

arxada

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EXECUTIVE SUMMARY

Sustainability Report





2022 Sustainability Report Executive Summary

As a global science-based leader in innovative specialty chemicals, Arxada continues to pursue better science to solve the world's toughest preservation challenges. A key part of this effort is to drive an industry transition to cleaner, greener solutions.

Our first Sustainability Report, which covers fiscal year 2022, reinforces the company's commitment to building a sustainable future, highlights progress made to date and establishes important metrics and initiatives that will contribute to our long-term success.

The report is organized around the three priority pillars of our business – **Planet, Preservation, People**.



Planet

Our environmental efforts are focused on operating eco-efficiently and respecting the planet's natural resources on our path towards net zero. This includes working to reduce our greenhouse gas emissions and improving our water and waste management.

To ensure a continued and globally aligned approach, we have identified three global priorities that we will work towards over the coming years:

- Reducing our Scope 1, 2 and 3 emissions to zero or to a residual level by 2050 and neutralizing any residual emissions
- Reducing our Scope 1 and 2 emissions by 50% by 2030
- Water – goal to be set in 2023.

We are already ahead of our Scope 1 and 2 emissions targets.

Highlights of our Planet pillar progress in 2022 include:

- The installation of a catalytic converter at our largest production site in Visp, Switzerland enabled us to reduce nitrous oxide (N₂O) emissions by over 98%
- We have evaluated our Scope 3 footprint from 2021 and identified raw materials with the most significant impacts on our emissions.
- Our sites all now have systems to identify opportunities for minimization and sustainable reduction of waste.

Preservation

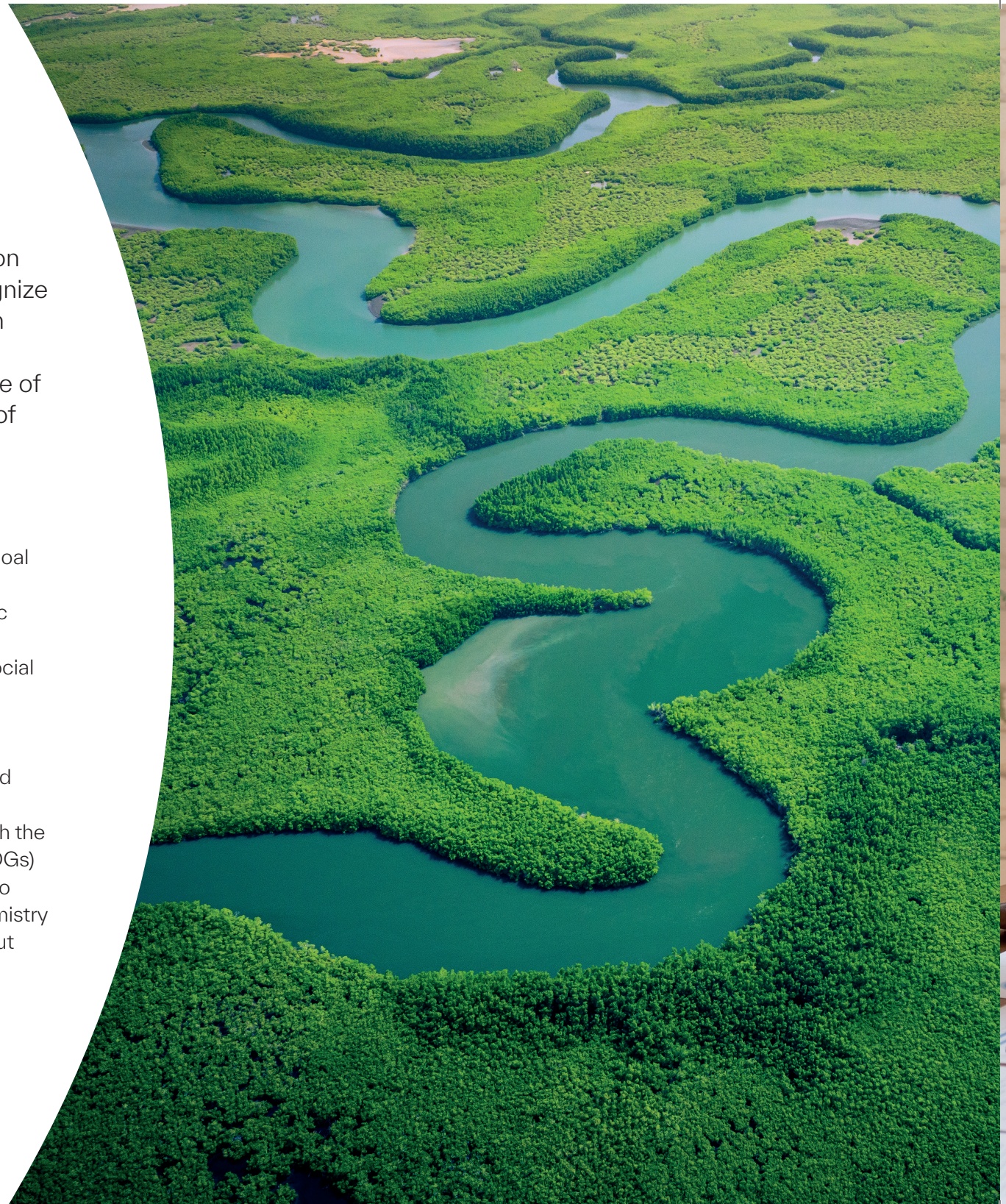
Our vision is to tackle the most pressing preservation challenges for people and the planet, and we recognize that our products and solutions play a crucial role in achieving this goal. We are working to protect the health and well-being of people and improve the life of infrastructure and materials to preserve the health of our planet.

To achieve our goal of sustainable preservation, we have established three priority targets for 2030:

- Launch Portfolio Sustainability Assessments and set a goal for sustainable solutions by revenue
- Collaborate in, drive and sponsor more than 50 scientific advocacy events
- 100% of key suppliers to complete an Environmental, Social and Governance (ESG) assessment.

Highlights of our Preservation pillar progress in 2022 include:

- We conducted research to identify reliable and accepted approaches to evaluate and measure the impact of our products throughout their lifecycle, and in alignment with the United Nations Sustainable Development Goals (UN SDGs)
- We continued to expand our hygiene product portfolio to include disinfectant cleaners based on sustainable chemistry
- We updated our Supplier Code of Conduct and rolled out our sustainable sourcing strategy, which is designed to comprehensively manage and reduce our Scope 3 emissions.





People

Our vision for solving the world's toughest preservation challenges can only be achieved through the hard work and dedication of our people. We want to help all colleagues unlock their full potential by providing a diverse, inclusive, safe and engaging work environment, where open and respectful communication and engagement are a fundamental aspect of our business and everyone is empowered to learn, grow and bring their best to work.

To continue building a strong business and culture, we have three principal goals for 2030:

- Establish world-class health and safety in our operations by bringing our Total Recordable Injury Rate (TRIR) down to less than 0.3 and our Lost Time Injury Frequency Rate down to less than 0.1
- Help create an inclusive culture by increasing female representation in senior leadership to 40%
- Improve community engagement through employees sharing or contributing 46,000 volunteer hours.

Highlights of our People pillar progress in 2022 include:

- Establishing our Safer Together at Arxada initiative, which focuses on increasing knowledge, awareness and reporting of incidents
- We launched our Insights2Action survey to measure our drivers of employee engagement, including role rewards, recognition and workload
- Our community involvement activities ranged from urban tree planting in the US to a community food drive in support of local food banks in the UK and a tree preservation program in Brazil.

In 2023, we are planning to expand, enhance and add to all these Planet, Preservation and People efforts, as we deepen our commitment to reduce our environmental impact and help our customers adapt to long-term environmental and social change.