

DEVRO

Continued Sustainability Commitment at Devro

Our progress in 2024

Dear Stakeholders

We are pleased to present our 2024 Sustainability and Taskforce on Climate-related Financial Disclosure (TCFD) report, highlighting our ongoing commitment to reducing our environmental impacts, ensuring responsible operations and maintaining our positive societal engagement. As a global leader in collagen-based products for the food industry, we recognize the importance of conducting business in a way that preserves the environment, supports local communities and contributes to a more sustainable future.

Our long-term track record on energy, water and waste reductions demonstrates the integral nature of sustainability to our operations. However, the increasing evidence of the importance to act on sustainability has further driven our commitment to the environment, people and communities and is at the core of our operations. We continue to focus on how we deliver on our published targets following our road map to Net Zero. We act with honesty and integrity in everything we do conducting our business fairly and ethically throughout the world. Throughout this report, you will find detailed information about our sustainability priorities, with attention on the five focus areas that underpin our approach: **Climate, Water, Waste, People and Communities.**

This report aims to provide an update of our continuous sustainability journey, reflecting our progress, challenges and ambitions. It outlines our key initiatives, performance indicators and the measures we have taken to integrate sustainability into every aspect of our operations. We have used internationally recognised sustainability reporting frameworks and methodologies as a guide in the preparation of this report. Where relevant, we have utilised third party expertise to verify our methodologies and guide us in our activities.

As part of the SARIA Food & Pharma Division, our core objectives such as alignment to the UN SDGs, commitment to SBTi and other environmental and social targets and disclosures such as TCFD and CDP reporting remain. We will continue to work closely with our stakeholders, value chain and national industry associations on the journey towards a more sustainable future.

We invite you to read on and thank you for your continued support. Your feedback and collaboration are invaluable as we continue this important sustainability journey together.

Sincerely,

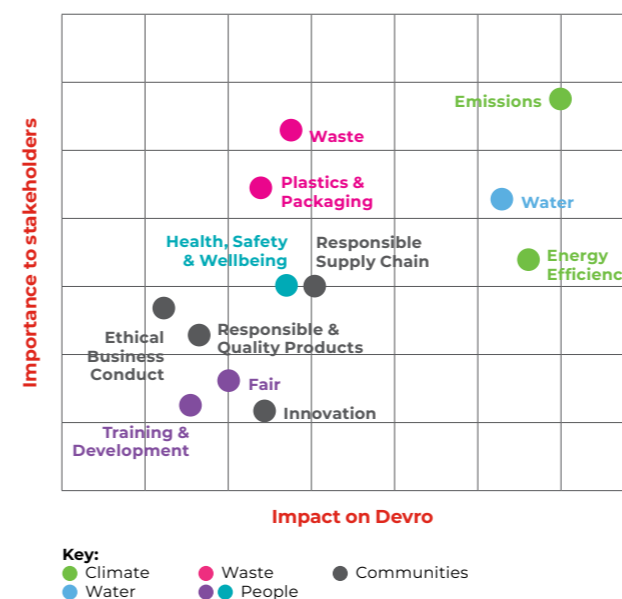
Muir Sneddon
 Director of Sustainability SARIA Food & Pharma
 Devro (SARIA Food & Pharma Division)

This year we have achieved the following against our base year 2020:

- Submitted near term and net zero targets to SBTi for validation.
- Reduced our absolute scope 1 and 2 carbon emissions by 20%
- Increased the percentage of renewable electricity to 42%
- Reduced our absolute water consumption by 14%
- Substantially reduced our absolute quantity of operational waste by 31% and reduced our product waste to landfill by 68%
- Implemented an ESG Software system to enable better data collection across Devro and our sister companies
- Maintained our CDP Climate Change rating B and increased our Water rating to B
- Maintained our zero-fatality rate and reduced our Total Recordable Incident Frequency Rate
- Obtained EcoVadis – Gold as part of our parent company assessment
- Continued to integrate our Sustainability ethos, policy, target approach and practices into the SARIA Food & Pharma Division

Our sustainability framework

We consider the results of our 2021 materiality assessment to have not significantly changed and have therefore continued to use this to ensure that our sustainability efforts are directed to be both important to our stakeholders and impactful on Devro. The materiality assessment process considered issues of internal importance as well as incorporating external trends shaping our business, thereby incorporating all issues that have the potential to impact our long-term success and the sustainability of our operations.



Material issues were identified with reference to the relevant UN SDGs for our business as well as multiple other sources including rating agencies and industry considerations. The views of a range of internal and external stakeholders (employees, shareholders, industry groups and NGOs) were incorporated into the analysis.

The results helped guide our sustainability strategy, decision-making processes, reporting and stakeholder engagement initiatives and the assessment continues to direct our actions in focusing on the issues that matter most to our stakeholders. Our sustainability framework is aligned with recognised standards and reference our performance to UN SDGs, which we also used as the basis to improve understanding of the scope of sustainability across Devro.

We continue to review and refine our priorities to respond to the evolving sustainability landscape.

Our sustainability framework continued

Our focus areas:

Climate



Focus area

As an energy intensive operation our focus has been on reducing carbon emissions by improving energy efficiency, reducing heat loss through heat capture and utilising renewable energy both purchased from the grid and generated on site. We have good scope 1, 2 and 3 carbon emission data from all our manufacturing sites to help understand our usage and focus on use reduction and decarbonisation.

Water



Focus area

As a business requiring significant quantities of water for cleaning and production, this is another focus area for improvement. We focus on reducing our freshwater use, re-use and clean-up of used water and wastewater discharge. We focus on our sites with highest water stress but also improved water utilisation elsewhere and support local community wastewater treatment.

Waste



Focus area

We have a focus on reducing our product waste as a priority but then ensuring any waste can be recycled or diverted to animal feed, energy production or fertiliser. We have taken significant steps to avoid sending product waste to landfill, ensuring all our packaging and redundant equipment is recycled and minimising our waste to landfill.

People



Focus area

We look after the interests of the people who work for us, both internally and in our supply chain, providing good quality employment and opportunities that feed into the local community. We focus on the safety of all our employees and engage with them with respect that capitalises on our cultural differences. We support employee training and professional development, promote diversity, operate with respect for human rights and ensure equal opportunities throughout our business. We strive to make Devro a safe and fulfilling place to work. Our aspiration remains to become a Zero Accident Community.

Communities

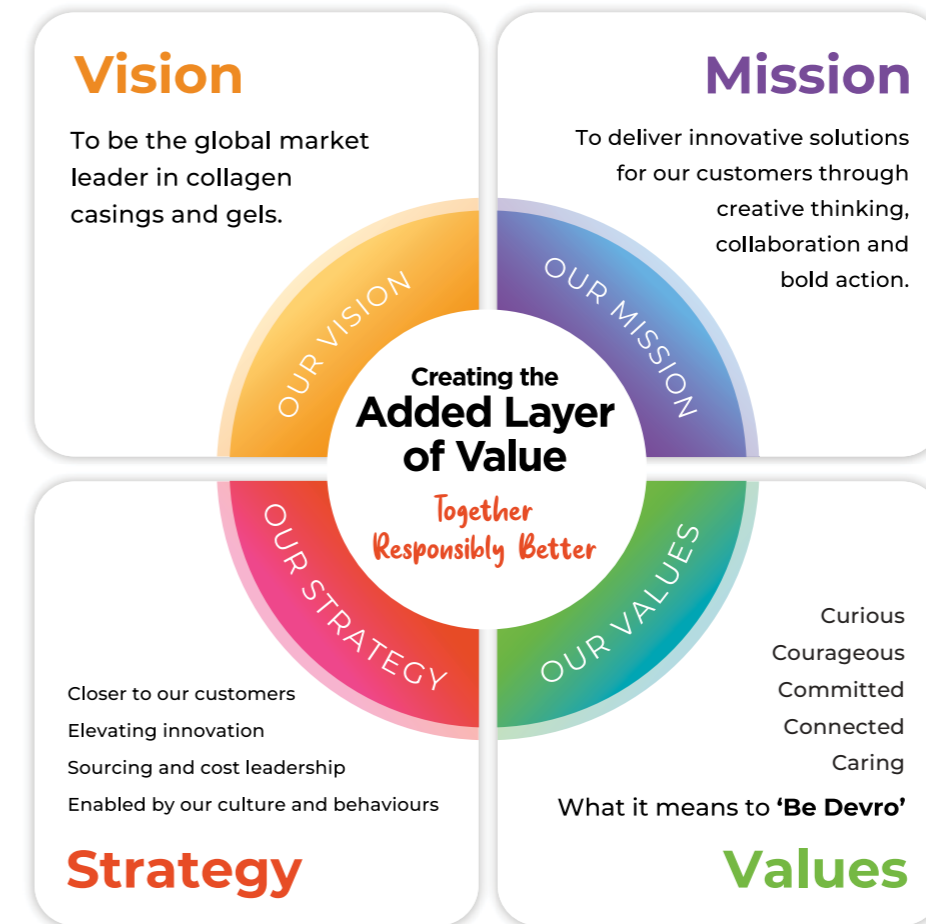


Focus area

Our operations contribute to the communities in which we are located both economically and, being a key employer in most of those locations, socially as well. We aim to be a well-respected organisation within our communities, supporting and encouraging the employment of local people into our businesses, utilising local business support services and engaging with the wider community where possible in educational and cultural activities. Furthermore, the product we make enables our customers to manufacture highly nutritious, tasty and affordable food products creating readily consumable nutritional units (a sausage) that utilises a lower cost nutritious raw material to make a high-quality nutrient-enhancing enjoyable product.

Purpose and Values

Our Purpose and Values are fundamental to our approach and provide guidance and direction for our business, which underpins our strategy.



Sustainability Targets

Environmental:			
From a 2020 baseline	2025	2030	2050
Carbon reduction - absolute (Scopes)	25% Scope 1 & 2	45.8% Scope 1 & 2 25% Scope 3 (from 2024 baseline)	90% Scope 1, 2 & 3 (NET ZERO²)
FLAG Emission Reduction (Forestry, Land & Agriculture)	N/A No deforestation commitment (Dec 31st)	30.3% (from 2024 baseline)	75%
Renewable Purchased electricity¹	80%	100%	100%
Water reduction	20% relative (per km)	20% absolute	50% absolute
Waste reduction	Achieve Zero product waste to landfill	-30% absolute product waste	-90% all waste
Packaging	Continuous improvement on recyclability of materials and reduction of packaging waste. Targets TBC for 2030 and 2045		
People and communities:			
Wellbeing	An employer who proactively supports the overall health of our employees (including leading safety metrics)		
Culture	A great place to work (with top quartile engagement scores)		
Communities	Recognised in our local communities for our contribution and as an employer of choice		
A NET-ZERO COMPANY BY 2045			

Our sustainability targets have been aligned with the Science Based Target initiative (SBTi) regarding energy, setting near and mid-term and Net Zero targets aligned to a 1.5oC increase in climate temperature change in line with the Paris Agreement.

We have set interim Scope 1 & 2 targets for 2025 and 2030 against a 2020 base year and we have set Scope 3 targets against a 2024 base year. Those years were chosen as the reference years for which we have reliable data, in line with the SBTi Net-Zero Standard. By Net Zero we mean reducing our Scope 1, 2, and 3 emissions to at least 90% with any residual emissions neutralised through the permanent removal and storage of an equivalent amount of carbon from the atmosphere.

To support our emission ambition, we also aim to move to 80% renewable electricity for our purchased electricity (Scope 2) by 2025 and 100% by 2030 as well as reducing our water use by 20% by 2030.

Our social targets remain unchanged and outline how we intend to support, protect and connect with our People and Communities.

The safety and wellbeing of our people remains our top priority. We are committed to continual improvement of our health and safety performance, constantly pursuing our aspiration to be a Zero Accident Community. In 2025, we intend to start the alignment of our H&S strategy with that of our sister businesses in Saria Food and Pharma.

This will include common messaging and branding, connecting our H&S networks across the three businesses, aligning management information and metrics, leveraging the expertise between the businesses and designing an inter-site audit programme to help us demonstrate compliance and grow collective understanding.

A highly engaged business performs better; therefore it is our priority to connect with all our people and ensure their voices are heard. Our annual employee engagement survey continues to be a key tool in facilitating feedback and input from our people. Understanding our employees' priorities helps shape the future of our business. We aim to maintain a high level of engagement and continue to provide a rewarding environment for our people. Our target looking forward is to achieve an engagement score within the world top quartile benchmark.

Our operations are seen as part of the community in which they are located. We strive to be an employer of choice for our communities and encourage local employment into our businesses.

Sustainability Governance Structure

Our sustainability governance provides the necessary oversight and structure to effectively manage our sustainability issues. Management of sustainability at Devro is integral to our strategic business goals, such that sustainability objectives are fully embedded within our corporate strategy and capital allocation management process. The structure is outlined in more detail in our accompanying TCFD Report.

The Devro Management Team (DMT) has ultimate responsibility and approves all key sustainability activities, for example our policies, targets, and core priorities. Our Sustainability Committee chaired by our Supply Chain Director and led by our Sustainability Director regularly meets to update on progress on targets, achievements, and barriers to be resolved. The outcome of these meetings and any issues requiring further direction are communicated to and considered by the DMT in regard to delivery of the sustainability strategy and performance of the business. Each Committee member has a key role in delivering our sustainability commitments across the business within their scope of sustainability responsibility and a role as champion for sustainability within their function. Monthly internal workforce communication on Devro's key sustainability focus areas ensures awareness and engagement with these issues throughout all levels of our business.

¹ targets are for purchased electricity, excluding combined heat and power generation, ² Aligned to SBTi definition of Net Zero, footnotes to be positioned under the Sustainability Target table

Impartial carbon accounting verification (Scope 1, 2 and Scope 3 category 3)

We have undertaken an impartial verification of our 2024 carbon data for the fiscal year starting in January 2024 and ending in December 2024 via a third-party entity (Carbonology) that is CDP accredited. Our reporting boundaries include all seven Devro manufacturing sites and the verification was conducted to a materiality threshold of 5%.

The Group Sustainability Department, led by the Sustainability Director Muir Sneddon, was responsible for the organization and presentation of the data. The data collection was the responsibility of the sites' Environmental and Sustainability functions. The Scope 3 Category 3 emission accounting was prepared by an external consultant (CEN).

Intended users of the report are the Sustainability team, the Marketing and Communications team and the Devro Management Team. The report has been published on our website and shared with all relevant stakeholders. The purpose of the report is to obtain a clear understanding of the carbon emissions generated by the Devro sites with the view of informing the company strategy to achieve Net Zero emissions by 2045 and conforming to SBTi standards.

The scope of the external assurance engagement was limited to Scope 1 and 2 emissions, plus the related Scope 3 Category 3 emissions that refers to emissions related to the production of fuels and energy consumed by the company but not directly emitted from the company's operations. The sources of emissions considered were stationary combustion, F gases, mobile combustion and purchased steam and electricity. All the other Scope 3 categories have been calculated but not independently verified.

The Scope 1, 2 and Scope 3 Category 3 emissions were quantified in accordance with ISO 14064-3:2019, annex C. The issued report has been used by Devro to validate its data collection and reporting methodologies.

ESG Ratings

Our performance is recognised externally through third-party ESG ratings. Choosing to submit our data to CDP supports the critical need for increased disclosure and to drive earth-positive decisions for future generations, creating a world where people, planet and profit are truly balanced.

A climate score of B, as per 2023, keeps us above Global, Regional and Food and Beverage sector peers.

A water score of B is an improvement on previous years and it lifts us above Global, Regional and Food and Beverage sector peers.



The verification procedures included:

- * Interviews with relevant personnel responsible for GHG data collection and reporting.
- * Review of the company's GHG management systems, procedures, and controls.
- * A sample-based review of underlying source data and calculations to verify the accuracy of the reported emissions.
- * Assessment of the appropriateness of the quantification methods and emission factors used.
- * Evaluation of the overall presentation of the GHG emissions statement to ensure it is fair, accurate, and complete.

Based on the procedures performed, as described in this statement, nothing has come to our attention that causes us to believe that the GHG emissions statement for Devro for the fiscal year as defined by 1st Jan to 31st Dec 2024 is not materially correct, and is not a fair representation of the GHG emissions in accordance with the criteria listed.



Our 2025 intentions

- Validation of our climate targets to Science Based Targets Initiative (SBTi)
- Increase our community engagement
- Increase sustainability education throughout our wider business
- Continue Integration of our Sustainability ethos, targets and approach into our parent SARIA Food & Pharma Division
- Publicise our Transition Road Map to Net Zero

Our environmental impact

Managing environmental performance

At Devro, we have a long history of managing our environmental impact with a focus on reducing energy use and thereby emissions, water use, total waste and waste to landfill.

Our individual business units track performance of their environmental impacts aligned to our Group-level targets, but also with awareness to specific country or regional legislation. The main vehicles for compliance and improvement across sites are our environmental management systems. Six of our seven collagen production sites are certified to the ISO 14001 standard.

We manage environmental issues through a network of specialists operating within our business units. Active global cooperation between our sites ensures that country-specific solutions become adopted across business units where a common solution is practical. Our Sustainability 2024 performance review across all sites confirmed 'positive' performance learnings have been shared across the Group.

During 2024, we continued to engage external engineering consultants to help identify and confirm the feasibility of major projects to reduce our energy usage and decarbonise our production.

Energy and greenhouse gas emissions

	2025	2030	2050
Carbon reduction absolute (scope)	25% scope 1 & 2	45.8% scope 1 & 2 25% Scope 3	90% scope 1, 2 & 3
Renewable purchased electricity	80%	100%	100%

We aim to minimise our impact on climate change by reducing our energy intensity and carbon emissions. The main contributor to our CO₂ emissions is site energy from the heat and electricity used in our manufacturing processes. Emissions associated with purchased steam and the generation of heat, or co-generation, account for around three quarters of our scope 1 & 2 emissions. We monitor and maintain our equipment and processes to reduce the impact of CO₂ emissions and major capital projects incorporate the best available technologies at the design stage to minimise emissions and energy usage per kilometre of product. For planning purposes, we set an annual internal carbon price linked to the external EU carbon price currently using €70/tCO₂e.

Our targets do not assume any significant step-change in technology, but we aim to be at the forefront of the available technology. During 2024 we have continued to invest in efficiency improvements, and we have future commitment for a sizable project that will deliver a significant decrease in our carbon emissions (a multi-million heat pump project has been approved for Scotland). Our Nantong site has made strides in innovative technology to recover process heat, delivering steam and carbon savings. We have also invested in further metering in all our sites to improve our understanding of how our resources are used. For 2030, we will focus on improving our efficiency, reducing our thermal energy demand (heat pump technology) and further renewable procurement such that we have 100% renewable purchased electricity

and the decarbonisation of our heat requirements.

The tables shown below have been prepared for the reporting period of 1 January 2024 to 31 December 2024 using the same reporting periods for 2020-2023 for comparison.

The Group has defined its organisational boundary using an operational control approach. GHG emissions are in CO₂e, including GHGs in addition to carbon dioxide, and have been calculated from monthly measured data (e.g., fuel and electricity use) using the appropriate conversion factors in accordance with the principles and requirements of the World Resources Institute (WRI) GHG Protocol: A Corporate Accounting and Reporting Standard (revised version) and (UK) Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements (March 2019). We reported our scope 3 emissions for the first time in 2022 based on principals from the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions and WRAP Scope 3 GHG Measurement and Reporting protocols: Sector Guidance for the Food & Drink Businesses. Our emissions data covers 100% of operations.

Historically our emissions data was closely aligned to our energy consumption data as our greenhouse gas emissions were mainly due to the use of energy in our sites and centre on heat and electricity for our manufacturing processes. This relationship is decreasing as we generate and purchase more renewable electricity on our journey towards our net zero target.

In 2024, the Group's combined scope 1 & 2 emissions intensity decreased by 26% versus our base year down 11% versus the previous year and absolute emissions decreased by 20% versus base year and 7% versus previous year.

The principal improvement in the company's absolute energy efficiency in the year were the waste heat recovery projects in Moodiesburn where a 10% carbon reduction was achieved, and the generation of 1.2 GWh from a Solar PV at our Nantong facility, providing a significant increase in our self-generated renewable electricity.

In 2025 we are expecting a further reduction in our scope 2 emissions due to a commitment to increase renewable energy purchase to 80% of the total, and the realisation of further carbon saving coming from energy recovery projects in Moodiesburn, Jilemnice and Nantong. Our forecast for 2025 is to close the year with a carbon intensity of 21.5 tonnes CO₂/Mm, a reduction of 41% compared to our base year. If we had taken no action, our projected carbon emission for the year 2025 would be 129,729 tonnes of CO₂e – we are instead aiming to close the year at below 82,000² tonnes of carbon.

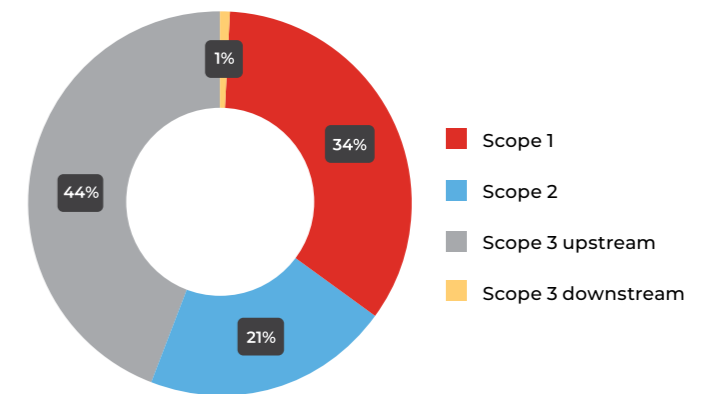
Our Operational Emissions

	2024	2023	2022	2021	2020
GHG emissions (tCO ₂ e)	Group Total	Group Total	Group Total	Group Total	Group Total
Total Scope 1	54,178*	56,620*	61,875*	55,654*	57,885*
Total Scope 2	32,667	36,078	48,606	49,160	52,674
Total Scope 1 & 2	86,845	92,698	110,418	104,814	109,186

¹Re-stated to keep into account vehicles and fugitive emissions (**fugitive scope 1 emissions inclusion adjustment).

TOTAL EMISSIONS 2024

We have undertaken an inventory of our scope 3 emissions for the year 2024. Where possible, weight data has been used and our spend-based approach has been limited just to the categories where weight data were unfeasible to obtain (e.g. services procurement). From the results of this assessment, we have concluded that our scope 3 emissions are 45% of our total emissions for the year, and we will be stating targets for their reduction in the coming years.



Item		Current Approx. Emissions tCO ₂ e	Category Total tCO ₂ e	% of Total Scope 3
2024 scope 3.1	Purchased goods & services: Services	1,440	31,216	43.64%
	Purchased goods & services: Hides	7,018		
	Purchased goods & services: Packaging	3,459		
	Purchased goods & services: All other products (i.e. non-hide and non packaging)	19,299		
2024 Scope 3.2	Capital goods	7,507	7,507	10.49%
2024 Scope 3.3	WTT & T&D	17,546	17,546	24.53%
2024 Scope 3.4	Upstream Transport: Packaging	38	6,915	9.67%
	Upstream Transport: Hides	2,513		
	Upstream Transport: All other products	448		
	Downstream Transport: All products	3,808		
	Warehousing	108		
2024 Scope 3.5	Waste	1,878	1,878	2.63%
2024 Scope 3.6	Business travel	1,248	1,248	1.75%
2024 Scope 3.7	Employee commuting	3,458	3,458	4.83%
2024 Scope 3.8	Upstream leased assets	6	6	0.01%
2024 Scope 3.9	Downstream transportation	331	331	0.46%
2024 Scope 3.10	Processing of Sold products: Sausages	915	1,003	1.40%
	Processing of Sold products: Dog/ Fish Food	88		
2024 Scope 3.12	End of Life: Product	414	427	0.60%
	End of Life: Packaging	13		
TOTAL SCOPE 3		71,536	71,536	100%

The majority of our Scope 3 emissions are related to our upstream emission, with the biggest category being our purchased goods and services.

In our Scope 3 calculations we have excluded categories 11 (use of sold product), 14 (downstream leased assets), 15 (Franchises) and 16 (Investments) as those are not relevant to Devro. In particular, category 11 was not considered as the products sold by Devro do not directly emit carbon through fuel combustion.

Energy use

	2024	2023	2022	2021
	Group total	Group total	Group total	Group total
Energy consumption (kWh)				
Diesel	2,370,436	2,538,253	20,095,763	2,340,744
Gas	272,310,99	289,788,567	294,576,803	292,669,762
Total non-renewable fuels consumption	274,040,168	292,326,820	314,672,566	295,010,506
Purchased electricity renewable	32,861,059	17,185,060	1,966,459	1,378,935
Self-generated renewable electricity (all solar)	1,279,096	1,340,650	1,132,101	110,446
Total renewable electricity consumption	34,140,155	18,525,710	3,098,560	1,489,381
Purchased electricity non-renewable	44,813,983	59,967,926	80,831,817	79,140,743
Total purchased electricity	77,675,042	77,152,986	82,798,276	80,519,678
% renewable from total electricity	33.5%	22.3%	3.7%	1.8%
% grid electricity from total electricity	76.2%	77.7%	98.7%	99.9%
Total electricity consumed	78,954,138	78,493,636	83,930,377	80,630,124
Non-renewable other energy consumption (Steam)	36,932,721	33,531,377	34,258,140	35,144,644
Total other energy consumption	36,932,721	33,531,377	34,258,140	35,144,644
Total renewable energy consumption	34,140,155	18,525,710	3,098,560	1,489,381
Total non-renewable energy consumption	355,786,872	385,826,123	429,762,523	409,295,893
Total energy consumption	389,927,027	404,351,833	432,861,083	410,785,274

*The total electricity consumed figure does not account for electricity generated by co-gen and CHP systems.

Water

2025	2030	2050
20% relative	20% absolute	50% absolute

Our water consumption is a mixture of well extracted and mains supply. We use water for hide washing, gel production and casing production. Our focus is on reducing water use, and we are investigating opportunities to re-use water in process after filtration and chemical treatment, but potable water is required in food production processes, which limits our water recycling capabilities.

Devro is committed to complying with all legal requirements relating to water use, consumption and site-specific customer and certification requirements and to voluntarily disclose water data, risks and impacts via the Carbon Disclosure Project (CDP) water questionnaire

In 2024 we have achieved our 2025 target one year in advance, by reducing the relative water usage to 444 m3 by million meter of casing manufactured vs a target of 446. We are committed to further reducing water use in process through reduction and recycling projects across all sites in the Group, and have set more stretching targets for 2025.

Within four of our major locations, and because of local regulatory requirements, we operate our own wastewater treatment plants. In Scotland, we partially treat our effluent to ensure we meet the outflow parameters before discharging directly into the public sewerage system, where our waste is combined with domestic effluent and treated by Scottish Water. In the Czech Republic we treat some municipal wastewater alongside our own prior to discharge. We are committed to ensuring that all effluent is within the consent levels agreed with the appropriate water authority and to monitoring to ensure that limits are not exceeded, taking appropriate investigation and actions should they be exceeded.

In 2024, our water withdrawal in cubic metres per million metres production decreased by 4.3% compared to 2023 (a 1.4% decrease in absolute terms).

In 2025, Devro commits to investigate opportunities for pollution reduction through the upgrading of our effluent treatment facilities, and to implementing water conservation opportunities that provide for a viable economic return on investment without a negative impact on personnel safety, product, plant or the environment.

Freshwater withdrawal (m3)	2024	2023	2022	2021	2020
UK	295,708	352,779	376,844	438,913	492,434
Czechia	542,534	574,747	590,217	593,885	569,196
Australia	286,274	254,298	297,797	306,945	304,277
USA	169,248 ¹	144,526	188,874	201,806	201,225
China	207,785	196,843	183,677	158,620	180,919
Group Total	1,517,966	1,541,160	1,637,409	1,700,169	1,748,051

¹USA data is adjusted to account for coextrusion

Waste

2025	2030	2050
Achieve Zero total waste to landfill	-30% absolute product waste	-90% all waste

By focusing on clean waste separation, we have achieved a 99% reduction in waste product to landfill per million metres production since 2005 with substantial improvement in the last six years. Our targets of zero product waste to landfill by the end of 2025 and reducing 30% absolute product waste by 2030 will require reduced total waste and identification of opportunities for re-use of product waste in other outlets. Our ambition is also to get to zero total waste to landfill by

2045 for all forms of waste. Product waste is organic and by avoiding non-organic contamination we have an opportunity to dispose of this in an environmentally responsible manner, such as sending this to third parties to produce energy via anaerobic digestion. Other waste is solid waste which is not necessarily generated directly by the process and includes some potentially recyclable materials, such as packaging waste that is separated and sent for recycling.

In 2024, we achieved a reduction of 32% in our tonnes of waste versus previous year.

Waste treatment/disposal (tonnes)	2024	2023	2022	2021	2020
Waste other (e.g., recycled, converted to RDF pellets, anaerobic digestion)	5,003	7,906	8,159	5,174	8,502
Waste to landfill	1,020	930	446	1,666	2,306
Total waste	6,023	8,836	8,605	10,446	10,808

Packaging

Our packaging is designed to ensure only the minimum amount of packaging is used necessary to protect the product, in line with Packaging Regulations. Our objective is to ensure all our packaging is recyclable and we look to increase our recycled content where feasible considering the requirements of food contact materials.

	Total Packaging (tonnes)			
	2024	2022	2022	2021*
Paper	1,490	1,501	1,501	1,481
Recycled	907	867	867	801
Plastic	322	254	264	281
Recycled content	8.7	5.4	5.4	6.0

*corrected

People

Devro operates as a responsible business, looking after the interests of the people who work for us. We engage our employees with respect in a manner that values and capitalises upon our cultural differences and we do our best to make Devro a safe and fulfilling place to work. We support the professional development of our people, which helps our employees progress whilst ensuring the continuous development of our company. We promote diversity and ensure equal opportunities for all our employees. We operate with respect for human rights throughout our business and respect their freedom of association. All relevant policies can be found on our corporate website.

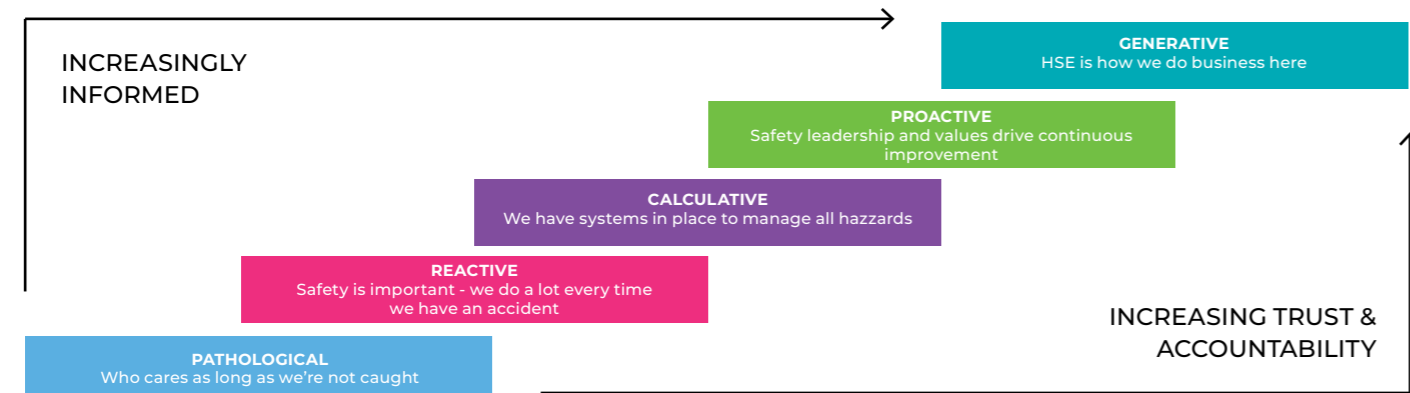
Health and Safety

Our goal remains to become a Zero Accident Community across Devro, at each site and within each functional group. In 2024 we continued to progress our top line plan to achieve a zero-harm culture/community and to have all our colleagues – THINKING SAFE, WORKING SAFE AND GOING HOME SAFE (AND RETURNING SAFE) EVERY DAY.

We renewed our focus to relentlessly pursue a risk position of excellence and a “generative”, mature health and safety culture. We have embarked upon a journey using two key programs – Life Saving Rules/MY ZERO (Risk) and ‘Hearts and Minds’ (Culture). Within these programs we have deployed and used a number of tools, that we have reviewed and improved, and will consider any improvement learnings when implementing future tools.



In 2024, we continued to measure our progress in our objective to foster a generative safety culture by repeating site-based culture surveys that uses the Parker Hudson model to provide a framework for this objective.



In October we ran our seventh consecutive annual safety month. This year we focused on Employee Wellbeing across all regions by promoting healthy living and supporting our mental health.

2024 Safety performance

Safety Performance ²	2024	2023	2022	2021
Fatalities	0	0	0	0
Lost Working Day Incidents	2	5	0	1
Recordable Incidents	13	7	14	15
Days Lost	245	53	0	3
First Aid Incidents	72	71	66	
Minor Injuries	84	97	84	
Near Misses	184	185	264	274
Occupational Illnesses	9	13	20	17

*All Safety numbers include our employees and contractors.

** We have chosen to use the internationally recognised International Labour Organisation (ILO) methodology (ILO) which uses 1,000,000 hours to report Total Recordable Incidents, Lost Work Day Incidents and Lost Work Days. We multiply the number of cases or days lost x 1,000,000 and then divide by the man-hours worked in Devro. Lost days are the total number of work days lost as a result of a worker injury or illness.

The number of Lost Working Day Incidents reduced vs 2023. There has been a significant increase in days lost largely caused by one long-term injury reported in 2023. We have however, seen an increase in Recordable Incidents.

Our Global Safety Incident Management platform is now fully embedded, and this has resulted in an increase in Unsafe Condition reporting of 36% vs 2023. This allows sites to address uncontrolled hazards before they have the chance to cause harm.

Target deliverables for 2025

- Message – one message SARIA Food & Pharma wide that resonates and is visible in all locations
- Communication – continue with 2024 meetings cadence, including regional pilots
- Data – mature our data collection and use it effectively. Explore the adoption of one reporting system
- Capability – review our existing structure and make suggestions as to what good looks like to support our plan
- Audit – identify through audit our key risks and controls at our locations
- Communication – continue with 2024 meetings cadence, including regional pilots

² We use the US (OSHA) methodology of a standard 200,000 hours per year. We note that the UK uses 100,000 hours. To calculate Total Recordable Injury frequency, we multiply the number of cases x 200,000 and then divide by the man-hours worked in Devro.

Our people

Devro is an international business, with seven production sites across four continents. As at 31 December 2024, the Group employed 2079 people (2023: 1,888). As a result of the acquisition by SARIA Nederland B.V., restructuring of support functions, namely Finance, IT, Marketing & Communications and HR, took place through 2023 and into 2024. This resulted in the vast majority of affected employees transferring to new positions within the SARIA group, presenting an opportunity for personal and professional development. We also realigned our Operations workforce to reflect changes in manufacturing output which was primarily managed through natural attrition and reduction of temporary/agency workers.

Employee Experience

As a purpose-led business we seek to 'Create the Added Layer of Value' in all that we do. We recognize that this requires all employees to be actively engaged in performing to the best of their abilities and in line with our company values. Therefore, we strive to achieve 'best in class' levels of engagement and wellbeing.

We place considerable value on the active involvement of our employees on matters which affect them both locally and at Group level. This is achieved through visible and regular communications, both formal and informal, from their own local management and that of visiting executives and senior managers. In 2024 we continued organizing our European Forum. The forum brings together recognised Trade Union and employee representatives from our three European sites, along with HR and Senior Management, to consult on pan-European matters, both current and future focussed.

We want to reflect the diversity of the national, regional and international communities that we work in and aim to be a place where people feel free to be themselves no matter their identity or background. It is common practice to bring together teams from multiple countries to work on strategically important projects and to participate in training and development programs. This has many benefits, not least of which is creating a more unified and consistent business culture, as well as promoting diversity of thought and experience.

We believe it takes diversity of thought, culture, background and perspective to create a truly innovative company. And as an equal opportunities' employer, all our employees and applicants are treated fairly and equally, regardless of their age, colour, creed, disability, full or part-time status, gender, marital status, nationality or ethnic origin, race, religion or sexual orientation.

In recent years we have revised our EDI Policy and our recruitment practices to ensure these reflect best practice. In 2024, we continued our 'Dignity@Work' program with the launch of Unconscious Bias e-learning for managers and employees. We see it as essential to keep the conversation about Diversity, Equity and Inclusion alive and explore areas where we can continue to learn and improve our practices.

As part of our commitment to fair and transparent reward practices, in 2024 we have taken steps to unify our global Short-Term Incentive (STI) program. This harmonized approach ensures that employees across all regions are rewarded consistently based on shared principles of performance, contribution and business outcomes. By aligning the STI framework globally, we aim to foster equity, strengthen our performance

culture, and support our sustainability goals through clear and consistent recognition of results and behaviours that reflect our company values.

In our efforts to foster a positive workplace we routinely promote physical and mental health. We do this through raising awareness using our global intranet (Connect), locally organised events and resources (such as medical checks and vaccination campaigns) and promotion of our Employee Assistance Program, which is available to all employees in the Group, in their local languages.



Talent and professional development

Attracting and retaining a highly skilled workforce is key to our future success. Therefore, we are committed to the continual development of our employees, investing both time and money. In addition to the provision of locally managed learning and development budgets and compliance training, we offer support for employees with further education and recognised qualifications, bespoke Leadership and Management programs and interpersonal/team development workshops and coaching.

Many employees across our global business continue to benefit from a wide range of online and face-to-face learning opportunities that support their development and help them build the skills and knowledge needed to perform at their best. Throughout 2024, we have maintained the same positive momentum in providing formal training opportunities across the organization, building on the strong foundation set in previous years. This is in addition to ongoing operational and informal, experience-based learning that takes place daily across teams. Our office-based employees have again engaged in our Performance Review process, setting clear goals and development plans aligned with both individual aspirations and business needs.

Our Leadership Program continues to be delivered virtually, connecting a diverse, cross-functional, and international group of participants. Likewise, our Management Program—targeted at leaders in key roles—has progressed into 2024, helping managers grow their impact, lead with our company values, and drive high performance across their teams.

In support of our growing business, drive for innovation in our technology and a recognition of the value of entry-level talent, in 2023, we introduced our first Graduate Engineering program. This saw the creation of 12 new positions across the Group, which offer newly graduated engineers the opportunity to join our team, taking on responsibility for operationally significant projects. This approach complements our well-established engineering Apprenticeship program which currently employs 10 apprentices across the Group and has further benefitted from a review of our structures within this function to create Principal Engineer roles who serve as technical experts and mentors to our entry-level talent.

We seek to maximise the investment we make in our people and create continuity for our business through frequent review of our talent pipelines and succession planning. As far as possible, we promote from within our business and in 2024 filled 23% of our vacancies with internal candidates. (2023: 25%)

The gender analysis of the workforce as at the end of the year is shown in our websitee [\(Gender Pay Gap | Devro\)](#).

Communities and Charities

Devro is well-respected as an organisation within the communities it operates, and we encourage the employment of local people into our businesses. This develops loyalty in our employees but also makes us an employer of choice in our locations. Our ongoing commitment to offering school visits, work experience and student placements within the locality of our manufacturing sites has been reinvigorated in recent years and followed as one of our priorities.

In 2024, a number of our sites continued their close cooperation with local schools to support their students, provide valuable resources and educate them on STEM-based career choices.

The Company also provides support through other charitable donations across the regions within which we operate, totalling £62,640. We intentionally choose to take a local focus, with the aim creating a positive impact where we have a presence.

Ethical conduct

Business conduct

All business partners are expected to comply with all parts of our Business Conduct Policy. The Senior Management Team reviews and approves an annual Global Business Conduct Statement, which is then disseminated to all employees in the Group at the beginning of the year. At the start of the year, each employee with a Devro email address must sign a certificate confirming full compliance with the Business Conduct Policy throughout the previous year. We have a zero-tolerance approach to bribery and corruption. All computer-based staff are required to complete online training on bribery and corruption, reinforced by face-to-face training where appropriate. Employees or contractors may also be required to complete the training in circumstances where we have identified a potential risk. The main Board reviews the risks associated with bribery and corruption every year to ensure that our procedures remain appropriate and effective.

Human & employee rights

Devro does not have a specific Company human rights policy since we consider that we are served in this area by the developed culture of ethical business practice and strong labour regulation present in most of the countries in which the Group operates. All the Group's sites, wherever located, adhere to our own high-standard labour practices, even where local regulatory requirements are not as advanced. We run our business responsibly and ensure that all our employees, customers, suppliers and other stakeholders are treated fairly and with respect. There have been no violations reported against the Company on human rights in 2024 or the previous four fiscal years. Any violations on human rights would be reported and action taken.

Whistleblowing

Devro maintains an open environment in which colleagues and other stakeholders can raise any issue about any aspect of our business. We support anyone who voices genuine concerns, even if they turn out to be mistaken. We use an externally hosted global whistleblowing service (EthicsPoint) and encourage stakeholders to 'speak up' as necessary. This covers all individuals working at all levels of the global organisation, including contractors, casual and agency staff and is designed to offer employees and third-party stakeholders a confidential and anonymous way of raising issues. A Board-approved procedure for handling any issue raised through the hotline is in place. An increase in anonymous whistleblowing reports received from one Company site, prompted local management to intensify their engagement with employees, following which anonymous whistleblowing reduced.

In accordance with the Modern Slavery Act 2015, the Group has published a statement on its website setting out the steps taken to prevent modern slavery and human trafficking in its business and supply chains.

All our employees are entitled to a fair salary and other terms and conditions of employment as appropriate. We benchmark salary and benefits against similar roles in the same local area annually to ensure that we are competitive. Our policy is to comply, at the very least, with minimum wage legislation for any job role for all employees and we seek to be competitive where our facilities are based; in many instances, wage rates and

salaries are higher. We pay benefits as appropriate to local markets and these are reviewed annually to ensure competitiveness. Legally required benefits such as annual leave, sick leave, maternity leave and normal working patterns and hours are of course applicable to all. The terms and conditions on working hours are detailed in our contractual terms and, where applicable, within agreements with our Trade Union groups. Overtime is voluntary and the Company will always abide by the legal requirements relating to overtime and payment for it.

Freedom of association

We have recognised Trade Union groups in our facilities in the Czech Republic, China, Scotland and Australia and value their partnership and involvement. We encourage collective bargaining with Trade Union groups and negotiate with them on the terms and conditions for their members and consult with them on changes within the organisation. Employees can become affiliated with a Trade Union and their involvement in that organisation will not affect them in terms of recruitment, promotion, transfers, development opportunities or any other employment arrangements. In Europe, we have a long-established European Forum consisting of management and employee representatives, who meet annually to discuss, communicate and consult on trans-national issues relating to the business. Where there is no representative group, we establish and encourage an open two-way communication process with employees and have various communication mechanisms and methods to keep this active.

Tax transparency

The Devro group of companies, headed by Devro Limited (Devro) was acquired on 14 April 2023 by SARIA Nederland B.V. an indirect subsidiary undertaking of SARIA SE & Co. KG. (the Acquisition). Devro strives to comply with both the spirit and the letter of all relevant tax laws and regulations in the countries where it operates, and it is committed to a transparent and open approach to reporting on tax. Our policy is to file all tax returns on time and to pay tax as it falls due. The Group has a low risk tolerance for uncertain tax positions in the jurisdictions in which it operates. We do not undertake any aggressive or unreasonable tax planning schemes for the purpose of tax avoidance, and broadly aim to align tax payments to revenue generation. We do not knowingly help others avoid their tax obligations. Devro's approach is to develop open and straightforward relationships with the tax authorities in the jurisdictions in which it trades, including the HMRC in the UK. Devro's commitments on taxation are enshrined in both our Global Business Conduct Statement and Business Conduct Policy, on which training is provided. Employees across the business are also regularly required to verify their compliance with our Business Conduct Policy. Tax compliance risks are managed through the Group's risk management framework. We expect in the months following the completion of the Acquisition to align how Devro's commitments on taxation will be recorded and managed in future as part of the broader SARIA group.

As of 31 December 2023, Devro did not operate in countries considered as partially compliant or noncompliant according to the OECD tax transparency report, or in any countries blacklisted or grey listed by the EU for tax avoidance and harmful tax practices.

Cooperation with external parties

Devro were founding members of, and currently chair the Collagen Casing Trade Association, an organisation representing the interests of collagen casing manufacturers globally, especially around global regulatory controls. Devro is also part of national associations such as the UK-based Food and Drink Federation, the British Meat Processors' Association and chair the Food and Drink Federation of Scotland, where our representatives inform the sector thinking on standards, legislation, environmental and food safety issues across the UK and European food industry. We also actively participate within our regions with any legislative consultation process relating to food production, market access, labour rates and engage with trade associations for our industry to develop the standards for our employees and others in the industry. We are also members of environmental working groups within these organisations to better understand and influence developing or current legislation or industry guidance.

Customers, product and innovation

We are always developing new products and technologies as we respond to customer demand and in response to our drive for an efficient business. We are cognisant that we would be able to lower our Scope 3 emissions by altering the raw material of casings. We work in close collaboration with our customers to meet their needs and in the development of the consumer market. However, our product makes up such a small proportion of our customers product that anything we do has limited impact on our customer carbon footprint. However, we can provide information and guidance.

Product integrity

Our modern processing sites use state of the art production equipment, including a high degree of automation which minimises handling. This combined with our high standards of hygiene and control ensures we meet our customers' expectations for quality. All our production sites are certified to ISO 9001 (quality management system) and all sites are certified to FSSC 22000 (food safety). Our processes and raw materials are several steps removed from the animal, but we source from countries (UK, EU, US and Australia) with animal welfare standards for all our production. We offer customers full bovine collagen traceability back to the individual animal within our range which provides customers knowledge that they are getting a high quality, secure product. Where possible we use recycled board and/or renewable materials in our packaging, but we are restricted by regulation to the extent in which recycled materials can be used in our food contact packaging. Our Global Food Safety and Quality Statements are available on our website.

Responsible sourcing

Our original process was designed to utilise certain co-products from slaughterhouses, which removed the need for their disposal and created an economic stream from what was effectively waste. We work closely with our suppliers to set clear specifications for the products they supply. The quality of raw materials we use contributes significantly to the achievement of consistent finished product quality. We assure the safety, traceability, quality and provenance of our raw materials through our supplier audit and assessment process. It is important that our suppliers also apply the same principles of value, transparency and respect as we do, to ensure our products are sourced and manufactured in a fair, ethical and environmentally responsible manner.

The Group undertakes audits and questionnaires for each supplier, including physical site audits for all our major ingredient suppliers and for new suppliers. We take into consideration their environmental policies, whether they have a formal recognised Environmental Management System and any third-party certification held by the supplier, which is to Global Food Safety Initiative recognised standards. We request specific information on environmental impacts in our questionnaires (GHG, CO₂, water use, resource utilisation, waste and pollution targets and performance) and follow up in our physical audits of suppliers, where we discuss any non-conformance and agreed actions. We request information from all our suppliers on social issues, including child or forced labour, equal opportunities, non-discrimination, freedom of association, labour practices (such as avoidance of excessive hours, minimum wage) and health and safety standards. We assess for the potential for poor labour conditions during the physical audits of all our major raw material suppliers, although the risk of this is low given our suppliers are large production processes or large reputable organisations. We use this compliance information to make decisions overseen by the Group Supply Chain Director.

All non-conformance is required to be corrected promptly. For raw materials we complete a quality and food safety vulnerability risk assessment including the quality controls of the manufacturer and traceability. All our raw materials suppliers provide their environmental policies and relevant data. The Group also considers social factors including working practices and health and safety. Further details of our supply chain policy can be found on our website.

Supplier compliance

During 2024 we conducted 66 supplier audits. Through our raw material supplier audits, with higher-risk suppliers being audited more regularly, we check our suppliers have policies or processes in place which promote respect for workers' rights (including policies on anti-discrimination, freedom of association, child and forced labour) and we seek assurances of the steps they have in place to ensure these are followed. To ensure that we maintain a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and in our own business, we have trained key personnel who are involved in our Supplier Management process. We are also in the process of issuing a 'Supplier Code of Conduct' ensuring our suppliers' adherence through our audit programme. The table below tracks our total supplier audits, outlining those audits which included quality, environmental and social assessments.

Our supplier audits

Year	Audits total	Audits inc. Quality	Audits inc.. Environmental	Audits inc.. Social
2018	42	42 (100%)	41 (98%)	36 (86%)
2019	54	54 (100%)	52 (96%)	52 (96%)
2020	95	95 (100%)	95 (100%)	95 (100%)
2021	40	40 (100%)	40 (100%)	38 (95%)
2022	64	64 (100%)	64 (100%)	64 (100%)
2023	87	77 (89%)	85 (97%)	75 (86%)
2024	66	66 (100%)	64 (100%)	66 (100%)

Devro has had a long-standing public commitment to be net-zero across all scopes by 2050 and in 2022 we made the commitment to set near-term company-wide emission reductions in line with climate science and SBTi and developed interim targets for scopes 1 & 2 for 2025 and 2030.

In line with Financial Stability's Board Taskforce on Climate-related Financial Disclosure (TCFD) recommendations, our TCFD report outlines our approach to climate change governance and how we incorporate climate-related risks and opportunities into our risk management and strategy, aligned to our net zero ambition. In this report, we set out our climate-related financial disclosures consistent with all the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations and Recommended Disclosures as detailed in "Recommendations of the Task Force on Climate-related Financial Disclosures", 2017, with use of additional guidance from "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures", 2021.

Though the acquisition of the Devro group of companies in April 2023 and subsequently de-listing of Devro Plc as a public company trading on the London Stock Exchange, removed our TCFD reporting obligation we remain committed to reporting against the TCFD recommendations. We consider the reporting of our climate related performance against the TCFD recommendations good practice in communicating our environmental commitments.

Governance

Devro's Management Team (DMT) has responsible for the oversight of climate-related risks and opportunities, as with all matters which impact the strategy and risk management of the Group. The DMT is responsible for the oversight of the Group's climate change policy and monitors and oversees progress of the Group's sustainability targets against our recorded emissions, water use and waste. Our public commitment to net zero and our near-term emissions and renewable electricity targets highlight that the management of Devro's climate change exposure and impact is fundamental to the Group's business Purpose (see Metrics and Targets below for further details). The CEO has overall responsibility for oversight, ensuring that climate-related issues are considered in the review of Devro's strategy, budget and business.

Within the risk management framework, the DMT delegates its authority to oversee climate-related risks to the Sustainability Committee. The output from any climate-related risk reviews is incorporated into the overall risk report.

Executive management level oversight of climate-related issues at Devro is performed by the CEO and the DMT who monitored progress against our climate-related targets, achievements, and barriers to be resolved. An internal report, including climate related KPIs, was prepared on a monthly basis and reported to the DMT. The Global Supply Chain Director is also chair of the Sustainability Committee that meets eight times per annum. Our cross-functional Sustainability Committee supported and informed the DMT on delivery of the climate-related strategy and performance of the business. The Sustainability Committee in turn are informed by divisional and operational management who manage climate-related risks and report and deliver on projects and initiatives, such as the progress on renewable electricity across sites.

Risk Management

Risks and opportunities relevant to Devro were identified with the help of external consultants and refined through consultation with the Sustainability Committee and senior management in 2021. Devro considers climate-related risks and opportunities in all physical and transition risk categories, current and emerging, whether they occur within our own operations, or upstream and downstream of the Group and whether they occur within the short-, medium- or long-term time horizons. We do not consider the risks or opportunities have changed since 2021, in fact they have been reinforced as the world looks to implement environmental legislation. In 2025, we will be working with our parent company, SARIA Food and Pharma, to review our risk assessment and develop a common framework.

Climate-related risks and opportunities are evaluated separately from other Group risks as the timelines tend to be significantly longer for climate related developments. Climate related risks are generally managed within the Sustainability Committee with reference to the DMT as deemed necessary. If there is elevated risk the DMT has an option to raise to the Group Risk Committee. The climate-related risk assessment incorporates measures for both likelihood (intuitive assessment) and impact (£'m impact on Group EBIT) with a threshold of £1 million EBIT impact over the rolling three-year period. Further details related to each key risk and opportunity, such as a quantification of the financial impact, the appropriate strategic response, cost of response and the variance of key risks in relation to climate-related scenarios is also developed. These details help us to determine if further management response is required (e.g., mitigation, acceptance, control) and help to prioritise resources in managing our most material climate-related impacts.

The risk register, including climate-related risks, is reviewed every six months to incorporate material changes from our internal assessment and to ensure the register reflects material changes in the operating environment and business strategy.

Strategy

Devro is not exposed to all categories of climate-related risk. Below we outline four key climate-related risks and three key opportunities which could have a material financial impact on the organisation. We monitor several additional risks and opportunities to these, which at this stage we determine are not material, and/or do not impact our businesses, strategy, and financial planning beyond the boundaries of business-as-usual. Examples include future changes in environmental regulations such as deforestation risk, packaging waste, physical risks like acute weather risk to sites and societal risks such as reduced meat consumption reducing product demand.

In consideration of the longer time horizons for climate-related issues and in keeping with the interim target dates we historically set for the business in 2025, 2030 and our 2045 net-zero aspiration, therefore, the time horizons for our risk assessment analysis have been determined as follows:

- Short-term: to 2025
- Medium-term: 2025 to 2030
- Long-term: 2030 to 2045

We use climate-related scenario analysis to improve our understanding of how different climate outcomes impact certain risks. We employed three public climate-related scenarios which help us better understand the resilience of the business to climate change:

Scenario	Source	Outline	Notes
Net Zero Emissions by 2050 Scenario (NZE)³	IEA	Actions limit the global temperatures rise to 1.5 °C by 2100, with 50% probability	A pathway for the global energy sector to achieve net zero CO ₂ emissions by 2050. This scenario is included as it informs decarbonisation pathways used by the SBTi.
Stated Policies (STEPS)	IEA	Global temperatures rise by around 2.5°C by 2100, with 50% probability	A combination of physical and transitions risk impacts as. This scenario is included as it represents a mid-way pathway with the trajectory implied by today's policy settings.
RCP 8.5	IPCC	Global temperatures rise between 4.1-4.8°C by 2100	This scenario is included for its extreme physical climate risks.

3 Sources: IEA (2022), Global Energy and Climate Model, IEA, Paris <https://iea.blob.core.windows.net/assets/3a51c827-2b4a-4251-87da-7f28d9c9549b/GlobalEnergyandClimateModel2022Documentation.pdf>; IPCC (2014), Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change

These scenarios have been supplemented with additional internal and external sources specific to each risk to inform our assumptions. Our overall assessment is that the business remains resilient to climate-related risks in all three scenarios, especially given our existing and planned mitigation strategies. We do not foresee any material fundamental change to our business strategy or budgets resulting from climate change, especially given our plans already accommodate our ambition for net zero. There are no effects of climate-related matters reflected in judgements and estimates applied. There will be opportunities in future years to increase the sophistication of modelling as new data is made available both internally and externally to support a meaningful quantitative assessment.

Risks

Risks	Carbon pricing or carbon tax, own operations	Carbon pricing or carbon tax, value-chain	Water scarcity	Reliance on third parties for our net zero plans
Type	Transition (Current and Emerging Regulation)	Transition (Current and Emerging Regulation)	Physical (Chronic)	Transition (Market and Reputation)
Area	Own Operations	Upstream	Own Operations	Upstream/Own Operations
Primary potential financial impact	Higher costs	Higher input costs	Lower revenue, higher cost	Higher costs, higher cost of capital
Time horizon	Medium-term	Medium-term	Medium-term	Long-term
Likelihood	Very likely	Very likely	Evans	Unlikely
Impact	Medium	Medium	Medium	Low
Location or service most impacted	All production operations	Purchased Goods & Services, Upstream Transportation	Bathurst, Jilmenice	All operations
Metrics used to monitor	Scope 1 & 2 emissions	Scope 3 emissions	Freshwater withdrawal, water intensity	Scope 1, 2 & 3 emissions

As scope 1 and 2 accounts for 53% our carbon emissions volatility in the energy market creates increased risks for our business. Three of our risks and one of our opportunities relate either directly or indirectly to energy supply. Conflict in Ukraine and the Middle East create continued uncertainty, so the decarbonisation of energy is critical in meeting climate change targets. Energy price and security are key drivers in the growth of clean energy, Heat pumps and photovoltaic installations, electric cars production and offshore wind development projections are all multiple times greater than they were in 2021, moving STEPS closer to NZE, although investment in clean energy by 2030 is still half the level under STEPS needed for NZE.

Carbon pricing or carbon tax, own operations

Unstable energy costs cause fluctuations in the impact of carbon taxes, however, carbon price adoption across an increasing breadth of countries continues, applied either directly as a tax or indirectly resulting in higher costs for energy, is expected to expand. In addition, the price of carbon is expected to rise in transition risk scenarios. The International Energy Agency (IEA) forecasts that carbon prices (US\$/tCO₂e) relevant to Devro under STEPS and NZE scenarios will develop as below. A direct tax on our unmitigated scope 1 and 2 emissions in line with these forecasts represents a High risk as Devro uses an energy intensive production process.

However, our net zero ambition, near-term emissions reduction and renewable energy targets (see below) and our road map to decarbonisation including an internal carbon tax for projects is preparing us in advance for these increases and will materially decrease our exposure to this risk over time, reducing our risk exposure to Medium. For example, our 2020 emissions under NZE would receive an additional carbon cost of \$14.1M per annum by 2030, which we will have reduced to \$10.6M by 2025 and below \$8.2M by 2030. A carbon tax saving of \$6M re annum.

Location	2030	2040	2050
STEPS Scenario⁵			
	US\$/tCO₂e		
China	28	43	53
European Union	120	129	160
NZE Scenario			
	US\$/tCO₂e		
Advanced economies with net zero emissions pledges	140	205	250
Emerging market and developing economies with net zero emissions pledges	90	160	200

5 Source: IEA (2023), World Energy and Climate Model, <https://www.iea.org/reports/global-energy-and-climate-model>
 9 Source: IEA (2023) World Energy Outlook 2023 <https://www.iea.org/reports/world-energy-outlook-2023>

Carbon pricing or carbon tax, value-chain

The potential introduction of carbon taxes, carbon border adjustments and carbon price increases in our upstream value-chain may increase the cost of transportation and the

cost of any carbon-intensive raw material inputs, which are our material upstream emissions exposures. The full implications to Devro are hard to assess given the lack of clarity on where in the value chain carbon pricing may be applied, how much is passed onto Devro and how much of the impact Devro can pass onto customers. Our Scope 3 reporting has now been consolidated and will allow us to investigate and develop carbon reduction options over the coming years, and in 2024 we have implemented our global ESG management system, which we are continuing to refine in 2025, to allow us better data capture. The Group has multiple supply options globally and global specifications to allow all plants to accept the same supplies which provides supplier flexibility. We also have several raw material efficiency and wider specification projects, increasing our operating resilience.

Water scarcity

Our sites in Australia (Bathurst) and Czechia (Jilmenice) operate in locations where the risk of water scarcity is expected to rise. Bathurst region is currently classed as Low Risk for water stress (Aqueduct Water Risk Atlas, WRI), but the basin is predicted to rise to High Risk by 2030 under the RCP 8.5 scenario. Regional water restrictions were imposed in 2019 as a result of years of drought, but key local business including our plant faced no restriction to supply and there was no additional cost of water. We investigated drilling boreholes to source alternative water supply and reduce reliance on municipal water. The capital cost of boreholes and water cleaning was under £1 million. That said, since 2019, higher levels of precipitation mean the local water storage reservoirs have been refilled repeatedly, providing several years of water access. The Jizerka River supplies the water to our Jilemnice production facility. Once used, we treat our wastewater together with local municipality wastewater and return it to the river in a better state. However, in times of lower rainfall, the upper reaches of the river can become depleted resulting in less abstraction, though this has not occurred in the last 4 years. The Group does have back up options to supplement river water in times of drought as well as programmes to reduce our water usage across all our sites. This year we have continued developing our company-wide water reduction opportunities through re-use and improved production efficiency.

Reliance on third parties for our net zero plans

Devro's long-term net zero ambition includes a certain amount of reliance on areas beyond our control and influence, such as the decarbonisation of electricity grids, influence in our supply chain where our position as a customer is low and factoring in to-be-developed technologies. The reliance on third parties is more relevant to tackling our scope 3 emissions. Failure to maintain progress against our net zero targets may cause reputational damage or result in greater costs due to the introduction of carbon pricing on our supply chain (as described above). At this stage we classify the risk as Unlikely with a Low magnitude and will monitor progress against our long-term ambition, reporting on any potential issues, should they arise.

Opportunities

Opportunities	Water, energy, waste savings	innovating low carbon alternatives	Green generation
Type	Resource Efficiency	Products & Services	Energy Source
Area	Own operations	Own operations, downstream	Own operations
Primary potential financial impact	Decreased costs	Increased sales	Decreased costs
Time horizon	Medium-Term	Medium-term	Medium-term
Likelihood	Likely	Likely	Likely
Impact	High	Medium	Medium
Location or service most impacted	All production operations	All production operations	All production operations
Metrics used to monitor	Energy use and intensity, Freshwater withdrawal and intensity, product waste	R&D to sales, % sales of low carbon products	Renewable electricity as % total electricity

Water, energy, waste savings

There is a large opportunity for the Group in resource efficiency, reducing energy, water, and waste. The Group is currently targeting a 25% reduction in emissions, a 20% reduction in water intensity and a 30% reduction in product waste to 2025. In addition, an absolute reduction of 42% and 20% in emissions and water respectively and reduction of product waste to zero is targeted to 2030. Even without this, the upgrading and improvements in manufacturing processes, increasing water re-use in process, and through the elimination of non-organic contamination in production waste, which will allow most production waste to be sent to anaerobic digestion for third party energy generation.

Innovating low carbon alternatives

Devro's strategy includes actively investigating lower carbon products to address potential climate-related shifts in customer trends and consumer choice. Subject to customer acceptance, the development of the consumer market, and required technologies the Group may be able to lower its downstream scope 3 emissions via a shift in the raw material. The extent would require a better understanding of the full life cycle impact of any change. The Group already offers porcine in all formats, poultry in gel and a plant-based gel. We are investigating alternative raw materials either as partial or whole replacements for hides and skins, and we are also focusing on reduction or replacement of other raw materials we use in our processes.

Green generation

Our focus on our 2025 targets is efficiency improvements, modular solar investments (currently supplying 1.3GWh/annum), and purchase of renewably sourced electricity. We aim for 80% renewable electricity across our business by 2025. The 2030 target will be delivered through improved efficiency, reduced energy demand, further renewable procurement and the decarbonisation of heat. Increased on-site self-generation and increasing the purchase of renewable sourced electricity will reduce scope 2 emissions. After initial capex payback, renewable energy generation becomes cash generative by removing cost. We aim for 100% renewable purchased electricity across all sites by 2030. This will reduce our emissions and exposure to carbon price risks outlined above.

Metrics And Targets

Devro monitors scope 1 and 2 greenhouse gas emissions, measured under ISO14001 and calculated using methodologies consistent with the Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard. We have continued to develop and refine our scope 3 emission accounting, in line with guidance GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, as required. We also track and report on emissions intensity, energy use, energy sources, freshwater withdrawal, and waste management, as reported. The Group also uses an internal carbon price of €70/tCO₂e for internal planning purposes.

In 2022 we made a commitment to set near-term company-wide emission reductions in line with climate science and the SBTi criteria. We have developed near-term targets for scope 1 & 2 for submission to the SBTi for validation. Those targets have been further refined in line with the SBTi forward looking ambition (FLA) adjustment, and our commitment to reduce absolute scope 1 and 2 GHG emissions 45.81% by 2030 from a 2020 base year and to reduce absolute scope 3 GHG emissions 25.00% by 2030 from a 2024 base year are aligned to SBTi requirements.

As Devro PLC, CO₂ emissions performance was a feature in the strategic elements of the CEO's and CFO's annual bonus. This will be a consideration for the new ownership structure in future years.

Registered office
 Devro Limited
 Moodiesburn
 Chryston
 G69 0JE
 Scotland

T: +44 (0) 1236 872261