to source candidates of different genders and backgrounds to create a dynamic organization enriched by a diverse mix of cultures, skills, and perspectives.

# Own workforce

## Occupational health & safety

Prefere places a high priority on employee health and safety, supported by comprehensive policies and procedures to ensure a safe working environment across all sites.

### Material Impacts, Risks, and Opportunities

- **Material Impacts:** A strong focus on health and safety minimizes workplace incidents, enhances productivity, and ensures compliance with industry regulations.
- **Risks:** Neglecting high safety standards could lead to workplace accidents, regulatory penalties, and reputational harm.
- **Opportunities:** Demonstrating leadership in health and safety fosters employee engagement, reduces absenteeism, and bolsters Prefere’s reputation as a responsible employer.

### Commitments and targets

- **Goal:** Cultivate a zero-harm workplace culture through robust safety policies and active employee engagement.
- **Target:** Achieve zero LTI across all sites in 2025. This is supported by comprehensive safety trainings, regular safety committee meetings at all sites, audits/safety walks and continuous monitoring.

### Key measures:

Prefere implements comprehensive occupational safety programs to protect employees and to foster a safe working environment. Regular risk assessments, the use of personal protective equipment (PPE), and active participation in industry initiatives like the Chemical Industry’s Responsible Care program and the Zero Accident Forum demonstrate Prefere’s commitment to safety. Emergency response plans are in place at all sites to address incidents such as chemical spills, fires, and explosions, with regular drills ensuring swift, coordinated responses.

Prefere conducts health and safety audits across all sites, including specialized process and behavioral safety management audits at key locations like Mainz and Frankfurt. Employee engagement is central to Prefere’s approach, with workers actively participating in safety committees, reporting near-misses, and undergoing extensive safety training on hazard communication, chemical handling, and emergency response. Many Prefere sites hold ISO 45001 certifications, reflecting the company’s commitment to maintaining high occupational health and safety standards.

Continuous improvement is a core principle of Prefere’s safety strategy. The company regularly reviews policies, adopts best practices, and invests in advanced technologies and equipment to mitigate risks and enhance safety outcomes. By fostering a proactive safety culture, Prefere minimizes risks, promotes employee well-being, and advances toward its goal of achieving a zero-harm workplace.

# Own workforce Metrics

## Reporting Principles for Metrics

The workforce figures include the entire Prefere Resins Group. The number of employees used in calculations is based on the workforce as of 31<sup>st</sup> December 2023, including non-active employees such as those on family-related leave.

Prefere employs a number of seasonal employees, working students, and interns (exact figure to be specified), some of whom may not be employed at the end of the reporting period when workforce numbers are finalized.

Employees by Gender in FTEs	Total Number of Employees	Women	Men	Other
Paraform, Mainz, GmbH	133	14	119	0
Phenolics, Erkner, Germany	114	25	89	0
Melamines Frankfurt, Germany	94	14	80	0
Phenolics, Finland	76	16	60	0
Phenolics, Newton Aycliffe, UK	47	9	38	0
Melamines, Indian Orchard, USA	36	12	24	0
Phenolics, Rasnov, Romania	21	5	16	0
Phenolics, Trzemeszno, Poland	20	7	13	0
Holding, Erkner, Germany	18	9	9	0
Phenolics, Brebières, France	18	2	16	0
Phneolics, Krems, Austria	9	4	5	0
<b>TOTAL</b>	<b>586</b>	<b>117</b>	<b>469</b>	<b>0</b>

Workforce numbers generally remain stable throughout the year, with recruitment focused on permanent new hires. Employee turnover is calculated by dividing the total number of leavers—excluding transfers of business—by the total workforce. This figure includes only permanent employment relationships. The share of women in the group management team is defined as women holding positions at the C-level, VP-level or in group manager functions.

Workforce measures	Unit	2023	
<b>Number of employees</b>	FTEs	586	
Women	FTEs	117	20 %
Men	FTEs	469	80 %
Other	FTEs	0	0 %
<b>Age Distribution</b>			
Aged under 30	FTEs	84	14 %
aged 30 - 50	FTEs	231	39 %
aged over 50	FTEs	271	46 %
<b>Permanent employees</b>		584	99.5 %
Women	FTEs	118	25 %
Men	FTEs	466	79 %
<b>Temporary employees</b>		3	0.5 %
Women	FTEs	0	0 %
Men	FTEs	3	1 %
<b>Number of full-time employees</b>		564	96 %
Women	FTEs	103	18 %
Men	FTEs	461	79 %
<b>Number of part-time employees</b>		19	3 %
Women	FTEs	15	2 %
Men	FTEs	5	1 %

# Own workforce Metrics

## Reporting Principles for Metrics

**Remuneration Reporting:** The remuneration figure is calculated by subtracting the average gross hourly pay of female employees from the average gross hourly pay of male employees, then dividing by the average gross hourly pay of male employees. Across the Group, 81% of employees are covered by tariff agreements, ensuring equal pay for equivalent positions regardless of gender.

Group Management Team	Unit	2023	
<b>Top Management by Gender</b>	FTEs	15	
Women	FTEs	4	27 %
Men	FTEs	11	73 %
<b>Top management members by age</b>			
Aged under 30	FTEs	0	0 %
Aged 30 - 50	FTEs	7	47 %
Aged over 50	FTEs	8	53 %
<b>Board members by gender</b>	FTEs	7	
Women	FTEs	1	14 %
Men	FTEs	6	86 %

Payment and Remuneration	Unit	2023
% of employees covered by collective bargaining	%	81
Ratio of basic salary and remuneration of Women to Men	%	-2.58
Ratio of total salary and remuneration of Women to man	%	5

Training and skills development	Unit	2023
<b>Training key figures</b>		
Total numbers of training hours		5,591
Average hours of training provided per employee	hours	10
Workforce across all locations who received training (internally or externally) on environmental issues	%	100
<b>Personal development</b>		
Number of skills trainings provided	Number	136
Number of employees with personal development plans	FTE	102
Number of internal recruitment cases etc.	FTE	11

	Unit	2023
Employees trained in human rights	%	61
Supervisors trained on diversity topics	%	30
Employees trained on diversity topics	%	20
Internal child labor audit conducted in 2023		yes
Number of whistleblower cases for 2023		0

# Own workforce Metrics

## Reporting Principles for Metrics

The number of **work-related accidents** is reported for Prefere’s own employees and service providers’ employees. Work-related accidents are defined as incidents occurring during work-related activities that result in injury or harm. Under Lost Time Injury (LTI), Prefere reports all work-related accidents that lead to absence from work. Each site is guided by the applicable regulations (OSHA and other associations) for the number of minimum lost days that lead to the definition of LTI.

Health and safety metrics	2023
Lost time injury (LTI) events at the site	4
Number of days lost due to injuries at site	51
Total hours worked at site	879,890
Fatalities	0

# Workers in the value chain

## Human and labor rights

Prefere is committed to integrating sustainability into its procurement processes, ensuring that suppliers adhere to high standards of ESG practices. By adopting a rigorous approach to supply chain management, Prefere prioritizes quality, compliance, and sustainability. Supplier audits, guided by robust policies and standards, play a crucial role in addressing product quality and ensuring adherence to ESG principles.

### Material Impacts, Risks, and Opportunities

- **Material Impacts:** Risks of labor rights violations, discrimination, and unfair labor practices within the supply chain.
- **Risks:** Potential for legal and reputational risks and supply chain disruptions.
- **Opportunities:** Improved brand reputation and enhanced supply chain resilience through sustainable and ethical practices.

### Commitments and Targets

- **Goal:** Ensure suppliers adhere to high ESG standards, promoting sustainability and ethical practices throughout the supply chain.
- **Target:** Achieve 100% ESG assessments or audits for Tier 1 strategic suppliers by 2025.

### Key Measures

**Compliance and Ethical Practices:** Prefere maintains strict compliance with all applicable laws and regulations, upholding high standards for environmental, social, ethical, and economic practices. With a zero-tolerance approach to bribery and corruption, Prefere requires suppliers to adhere to its Supplier Code of Conduct, available on the company's website.

**Labor and Human Rights:** The Supplier Code of Conduct mandates that all suppliers comply with international labor laws, including prohibitions on forced and child labor, and support a safe, inclusive work environment. Suppliers are required to recognize employees' rights to free association and collective bargaining while applying principles of equal opportunity and fair treatment.

**Supplier ESG Self-Assessments and Audits:** Prefere has implemented a detailed self-assessment questionnaire for suppliers, covering labor practices, health and safety, environmental standards, quality, and supply chain management. Regular audits, including on-site visits, performance monitoring, and risk evaluations, ensure suppliers' compliance with ESG standards.

**Capacity Building of Suppliers:** Prefere integrates sustainability criteria into purchasing decisions and supplier contracts, continuously monitoring the market for sustainable materials and collaborating with suppliers. Through meetings and discussions, Prefere works with suppliers to develop and source sustainable materials while setting long-term goals to reduce their carbon footprint.

**Training of Buyers on Sustainable Procurement:** Prefere provides comprehensive training for buyers, focusing on sustainable procurement practices and their benefits. The training covers the sustainable procurement policy, Supplier Code of Conduct, supplier evaluation, and actionable steps to integrate sustainability into the supplier selection process.

## Affected communities

Prefere is committed to fostering strong, positive relationships with the communities surrounding its production sites. Through transparent communication, support for local initiatives, and compliance with ethical standards, the company ensures that its operations align with the values and needs of its neighbors.

Key elements of Prefere's community engagement approach include:

- **Transparency:** Prefere provides accessible information about its operations, environmental impacts, and emergency preparedness, fostering trust and accountability.
- **Education and Awareness:** The company actively supports education through partnerships with local students and community outreach initiatives.
- **Social Responsibility:** Prefere contributes to the well-being of its communities by supporting charitable causes and local organizations.
- **Data Protection:** Upholding high standards of privacy and data security, Prefere ensures the integrity of personal information in its interactions with stakeholders.

### Implementation in Practice

Prefere's policies are reflected in various community-focused initiatives:

- **Transparency:** Prefere shares news, events, and key documents like environmental declarations and emergency plans online, keeping communities informed.
- **Educational Collaboration:** Partnerships with local students provide real-world experience through thesis projects.
- **Open Days:** Community members and students are invited to tour facilities, fostering transparency and understanding.
- **Charitable Contributions:** Prefere supports local causes, including donations to the German Red Cross, sponsorship of sports events, and assistance to fire brigades.

### Building Positive Relationships

Through proactive engagement, such as transparent communication during permit applications in Erkner, Prefere has earned community trust, demonstrated by minimal objections to its activities.

# Customer and product safety

## Commitment to Regulatory Compliance

Prefere prioritizes product safety and regulatory compliance, adhering to the European Regulation on Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH). This ensures the safe manufacturing, importing, and use of chemical substances within the European Union (EU) and the United Kingdom (UK).

## Policies and Frameworks

Prefere’s approach to product and customer safety is supported by robust policies and procedures:

- **REACH Compliance:** Prefere has registered 22 substances under REACH and ensures compliance for all substances it manufactures or imports.
- **Dedicated REACH Teams:** Specialist teams within the Phenolics and Melamines & Paraform (M&P) business units oversee registrations, monitor compliance, and address regulatory requirements.
- **Quality Assurance:** Prefere verifies the identity, purity, and impurity profiles of imported substances and conducts random quality checks to ensure consistency and maintain high standards.

## Implementation in Practice

Customer safety is realized through targeted initiatives and clearly defined responsibilities:

- **Substance Registration and Quality Control:** Prefere registers new substances and ensures that all imported materials meet REACH standards. The company collaborates closely with suppliers to maintain consistent quality and regulatory compliance.
- **Poison Centre Notifications:** Prefere is conducting a bulk update of Poison Centre Notifications to ensure alignment with regulatory requirements across its business units.
- **Downstream User Compliance:** Production sites in Finland, Poland, and Romania, which mix pre-registered chemicals into polymers exempt from registration, ensure compliance for any imported substances through Prefere’s central registration processes.
- **Global Coordination:** Prefere Melamines LLC in the United States uses Prefere Melamines GmbH (Germany) as its Only Representative (OR) for REACH registration of key substances such as formaldehyde, melamine, and methanol, ensuring continued access to the EU market.

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# Governance

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## Sections

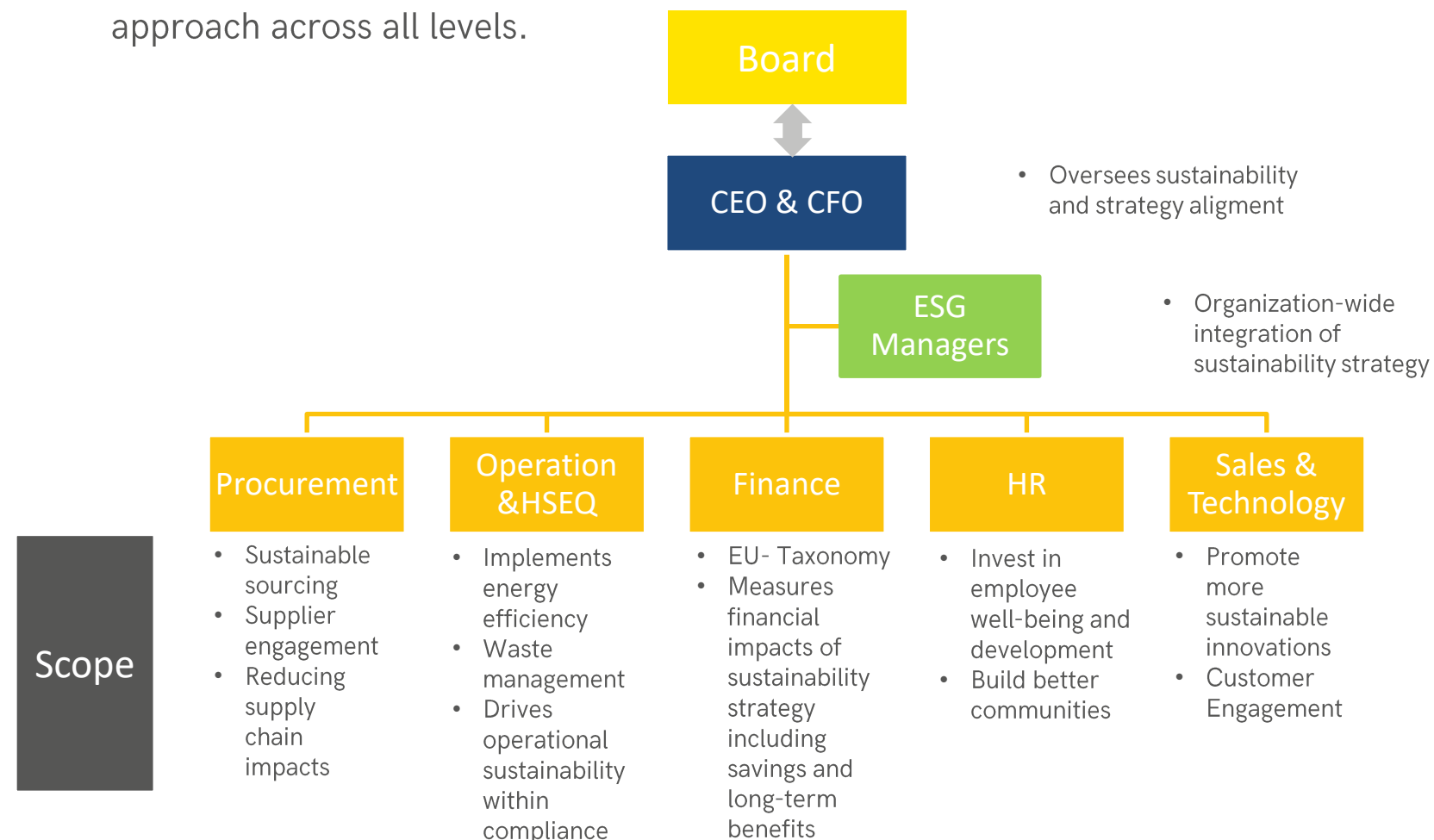
Sustainability Governance	42
Business Conduct	43

Prefere prioritizes governance aspects that are critical to maintaining ethical standards, compliance, and long-term sustainability. The company's robust compliance framework, including its Corporate Code of Conduct, addresses key areas such as anti-bribery, human rights, equality, and environmental protection, ensuring adherence to ethical and legal standards across all operations. This framework is supported by regular training, risk assessments, and oversight mechanisms to ensure effective implementation of policies.

Operating in multiple jurisdictions, Prefere places a strong emphasis on managing governance, compliance, and corporate responsibility to maintain stakeholder trust and mitigate legal or reputational risks. Prefere's commitment to governance is further reflected in its alignment with international standards and proactive efforts to integrate sustainability and ESG considerations into decision-making processes, reinforcing governance as a key priority for the company.

# Sustainability governance

Sustainability is a core priority for Prefere and its stakeholders. To advance its commitment, the company launched an internal sustainability initiative in 2021. This initiative included biweekly management-level meetings to address key ESG topics and implement actionable steps. In 2023, the program was further strengthened with the appointment of a dedicated Group ESG Manager to lead sustainability efforts across the organization. Additionally, an ESG Manager was appointed for the M&P business unit, reporting directly to the Group ESG Manager, ensuring a cohesive approach across all levels.



Prefere is enhancing its ESG governance framework to embed sustainability across the organization.

A Group-wide ESG Training Rollout Plan is in development to ensure consistent education at all sites. ESG-related target metrics have been integrated into management incentives, with performance reviewed mid-year and year-end.

To improve reporting, Prefere implemented a Group-wide ESG Management Tool, replacing emails, Excel, and PowerPoint with a streamlined, integrated system.

While the Group maintains a corporate ESG framework, entities can tailor policies locally, such as GDPR compliance in the EU, supported by a Data Protection Officer in Germany.

In 2023, a whistleblowing system was introduced, allowing confidential and anonymous reporting in all operating languages. Supporting policies are being finalized for Group-wide implementation.

By strengthening its governance framework, Prefere demonstrates its commitment to sustainability and continuous ESG improvement.

# Business conduct

Prefere maintains a robust compliance framework to ensure adherence to ethical, legal, and regulatory standards. The foundation of this framework is the Corporate Code of Conduct (CoC), established in November 2015, which sets out the Group’s commitment to ethical behavior and business integrity. The CoC is updated periodically, with the most recent version issued in July 2023, ensuring it remains aligned with evolving legal and regulatory requirements.

## Supporting Policies and Guidelines

Prefere Resins has implemented a range of supporting policies and guidelines to complement the CoC and strengthen its commitment to responsible business practices, including:

- Group ESG Compliance Guideline
- Safety Code (covering environmental, health, and product safety)
- Modern Slavery and Human Trafficking Policy
- Harassment and Discrimination Policy
- Sustainable Procurement Policy (2023)
- Human Rights Policy (2023)
- Financial Crime Compliance Policy (including guidelines on gift acceptance and conflict of interest)
- Code of Conduct for Suppliers

These policies ensure that Prefere Resins operates consistently in alignment with its ethical values and ESG goals.

## Key element of the Corporate Code of Conduct

- Ethics and Legal Compliance: Ensures adherence to key ESG principles such as anti-bribery, anti-corruption, equality, human rights, and confidentiality.
- Environmental and Health & Safety: Emphasizes compliance with environmental and health & safety standards as a core aspect of ethical business conduct.
- Group-Wide Applicability: The CoC applies to all Prefere Resins entities, including newly integrated businesses such as Melamines and Paraform.
- Regular Updates: The CoC is regularly updated to address new legal, regulatory, and ethical requirements, reinforcing Prefere’s commitment to maintaining the highest standards.

## Implementation and Enforcement

The CoC and supporting policies are communicated across the Group, and all employees are required to acknowledge their understanding and adherence. Prefere invests in regular training and communication efforts to ensure employees are well-informed about compliance expectations and the consequences of non-compliance.

Prefere conducts a bi-annual risk review to proactively assess and manage potential compliance risks, ensuring that policies remain effective and relevant across different regions and business functions. Local entities may implement additional policies to address jurisdictional requirements.

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# Appendix

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# GHG emissions accounting policies

**Direct GHG emissions (scope 1)** are reported based on the Greenhouse Gas (GHG) Protocol and include all direct greenhouse gas emissions from Prefere, such as carbon dioxide, methane, nitrous oxide, and sulfur hexafluoride. Direct emissions from production processes are calculated based on fuel consumption, in line with the EU Emissions Trading System (ETS). For emissions outside the ETS, carbon dioxide and other greenhouse gases are estimated by multiplying energy consumption by applicable emission factors.

**Indirect GHG emissions (scope 2)** are reported in line with the GHG Protocol and include indirect greenhouse gas emissions from the generation of purchased power, heat, and steam consumed by Prefere. Scope 2 emissions are primarily calculated by multiplying the volume of purchased power by country-specific emission factors. Location-based emissions are determined using average country-specific emission factors, while market-based emissions account for the renewable power purchased, assuming that non-renewable power is supplied as residual power.

**GHG Intensity (Scope 1 and 2)** is calculated as total Scope 1 and Scope 2 (market-based) emissions divided by total revenue, respectively.

**GHG Intensity (Scope 1, 2, and 3)** is calculated as total Scope 1, Scope 2 (market-based), and Scope 3 emissions (excluding natural gas sales) divided by total revenue.

## Scope 3 Indirect GHG Emissions

Prefere reports indirect GHG emissions (Scope 3) based on the GHG Protocol, categorized into 15 subcategories (C1-C15). The following subcategories are relevant for Prefere's 2023 reporting:

- **C1:** Upstream emissions from the production of products purchased or acquired in 2023, including both goods (tangible) and services (intangible).
- **C2:** Emissions from the production of capital goods purchased or acquired in 2023
- **C3:** Emissions from fuel consumption and power sales to customers, calculated using emission factors for both green and conventional energy
- **C4:** Emissions from transport fuel used for raw material transport, self-organized product transport to customers, and internal transport
- **C5:** Emissions from third-party disposal and treatment of waste generated during operations in 2023, including solid waste and wastewater
- **C6:** Emissions from employee transportation for business-related activities in 2023 using vehicles not owned or operated by Prefere Resins Holding GmbH
- **C7:** Emissions from employee commutes between their homes and worksites in 2023 using vehicles not owned or operated by Prefere Resins sites
- **C9:** Emissions from transportation and distribution of products sold in 2023 between Prefere Resins' operations and the customer (if not paid for by Prefere), including retail and storage in facilities and vehicles not owned or controlled by Prefere
- **C12:** Emissions from the waste disposal and treatment of products sold in 2023 at the end of their life, accounting for total expected end-of-life emissions for all products sold during the reporting year
- **Excluded Categories:** Subcategories C8, C10, and C13-C15 are not applicable to Prefere.

# Environmental Calculation Factors 2023

Page	Data Point	Factor	Comment	Reference
20	Scope 1 Emissions	Carbon Emissions (CO <sub>2</sub> e) from stationary combustion	Natural Gas	DEFRA v13
20	Scope 1 Emissions	All Carbon Emissions (CO <sub>2</sub> e) from mobile combustion	Petrol, Diesel, LPG	DEFRA v13
20	Scope 2 Emissions	Carbon Emissions from purchased Energy	Electricity, Steam for all plants in Europe and Indian Orchard	DEFRA v13
20	Scope 3 Emissions	Purchased Goods and Services	Specific emission Factors, based on raw material type and purchased service	Sphera MLC database 2023.2 Preferre LCS models, based on MLC Data Bases SupplyChainGHGEmissionFactors_v1.2 by NAICS-6
20	Scope 3 Emissions	Capital Goods	Spend-Based approach	SupplyChainGHGEmissionFactors_v1.2 by NAICS-6
20	Scope 3 Emissions	Fuel & Energy related Emissions	Indirect Emissions from upstream Supply Chain for Fuels and Electricity	DEFRA 2023 SupplyChainGHGEmissionFactors_v1.2 by NAICS-6 UK Department for Environment, Food & Rural Affairs (DEFRA)
20	Scope 3 Emissions	Upstream and Downstream Transportation	Emission Factors for tkm data per mode of transport	Sphera MLC database 2023.2
20	Scope 3 Emissions	Waste Generated in Operations	Global hazardous waste treatment emission factor is used for hazardous waste and municipal solid waste treatment emission factor is used for non-hazardous waste.	Sphera MLC database 2023.2
20	Scope 3 Emissions	Business Travel and Employee Commuting	Emission Factors for Distance in pkm per mode of travel are applied	Sphera MLC database 2023.2
20	Scope 3 Emissions	Processing + End of Life Treatment of Sold Products		Sphera MLC database 2023.2 First Party data in collaboration Public EPDs
27	Water Stress	Baseline Water Stress	Water Stress is assessed on production site level	WWF Risk Filter

# SASB Index

Topic	Metric	Code	Response or page number
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissionslimiting regulations	RT-CH-110a.1	16
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	17 - 19
Air Quality	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	RT-CH-120a.1	24 SOx and HAPs not included to date
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-CH-130a.1	25
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CH-140a.1	26
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	RT-CH-140a.2	0 incidents
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	25
Hazardous Waste Management	(1) Amount of hazardous waste generated, (2) percentage recycled	RT-CH-150a.1	29
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	39

# SASB Index

Topic	Metric	Code	Page in the Report
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	No TRIR; LTIs are reported on page 37 Fatality reporting includes both employee types
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	34
Product Design for Use-phase Efficiency	Revenue from products designed for use phase resource efficiency	RT-CH-410a.1	Not reported to date
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	Not reported to date; For REACH Related topics see to page 40
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact	RT-CH-410b.2	40
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	n/a
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	11; 22
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	Not reported to date; LTIs are reported on page 37
	Number of transport incidents	RT-CH-540a.2	Not reported to date