



ZOTEFOAMS

ESG Report 2024



We recognize the role that **continuous improvement** plays in both enhancing the **sustainability credentials of our products** and helping us to **operate efficiently**.



Ronan Cox
Group CEO

Environmental, Social and Governance (ESG) Report

Zotefoams' ambition is captured in its purpose: providing optimal material solutions for the benefit of society. Building on an established ESG strategy, we are developing propositions aligned with market needs, fuelled by research and innovation.

Our strategy

Our purpose, supported by our values, Courage, Impact and Respect, drives our decision-making and provides the framework for our priorities. Managing our responsibilities towards ESG issues contributes to long-term value creation and helps safeguard the business's future. We believe that, used appropriately, plastics are frequently the best solution offering the lowest environmental impact for the long-term applications typically delivered by our customers.

Environment

At Group level:

- Decrease of 13.4% in water consumption since 2023
- Increase to 55.0% in waste being recycled (up from 51.0% in 2023)
- 100% renewable electricity in the Croydon, UK, Brzeg, Poland and Walton, USA sites (representing over 99.0% of global electricity consumption)

In Croydon, UK

- Decrease of 9.2% in our Specific Energy Consumption.

Social

- Gender pay gap of 11.8%, improved by 1.3% compared with 2023
- A Living Wage is paid in the UK in line with the Living Wage Foundation's recommendation. Above minimum wage is paid in all other geographies we operate in
- 11,300 Group safety engagements
- Developed a Health and Safety day programme implemented across Croydon, UK, Brzeg, Poland, and Walton, USA in 2024
- Implementation of new values.

Governance

- Appointment of a Board Fellow to support diverse thinking
- Implementation of a new Group Executive Team structure to support growth and innovation. Further details are provided on page 21.



Tamara Thomas
Group Sustainability Manager
Joined Zotefoams in 2024

Sustainability and the ESG space are growing for a reason – they are integral to the success of a business and to the communities we live in. Having worked for a number of years with leading brands across multiple areas and countries, I have seen first-hand the importance of companies acting with integrity and transparency through their operations, supply chain and people's strategy. I am proud to be working at Zotefoams. Running a sustainable business is about maintaining profitability to ensure that we can continue to develop innovative products that support the circular

economy, while having a positive impact on the environment and communities with which we engage. We value all our stakeholders and partnerships, and I am honoured to be working with them to support the growth of an industry which is important to so many sectors.

	Areas of focus	Sustainable Development Goals (SDGs)
Environment	- Environmental Steering Committee - ISO certification¹ including ISO 14001:2015 Environmental Management Systems certification in the UK and Poland. Plans to implement ISO 50001:2018 (Energy Management Systems) certification in the UK and Poland 100% renewable electricity in the Croydon, UK, Brzeg, Poland and Walton, USA sites (representing over 99% of global electricity consumption)	- Good progress on energy and water consumption and waste reduction - Targets in place for waste reduction, sustainable product development and energy consumption reduction - Annual disclosures to Carbon Disclosure Project (CDP) - Compliance with the Task Force on Climate-Related Financial Disclosures (TCFD).
Social	- Health and Safety Steering Committee - ISO45001 (Occupational Health and Safety Management Systems) certification in the UK and Poland. Plans to extend certification to Walton, USA and Kunshan, China in 2025 - Implementation of new values	- Graduate Scheme - Comprehensive HR policies - Living Wage employer (UK) - Gender pay gap of 11.8% (UK gender pay gap: 13.1%) - Thorough modern slavery monitoring.
Governance	ESG considerations embedded within our risk and opportunity management process through alignment with the Sustainability Accounting Standards Board (SASB)	ISO certification including ISO 9001:2015 (Quality Management Systems) in the UK, Poland, Walton, USA and China and ISO 27001:2022 (Information Security Management Systems) in the UK, all sites in the USA and Poland.

¹ ISO certification is focused on the three main sites (Croydon, UK, Brzeg, Poland, and Walton, USA) unless required locally for operational or financial reasons. For smaller sites, the costs arising from some ISO certifications outweigh the operational benefits and are therefore not sought. Structures sufficient to manage processes to a good standard are replicated from the larger sites.

We follow the guidance provided by ISO 14021:2016 when making environmental claims. Where appropriate, we have products certified by independent organisations when making environmental claims, such as for recycled content.

Zotefoams Green Revenue Index

PRODUCT	GREEN REVENUE DEFINITION	SECTOR REVENUE £M	GREEN REVENUE £M
Polyolefin Foams	Applies to: - products typically manufactured using 30–50% less raw material than comparably performing foams - products used for thermal insulation in construction, aviation, railway and road vehicles to replace heavier materials, enabling benefits in fuel economy - products providing durable protection designed for multiple reuse.	66.9	50.8
High-Performance Products (HPP)	Applies to: - foams that allow for considerable increases in the efficiency of resource usage - products used for thermal insulation (predominantly building and construction but also aviation) and to replace much heavier materials, enabling benefits in fuel economy (aviation systems where foam replaces heavier materials) - footwear components designed with the intent to use less material.	79.6	78.9
MuCell Extrusion LLC (MEL)	Applies to: microcellular foam technology licences and related machinery designed to allow considerable increases in the efficiency of resource usage by reducing the raw material used in components by 15–20%.	1.2	1.2
Total Revenues		147.8*	130.9
Percentage Green Revenues			88.6%

* After rounding.

Green revenues

Our criteria for green revenues are products which, during manufacture or use, provide a substantial increase in the efficiency of resources used. The applications we serve are varied and diverse, so, in calculating green revenues, we have assumed that all applications within a market achieve the same benefits in resource efficiency. For transportation markets, the benefits are reduced weight products which not only use less material but also allow improved fuel efficiency. For both Product Protection and Sports & Leisure markets, the products are designed to be lighter so they use less material for the same or superior performance. For Building & Construction markets, our products are designed to save energy by sealing or insulating buildings and pipework. We have excluded revenue from sales to Industrial and Medical markets as, while some applications will undoubtedly offer resource efficiency benefits, many will use our products primarily for other performance attributes such as purity.

Environmental governance

We have embedded ESG considerations within our risk management process, described on pages 38 to 40, through alignment with the Sustainability Accounting Standards Board (SASB) requirements and the Financial Conduct Authority (FCA) listing rule LR 9.8.6 R(8), which implements the TCFD recommendations. The risk management process aims to support the achievement of our strategic objectives through the identification and management of risks which may impact the long-term prospects of the Group. Corporate ESG objectives, which flow down to all areas of our operations and incorporate long-term aims, have been set and are frequently reviewed.

The Board has ultimate responsibility for environmental governance and performance and oversees a system of policies, practices and procedures that are implemented Group-wide to support Zotefoams' environmental objectives. The Group CEO is directly responsible to the Board for environmental performance.

Our approach to environmental sustainability

The environmental sustainability approach adopted by Zotefoams is centred on the following principles:

- i) minimising the use of natural resources through a series of internal measures aimed at reducing our carbon footprint
- ii) preferentially operating in markets where Zotefoams' products offer unique sustainability advantages which benefit society through their use-phase resource efficiency. This is a concept defined by SASB as a product that, through its use, can be shown to improve energy efficiency, eliminate or lower greenhouse gas (GHG) emissions, reduce raw material consumption, increase product longevity or reduce water consumption
- iii) innovating a more sustainable product portfolio. We are focused on the needs of our customers and markets and committed to innovating the most sustainable solution, whether this be products designed for circularity; to minimise the impact on natural resources from both manufacture and in-use through to end-of-life; to eliminate or minimise the use of materials and substances that may be hazardous to human health or the environment.

Targets are in place to manage our Scope 1 and 2 emissions through the reduction of energy consumption, material used in manufacturing processes, and waste; see pages 59

to 62. In order to align our commercial approach with customers' use-phase efficiency, we have created a simplified Product Carbon Footprint (PCF) which can be used to assess typical products and applications. Our Scope 1 and 2 emissions data, along with these example Life Cycle Assessments (LCAs), are made available to customers to enable them to make informed decisions. We continue to review the Scope 3 emissions under our control, or alternatively over which we have influence, and use this to guide our decision-making; for example, we preferentially select polymers with a lower carbon footprint.

We are committed to using renewable electricity where feasible and 100% of the electricity used in our UK, Poland and USA (Walton) sites comes from renewable sources (representing over 99% of global electricity consumption).

A monitoring service is used on an ongoing basis to ascertain whether substances used in the manufacture of products are currently, or potentially, listed under the Globally Harmonised System of Classification and Labelling of Chemicals (GHS) Category 1 and Category 2 Health and Environmental Hazardous Substances, or equivalent applicable jurisdictional laws or regulations regarding chemicals of concern. Our approach is to develop new products which do not use such substances. We have active programmes, and work with our customers and suppliers, to develop alternatives to current products which incorporate such substances. These are primarily flame retardant and stabilisation additives, which are purchased as a masterbatch, bound into the polymer, and present no hazard to human health in that form.



Environment

The Group waste and recycling position progressed to 55% recycling of all waste.

While the amount of material gassed in our two main manufacturing sites, Croydon, UK, and Walton, USA, increased by 1.8%, we reduced our energy usage for these sites by 0.7%.

Productivity was improved through the use of Overall Equipment Effectiveness (OEE) methodology,

which focused on reducing cycle times and reload sequences. Best practice was shared across all sites to enhance learnings. Despite increased activity, improvements were also noted in water consumption and waste management.

A significant Group-wide reduction of 13.4% in water consumption was achieved through a number of focused initiatives, including a rainwater harvesting project and optimising coating processes. The Group waste and recycling position progressed to 55% recycling of all waste.

Key Metrics

	2024	2023	2022
Internally recorded environmental incidents			
Level 1	0	0	0
Level 2	0	0	1
Company metrics (UK only)			
Energy usage (MWh)	44,448*	45,169*	46,483*
Specific Energy Consumption (kWh/kg)	7.02*	7.73*	8.58*
Calculation shown as mix-neutral assessment of energy usage per kg of polymer processed.			
Group metrics			
Energy usage (MWh)	68,128*	68,559*	69,017*
Energy usage (GJ)	245,259	246,812*	248,463*
Proportion of energy from grid electricity (%)	45	44	45
Proportion of energy from renewable sources (%)			
UK site	45	46	
USA sites	42	40	
Poland site	47	46	
China site	28	28	
Group	44	44	35

* From 2022, the reported energy usage includes electricity, gas and other fuels (LNG, diesel and propane.) In prior years, not all fuels were included as they were not material. We are committed to using renewable electricity where feasible. 100% of the electricity used in our UK, USA (Walton) and Poland sites comes from renewable sources.

There were no significant environmental incidents during the year (2023: none). Previous years have been analysed against an internal categorisation introduced in 2018, guided by the environmental reporting guidelines.

Environmental incidents are categorised as follows:

Level 1

Reported to Environment Agency (e.g. polluting incident)

Level 2

Reported to local authority (e.g. waste concerns)

Level 3

Internal report only (e.g. small granule spills)

The Company ensures that all environmental reports of incidents are taken seriously and appropriately investigated and that the responses given are appropriate to their level of impact or potential impact. Eleven internally reported Level 3 incidents

(2023: 13) relating to minor machine oil spills and plastic granule spills were recorded during the year, all of which were contained. The incidents are captured by daily inspections and actioned as required. The continued yearly decrease is attributed to ongoing high levels of safety observations, employee education and ongoing implementation of the 5S method to reduce waste and increase productivity.

Key Targets

Our sustainability targets, set in 2022, focus on the reduction of Scope 1, 2 and use-phase carbon emissions.

OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	TARGET		ACHIEVEMENT	SCORE
1 Achieve a 10% reduction in the energy used to manufacture our products by 2026	Reduce the energy used per unit of revenue from a baseline of 0.74 kWh/£ in December 2021	2022	0.73 kWh/£	0.66 kWh/£	●
		2023	0.72 kWh/£	0.56 kWh/£	●
		2024	0.70 kWh/£	0.51kWh/£	●
		2025	0.68 kWh/£		
		2026	0.66 kWh/£		
2 Further develop our product portfolio by designing and developing new products which offer our customers more sustainable solutions such that, by 2026, they will account for 5% of revenue	Share of sales from products introduced from 2021 which are designed for use-phase efficiency (% of revenue)	2022	0.5%	1.2%	●
		2023	2.0%	1.1%	●
		2024	3.0%	0.5%	●
		2025	4.0%		
		2026	5.0%		
3 Halve the polymer purchased that is not used in the end-product (through internal waste and/or oversized materials) by the end of 2026 ¹	Reduction in the mass of excess polymer purchased to that sold (% reduction) from a baseline at the end of 2021	2022	2.5%	4.7%	●
		2023	7.5%	10.8%	●
		2024	15.0%	12.8%	●
		2025	30.0%		
		2026	40.0%		

¹ The objective to halve the polymer purchased that is not used in the end-product is calculated on a running rate at the end of 2026, whereas the KPI provides intermediate targets for the full year.



Specific Energy Consumption (SEC) – UK

In October 2009, the Company entered into a Climate Change Levy (CCL) agreement, which involves meeting specific voluntary targets to increase energy efficiency and reduce carbon dioxide (CO₂) emissions. Provided the Company meets the requirements of the CCL agreement, it receives a rebate on its electricity bills and is also exempt from the Carbon Reduction Commitment Scheme for the plastics sector. The scheme is run by BPF Energy Limited, to which unadjusted SEC figures are reported quarterly. The scheme will run up to 2025.

The Company measures energy efficiency by taking energy consumption and dividing it by the amount of material (in kg) that passes through high-pressure autoclaves. The increase in production of our HPP foams, which generally require more processing energy than polyolefin foams, prompted us to update these metrics to be product-mix neutral in 2018. In 2024, our adjusted energy efficiency measure, Specific Energy Consumption (SEC), decreased 9.2% to 7.02 kWh/kg (2023: 7.73 kWh/kg), continuing a downward trend initiated in 2015. In 2023, the Company completed its third assessment under the Energy Saving Opportunity Scheme (ESOS) and remains compliant.

The SEC value has been reported in the Annual Report as a mix-adjusted value since 2018. This allows a product-mix-neutral assessment of energy efficiency improvements made.

Global carbon emissions

Zotefoams' products are used globally to improve people's lives and reduce energy consumption, primarily through

insulation and weight reduction. The processes we employ to create these foams allow us to use less raw material and produce lighter foams than rival processes, both of which are beneficial for carbon reduction. In making these foams, energy (both gas and electricity) is the main source of carbon emissions from our facilities. Overall carbon emissions for 2023 were 13,218 metric tonnes (2023: 13,335 metric tonnes).

In 2023, 99.2% (2023: 99.4%) of the Group's carbon emissions arose from our use of electricity and gas, primarily in processing polymer but with some use in facility heating and cooling. Direct carbon emissions from other sources were minimal (0.8% of Group emissions) as we do not operate our own fleet of vehicles.

The methodology we have used is in accordance with the guidance published by the Department for Environment, Food and Rural Affairs in June 2013. We have only included our Scope 1 and Scope 2 emissions as defined by this guidance



Scan the QR code to see the environmental reporting guidelines

Task Force on Climate-related Financial Disclosures (TCFD) response

Our climate-related financial disclosures for the financial year ended 31 December 2024, in accordance with the FCA listing rule LR 9.8.6 R(8), are provided on our website <https://zote.info/3mjufjS>. The rule requires relevant companies to report on a 'comply or explain' basis against the TCFD recommendations. We have considered our 'comply or explain' obligation in respect of the eleven TCFD recommendations.

Global Carbon Emissions

Group: Carbon Emissions (CO ₂ tonnes)	2024	2023	2022
Scope 1 emissions (direct emissions from our operations which includes fuel) ¹	6,941	7,021	6,932
Scope 2 emissions (indirect emissions, primarily electricity)	6,277	6,314	6,029
Total	13,218	13,335	12,961
Carbon Emissions (kg) per Material Gassed (kg)	1.4	1.4	1.4

¹ We do not generate our own energy.

Global Pollutant Emissions	2024	2023	2022
NO _x (excluding N ₂ O)	2.4	2.5	2.5
SO _x	0.0	0.0	0.0
VOCs	1.0	1.0	0.3
HAPs	0.0	0.1	0.0

NO_x and SO_x calculated from Scope 1 emissions.

Volatile Organic Compounds (VOCs) and Hazardous Air Pollutants (HAPs) measured on a number of typical production days at factory emission points and scaled for total annual production volumes.



Alternative Measures

Many companies consider carbon offsetting. Zotefoams' view is to report as a primary metric the absolute carbon emissions calculated using the UK government carbon cost of energy. We buy electricity from renewable resources, wherever available, and we do not buy carbon credits or subscribe to offset schemes such as tree planting or felling avoidance. This is the primary reason we do not set a "net zero" carbon target for the Group.

To facilitate a comparison with those who consider renewable electricity to have a zero-carbon footprint, our total carbon emissions in 2024 would be 6,980 tonnes, 53% of that quoted above.

Water Consumption

While none of our sites are located in regions where water is scarce, we recognise that water usage is a key environmental metric which supports our sustainability proposition. Our water consumption is metered and we have specific programmes to improve efficiency and reduce water usage. Our largest contributor to water usage is our Croydon plant. Continuing a trend started in 2020, water usage decreased by 18.2% in Croydon in 2024 following several successful projects delivered by cross-functional teams. Minor increases in water usage in our other sites were due to higher production volumes. Work continues to monitor and ameliorate water usage.

Water Consumption (000m ³)	2024	2023	2022
UK site	39.6	48.4	55.9
USA sites	6.3	7.9	6.6
Other sites	5.0	2.5	1.6
Global consumption	50.9	58.8	64.1

Percentage in regions with Baseline Water Stress¹

High	78%	83%
Extremely High	0%	0%

¹ Our Croydon, UK plant represents 78% of the water used by the Group. Although Croydon is identified as an area of high Baseline Water Stress by the Water Resource Institute, our plant is not at high risk of water scarcity or of impacting local communities' water supply. No water was withdrawn and not consumed.



Waste

In 2021, Zotefoams put in place a Group-wide waste hierarchy framework to support decision-making on waste management. The waste hierarchy ranks options on the basis of environmental outcomes and seeks to encourage the alignment of operating improvements with minimising the impact of waste on the environment. The Group has made sustained progress through the waste hierarchy framework. Waste recycled has increased from 27% in 2021 to 55% in 2024. Of the waste we were unable to recycle, 63% now goes to an energy recovery facility, compared to 20% in 2021. This has significantly reduced the waste we send to landfill from 58% in 2021 to 16% in 2024. Targeted recycling training through staff briefings has greatly helped gain traction and engagement at all levels.

In 2024, we continued to build on prior year success:

- additional improvements to the dedicated waste separation area were implemented to ensure that waste was effectively segregated and captured in the correct disposal container
- recovery of broken wood was carried out using a dedicated container

Overall, waste that is not recycled by the Group has decreased from 2,268 tonnes in 2021 to 1,385 tonnes in 2024.

Hazardous waste constituted only 0.5% of the total Group waste in 2024. This remarkably small figure is due to our unique manufacturing process. See pages 18 to 19 of our 2024 Annual Report.

Group Waste Metrics ¹	2024	2023	2022
Waste recycled (tonnes)	1,725.3	1,387.4	1,126.3
Waste not recycled (tonnes)	1,385.3	1,412.5	1,876.6
Total waste (tonnes)	3,110.6	2,799.9	3,002.9
Total hazardous waste (tonnes) ²	15.2	13.1	56.4
Percentage of hazardous waste recycled ²	0%	0%	63%

¹ Excludes India, where waste generated is not material.

² 2022 was the first year these metrics were reported.

Sustainability Accounting Standards Board (SASB) disclosures

SASB standards identify the subset of ESG issues that are reasonably likely to have a material impact on the financial performance of

the typical company in an industry. The following table summarises our response to the sector-specific standards for chemicals companies.

Topic	Accounting Metric	Category	Unit of Measure	Code	Supporting Disclosure
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tonnes (t) CO ₂ Percentage (%)	RT-CH-110a.1	See Group carbon emissions table on page 61. 0% of Scope 1 emissions were covered under emissions-limiting regulations
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	n/a	RT-CH-110a.2	See Group carbon emissions table on page 61 and targets section on page 60
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs) and (4) hazardous air pollutants (HAPs)	Quantitative	Metric tonnes (t)	RT-CH-120a.1	See Group carbon emissions table on page 61
Energy Management	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable (4) Total self-generated energy	Quantitative	Gigajoules (GJ) Percentage (%)	RT-CH-130a.1	See key metrics on page 59 We do not generate our own energy
Water Management	(1) Total water withdrawn (2) Total water consumed (3) Percentage of each in regions with high or extremely high baseline water stress	Quantitative	Thousand cubic meters (m ³) Percentage (%)	RT-CH-140a.1	See water data on our website: https://zote.info/3mjufjS
	Number of incidents of non-compliance associated with water quality permits, standards and regulation	Quantitative	Number	RT-CH-140a.2	None
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	n/a	RT-CH-140a.3	See water data table and TCFD disclosures on our website: https://zote.info/3mjufjS

Hazardous Waste Management	Amount of hazardous waste generated and percentage recycled	Quantitative	Metric tonnes (t) Percentage (%)	RT-CH-150a.1	See waste data table on our website: https://zote.info/3mjufjS
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	Quantitative	Reporting currency	RT-CH-410a.1	See key targets section on page 60
Safety and Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labelling of Chemicals (GHS) and Category 1 and 2 Health and Environmental Hazardous Substances	Quantitative	Percentage (%) by revenue	RT-CH-410b.1	Less than 5% of revenue is generated from substances that are regulated ¹ or are considered to be of international concern ² . 100% of goods purchased and sold undergo hazard assessments. The hazardous substances, such as flame retardants and low levels of stabilisers, are non-hazardous in the finished products as they are bound into the polymer matrix
	(2) Percentage of such products that have undergone a hazard assessment		Percentage (%)		
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Discussion and analysis	n/a	RT-CH-410b.2	See Our approach to environmental sustainability section on page 58
Genetically modified organisms (GMOs)	Percentage of products by revenue that contain GMOs	Discussion and analysis	Percentage (%)	RT-CH-410c.1	No products contain GMOs
Management of the legal and regulatory environment	Discussion of corporate position related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and analysis	N/A	RT-CH-530a.1	Zotefoams follows all local regulations relating to health, safety and environment as well as social factors. We have a low risk appetite towards safety See pages 69 to 71
Production by reportable segment	N/A	Quantitative	Cubic meters (m ³) or metric tonnes (t)	RT-CH-000.A	7,076 tonnes of AZOTE® Polyolefin Foam and 2,660 tonnes of HPP were manufactured. There is a lag between manufacturing and sale

¹ Substances of very high concern under REACH and the EU's Restriction of Hazardous Substances Directive or substances listed under California Prop 65.

² Substances controlled by the Montreal Protocol, Stockholm and Rotterdam Conventions, GHS category 1 and category 2 health hazards.

Task Force on Climate-related Financial Disclosures (TCFD) response

Our climate-related financial disclosures for the financial year ended 31 December 2024 in accordance with the Financial Conduct Authority (FCA) listing rule LR 9.8.6 R(8) are provided below. The rule requires relevant companies to report on a 'comply or explain' basis against the TCFD recommendations. We have considered our 'comply or explain' obligation in respect of the 11 TCFD recommendations which we fully comply with. All page references below are to our 2024 Annual Report.

Governance

- a. Describe the Board's oversight of climate-related risks and opportunities
- b. Describe management's role in assessing and managing climate-related risks and opportunities

The Board sets the strategic aims of the Group, ensures that the necessary resources are in place to achieve the Group's objectives and reviews management performance. The Board has oversight of climate-related matters (which include risks and opportunities) and is updated on these matters as necessary through:

- the Audit Committee, which is responsible for keeping under review the adequacy and effectiveness of the Group's internal control and risk management systems, which consider climate-related risks by the appropriate Control Committees (see pages 83 to 86); and
- bi-annual business unit presentations, which consider both the physical and transition risks of climate change and opportunities arising from climate change and are made by the executive function head to the Board. For examples of how we integrate sustainability and climate change considerations into our strategy, see pages 6, 9 and 10.

The sustainability targets linked to climate change that we have set were

incorporated into the 2024 corporate objectives. The Executive team reviewed and discussed progress towards the objectives at its meetings in February, October and November 2024.

Strategy

- a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term
- b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning
- c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Risks

Our risk exposure to climate change is partly mitigated through operating foam manufacturing facilities in countries with high regulatory standards and through the implementation of well-established environmental management systems in all locations. The risk management framework on page 40 aims to assess the Group's principal risks and ensure these are effectively managed across the entire business. Climate change is considered in our risk section as a principal risk. The financial impact of key climate change scenarios is reviewed below.

Risk	Mitigation
Physical risk such as adverse weather event disrupting manufacturing or our supply chain	Zotefoams sites are not located in areas under physical threat from climate change over and above an increased number of severe weather incidents. The likelihood of a severe weather impact is increasing, which in turn generates a higher expectation of supply disruption, including transportation. Most key suppliers are dual sourced, thereby mitigating this risk. As we invest in new, and update our existing, infrastructure, new designs accommodate more frequent extreme weather events arising from global warming.
A significant increase in the cost of energy would increase manufacturing, raw material and transportation costs and create inflationary pressures	Energy prices are a significant direct cost to our business and also to our suppliers. We have set objectives to reduce our direct energy consumption across our manufacturing sites and to reduce consumption of raw materials. As well as reducing the consumption of energy and raw materials, we also have recourse to increasing prices to our customers. To ensure we understand the market response to such price increases, which are often implemented with a lag compared with cost inflation and after consultation with our customers, we monitor demand through our Controls Framework and Sales & Operational Planning processes. Over time, we seek to invest closer to markets which are expected to account for most of our sales volume and to improve our mix so that it includes more higher-value products, both of which mitigate the risk of higher transport costs.
A significant increase in taxation to drive behaviour, such as a carbon, plastic or waste tax	Environmental taxes are a relatively low proportion of tax revenues. They have been used to change consumer behaviour (plastic bag tax, Climate Change Levy, landfill tax) and offer opportunity as well as risk. It is likely that taxes will be used to incentivise and force quicker change as emissions reduction targets are accelerated. Passing on increased tax costs through pricing would be more difficult to achieve than for increases in the cost of energy and materials. Our Controls Framework monitors taxation trends related to climate change and plans accordingly, whether through energy efficiency initiatives, investments or product developments to accommodate changing demand patterns.
A significant shift in market demand pattern such as a move away from plastics or only sourcing circular plastic products. An increased demand for thermal insulation and lighter weight products.	Our technology produces foams with better performance and a clean foaming agent that can be used in applications which directly and indirectly save energy. This is aligned with a low-carbon economy. We have low exposure to single-use plastic markets. We have proven benefits in markets where weight saving is beneficial and where society values performance. Our product offering, managed through our Controls Framework, is evolving to meet the needs of a circular lower-carbon economy. The main challenge comes from faster transitions which reduce the time to react. In 2021, we added a Group Sustainability Steering Committee with a remit that includes monitoring and reacting to customer and market trends.
Increasing energy costs increase transport cost	
Significant increase in water costs, directly or indirectly through taxation or levy	Compared with other manufacturers, Zotefoams is not a big user of water and the relative cost is small. Any change in the cost of water will have a small impact. An environmental management system is in place to monitor water usage and identify improvement opportunities.



Opportunities

Short-term: Our business model is centred around sustainability. The opportunities available to Zotefoams are detailed on pages 20 to 25. Details of our strategic objectives, including those relating to sustainability and climate change, are provided on pages 28 to 30. Progress has been made against the sustainability targets previously set. See page 67.

Medium and long term: We believe the benefits of plastics will be recognised and scarce resources will be managed to ensure optimal use and a circular economy. The processing of polymers uses less energy compared with many other materials which, with our technology benefit of producing lighter, longer-lasting products using less material and which have inherent thermal insulating performance, represents a significant opportunity as sustainability increases in importance.

Risk management

- a.** Describe the organisation's processes for identifying and assessing climate-related risks
- b.** Describe the organisation's processes for managing climate-related risks
- c.** Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

Refer to our risk management framework on page 40 and environmental sustainability and climate change risk on page 44.

Metrics and targets

- a.** Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process
- b.** Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks
- c.** Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

The SASB framework provides performance metrics for our functional steering committees to implement. See further details below.

Our Scope 1 and 2 emissions are disclosed on page 61. Our approach to managing Scope 3 emissions is detailed on page 59. The risks are managed through our risk management framework detailed on page 40.

Progress against our sustainability targets is detailed on pages 60.

In the table below, we list the principal risks most likely to be materially impacted by climate change. We also set out examples of events that could cause financial losses or impact our strategy.

Methodology

A risk assessment, looking at impact and likelihood, was conducted reviewing three climate change scenarios and five risk events. The assessment was first undertaken by the Executive team and later revised following review with the entire Senior Management team. The following methodology has been used to assess the potential risk impact and the likelihood of the risk event.

Potential Risk Impact	Negligible (1)	Minor (2)	Moderate (3)	High (4)	Major (5)
Business disruption / asset damage and other consequential loss	<1% Operating profit (ca. <£0.1m)	1–5% Operating profit (ca. £0.1m–£0.5m)	5–10% Operating profit (ca. £0.5m–£1m)	10–20% Operating profit (ca. £1m–£2m)	>20% Operating profit (ca. >£2m)
Politico-economic impact	Minimal financial impact	Material financial impact	Serious financial impact	Major financial impact	Extreme financial impact
Technology impact	No need to change existing technologies	Insignificant technology update required	Significant technology update required	New technology needs to be implemented in the medium term	New technology needs to be implemented urgently
Social impact	Public awareness may exist but no public concern	Local social issue or public concern	Regional social issue or public concern	National social issue or public concern	International social issue or public concern
Physical impact of climate change	Minimal impact	Material impact	Serious impact	Major impact	Extreme impact

Risk Rating

		Likelihood				
		Rare	Unlikely	Possible	Likely	Almost Certain
Impact	Major	▲▲	▲▲▲	▲▲▲▲	▲▲▲▲▲	▲▲▲▲▲
	High	▲	▲▲	▲▲▲	▲▲▲▲	▲▲▲▲▲
	Moderate	▲	▲▲	▲▲	▲▲▲	▲▲▲▲
	Minor	▲	▲	▲▲	▲▲	▲▲▲
	Negligible	▲	▲	▲	▲	▲▲

Very low ▲▲ Low ▲▲▲ Medium ▲▲▲▲ High ▲▲▲▲▲ Very high

Likelihood of the risk event

Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
Never occurred or is highly unlikely to occur in the next 20 years	Occurred several times or could happen within the next 20 years	Occurred at some point within the last 10 years and may re-occur within the next 10 years	Occurred infrequently: less than once per year and is likely to re-occur within the next 5 years	Occurred frequently: one or more times per year and is likely to re-occur within the next year

The following risk events arising from climate change or the transition to a low-carbon economy were considered:

- **physical risk:** adverse weather event disrupts manufacturing or supply chain
- **significant increase in energy costs during transition:** manufacturing costs, raw material costs, transport costs, inflationary pressures
- **significant taxation increase during transition:** carbon tax, plastics tax, waste tax

• **significant shift in market demand pattern during transition:** move from plastics or to circular plastic products only; increased demand for thermal insulation and lighter weight

• **significant increase in water costs:** directly or indirectly through taxation or levy.

The ongoing transition to a low-carbon economy was considered through the prism of achieving global net zero carbon emissions to limit global warming. Three scenarios

were considered: no target, net zero by 2070 and net zero by 2050. The transition at the global and national levels brings about political, legal, economic, technological and other changes which produce transitional risks. Transitional risks primarily affect economic performance, which we have considered in terms of our planning cycles of 1 year, 1–5 years and >5 years.

	Climate change impact	Business as usual	Paris Agreement scenario	Sustainable development scenario	Adaptions
		Unlimited global warming (>>2°C) No global net zero target	Limited global warming to >2°C Global net zero by 2070	Limited global warming to >1.5°C Global net zero by 2050	
Short term (> 1 year)	Physical risk	▲	▲	▲	Mitigate supply chain
	Energy costs	▲	▲	▲	
	Taxation	▲	▲	▲	
	Demand shift	▲	▲	▲	
	Water costs	▲	▲	▲	
Medium term (1–5 years)	Physical risk	▲▲	▲▲	▲▲	Mitigate supply chain. Develop environmentally sustainable products that are part of the circular economy in markets the products benefit or are less likely to be impacted. Better use of water as we update equipment and processes.
	Energy costs	▲	▲▲	▲▲▲	
	Taxation	▲	▲▲	▲▲▲	
	Demand shift	▲	▲▲	▲▲▲	
	Water costs	▲	▲	▲	
Long term (>5 years)	Physical risk	▲▲▲	▲▲	▲▲	Modify existing and new infrastructure to accommodate changing climate. Business interruption insurances. Product range and pricing evolves to address taxes.
	Energy costs	▲▲	▲▲	▲▲	
	Taxation	▲	▲	▲	
	Demand shift	▲	▲▲	▲▲	
	Water costs	▲	▲	▲	

There are significant risks from climate change and the impact increases with faster transition to a low-carbon economy. The impacts of climate change and the transition to a low-carbon economy are

no greater than other risks faced by the business such as energy pricing and currency fluctuations. Our core products present opportunities in a low-carbon economy and the mitigations already in

place for the current slower transition rate will help if the rate of transition increases.



“

Zotefoams continues to focus on becoming a great place to work, while activating our new EXPANDING BEYOND THE CORE growth strategy.

With new leadership and our new EXPANDING BEYOND THE CORE growth strategy, the Group Executive Team understands the need to provide clarity of purpose and alignment to our vision and values, while harnessing strength from our global diversity, continuous improvement and operational excellence.

Ronan Cox
Group CEO

Social

Diversity, Equity, Inclusion and Belonging (DEIB)

As a global employer, Zotefoams is made up of different races, genders, ethnicities, backgrounds, religions and beliefs across the globe. Zotefoams is committed to providing equal opportunity, fair treatment and belonging as part of its attraction, onboarding, engagement and employee retention aims. Following Ronan Cox's arrival in April 2024, the Company's values were updated to provide cultural and behavioural clarity and cultivate a working environment where we unlock potential for all, while striving to become a global employer of choice. Zotefoams recognises the value and successes to be gained when our colleagues feel valued, appreciated and free to bring their full authentic selves to work.

COURAGE

THE COURAGE TO TAKE BOLD ACTION TO ENSURE THAT WE SUCCEED IN TACKLING OUR CHALLENGES

IMPACT

DEDICATED TO MAKING A SIGNIFICANT AND POSITIVE IMPACT IN EVERYTHING WE DO

RESPECT

CULTIVATE A RESPECTFUL AND INCLUSIVE ENVIRONMENT WHERE EVERYONE IS VALUED AND COLLABORATION IS ENCOURAGED

We recognise that gender diversity remains a challenge in our industry; we remain committed to improving gender balance.

To improve the candidate and employee experiences, while developing our own candidate

database, we have procured an Applicant Tracking System (ATS). Through automation, this ATS will inject greater efficiencies, enhance collaboration and generate statistics that provide benchmarks for us to improve upon, as part of our Group diversity strategy.

The most recent graduate intake has a favourable gender split towards females – 83% female and 17% male. In Q4, the female graduates met with the Group Executive Team and gained support to raise Zotefoams' profile and Employee Value Proposition (EVP), while championing STEM opportunities with schoolchildren in local communities, showcasing their own passion for learning, their academic/workplace experiences and their career trajectories.

Zotefoams held several events across the calendar year in relation to addressing the gender balance. We have actively recognised International Women's Day for the past few years, centring on enhancing the female voice within Zotefoams and diversity of thought through female representation in management and leadership teams.

Colleagues embraced our newly launched values by participating in employee-led workshops across our global locations.

Role by gender

	2024						2023					
	Female	%	Male	%	Prefer not to say	%	Female	%	Male	%	Prefer not to say	%
Director	2	29.0	5	71.0	0	0	2	29.0	5	71.0	0	0
Board Fellow	1	100	0	0	0	0	0	0	0	0	0	0
Group Executive Team	3	37.5	5	62.5	0	0	1	17.0	5	83.0	0	0
Direct report to Group Executive Team	9	20.0	35	80.0	0	0	10	26.0	29	74.0	0	0
Other staff	163	31.0	368	69.0	0	0	130	26.0	367	74.0	0	0
Total	177	30.0	413	70.0	0	0	143	26.0	406	74.0	0	0
Number of senior positions (CEO, CFO, SID or Chair)	1	–	3	–	0	–	1	–	3	–	0	–

The gender split remains the same as 2023 for our Director population.

We recognise that gender diversity remains a challenge in our industry and remain committed to improving gender balance.

In line with our aspiration to increase female joiners, we aim to create gender-neutral tones in advertising vacancies and, where possible, provide diverse interview panels.

2025 will see us appoint internal employee engagement champions and colleagues to develop Employee Resource Groups (ERGs), further embracing colleagues' race, ethnicity, veteran status, gender, age, religion, identity, sexuality, disability, genetic disposition, neurodiversity, perspective or experience or any other aspect that makes an individual unique.

Following an organisational redesign in 2024, our Group Executive Team's female representation increased during the year.

Ethnicity distribution of Group workforce*

	Director	UK	USA	China	Poland	India	Other	Group-wide
White ethnicity	7	203	78	0	61	0	0	349
Non-white ethnicity	0	139	62	30	0	7	3	241
Total	7	342	140	30	61	7	3	590
Non-white ethnicity	0%	41%	44%	100%	0%	100%	100%	41%

* This data depicts ethnicity make-up across the Group, noting that there are legislative differences across the globe. Our Board Fellow, who is of non-white ethnicity, has been excluded from the data as she is not an employee

The Board and Group Executive Team (GET) are committed, as part of the cultural transformation, to invest in further learning and focus to collectively harness our full diversity, inclusion, equity and belonging potential across the globe.

Group policies and internal controls are in place, and are monitored by the Board, on health and safety, modern slavery, ethics, anti-bribery and corruption, anti-fraud, whistleblowing and dignity at work; visit <https://zote.info/3x0de78> for further information. The Group has in place a contact mechanism for stakeholders to reach out to the business on issues of concern. Biennial compliance training programmes, in local languages if needed, are delivered globally to relevant staff on modern slavery, anti-bribery and corruption, anti-fraud, anti-money laundering, insider trading and data protection. In 2024, we delivered compliance and health and safety training to 428 employees.

Employee wellbeing

Zotefoams promotes hybrid working, to enable attraction, retention and engagement, and to provide employees with a greater work/life balance.

Following investment in new Group roles in HR and Internal and External Communications, greater focus will be placed on promoting offerings and routinely analysing benefits usage against market trends, to ensure our platform of benefits is market-competitive.

We have 17 qualified Mental Health First Aiders within Zotefoams. 2025 will see us seek Group-wide representation, aligned to our global communications, wellbeing and development calendar of activities.

Recognising in-country differences, we have a mix of annual health examinations and employee assistance programmes (EAPs). EAPs offer health advice via a 24/7 call line, including bereavement assistance, counselling, and legal and financial support. Emphasis on early intervention is placed on employee wellness plans, aiding the process of returning to work and mitigating the potential for long-term absence.

Our colleagues in Poland made significant strides during the year in promoting employee wellbeing, with a particular focus on mental health. During Mental Health Week, a range of activities were arranged, designed to support teams' emotional and mental wellness. Employees participated in daily sessions such as the 'Mindfulness Journal', which included breathing exercises, muscle relaxation, and meditation techniques to help reduce stress and foster mindfulness.

A stress management session was hosted, equipping employees with practical tools for managing daily pressures. To cultivate gratitude and positivity, a Gratitude Box was introduced. Employees anonymously shared what they were thankful for, promoting a culture of appreciation and mental clarity. These initiatives were well received and contribute to a supportive working environment.

Our colleagues in China hosted a team-building event in a mountain village, with 19 participants from Production, Sales, Finance and HR. The day included activities such as singing, chess, games and hiking, providing an opportunity for team members, including five new staff members, to bond and communicate across departments. This event helped foster stronger relationships and improved collaboration.

Further details about our approach to health and safety are provided on pages 69 to 71.



Communication and Engagement

Communication

Across the Group, leadership teams engage with employees through a variety of channels.

The GET regularly holds townhalls to brief employees on Zotefoams' progress. We combine this with regular business updates and encourage employee engagement through live question-and-answer sessions.

The GET cascades monthly outputs to the Senior Managers Team. Areas of focus include introductions to new joiners, strategic focus, the exploration of new opportunities and revisions to internal processes.

Colleagues are encouraged to actively participate in localised and global updates. Updates are recorded, translated and where feasible, shared on media screens to ensure that everyone is included.

Management meetings across the Group, in various forms, take place regularly and include a review of employee feedback to help foster an open dialogue between management and employees. These meetings also provide a platform to discuss employee engagement, allowing us to identify areas for improvement and take timely action to enhance team morale and performance. Some sites replicate the Group townhall format, localising the approach, communicating updates and initiatives and enabling transparency and alignment. The combination of feedback, engagement and open

communication provides teams with the support and clarity needed to achieve their best work.

Our Production employees join daily briefings which provide them with the opportunity to engage with their colleagues and leaders on key topics including health and safety, business and site-specific updates, a review of the previous days' performance and plans for the upcoming shift.

Employee engagement

A range of employee pulse surveys were undertaken in 2024 to drive engagement bottom-up in our journey to become a global employer of choice. Since the appointment of Ronan Cox, our new Group CEO, in May 2024, the decision has been taken to conduct an extensive review of the global foam market, with the support of a third-party provider. This will provide areas to focus on and create Group and country-aligned action plans to enhance employee engagement opportunities under the strapline 'you said, we did'. We are all responsible for making Zotefoams a great place to work.

Performance management

The GET is passionate about creating high-performing teams. In 2024, we engaged UKG, a software provider on a mission to inspire every organisation to become a great place to work through Human Capital Management technology. Investing in a new Global HR Information System (HRIS) (see our Audit Committee report on page

78) will, among other improvements, enable standardisation of the global performance cycle in Zotefoams.

In Q1 2025, we have refined our approach to performance management and development. Our aim is to achieve a global approach, while recognising cultural and legislative differences and providing employees and managers with user-friendly guidance notes, workshops and videos crafted to support new people managers and employees. The process embeds calibration, an essential tool to reduce bias, rewards the right behaviours by aligning them with the Company's values, and helps us identify tomorrow's high performers, all of which will allow us to build tomorrow's organisation.

Remuneration and benefits

The Group's approach to reward aims to align financial incentives with Zotefoams' purpose and values in order to optimise performance. The Company compensates employees in line with market rates and considers regulatory guidance, which includes paying employees at or above the rates published by the Living Wage Foundation in the UK and liveable wages in the USA. In Poland, India and China, the rate of pay for Zotefoams employees is above the minimum wage applicable locally. Bonus arrangements vary from location to location.

Reflecting inflationary pressures, UK staff received a salary increase of 5% in 2024. Similar measures were implemented in the USA and Poland to ensure that salaries remained aligned with the market. The trade union is consulted on all UK employee remuneration matters and was supportive of the measures taken. 89% of Zotefoams' employees are enrolled in a pension scheme in the

UK, an encouraging figure which compares favourably with a UK average of 79%.¹ Effective 1 April 2024, Zotefoams increased the employer pension contribution on the two direct contribution pension schemes currently run by the Company by 1% for those meeting the maximum employee contribution. In other locations, all employees are enrolled in government-backed pension schemes in line with legislation.

Zotefoams' remuneration and benefits are in line with country norms.

¹ Office for National Statistics, employee workplace pensions in the UK bulletin, April 2022.



Talent Development

Savannah Poynter joined Zotefoams in 2011 in a temporary capacity, moving swiftly into the Finance team in September 2014 and later becoming a highly valued finance support to the Zotefoams Midwest (Tulsa) team. In March 2022, Savannah joined the HR team and took, and passed, her PHR certification (Professional Human Resources certification). A further promotion followed in 2024 and she is now an HR Generalist, owning payroll and benefit administration. Savannah is described as a “quick study and a gem to work with! Someone who can always be counted on to deliver”. Her qualifications include a BA in Education from the University of Kentucky and a JD from Florida Coastal School of Law.

Dyllan Messmer joined Zotefoams in 2018 as a High-Pressure Vessel & Talc Utility Operator. Several promotions later, Dyllan is now a Production Manager, proven in manufacturing operations, accredited with a Leadership Training Programme certification and with several computer and software qualifications, which have extended his knowledge and data reporting capabilities. His next challenge for 2025 is obtaining a Six Sigma Certification.

Marek Kanaś joined Zotefoams Poland in 2021 as a Production Operator. Driven by a deep passion for working with and improving machinery naturally led him to pursue a transition to the Maintenance Department. In 2022, he seized an opportunity to be promoted to Maintenance Technician. Through dedication and a strong desire to grow, Marek has quickly become an

integral part of the team, also gaining a forklift certification. His excellent communication skills and positive attitude towards task execution have earned him great respect within the team, supporting smooth collaboration and high performance.

Dan Meyer was promoted from the Graduate Scheme into the position of Business Development Manager for our Footwear division nearly two years ago. In the time that has followed, he has more than grown into the position. Not only has he had the opportunity to deploy his technical knowledge, but he has developed and exhibited impressive commercial and communication skills, working with large customer accounts across different disciplines, nationalities and cultures. He has led project teams and earned the respect of experienced employees. In this role, he has travelled across East Asia, USA and Europe and has shown the confidence to work independently as well as the common sense to know when to ask for assistance and guidance from others.

Will Brown joined Zotefoams plc as a Graduate Engineer in 2019 and in September 2021, he became a Senior Customer Service Representative. In 2022, Will was promoted to Customer Service team leader and promoted once again in 2023 to Customer Service Manager. Will continues to add exceptional value to the team.

Developing our talent

Zotefoams aims to attract, engage, develop and retain talent. Personal

Development Plans enable us to identify, source and facilitate learning and development opportunities, supported where possible by government funding, including use of the Apprenticeship Levy.

During the year, our people participated in numerous learning experiences, including, but not limited to: Leadership Team Building Training, Lead Auditor Training for the Quality Assurance Coordinator, 6-week Supervisor Series: Leading a Team and Effective Management for Shift Supervisors, Interpersonal and Communication Training for the Maintenance team, Customer Service and Communications Training for the Customer Service team, Mini-Tab training for the Quality team and Drug and Alcohol Training for Leadership.

In the UK, our Production colleagues also undertook training in a variety of areas, including Six Sigma Green and Yellow belt training, Cloud Architect Master's Programme, NEBOSH, Mental Health First Aid and in-house workshops, wellbeing and the Company's values.

Early careers

Zotefoams first invested via a structured format in fostering early careers back in September 2007. We are proud to have colleagues from the very first intake still with us.

Our Graduate Scheme plays a pivotal role in enhancing succession and capacity planning through generating a pipeline of emerging talent which, through internal departmental rotations, provides an understanding of our business. These foundations enable graduates to drive their personal development and career pathways. We are proud of our Scheme's track record and remain passionate about continuously

developing it based on each cohort's feedback.

Work experience and internship opportunities are available and will be formalised following the appointment of a Group Learning and Development Manager in 2025.

Communities and social review

Presently, we have a localised approach to giving something back to the communities in which we work and live. In 2025, we will take this further by working with employee engagement champions, to help us adopt a Group approach that will make a greater impact while retaining the positive differences we make locally.

Throughout 2024, Zotefoams employees participated in a range of activities, including the following:

- in December, colleagues selected gift tags from our Festive Giving Tree, with each gift tag representing the wish of a child in a local refuge. These gifts were then collected and presented to the children
- a Fall (Autumn) Food Drive involved the contribution and donation of food items for local food banks, where colleagues also donated toys to local children's homes and the Foster and Adoptive Parent Association of Northern Kentucky
- Zotefoams proudly sponsored employees, aiding them to take part in a meaningful netball tournament in support of The Lily Foundation. The event was a great success, with the team securing third place in the mixed netball league!
- Zotefoams donated 20 laptops to a school in Malawi, Africa, to support student learning.



c.720

Hours of on-the-job training and assessment
– Operator Cross Training



1,135

Hours of e-learning



12

Our Finance colleagues in China embarked on a 12-month programme to improve their English, where learning was blended with videos and online tutorials with English-speaking tutors



Health and safety is, and always will be, our number one priority. Our goal is to ensure that each and every one of our employees goes home at night as happy and healthy as they left in the morning.

Ronan Cox

Group CEO – Health and Safety Awards 2024

Board-level accountability

Cultivating a strong safety culture positively influences both risk management and overall performance. Our approach places health and safety at the forefront, supported by robust leadership and employee training to equip teams with the tools to continuously enhance workplace safety. The Company holds ISO 45001:2018 certification for Health and Safety, maintained through a rigorous recertification process that includes two surveillance audits annually. The Board, which has ultimate responsibility for health and safety policy and performance, has set a low risk appetite for health and safety matters, and reviews quarterly reports on Group health and safety issues. Annual performance objectives are agreed by the Board and performance against these is monitored as part of its quarterly reporting programme. RIDDORs (reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) are recorded immediately and are subject to a thorough root cause analysis reviewed by the Board, with appropriate follow-up actions agreed with management, both in the UK and in our overseas locations. Additionally,

the Board has performed a detailed review of performance, targets, metrics and approach in health, safety and environmental matters through monthly updates.

The Group CEO is directly responsible to the Board for health and safety performance. All health and safety matters are overseen by steering committees, chaired by the Group CEO (or appropriate senior person in subsidiary companies). The steering committees meet quarterly and consider overall performance and the impact of current and impending legislation. From 2025, a Group Health and Safety Leadership Committee will be responsible for ensuring that high standards of health and safety are consistently applied across the Group.

Training and performance

Employees are encouraged to take personal responsibility for their own safety and that of their colleagues. All staff receive role-specific health and safety training on joining the business, with regular refresher sessions provided thereafter. Employees are required to report any unsafe or potentially unsafe acts, conditions or incidents (including

near misses), as well as any damage to equipment, even if no personal injury occurs. All reported incidents are thoroughly investigated by the relevant management to identify root causes, and, wherever possible, improvements are made to working practices and procedures to reduce the risk of recurrence. In 2024, there were no prosecutions, fines or enforcement actions resulting from non-compliance with health and safety legislation (2023: none).

Health and Safety Days bring colleagues together to recognise and celebrate our strong safety culture.

Controlled substances and high-pressure gas

Few controlled substances are used in the manufacture of our foams, but where they are, the Group has established procedures in which the relevant employees are trained to ensure safe storage and handling of such substances, in accordance with regulatory requirements. The manufacturing process involves manual handling and processing of materials; therefore, when new or altered equipment or materials are introduced, and at regular periods

thereafter, the risks to the processes are assessed and improvements made wherever possible, such as to the design of the equipment, to reduce or eliminate the risks identified.

The most strictly controlled parts of the Group's sites are where high-pressure gas is used. The high-pressure autoclaves are subject to the Pressure Systems Safety Regulations 2000 in the UK, OSHA (Occupational Safety and Health Administration) in the USA and the Journal of Laws of the Republic of Poland, Dz. U. 2022 poz. 68. Tightly defined procedures and operational controls are in place to manage the safety of these pressure systems. Fail-safe mechanisms, known as pressure relief valves and bursting discs (which act like fuses in an electrical system), are included in the design of the pressure systems which, when triggered, allow the safe depressurisation of sections of the system and prevent any further risks. Operation of these fail-safe mechanisms releases harmless nitrogen gas into the atmosphere.

Health and safety performance

The primary metric used to monitor the number of reportable injuries for the Group is RIDDOR. The Group also uses metrics devised by the United States Department of Labor to measure staff absence resulting from workplace incidents and accidents. This allows a comparison with a large, relevant peer group and also provides an established methodology against which we can benchmark our performance annually. In 2024, a good performance continued on DAFW (Days Away From Work) and DART (Days Away Restricted or Transferred) relative to the latest benchmark data for Rubber and Plastics Processors. RIDDOR, DAFW and DART are our primary metrics. Other metrics

are provided below to meet SASB chemical industry requirements.

In 2024, four RIDDOR incidents occurred across the Group (2023: one). The adverse performance was driven by an increased number of unusual or infrequent tasks in locations where activity had started or increased during the year, reflecting a lack of safety culture maturity in these areas. To support the development of continuous safety practices, dynamic risk assessments have been deployed and an enhanced safety day programme is in place. The SASB Total Recordable Incident Rate (TRIR) metrics provided below evidence that process safety remains good across all sites.

While all Zotefoams locations fully comply with local legal requirements, a continuous improvement programme is in place, aimed at elevating locations currently meeting a "good" or "adequate" standard to "superior" or "good" respectively. We use leading indicators, a forward-looking metric, to help identify new potential risks and allow for timely intervention. 11,300 Group-wide safety engagements were completed in 2024 (2023: 9,202), demonstrating a focused and proactive approach to safety performance.

Focus on health

Employee wellbeing goes beyond physical health; Zotefoams aims to empower staff to manage their emotional, social, financial and career wellness so that they can continue to thrive in the work environment. Further details may be found in our Social section on pages 63 to 68.

Health and safety days 2024

Our health and safety engagement strategy centres around encouraging proactive ownership of safety issues

at the individual level. We use our safety days to unite staff behind a common objective: keeping everyone safe, at all times. For the past few years, our suppliers have supported a bi-annual interactive event in the UK, culminating this year in annual safety awards in best safety breakthrough ideas, safety coach and team player, contractor management and recycling environmental categories. The 2024 topics included a discussion on the meaning and impact of a good safety culture, mental health, physical health, fire safety and manual handling, with a central safety zone offering a range of activities, such as the hazard spotting competition and the creation of a safety pledge. Poland also held a highly successful safety day in September, where staff focused on hazard identification and trainings sessions were held on improving forklift truck safety. This was followed by a mental health week in November including workshops on mindfulness, healthy eating and stress management. In the USA, health fairs covering a variety of topics such as nutrition, blood pressure, heart health and diabetes were held in both Walton and Tulsa.

Regular safety days provide hands-on fire safety training for colleagues across the business.

	2024	2023	2022	Industry (latest published figures)
RIDDOR	4	1	2	n/a
DAFW	1.0	0.7	0.5	1.2
DART	1.3	0.9	0.5	2.3

Total Recordable Incident Rate (TRIR)	2024	2023	2022
Direct employees	2.0	1.0	3.1
Contract employees	0.0	0.0	0.0
Process Safety Incidents Count ¹	2.0	2.0	4.0
Process Safety Incident Rate ¹	0.3	0.3	0.7
Process Safety Incident Severity Rate ¹	1.0	1.0	1.5
Number of transport incidents ¹	0.0	0.0	0.0
Fatality Rate			
Direct employees	0.0	0.0	0.0
Contract employees	0.0	0.0	0.0

¹Tier 1 level incidents.

Sustainability Accounting Standards Board (SASB) disclosures

Topic	Accounting Metric	Category	Unit of Measure	Code	Supporting Disclosure
Workforce health and safety	(1) Total recordable incident rate (TRIR) (2) Fatality rate for: (a) direct employees and (b) contract employees	Quantitative	Rate	RT-CH-320a.1	See Health and safety performance table on pages 69 to 71
	Description of efforts to assess, monitor and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and analysis	n/a	RT-CH-320a.2	We assess all hazards within all roles and have a health surveillance programme based on higher-risk hazards. We continuously work to eliminate or mitigate all risks that could lead to long-term health risk
Operational safety, emergency preparedness and response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR) and Process Safety Incident Severity Rate (PSISR)	Quantitative	Number, rate	RT-CH-540a.1	See Health and safety performance table on page 71
	Number of transport incidents	Quantitative	Number	RT-CH-540a.2	Zotefoams had no reportable transport incidents

Social

Please see the 2024 Annual Report for the full social section of our ESG report.

Governance

Please see the 2024 Annual Report for the full governance section of our ESG report.

Website

www.zotefoams.com