arxada

The power of

science & sustainability

Innovative solutions that protect our world

Dear Stakeholders,

In 2024, Arxada demonstrated the power of a purpose-driven organization to deliver value and positively influence the way our business is conducted. Our annual sustainability report – The Power of Science & Sustainability – is a great opportunity to highlight the progress we are making on our sustainability journey, innovating to address global trends and drive meaningful change for both Arxada and our valued partners.

First, we are proud to share that Arxada was awarded the EcoVadis Silver Medal in recognition of our performance across environmental, labor and human rights, ethics, and sustainable procurement practices. This achievement places us among the top nine percent of companies evaluated by EcoVadis and reflects our ongoing pursuit of excellence. We also launched EcoArx, our sustainable procurement initiative, which strengthens supply chain resilience and ensures responsible sourcing. As a cornerstone of our broader sustainability strategy, EcoArx reinforces our values of transparency, ethical practices, and environmental stewardship.

At the heart of our mission is a simple yet powerful idea: Innovative solutions that protect our world. Every day, often silently and behind the scenes, Arxada's technologies help safeguard the things that matter most - from the wood in our homes and the hygiene of our environments to the longevity of everyday products. Our solutions are designed not only to perform but to preserve, ensuring that what we rely on today remains more sustainable for tomorrow. Whether enhancing hygiene and infection prevention with Quanticare®, delivering long-lasting protection in agriculture and animal health with PeraGuard® AH, enabling performance and sustainability in materials through Polyboost®, or preserving wood products as a sustainable alternative to industrial timbers with Tanasote®, we are delivering solutions that empower our customers to meet their own sustainability goals.

Our sustainable product innovation pipeline continues to expand, with strong alignment to the United Nations Sustainable Development Goals (SDGs) as we strive to improve human health – particularly SDG 3: Good Heath and Well Being, focused on hygiene, disinfection, safer ingredients and safer food supply, SDG 9: Industry, Innovation and Infrastructure – building resilient infrastructure and fostering innovation through advanced technologies and sustainable chemistry and SDG 12: Responsible Consumption and Production – improving resource efficiency, reducing waste, and promoting circular economy practices.

Our progress is driven by the talent and dedication of our 3,400 associates worldwide. We strive to provide a work environment that prioritizes safety above all else, while our behaviors guide collaboration and innovation. We are cultivating a culture that celebrates diversity and recognizes how our differences help us deliver better solutions to our customers while serving the communities where we operate. Looking ahead, we are enthusiastic about continuing our journey toward positive change - both within our organization and on a global scale. With a focus on innovation and sustainability, we are confident in our ability to drive meaningful progress and help create a more sustainable future for generations to come.

Many thanks,

Sanjeev Rastogi
Chief Executive Officer

Our business & sustainability

Silently protecting: Our business, purpose and values

Arxada is a global trailblazer in specialty chemicals, headquartered in Switzerland. It was established in 2021 following the carve-out of Lonza Specialty Ingredients (LSI), which was acquired by Bain Capital and Cinven. Strengthened by the subsequent merger with Troy Corporation and the acquisition of Enviro Tech, Arxada has rapidly emerged as a key player in the industry. The company specializes in advanced microbial control solutions, performance additives, and biotechnology-driven innovations.

With a broad portfolio of biocidal active ingredients and a comprehensive range of preservatives and disinfectants, Arxada supports critical applications across diverse sectors. Its backward integration at the Visp, Switzerland site sets the company apart in delivering sustainable, high-performance solutions.

Arxada serves core markets including Human Health and Nutrition, Home & Personal Care, Paints & Coatings, and Wood Protection. Its offerings are backed by deep scientific expertise, regulatory insight, and robust manufacturing capabilities. The company's biotechnology and innovation platforms are central to developing next-generation solutions that protect human health, infrastructure, and the environment.

Operating across 24 production sites and 14 R&D centers worldwide, Arxada's 3,400 associates are united by a shared commitment to excellence and sustainability. The company empowers its people and partners to reach their full potential through collaboration and innovation.

Together, we pursue Arxada's mission to provide:

Innovative solutions
THAT PROTECT OUR WORLD

Operating locations

3,400 Employees

24 Production sites

14 R&D sites

Headquarters
— Basel (Switzerland)

Main Commercial Sites
— Barcelona (Spain)
— Bangkok (Thailand)
— Delft (Netherlands)
— Morristown (NJ, USA)
— Shanghai (China)
— Tokyo (Japan)

Research & Development
— Alpharetta (GA, USA)
— Bangkok (Thailand)
— Morristown (NJ, USA)
— Hannover (Germany)
— Manchester (UK)
— Melbourne (Australia)
— Shanghai (China)

Manufacturing
— Auckland (New Zealand)
— Newark (NJ, USA)
— Helena (AR, USA)
— Penang (Malaysia)
— Huddersfield (UK)
— Phoenix (AZ, USA)
— Horhausen (Germany)
— Port Shepstone (South Africa)
— Kabin Buri (Thailand)
— Rochester (NY, USA)
— Kalama (WA, USA)
— Suzhou (China)
— Mapleton (IL, USA)
— Trentham (Australia)
— Moerdijk (Netherlands)
— Valparaiso (IN, USA)
— Nanjing (China)

Combined R&D/Manufacturing
— Conley (GA, USA)
— Modesto (CA, USA)
— New Plymouth (New Zealand)
— Kouřim (Czech Republic)
— Salto (Brazil)
— Visp (Switzerland)
— Williamsport (PA, USA)

Our mission revolves around creating innovative solutions to help protect our world.
To help us achieve this, we follow a set of core values that reflect the longstanding commitments of our heritage companies.

Safety & health

Our unwavering commitment to safety and health for all is a top priority. This encompasses our associates, our contractors, our customers, and the people in the communities where we operate.

Ethical behavior

We are esteemed corporate citizens on a global stage. We behave in accordance with the highest ethical standards, and in compliance with all applicable regulations and laws.

Respect for people and planet

We treat all people with professionalism, dignity and respect, fostering an environment of collaboration, innovation and excellence. We provide science-led solutions for our customers, seeking best practices without harm to natural resources now and always.

Our products

We use science, innovation and collaboration to work towards minimizing our ecological footprint to create a more sustainable future. Our broad portfolio of products and services helps our customers meet their own sustainability goals. Our portfolio has been designed to be more efficient and effective, supporting responsible practices across industries.

Our solutions:
- Professional hygiene
- Home and personal care
- Wood protection
- Paints and coatings
- Material protection
- Contract development and manufacturing organization

Developing our sustainability strategy

At Arxada, we prioritize sustainability and environmental responsibility, and we strive to make a positive impact on both people and the planet. Building on the momentum established in our 2022 inaugural report, we remain committed to leveraging the results and insights gathered from our key stakeholders and investors to shape our sustainability strategy. Arxada's sustainability strategy was formed on a foundation of three critical pillars that ground our responsibilities to associates, customers, investors, owners and the communities where we work and operate.

The Planet Pillar represents our approach to operating in an environmentally responsible manner. We are committed to being a climate leader and achieving Net Zero by 2050 in line with the 2015 Paris Agreement. We recognize the need to make immediate progress, so we have set ambitious yet achievable goals for reducing GHG emissions, validated by the Science Based Targets initiative (SBTi) in 2023. We are also focusing on our water consumption and management. We are developing a robust understanding of our water balance and commit to deploying targeted water management practices at our high-risk or high-stress sites. Through science, innovation and collaboration, we work towards minimizing our ecological footprint to create a more sustainable future.

The Preservation Pillar is at the core of Arxada's purpose: innovative solutions that protect our world. Our products and solutions contribute to responsible practices aligned with the United Nations Sustainable Development Goals (UN SDGs), with a focus on safety, quality, and societal wellbeing. Arxada is committed to delivering low-carbon products that allow our customers, society and the planet to benefit from more sustainable solutions. We align our innovation investments to the UN SDGs, advocating for responsible, science-supported, risk-based decision making, and strategically partner with our suppliers to ensure responsible sourcing. Product safety is a top priority. We are regularly developing new and inventive offerings, systems and services that provide value to our customers. Our compliance with current regulations and industry standards helps support product safety for all they serve throughout their lifecycle. By adhering to current regulations and industry standards, we design products that are intended to be safe throughout their lifecycle.

The People Pillar emphasizes that the people of Arxada are the most important ingredient to our success. At the heart of this recognition is a commitment to ensuring world-class health and safety performance for our associates. Our safety goals have the vision of zero injuries and incidents. We also proudly commit to providing an engaging work environment that values diversity and inclusion, a culture where all associates can be their true selves, thrive and grow. We aspire to improve our associate engagement and expand inclusion and wellbeing. We encourage our associates to be active members of the communities in which we operate and live, and to be a positive force for change.

Our Executive Leadership Team (ELT) is jointly responsible for this strategy, setting goals focused on its advancement and tracking progress together.

"The People Pillar reiterates that the people of Arxada are the most important ingredient to our success."

Arxada's sustainability strategy

Planet

Decarbonizing our operations with respect for natural resources on our path towards net zero.

Preservation

Protecting and maintaining the health and wellbeing of people, improving the longevity and efficacy of vital infrastructure while supporting the health of our planet.

People

Caring for people and communities, creating safe, healthy and inclusive workplaces where everyone can thrive and grow.

Net Zero by 2050

Reducing our scope 1, 2 and 3 emissions to zero or to a residual level by 2050, and neutralizing any residual emissions (approved by the SBTi).[1]

Innovation for a sustainable future

Expand product level carbon tracking portfolio-wide by implementing calculation capabilities and third-party partnerships across all industry segments.

Towards world-class health and safety throughout our operations

Achieve by 2030:
– TRIR (Total Recordable Injury Rate) < 0.3
– LTIFR (Lost Time Injury Frequency Rate) < 0.1.[3]

GHG emission reduction by 2030

50% reduction of scope 1 and 2 emissions and 28% reduction of Scope 3 by 2030 (approved by the SBTi).[1]

Advocacy leadership for science- based decision making for a sustainable future

Collaborate, drive and sponsor > 50 scientific advocacy events by 2030.[4]

Creating an engaging and inclusive culture where all associates thrive and grow

Improve year-over-year associate scores on satisfaction, engagement, diversity & inclusion and wellbeing as measured in our survey engagement.

Responsible water stewardship

Deploy targeted water management practices at 100% of sites identified as high-risk or high-stress by 2027.[2]

Responsible sources: addressing sustainability in our supply chain

100% of key suppliers to complete a comprehensive ESG assessment by 2030.[5]

Community engagement and positive impact

Hold at least 24 community events per year across our operations.[6]

Sustainability-linked instruments

As the first of its kind in a private equity transaction, Arxada has committed to reducing its environmental impact during its early growth stage. The company was partially financed through sustainability-linked loan facilities and sustainability-linked bonds (collectively referred to as Sustainability-Linked Financial Instruments), with support from our sponsors, Bain Capital and Cinven.

A Sustainability-Linked Financial Instrument features financial and structural characteristics that may vary depending on whether the issuer achieves material, ambitious, pre-determined, regularly monitored, and externally verified sustainability objectives. These instruments therefore provide an additional incentive for the issuer to meet future commitments to improve sustainability in areas deemed material to overall business operations.

By embedding targets against its Key Performance Indicators (KPIs) into Sustainability-Linked Financial Instruments, Arxada continues to ensure transparent disclosure of our progress toward these KPIs, which aligns with our values and vision for the future. The adopted KPIs tied to the Sustainability-Linked Financial Instruments are (i) our GHG emissions intensity and (ii) waste intensity with target reductions set from a 2018 baseline. To date, we have exceeded both targets. A Sustainability-Linked Financing Report is provided annually to investors outlining Arxada's progress against the KPIs for each instrument. See our "External Assurance Report" for our 2024 KPI observation date.

More information on how we are working to improve our GHG and waste impact and meeting our targets can be found in the Planet Pillar content to follow.

Arxada Earns Silver EcoVadis Medal

In February 2025, Arxada was awarded the Silver EcoVadis Medal, based on our 2024 actions and performance. Advancing from Bronze in 2023, this achievement reinforces our position as a sustainability leader in the EcoVadis rankings. Arxada ranked among the top 10% of companies globally, a significant step forward given EcoVadis' increasingly rigorous evaluation standards. EcoVadis, a leading global sustainability rating platform, assesses 130,000 companies across four key areas: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. Arxada's Silver Medal reflects its continued leadership in carbon management and strong environmental performance. This sustainability report will highlight the activities in 2024 that contributed to Arxada's EcoVadis assessment.

[1] From our 2021 baseline.

[2] Sites located at high or very-high water-risk or water-stress locations according to the World Resources Institute Aqueduct Water Risk Atlas.

[3] Rates are calculated as the number of injuries or incidents in the reporting period x 200,000 / Total hours worked in the reporting period.

[4] Advocacy to advance external science-based decision making that drives sustainable preservation.

[5] Our key suppliers make up approximately 20% of our supplier base and account for approximately 80% of our spend. With a comprehensive ESG assessment, we intend an evaluation that goes beyond legal and mandatory obligations.

[6] Our community engagement target is driven by our number of manufacturing sites. In 2024, Arxada had 24 manufacturing sites globally. See Our business & sustainability section for a list of these sites.

Sustainability governance

Our corporate governance plays a vital part in the success of our business and our sustainability strategy. We incorporate the highest level of oversight and due diligence, establishing the right policies and mechanisms to guide ethical business practices, ensuring adherence to recognized sustainability certifications.

A complete overview of our 2024 site certifications and publicly available policies supporting our sustainability efforts are available on our Certificates Page and Policy Hub.

Our board and sustainability responsibility

Our 9-member board of directors is responsible for overseeing Arxada's sustainability strategy, risk management and corporate reporting. We have three committees that report directly to the Board: the audit committee, the people committee and the sustainability committee.

Our audit committee assists the board in overseeing various aspects concerning members, potential members, the investment community and other stakeholders. This includes ensuring the integrity of the company's financial statements, evaluating the effectiveness of the company's internal controls over financial reporting, selecting the independent auditor, assessing the auditor's qualifications and independence, monitoring the performance of the company's internal audit function and independent auditors, and managing other committee responsibilities. This committee consists of two representatives from Bain Capital and Cinven and two independent board members, with participation from our CEO and Chief Financial Officer.

The sustainability committee is responsible for oversight of Arxada's sustainability strategy and goals, including the measurement, improvement and reporting of our environmental impact plans. The sustainability committee ensures that we embed sustainability into our operations and innovation strategy, and that our sustainability goals meet or exceed industry standards. Furthermore, the committee ensures effective tracking and communication of progress on sustainability goals throughout the organization. This committee is composed of four representatives from Bain Capital and Cinven, plus participants including our CEO and Chief Technology & Innovation Officer (CTIO).

The people committee is responsible for providing strategic input to advance a transformational people agenda that focuses on building a great workplace and supporting our strategic capabilities. Our people committee consists of four representatives from Bain Capital and Cinven, and one independent director, plus participation from our CEO and Chief People Officer (CPO).

Our sustainability team is fully integrated throughout our enterprise. Our CTIO is accountable for developing an overarching strategy and reporting to the Board. He is responsible for scientific advocacy and sustainable innovation within the Preservation Pillar. Our CPO is accountable for developing, reporting and deploying strategies related to our People Pillar linked to inclusive culture, community engagement and impact. Our Senior Vice President, Integrated Operations, is accountable for the strategy linked to the many aspects of our Planet Pillar, Sustainable Procurement within our Preservation Pillar and Health & Safety within our People Pillar.

Board of directors
Our board of directors is responsible for overseeing Arxada's strategy, risk management and corporate reporting and approves our overall sustainability strategy.

Audit committee
The audit committee assists the board with its oversight responsibilities to the members, potential members and the investment community relating to: (i) the integrity of the company's financial statements; (ii) the effectiveness of the company's internal control over financial reporting; (iii) selection of the independent auditor and assessment of the independent auditor's qualifications and independence; and (iv) the performance of the company's internal audit functionality and independent auditors.

People committee
The people committee is responsible for providing strategic input to advance a transformational people agenda focused on building a great workplace and supporting our strategic capabilities.

Sustainability committee
The sustainability committee is responsible for oversight of Arxada's sustainability strategy and goals, including the measurement, improvement and reporting of our environmental impact plans.[7] The sustainability committee ensures sustainability goals are clearly defined, that sustainability goals meet or exceed industry standards, and that Arxada is held accountable for progress against those goals.

Executive Leadership Team
The ELT is responsible for managing our day-to-day business and defining our overall strategy, including our purpose, vision and sustainability strategy.

Sustainability team
The sustainability team reports to our CTIO. The team plays a key role in setting sustainability goals, meeting external standards and certifications, tracking and communicating progress against goals and driving the implementation of our sustainability strategy.

Business ethics

Our ethics and compliance policies, including a [Code of Conduct]. [Supplier Code of Conduct]. Anti-Bribery Policy, Business Gif t Policy, Antitrust Policy and Whistleblower and Non-Retaliation Policy help ensure our associates act with utmost integrity in all operations. We have continued to build on the compliance program that we launched in early 2022 by customizing training programs on topics such as Anti-Bribery, Conflicts of Interest, Antitrust, Harassment, Discrimination, Confidential Information and Computer Security and Export Control. Our associates undergo annual training on our Code of Conduct.

We also offer periodic live and webinar training globally on a wide range of ethics and compliance topics. Our customized training programs take into consideration particular risks that may exist in a region and local laws and regulations.

We emphasize a culture of compliance and business ethics through training, written materials and our internal platforms, including our intranet and our One Arxada channel. All associates have access to our Hotline, which is accessible by phone and via an online portal and accessible directly from our intranet. The Hotline is available 24 hours a day and in all our operating languages throughout the world. Hotline reporters may choose to remain anonymous. Associates who raise concerns are protected through our Whistleblower and Non-Retaliation Policy.

[7] GHG, waste and water.

About the 2024 Sustainability Report

Herens Midco S.a r.l. is a private limited liability company incorporated under the laws of Luxembourg on January 28, 2021. Arxada AG and Troy Corporation are indirect subsidiaries of Herens Midco S.a r.l. and operate under the name Arxada. Arxada's operational headquarters is located in Basel, Switzerland.

This sustainability report, available for download on arxada.com, covers activities from January 1, 2024, through December 31, 2024, unless otherwise noted. To determine the KPIs and disclosures reported on in this report, we referenced the Global Reporting Initiative (GRI) Standards (2021) and the Sustainability Accounting Standards Board (SASB) Resource Transformation - Chemicals (RT-CH) Standard.

This report and the data included are intended to help our stakeholders understand our sustainability performance. Sustainability performance data on GHG intensity and waste intensity for our sustainability-linked loan requirements have been validated by an external third party. Arxada is committed to expanding the scope and quality of our sustainability data collection and assurance in the coming years. While we are not classified as an EU Public Interest Entity, we are proactively preparing to meet the Corporate Sustainability Reporting Directive (CSRD) requirements when applicable for Arxada.

For questions, comments and suggestions about our report or this website, please email us at sustainability@arxada.com. For investor inquiries about our sustainability practices please email us at investors@arxada.com. For media inquiries, please email us at media.enquiries@arxada.com.

Forward-looking statements

This annual report contains forward-looking statements. Forward-looking statements provide our current expectations, intentions, or forecasts for future events. Forward-looking statements include statements about expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not statements of historical fact. Words or phrases, or the negatives of those words or phrases, may identify forward-looking statements. Still, the absence of these words does not necessarily mean that a statement is not forward-looking.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors. They are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Therefore, our actual results could differ materially from those expected in our forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results. We urge you to read this entire annual report, including sections on factors that could affect our future performance and the industry in which we operate.

Any forward-looking statements are only made as of the date of this annual report, and we do not intend nor assume any obligation to update forward-looking statements set out in this annual report. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this annual report. As a result, you should not place undue reliance on these forward-looking statements.

Planet

Decarbonizing our operations with respect for natural resources on our path to net zero.

"With an increasing commitment to environmental responsibility, we are charting a course of innovation focused on minimizing our ecological footprint.

This ongoing transformation reflects our dedication to protecting the planet and progressing toward a net-zero future. Through a foundation of operational excellence, we are taking purposeful steps to build a more sustainable world for generations to come."

— **Scott Campbell**, SVP Integrated Operationss

Arxada remains dedicated to achieving eco-efficiency and conserving natural resources as we work towards net zero by 2050. Our primary focus remains on decarbonizing our operations through minimizing greenhouse gas (GHG) emissions and improving air quality, water and waste management practices.

We implement our environmental efforts throughout our global operations. In our inaugural 2022 report, we highlighted three main objectives, including our ambitions to achieve net zero by 2050, reduce our Scope 1 and 2 emissions and optimize water consumption. In 2023, our GHG targets in line with a 1.5°C trajectory, have been approved by SBTi. The upcoming sections give an overview of our current and future management strategies and the progress we made in 2024.

Goals

Net Zero by 2050	**GHG emission reduction** by 2030	**Water** by 2027
Reducing our Scope 1, 2 and 3 emissions to zero or to a residual level and neutralizing any residual emissions.[8,9]	Reducing Scope 1 and 2 emissions by 50% and Scope 3 by 28%.[8]	Deploying water management practices at 100% of high-risk or high-stress sites.[10]

[8] Based on our 2021 baseline.

[9] Our definition of net zero is aligned to the SBTi definition: Reducing Scope 1, 2 and 3 emissions to zero or to a residual level that is consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C-aligned pathways and neutralizing any residual emissions at the net-zero target year and any GHG emissions released into the atmosphere thereafter.

[10] Sites located at high or very-high water-risk or water-stress locations according to the World Resources Institute Aqueduct Water Risk Atlas.

Greenhouse gas (GHG) emissions & air quality

Reducing GHG emissions and other air pollutants is a key priority for Arxada in our effort to preserve our planet and limit climate change. While our products can have a positive impact, we look to decarbonize our facilities and across our supply chain. This aligns with our ambition to be a low-carbon chemicals company with a Net Zero carbon footprint.

In 2023, SBTi approved our emission reduction targets in line with a 1.5°C emissions reduction trajectory. This recognition solidifies Arxada's steadfast commitment to sustainability and its contribution to our industry's transition to cleaner, greener solutions. Our targets are:

50% reduction
by 2030
of Scope 1 and 2 emissions.[1]

28% reduction
by 2030
of Scope 3 emissions.[1]

Net Zero
by 2050
Reducing our Scope 1, 2 and 3 emissions to zero or to a residual level and neutralizing any residual emissions.[2]

OUR ACHIEVEMENT

61%
Reduction in our Scope 1 and 2 emissions relative to 2021.

Arxada's operational team is responsible for delivering our strategy. As of 2024, we have already met our 2030 commitment, achieving a 61% reduction in our Scope 1 and 2 emissions relative to 2021. To meet net zero by 2050, we will be working to reduce our emissions in line with our approved SBTi targets.

In February 2025, Arxada was awarded the Silver EcoVadis Medal, based on our 2024 actions and performance, scoring in the top 9% of companies rated on the platform. In addition, it retained its designation as a Carbon Management Leader, defined by EcoVadis as a company with a strong GHG management system and best-in-class decarbonization commitments, actions and reporting capabilities.
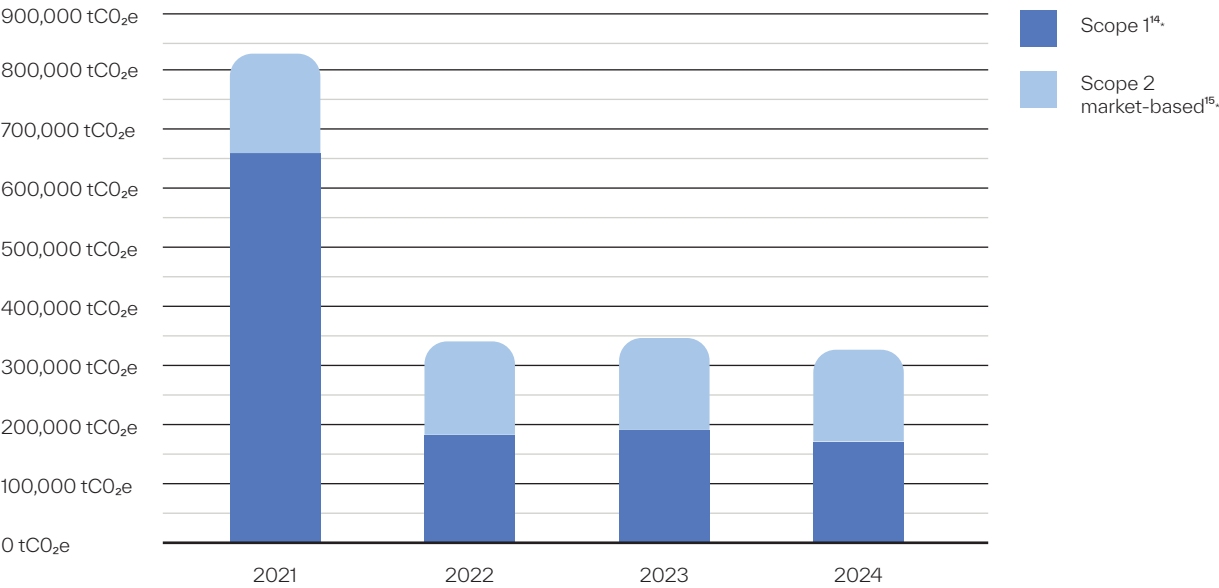
Our Scope 1 and 2 emissions

Arxada's 2024 GHG inventory includes Scope 1 emissions from its manufacturing processes and facilities and Scope 2 emissions from purchased electricity and steam.

We seek opportunities for decarbonization across our facilities globally. One major project was the installation of a catalytic converter in 2021 in Visp, our largest production site. This installation led to significant reductions in nitrous oxide (N20), which represents a significant portion of our 2021 baseline Scope 1 emissions. To date, the converter has enabled us to reduce our N20 emissions from Visp by

more than 500,000 tons of C02e per year, achieving a reduction of over 70% in our global Scope 1 emissions compared to 2021. The catalytic converter was a key driver in our ability to meet our Scope 1 and 2 target set in 2022, which in turn allowed us to achieve a 61% reduction of our global Scope 1 and 2 emissions from our 2021 baseline. However, this achievement does not deter us from seeking to improve the efficiency of our operations and finding opportunities to further reduce our footprint, to achieve our net zero commitment.

Another priority is reducing our Scope 2 emissions from purchased steam and electricity used to run our daily operations. We continue to explore ways to increase our use of renewable energy and other low-carbon energy sources. We are also working to identify equipment replacements that are more energy efficient. The case study below highlights another project in Visp, the installation of a vapor compressor that allowed us to significantly reduce our steam consumption in one of our processes.

Scope 1 and 2 distribution[*13]

Legend:
- Scope 1[14*]
- Scope 2 market-based[15*]

Y-axis: 0 tCO$_2$e to 900,000 tCO$_2$e (in 100,000 increments)
X-axis: 2021, 2022, 2023, 2024

Our Scope 3 emissions

In 2024, our Scope 3 emissions accounted for approximately 90% of our total GHG inventory. This notable shift in our emissions profile is due to two key factors. First, we successfully enhanced our Scope 3 inventory by incorporating additional relevant downstream Scope 3 categories. This improvement marks a significant milestone in our commitment to comprehensive and accurate emissions tracking, showcasing our dedication to environmental responsibility and transparency.

Second, as described in the "Our Scope 1 and 2 emissions" section above, we achieved a substantial reduction in our Scope 1 emissions compared to 2021, thanks to the installation of a catalytic converter in Visp. This advancement underscores our proactive approach to mitigating direct emissions and reflects our ongoing efforts to implement innovative solutions for a sustainable future.

Following the validation of our SBTi targets in 2023, we successfully set a Scope 3 emission reduction target. We commit to reducing absolute Scope 3 GHG emissions by 28% by 2030 relative to 2021. To support this, we are identifying raw materials with the most significant impact on our GHG intensity and seeking opportunities to reduce our consumption of these materials. We are also exploring the feasibility of recovering, recycling and reusing raw materials.

Along with the efforts to reduce our raw material consumption, we are working to further reduce our Scope 3 footprint by advancing responsible sourcing and waste management efforts throughout our value chain. We plan to engage strategically with our suppliers and customers to drive our Scope 3 targets. Please see our Responsible Sourcing section for more details on how we evaluate our suppliers.

Arxada's Visp site, our largest production facility, operates on a highly efficient "Verbund" principle that integrates material and energy flows with multiple recycling processes. Our team is investigating the potential for using biofuels from renewable feedstocks to feed the acetylene generation unit on site.

These innovations will further enable Visp to produce low-carbon, cost-competitive, chemical products and advance our Net Zero by 2050 commitment while better supporting our customers' sustainability efforts.

Scope 3 inventory[16]

	2021	2022 (restated)[17]	2023 (restated)[17]	2024
Original Scope 3 inventory	1,725,106 tCO$_2$e	2,262,657 tCO$_2$e	1,915,755 tCO$_2$e	1,461,848 tCO$_2$e
Improved Scope 3 inventory including additional downstream emissions		3,486,958 tCO$_2$e	3,121,962 tCO$_2$e	3,064,578 tCO$_2$e

Air pollutants

In addition to GHG-related gases, we regularly monitor our emissions to air for concentrations of sulfur oxides (SOx), nitrogen oxides (NOx) and volatile organic compounds (VOCs) to mitigate emissions of dust and particulate matter.

We monitor these air pollutants in accordance with the timelines and procedures established by the relevant regulatory authorities. We employ various technologies, like filters and capture systems, to minimize emissions into the atmosphere. In 2024, no violations of air emission regulations were recorded at our production plants.

Arxada's air pollutants
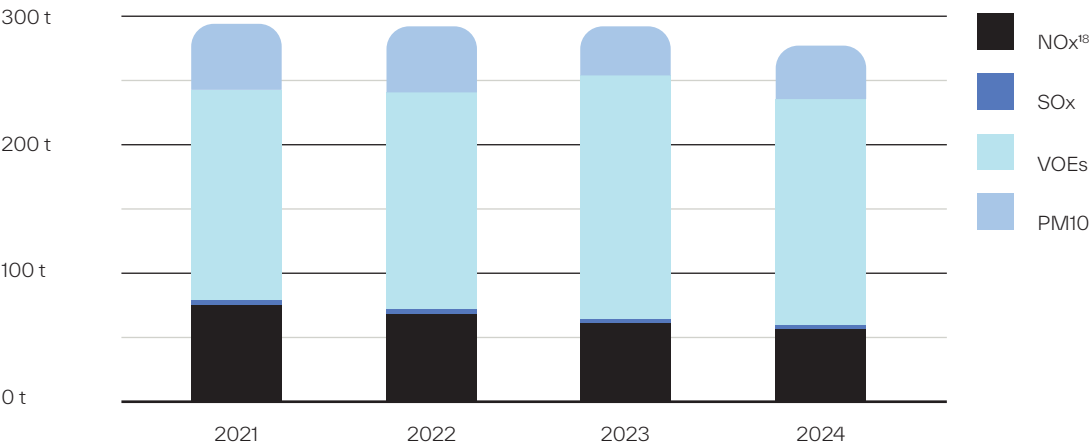
Looking forward to 2025

The validation of our emission reduction targets by the Science Based Targets initiative in 2023 advanced our ambitions to scale emissions reduction initiatives and identify additional opportunities to decrease our footprint. In 2025, we aim to establish the foundation of an integrated management system over all our sites, to increase the overall efficiency of our operations and expand the use of renewable energy to minimize environmental impact. We will seek ways to electrify processes currently dependent on natural gas. Our focus will be on finding the most impactful opportunities and working diligently toward achieving our goals.

Highlights

Driving down emissions with innovation: Steam reduction in Visp

One of the largest contributors to Arxada's Scope 2 emissions is steam consumption at the Visp plant. Over the past several years, the operations team has thoroughly screened the site for opportunities to reduce its steam consumption. A significant opportunity was identified for the 5-Ethyl-2-methylpyridine (MEP) process.

In this process, a large amount of water is generated as a by-product. This wastewater needs to be treated via distillation – a process that traditionally required a significant amount of energy in the form of steam and cooling water. All other possible treatment options of the wastewater were explored and ruled out.

In 2024, Arxada began the installation of a vapor recompression system on this distillation column.

The underlying principle is both simple and effective: Instead of using fresh steam, the heat from overhead vapor can be recovered and reused. This system – similar to a heat pump – will enable this by reintroducing the energy into the distillation cycle. Only a small additional amount of electricity (approx. 46 kW for compressors and pumps) will be required to keep the process running efficiently. The system is scheduled for operation in 2025.

Arxada estimates that, once operational, this new system will save approximately 2,400 tCO2e per year. To put this into perspective: These annual CO_2 savings are equivalent to the emissions of 1,200 mid-sized cars. This project is a great example of how technical innovation, economic feasibility and sustainability can go hand in hand.

Upgrading our refrigeration assets in Williamsport, Pennsylvania

As part of our ongoing efforts to refurbish existing sites, we replaced an older ammonia refrigeration system at our Williamsport, Pennsylvania facility with new units to restore capacity and provide greater efficiency. The process began in early 2022 and was completed at the start of 2024. The project aims to eliminate end-of-life equipment in favor of new, more efficient units and to remove production bottlenecks and risks associated with the legacy equipment.

The production lines at Williamsport rely on chilled water to operate. Recognizing that this water was cooled by four ammonia compressors that were at the end of their design life and no longer able to reach 100% capacity, we replaced the old units that are both reciprocating compressor type chillers, with new screw-driven compressors. Screw compressors are more efficient and provide a savings on electricity during runtime of roughly 33% per unit.

Removal of the previous unit freed valuable space for future expansion projects at the site, while simultaneously reducing the ammonia required by 23%. The refrigeration upgrade is representative of our efforts to identify opportunities to upgrade equipment for enhanced efficiency. This is particularly impactful to our environmental footprint as we move toward a more efficient business model.

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[11] Based on our 2021 baseline.

[12] Our definition of net zero is aligned to the SBTi definition: Reducing Scope 1, 2 and 3 emissions to zero or to a residual level that is consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C-aligned pathways and neutralizing any residual emissions at the net-zero target year and any GHG emissions released into the atmosphere thereafter.

[13] The scope of our Scope 1 and 2 data includes all manufacturing sites with FTE > 10 (note, Auckland, New Zealand and Trentham, Australia manufacturing sites are included even though they have less than 10 FTEs) and Pilot Manufacturing sites with FTE > 45. Emissions from offices are not included, as these are not material to Arxada's overall emissions.

[14] Our Scope 1 emissions include the direct emissions to air from our operations, including CO_2, N_2O, CH_4, from fuels (e.g., LPG and Fuel Oil). Arxada does not have emissions from PCF, HFCs or SFs.

[15] Our Scope 2 emissions are composed of purchased electricity and steam. For European locations, instead of the applicable residual mix factors, location-based IEA factors have been used.

[16] Scope 3 data include Arxada (legacy LSI), Troy and Enviro Tech. The original Scope 3 inventory excludes the following categories: Upstream leased assets (Cat. 8), Processing of sold products (Cat. 10), Use of sold products (Cat. 11), End-of-life treatments of sold products (Cat.12), Downstream leased assets (Cat.13), Franchises (Cat.14), Investments (Cat.15). The improved Scope 3 inventory includes Processing of sold products (Cat.10) and End-of-life treatments of sold products (Cat.12). For Fuel & Energy related Emissions (Cat 3) and Waste generated in Operations (Cat. 5), the footnote 11 scope limitations apply.

[17] The 2022 and 2023 Scope 3 values have been restated to account for missed data from Troy and Enviro Tech. These restated values supersede those published in our 2023 Sustainability Report. We acknowledge that additional methodological improvements were made for the 2024 calculation. We aim to publish a full recalculation for years 2021-2023 using our improved methodology in our 2025 Sustainability Report.

[18] NOx emissions do not include N_2O, which is included in our Scope 1.

[*] Metrics have been assured by ERM CVS. For more information, please see the "External Assurance Report" which details the scope, activities and conclusion of their engagement.

Waste management

Managing waste streams and focusing on reduction is a large part of our commitment to protecting our planet. With local communities and wider society having interests in transparent waste disposal, we recognize the broader role we play in conserving natural resources to support a more circular economy.

Our waste minimization guidelines prioritize best practices and clarify responsibilities for sites to manage and reduce waste. Additionally, we take a site-specific approach to waste reduction, as waste classification and regulatory requirements vary by location and must be localized to ensure compliance.

Reducing our waste offers numerous direct and indirect benefits, such as increasing material efficiency, decreasing raw material purchases and reducing our Scope 3 emissions. We understand the importance of addressing challenges and opportunities to make a positive impact and uphold our commitment to waste reduction and a circular economy.

Our waste minimization plan

As we integrate our sustainability strategy across our enterprise, we are embedding waste management plans into our core operations. We use a centralized global data system and process to capture and manage environmental data from our manufacturing sites. This data allows us to focus on sites and processes with the largest waste intensity and environmental impact.

Once assessed, Arxada's prioritization scheme is applied. We consider contributing factors, including regulatory requirements, risk reduction and environmental benefit. Once suitable waste streams for reduction are identified, our sites implement our waste minimization hierarchy with the goal of achieving maximum sustainable waste reduction.

Prevent
Preventing waste from being produced.

Reduce
Reducing the quantity of waste being produced.

Reuse
Using a product, material, or substance again for the same purpose

Recycle
Recovering waste and reprocessing it into products, materials, or substances.[19]

Energy recovery
Converting waste materials into usable heat, electricity, or fuel.

Disposal
Directing waste towards landfilling and other final solutions.

To ensure our waste management is aligned with local regulations and industry best practices while considering newly available technological solutions, our site teams periodically review the performance of waste management practices to advance progress. Waste data is collected quarterly and reported annually through this report.

Waste management in action

The classification of waste as hazardous or non-hazardous at our facilities depends on applicable local regulations. We look to apply industry best practices to minimize our total waste footprint and promote a circular economy.

Arxada's waste footprint*[20]
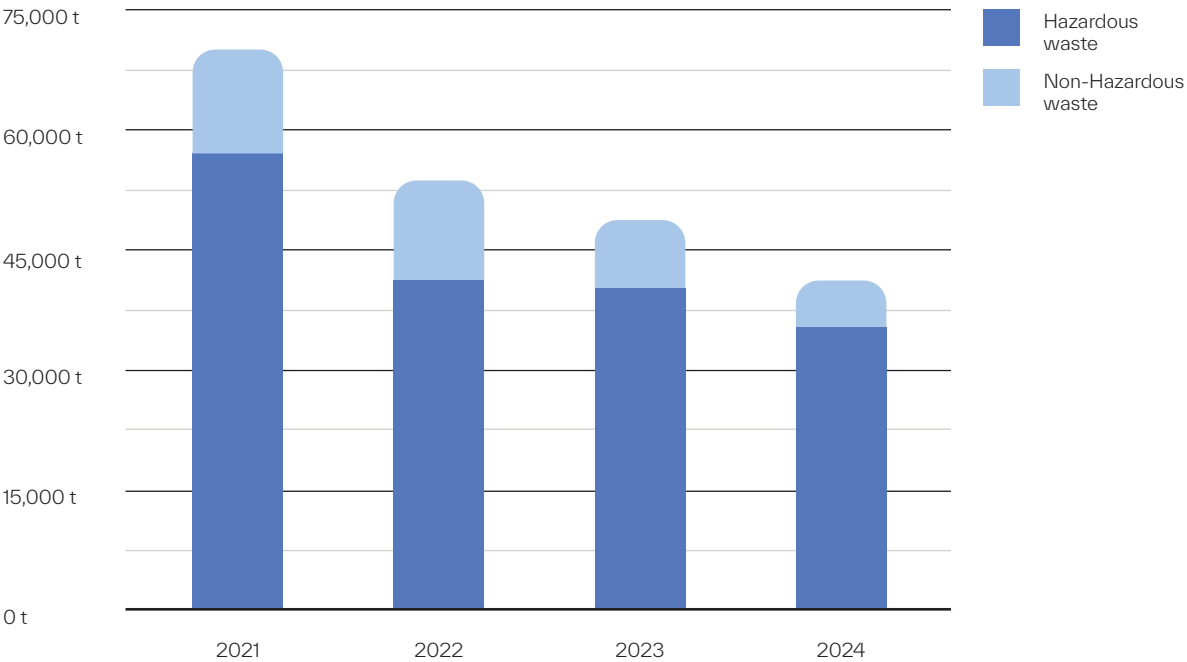
OUR ACHIEVEMENT

42%

Global waste reduction compared to 2021.

In 2024, we continued our focused waste reduction projects as part of our ongoing process optimization initiatives. We have achieved a 42% global reduction in waste compared to 2021, primarily driven by waste reduction activities at our Visp location.

Looking forward to 2025

In 2025, we will continue identifying opportunities to reuse and recycle materials, aiming to minimize resource consumption and advance our goal of operating in a more circular manner. We will drive sustainable waste reduction by expanding our reduction plans across all sites. At locations where further waste prevention and reduction are not feasible, we will continue progressing toward circularity by seeking alternatives for the by-products generated in our processes. This includes repurposing by-products within our own operations or selling them to other companies as inputs for their processes.

Highlights

Driving waste reduction through solvent recovery at Visp
As part of our ongoing commitment to sustainable operations, we continuously search for opportunities to reduce waste across our sites. In 2024, two key initiatives at our Visp site exemplified our progress in solvent recovery and reuse.

1. Recycling Solvents in CDMO Operations

In our Contract Development and Manufacturing Organization (CDMO) business, we partner with customers to design and optimize production processes. For a new product manufactured in a multipurpose plant, we explored the potential for solvent recycling. Several recovery technologies were evaluated through laboratory trials, with rectification emerging as the most effective method to meet stringent quality requirements.

The rectification process was successfully scaled up and integrated into existing equipment. Production trials confirmed that two different solvents could be recovered to the necessary quality standards—without compromising process performance or safety. This solution was implemented for the remaining campaigns in 2024, resulting in the recovery of 600 metric tons of solvent that would have otherwise been incinerated.

2. Optimizing Solvent Recovery for a Mature Product

For one of our well-established products, we revisited the handling of a solvent waste stream that was previously sent to an external treatment plant, where recovery yields were low and the resulting solvent quality limited its reuse. By leveraging equipment from an adjacent facility, we implemented an optimized on-site distillation process.

This enhancement now enables the recovery of 120 metric tons of solvent annually for reuse directly in the same production process. The change not only reduces waste and improves material efficiency but also simplifies logistics and eliminates external treatment needs.

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[19] Recycling includes composting but does not include incineration.

[20] The scope of our waste data includes all manufacturing sites with FTE > 10 (note, Auckland, New Zealand and Trentham, Australia manufacturing sites are included even though they have less than 10 FTEs) and Pilot Manufacturing sites with FTE > 45. Waste from offices is not included, as this is not material to Arxada's overall waste.

* Metrics have been assured by ERM CVS. For more information, please see the "External Assurance Report" which details the scope, activities and conclusion of their engagement.

Water management

Water is an essential resource for our operations, used in various ways across our facilities, including to cool our processes and to produce steam. It is used with other materials during manufacturing. With water scarcity as an emerging concern for our operating areas, carefully managing our water consumption is key to our strategy.

In 2023, we defined a roadmap for our water strategy. The first step was to conduct a comprehensive assessment of water risk and stress across our manufacturing sites. Water risk refers to the potential for water-related challenges to impact various sectors, including agriculture, industry, and communities. Water stress indicates the ratio of total water withdrawals to available renewable surface and groundwater supplies. Our analysis revealed which sites are located in high-risk or high-stress areas. We are committing to deploying water management practices at 100% of these sites by 2027.

Water withdrawal, use and release
Where possible and available, we draw water from groundwater wells, or nearby sources such as rivers and lakes. Where groundwater use is not a possibility, we rely on water supplied by municipalities.

Withdrawn water is used for various purposes at our facilities:

As a coolant	**Steam production**
Product generation	**Cleaning & sanitary purposes**

We use and dispose of water in various ways, always respecting and adhering to the local requirements and regulations, drawing from industry best practices. This includes releasing water back into water bodies or municipal water streams, discharging it into wastewater treatment plants, or incinerating hazardous wastewater.

Cooling water in Visp

Located near the river Rhone in Visp, Switzerland, our largest production site benefits from the naturally cold waters of the Swiss Alps, maintaining a temperature of 4°C - 8°C throughout the year. This unique advantage eliminates the need for energy-intensive cooling towers, allowing us to operate our facilities with minimal environmental impact.

Looking forward to 2025

Looking ahead to 2025, we are dedicated to continuing our efforts to protect and preserve water as a vital natural asset for future generations. We will continue to actively engage with our sites to assess their ability to measure their water balance (consumption, uses and outflows), and establish a comprehensive baseline for the entire organization. In particular, we will work with high-risk and high-stress sites to establish water management practices. Water-related risks will be reassessed periodically and integrated into Arxada´s Enterprise Risk Management System starting in 2025.

Highlights

Optimizing cooling water use in acetylene production

At our Visp site, the acetylene generation unit produces large volumes of raw gas that must be cooled before further processing. This cooling was traditionally achieved using multiple coolers in sequence, including two high-capacity units that are among the largest individual consumers of Rhone river water on site-each using up to 500 m³/h, comparable to the water demand of entire production plants.

A project was initiated in 2024 to significantly reduce this water consumption. By installing new piping to connect the two coolers in series on the water side, the system will now operate as a single, large counterflow heat exchanger. This configuration maintains effective cooling performance, with minimal temperature increase of the Rhone water across each stage.

Once completed in 2025, the project is expected to reduce water usage for this process by approximately 50%, freeing up a substantial portion of Rhone water capacity and enhancing the site's long-term resource efficiency.

Arxada Salto now a zero effluent site

At our Salto site in Brazil, in 2024, we installed a compact on-site Waste Water Treatment Plant (WWTP), enabling 100% of the plant's industrial effluents to be treated and reused internally. This advancement has transformed the facility into a zero-effluent site, reducing its reliance on external water sources. This initiative not only enhances operational efficiency but also reinforces our commitment to sustainable water management and environmental stewardship.

Preservation

Our mission is rooted in preservation–of health, infrastructure, and the environment. We develop science-driven solutions that address complex global challenges while creating long-term value for people, industry, and the planet.

"By valuing and protecting the planet's beauty and resources, we help ensure a thriving future for generations to come. Through close collaboration with customers, industry partners, and regulators, we champion responsible innovation and sustainability. By balancing progress with protection, we help ensure a healthier, more resilient world for future generations."

— **Rick Strittmatter**, Chief Technology & Innovation Officer

At Arxada, preservation is a founding principle. It plays a critical role in how we operate as a company. Through our products and solutions, we are working to protect the health and wellbeing of people, reduce waste and greenhouse gas emissions, conserve resources and improve the longevity of infrastructure and materials to preserve the health of our planet.

We are dedicated to continuously improving the sustainability of our products throughout their lifecycle and developing safer, more environmentally friendly technologies in line with global regulatory requirements. Our approach not only delivers value-added solutions but also includes being mindful of the materials we use, how we source them and using science to advance sustainability.

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

Innovation for a more sustainable future	**Advocacy leadership**	**Responsible sourcing**
Expand product level carbon tracking portfolio-wide by implementing calculation capabilities and third-party partnerships across all industry segments.	for science-based decision making for a sustainable future. Collaborate, drive and sponsor > 50 scientific advocacy events by 2030.[21]	addressing sustainability in our supply chain 100% of key suppliers to complete a comprehensive ESG assessment by 2030.[22]

[21] Advocacy to advance external science-based decision-making that drives sustainable preservation.

[22] Our key suppliers make up approximately 20% of our supplier base and account for approximately 80% of our spend. With a comprehensive ESG assessment, we intend an evaluation that goes beyond legal and mandatory obligations.

Innovation for a more sustainable future

In our ongoing commitment to providing safer and more sustainable products, we are proud to offer innovative solutions to each of the markets we service that prioritize safety and environmental responsibility. We are significantly increasing our bio-based offerings. By incorporating more natural and renewable resources, we aim to reduce our environmental impact and support a global shift toward more sustainable practices through innovation. Some of our products act directly as preservatives, through material protection, while other products work to quickly combat harmful microorganisms and improve hygiene. Both help to support healthier societies. Aligning our sustainability strategy with the UN SDGs and globally recognized assessment frameworks is vital to advancing a more sustainable and equitable horizon. To do this, we continue to implement tools and data to ensure transparent disclosure of our practices and progress so we can make the most tangible and measurable impacts.

Improving the impact of our products

At Arxada, we aim to preserve the planet by producing low-carbon footprint products that reduce emissions and minimize resource depletion. By utilizing low-carbon and energy efficient production methods, combined with responsible sourcing of materials, we promote sustainable consumption patterns. This not only helps mitigate climate change (SDG 13: Climate Action) but also supports the transition to a more sustainable economy (SDG 12: Responsible Consumption and Production) and helps the entire value chain to meet its sustainability commitments.

One key area of focus is preventing microbial contamination in consumer products, a crucial endeavor to safeguard manufacturers' and marketers' finances and reputations. Our preservatives are designed to inhibit the growth of harmful bacteria, yeast and fungi. This extends the shelf life of personal care and cleaning products and reduces the need to dispose of products before use. As microbes continue to evolve due to increasing population density and climate change, the threats they pose to people, places and the planet are constantly evolving. We uphold our commitment to pioneering technologies and innovations that can protect public health while promoting sustainability.

Our teams work closely to make certain our products meet all current and anticipated regulatory requirements. We have created and instituted a product development process that goes beyond regulatory compliance and is focused on performance, environment and safety goals that benefit customers, associates and end-users alike. In developing our products, our research and development (R&D) and operational teams work together to ensure our products support preservation in their end uses. For example, products that form a component in paints and coatings can be used to protect and preserve the material of the surface on which they are used. Coatings used on wind turbines that produce renewable energy must withstand harsh weather conditions, while coatings used on appliances must withstand everyday use.

Holistic view of sustainability attributes

Effective preservation plays an essential role in enhancing the longevity of water-based products, leading to significant reduction in waste across global supply chains. Preserving products is crucial for minimizing waste and ensuring product safety. Ineffective preservation leads can limit the useful life of products, leading to higher waste and energy use over time. This impacts product development across many of our business lines, namely paints and coating, professional hygiene and marine antifouling.

Globally, the development and use of effective preservation solutions face increasing regulatory challenges. Many active biocidal substances have either been discontinued, unsupported, not approved, or restricted for use. There is an urgent need for innovative technologies that can utilize existing effective biocidal agents in conjunction with new delivery methods and solution enhancements. Additionally, the advancement of sustainable innovations, such as bio-based technologies, adjuvants and potentiators, is essential.

Arxada's purpose is to advance better science to solve the world's toughest preservation challenges. Preservation is about protecting and maintaining the health and wellbeing of people and improving the longevity of vital infrastructure, while improving the health of the planet. Our ambition is to innovate to support UN SDGs.

Highlights

PeraGuard® AH – Strengthening biosecurity in poultry operations

PeraGuard® AH – Strengthening biosecurity in poultry operations is a granular version of our peracetic acid (PAA) that is ideal for use in footpans and floors to ensure biosecurity in animal health. It protects against infectious diseases that endangers animal health, it is generally non-toxic for use. The amended EPA registration of PeraGuard® AH for efficacy against Avian Influenza comes at a crucial time as concerns grow about cross-species transmission from poultry to cattle and other livestock. This water-free product also reduces slip and fall risks for workers in the space. It is also OMRI listed in the USDA National Organic Program standards. UN SDGs: 2.4, 3.3, 3.9, 12.4, 12.6, 12.7

TIME - Advancing preservation for a changing climate

TIME slow release encapsulation technology for biocides that protect architectural paints and coatings enables decreased leaching rates, reducing the risks of environmental pollution while still extending the longevity in the final application. This biocide technology does not trigger regulatory classifications as it allows for lower concentrations of free biocides to be present. This reduces toxicity and helps formulators navigate stringent regulatory landscape. The encapsulated format enhances safety by reducing exposure during manufacturing and application which contributes to safer working environments and aligns with occupational health standards. Because of the reduced free active content, TIME-based products often avoid regulatory classification that would require hazard labeling. Overall, imagine the paint on the exterior of your home being exposed to rain and feeling safe that no algae will deface your home but also no harmful contaminants are entering the waterways in your community. UN SDGs: 6.3, 8.4, 12.4, 12.5, 12.6, 12.7, 14.1

Geomulse™ - Innovative ingredients for modern personal care

Geomulse™ is a modern product line of emulsifiers and surfactants for use in cosmetic, personal care formulations, and the food industry that are naturally derived and readily biodegradable. These are RSPO MB certified to support responsible palm oil sourcing and have obtained a range of certifications that demonstrate commitment to the causes consumers care about: No Animal Testing, GMO-free, Vegan, Halal, dioxane free, ethylene oxide-free, Halal, GMO-free. From a processing standpoint, these emulsifiers are cold-processable, which reduces energy consumption during production which can potentially reduce overall carbon footprint. Further, the multifunctionality of Geomulse™ products allows for a reduced number of ingredients in a formulation, which lowers the environmental impact from manufacturing and logistics. UN SDGs: 12.4, 12.6, 12.7, 15.2

Tanasote® - Keeping wood in the game, sustainably and responsibly

Tanasote® is a modern oil-based wood preservative designed for industrial timber applications such as railway sleepers, utility poles, and fencing. It offers long-term protection- typically over 40 years- while serving as a BPR-authorized alternative to creosote.

All active ingredients are approved for use in Europe, and Tanasote® has undergone rigorous testing to exceed industry standards. Life cycle assessments show that Tanasote®-treated timber has a lower environmental impact than concrete, steel, or fiberglass alternatives. UN SDGs: 8.4, 9.1, 9.4, 12.4, 12.5, 12.6, 12.7, 15.2

Advocacy leadership

To develop products that effectively meet the needs of the planet, communities and our customers, it is crucial to continuously innovate and stay informed about new regulations. With a rich history in the specialty chemicals sector, we possess deep industry knowledge and a clear understanding of the global regulatory landscape. To maintain our industry leadership and promote the use of sound science to drive sustainability, we actively engage with national, regional and global industry associations. Our direct communication with decision makers, authorities and regulatory agencies enables us to advocate for science-based decision making that supports sustainable practices. This includes Arxada's participation with the U.S. Environmental Protection Agency's (EPA) Pesticide Product Dialogue Committee (PPDC) whose purpose is to provide feedback to EPA on various pesticide regulatory, policy and program implementation issues.

Arxada's goal is to collaborate with customers and industry partners to organize, drive and sponsor more than 50 events focused on scientific advocacy by 2030. This commitment underscores our dedication to advancing external science-based decision making for the preservation of a sustainable future. In 2024, we successfully coordinated 25 scientific advocacy events, demonstrating our ongoing efforts in this area.

Our global regulatory and advocacy approach

Our global regulatory and advocacy strategy reinforces our leadership and commitment to stewardship by delivering compliant, sustainable solutions that protect people and the environment. With deep international expertise and local market insight, we navigate evolving regulations to support strategic and sustainability goals. Backed by a team of over 70 regulatory experts worldwide, we offer a comprehensive, market-specific approach that enhances customer value and drives responsible innovation.
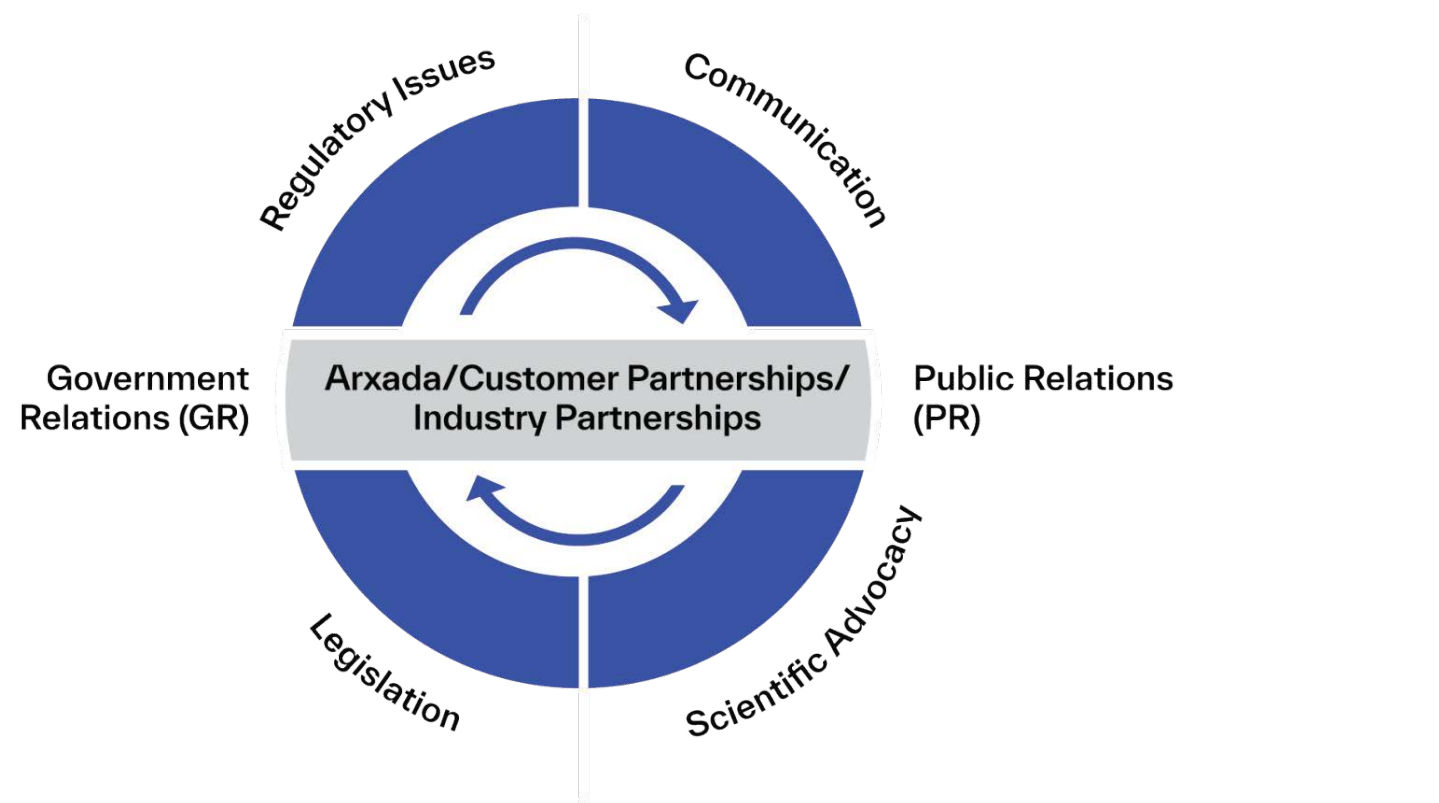
"Driven by science, legislation, regulation and communication, we work bilaterally through customer and industry partnerships, to meet our objectives while engaging in government and public relations."

Some of the key organizations we engage with and are active members of include:

Cefic European Chemical Industry Council	**MCEC** Microbial Control Executive Council	**AISE** International Association for Soaps, Detergents and Maintenance Products	**VCI** German Chemicals Industry Association
EFfCI European Federation for Cosmetic Ingredients	**HCPA** Household and Commercial Products Association	**ACI** The American Cleaning Institute	**ACC CBC** American Chemistry Council Centre for Biocide Chemistries
EPA's PPDC Environmental Protection Agency Pesticide Program Dialogue Committee	**CLA** Crop Life America	**EU** Transparency Register	**PCPC** Personal Care Product Council

Our active engagement with the key organizations above demonstrates our commitment to regulatory compliance and advocacy. By collaborating with these influential groups, we can stay ahead of industry trends and drive positive change.

At Arxada, we prioritize transparency and accountability in our regulatory and advocacy practices, setting a high standard for the industry.

Driven by science, legislation, regulation and communication, we work bilaterally through customer and industry partnerships, to meet our objectives while engaging in government and public relations. Our regulatory and advocacy strategy is designed to support innovation by delivering a portfolio of new products, integrated solutions and non-chemical alternatives. This enables us to deliver a globally differentiated customer-focused service that demonstrates the benefits of our products and services; attract and retain the best people with the right competencies, knowledge and talents; and ensure our systems and processes, including new digital methods, create a smooth-running and efficient delivery.

Actively managing our chemical substance portfolio

We prioritize the safety of our associates and customers in the manufacturing of our products. We have implemented robust processes that include monitoring regulatory changes and adding best practices for the safe use, handling, storage, transportation and disposal of hazardous chemicals.

To ensure our commitment to safety, we proactively monitor and track our use of substances classified as category 1 and 2 under the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) for Health and Environmental Hazardous Substances. We have established clear safety protocols for all chemicals used in our operations, regardless of whether they are classified as hazardous. Furthermore, we are dedicated to sustainability and are continuously exploring and implementing safer alternatives to hazardous chemicals in our operations where feasible and appropriate.

Highlights

Arxada's advocacy for responsible, science-based decision making for a sustainable future

Arxada is focused on advocacy in microbial control. We are cooperating with our industry peers on education, collaboration and prioritization to support stakeholders including law makers, NGOs and customers in making responsible and science-based decisions in relation to innovation for a sustainable future.

To advance our ambitions in this area, we have taken leading positions with the following organizations for microbial control around the globe:

- Biocides for Europe (B4E) - Management Committee
- Microbial Control Executive Council (MCEC) - Executive Member EU Wood Preservative Manufacturer's Group (EWPM) - Chair Center for Biocidal Chemistries (CBC)
- American Cleaning Institute (ACI)
- Household & Commercial Products Association (HCPA)

Arxada actively contributes as a member of other industry associations, and often takes the lead on topics related to microbial control.

Responsible sourcing

It is important to us that the materials we use to manufacture our products are procured in a socially and environmentally responsible manner. Responsible sourcing allows us to positively impact stakeholders in our supply chain. Ensuring that we have a deep understanding of these issues also helps us identify and mitigate potential risks.

We manage our supply chain through our two business units: Microbial Control Solutions (MCS) and Nutrition, Care and Environmental (NCE). Many of the materials we procure are site and product specific. However, common approaches are used across both. We prioritize procuring goods that are produced under environmentally and socially responsible conditions following all applicable international standards and regulations. To ensure our suppliers are aligned with our values and ambitions, we conduct supplier screenings and assessments.

Additionally, we comply with regionally specific requirements, such as the UK Modern Slavery Act Statement, California Transparency In Supply Chains Act Statement and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour.

Our procured materials contribute to our GHG emissions footprint reductions. We prioritize selecting more environmentally friendly materials and transportation methods, like vessels and rail instead of airfreight. We ensure workers at our supplier sites are treated safely, ethically and with respect, in line with our corporate values of Safety and Health, Ethical Behavior and Respect for People and Planet.

To achieve more sustainable supply chains across the business, we have set a goal for 100% of our key suppliers to complete a comprehensive environmental, social and governance (ESG) assessment by 2030.[23]

In 2024, we launched our EcoArx program that aims to drive our responsible sourcing activities throughout our supply chain. The name EcoArx comes from a combination of the prefix 'Eco,' which underscores our dedication to both 'Ecology' and 'Economics' - two key aspects of sustainability, while also nodding to our collaboration with EcoVadis - and 'Arx' , which is our pledge to uphold the integrity of Arxada's supply chain.

The EcoArx program is grounded in Arxada's sustainability strategy, which is seamlessly integrated across the entire enterprise. It builds off the foundation of our updated Supplier Code of Conduct, which we ask all our suppliers to sign and commit to, and the sustainable Procurement policy which was newly rolled out across the organization. We trained more than 50 colleagues in the EcoArx program, the supplier risk assessment tool and have set targets for the Procurement organization to drive our responsible sourcing strategy.

The implementation of the EcoArx program led to a nearly 50% improvement in Arxada's score in the Sustainable Procurement category of the recent EcoVadis assessment, playing a key role in securing the EcoVadis Silver Medal in 2025.

Supplier screening & assessment

Prior to entering into a contractual agreement with a supplier, we conduct supplier screening and assessments that consider risk factors such as financial, geopolitical, and environmental risk. In addition to regularly reviewing this risk assessment, we ask our suppliers to complete an EcoVadis questionnaire. This provides a thorough overview of a supplier's corporate social responsibility performance and enables us to better understand the sustainability and risk performance of our value chain.

Our EcoArx responsible sourcing program provides greater insight into the activities of our suppliers, and we are committed to making sustainability improvements within our and our suppliers' operations.

Supplier code of conduct

This year, we refreshed our Supplier Code of Conduct in alignment with industry best practice and in addition to English and Chinese, our SCoC is now available in Spanish, Thai, German and Czech. The new Supplier Code of Conduct includes the following updates:

– Stronger focus on labor and human rights
– Updated compliance and reporting procedures
– Increased environmental standards

The code emphasizes our commitment to following the key principles of the United Nations Global Compact and the International Labor Organization (ILO) Forced Labor Standards, the U.S Foreign Corrupt Practices Act, the UK Bribery Act and all applicable anti-bribery and anti-trust laws. Through our sustainability assessments and through use of EcoVadis IQ Plus, we are monitoring our suppliers' adherence to our Supplier Code of Conduct. When non-compliance with our Supplier Code of Conduct is apparent, we have the right to request corrective action and reserve the right to terminate our agreement with that supplier.

Currently 48% of our spend is covered with a Supplier Code of Conduct with a target to achieve 80% coverage by the end of 2025.

Looking forward to 2025

We are excited to continue the implementation of EcoArx and to further embed sustainability in our procurement practices. This will include capability building with our procurement teams and our suppliers, continuous improvement of our supplier management processes and formalizing contractual obligations and improvements with our suppliers to support and enable our sustainable procurement strategy.

We recognize that addressing Scope 3 emissions is essential to achieving our climate goals and driving systemic change in the chemical industry. Therefore, we are committed to enhancing transparency across our value chain and reducing our Scope 3 emissions by systematically mapping and quantifying emissions from both upstream suppliers and downstream product use. This will help us continue to improve our responsible sourcing efforts across Arxada and our supply chain.

Highlights

Local Recovery, Global Impact: Advancing Sustainable Sourcing

We partnered with one of our tollers to replace imported raw material with high-quality recovered material, which is produced on-site as a side product. This change made possible through close collaboration between our Quality, Regulatory, and Technical teams, resulted in a monthly reduction of approximately 36,800 kg of Scope 3 CO_2 emissions and cost savings. It also simplified our supply chain and enhanced supply security by qualifying two sources for the key input. This initiative underscores our commitment to sustainable sourcing and operational excellence.

[23] Our key suppliers make up approximately 20% of our supplier base and account for approximately 80% of our spend. With a comprehensive ESG assessment, we intend an evaluation that goes beyond legal and mandatory obligations.

People

Promoting well-being and inclusion through safe, supportive workplaces that help individuals and communities thrive.

"Our people are the driving force behind our progress. Their dedication fuels our efforts to build a culture rooted in respect, well-being, and opportunity. By investing in our teams and the communities we serve, we're creating a foundation for long-term, sustainable impact"

— **Annette Bergknut**, Chief People Officer

At Arxada, we recognize that our vision to create innovative solutions that protect our world can only be accomplished through the unwavering dedication and hard work of our people. We are committed to creating an environment where every individual can thrive and reach their full potential.

We believe in fostering a workplace that is inclusive, healthy, safe, and inspiring for all. Transparent and respectful communication is fundamental to how we operate - both within our teams and in our engagement with the communities we serve. By empowering each associate to continuously learn, grow, and contribute their unique skills and talents, we not only succeed - we thrive.

To further strengthen our business and organizational culture, we have established three key goals. These goals are aimed at engaging our people and communities to cultivate an inclusive and safe environment.

Goals

Towards world class Health & Safety	**Creating an inclusive culture**	**Community engagement**
throughout our operations	**where all associates thrive and grow**	**and positive impact through volunteering**
Achieve by 2030: – TRIR[24] (Total Recordable Injury Rate) < 0.3 – LTIFR[25] (Lost Time Injury Frequency Rate) < 0.1	Improve year-over-year associate scores on, engagement, diversity & inclusion and wellbeing as measured in our survey.	Hold at least 24 community events per year across our operations.[26]

[24] An injury or illness is considered a recordable incident if it results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. Additionally, a significant injury or illness diagnosed by a physician or other licensed healthcare professional is considered a recordable incident, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

[25] Rates are calculated as the number of injuries or incidents in the reporting period x 200,000 / total hours worked in the reporting period.

[26] Our community engagement target is driven by our number of manufacturing sites. In 2024, Arxada had 24 manufacturing sites globally. See Our business & sustainability section for a list of these sites.

Health & safety

Our associates are our greatest asset and we want to ensure we are respectful, nurturing and prioritizing safety. Health & Safety (H&S) has been identified as one of our three corporate values. Strong safety and health processes are essential to our business.

Our Environmental, Health & Safety (EHS) team oversees our H&S strategy by conducting audits of our operations, addressing remediation issues at our sites and assuring overall safety compliance. EHS efforts are divided between our two business units: Microbial Control Solutions (MCS) and Nutrition, Care and Environmental (NCE). Our MCS business unit has a shared EHS approach that is supported by our newly forged corporate EHS organization, transcending business unit boundaries to leverage best practices. To ensure that our H&S efforts are fully implemented at our individual facilities, the corporate EHS team, together with operations, is supported by dedicated personnel at the site level. These teams report to our group operations function and are primarily responsible for managing day-to-day H&S activities at our sites and facilities. By establishing clear lines of responsibility and oversight at both the corporate and business unit levels, we are effectively managing and promoting a H&S culture throughout our organization, positioning us to achieve our global H&S goals.

By 2030, we aim to achieve:

Below 0.3 Total Recordable Injury Rates[27] (TRIR)	**Below 0.1** Lost Time Injury Frequency Rate[28] (LTIFR)

Safer Together at Arxada

Our Safer Together at Arxada initiative reaffirms and further integrates the H&S culture at Arxada. Led by our corporate EHS team, Safer Together at Arxada focuses on our core values of Safety and Health, Ethical Behavior and Respect for People and Planet. The program aims to engage all associates to work collaboratively and foster new leadership behaviors in safety. It also acts as a key driver for our 2030 H&S goal. Safer Together at Arxada emphasizes the importance of bringing people together locally and globally, encouraging the collaboration and sharing of learnings and best practices.

1. EHS Aspirations and Purpose	2. Organizational Philosophy and Principles
3. Serious Injuries and Fatalities (SIF) Foundations	4. Operating Discipline
5. Infrastructure and Mechanical Integrity	6. Management of Change – People
7. Associate Engagement	8. Leadership Behaviors

In 2024, we strengthened our focus on the Life Saving Rules by enhancing our Serious Injury and Fatality (SIF) inspections. We implemented targeted inspection checklists that focus on compliance with each Life Saving Rule. The findings have been used to identify trends, improve training, and enhance our safety systems across the organization.

We also expanded the visibility of our Life Saving Rules by engaging with the communications team to create new posters, Teams backgrounds and templates for easy translation across the organization.

Digital signage was introduced in 2024 across the company to enhance associate engagement and communication. These digital displays, strategically placed in communal areas, provide real-time updates on safety performance and incidents, ensuring that all associates are well informed. By highlighting achievements and safety reminders, the signage fosters a culture of transparency and continuous improvement. This initiative underscores Arxada's commitment to maintaining a safe and informed workplace for everyone.

Arxada life saving rules

Respect safety controls
Obtain authorization before overriding or disabling safety controls

Be fit for the duty
Be in a state to perform work safely

Follow safe driving rules
Always follow safe driving rules

Practice safe lifting
Plan lifting operation and control the area

Stay out of the line of fire
Keep yourself and others out of the line of fire

Follow process safety requirements
Follow process safety guidelines

Work with a valid permit
Work with a valid permit when required

Confined space
Obtain authorization before entering a confined space

Lock-out / Tag-out/ Try-out (loto)
Verify isolation and zero energy before work begins

Protect against falls
Protect against falls while working at height

Hot work
Control flammables and ignition sources

As part of our efforts to implement Safer Together across Arxada, we also revised and entirely reshaped our policies and procedures landscape to better give clear and hands-on guidance on how to achieve best-in-class safety results. This new landscape is now split into high-level standards, mandatory procedures and supporting step-by-step guidance documents fully aligned and built on our non-negotiable Life Saving Rules. This step ensures strong support for our purpose of using better science to solve the world's toughest preservation challenges.

In 2024, we introduced a series of global procedures and policies designed to close identified gaps and further align our operations with our Life Saving Rules and high-level safety standards. These updates ensure that every site has the tools and direction needed to achieve best-in-class safety performance. The new procedures and policies were formally introduced during our monthly EHS and Site Managers Meeting, ensuring that leadership at every level is informed, aligned, and equipped to support implementation at their respective sites. This initiative reinforces our commitment to a unified, proactive safety culture—one that empowers every team member to work safely and confidently, no matter where they are in the world. Together, we are building a stronger, safer Arxada—one policy, one procedure, and one action at a time.

Creating a health & safety culture

We want our associates to understand the importance of H&S and live our Safety and Health values in their everyday actions. To help embed H&S into all we do, our associates on all levels have an annual H&S performance goal tailored to their specific role that reflects their contribution to Arxada's overall H&S performance. All Arxada associates are required to complete H&S training, including all relevant standard operating procedures for the processes they perform. For example, office-based and sales associates may be required to receive training on topics such as our policy for using phones when driving, while those who work with chemicals receive training on safe handling. In addition, all associates must complete H&S refresher training on an annual basis and take part in regular emergency response drills specific to each location. By providing tailored training to our associates, we are ensuring that they are equipped with the knowledge and skills needed to work safely and effectively, no matter the role.

In 2024, we saw an increase of 13.5% in our H&S related engagements made available to our associates. We ramped up our H&S related engagements from 74,593 in 2023 to 84,682 in 2024. We also wanted a clear focus on leadership engagements. The purpose of the leadership engagement is to focus on site leaders (managers and supervisors) initiating open dialogue and discussion with associates and contractors on a specific health and safety topic. In 2024, we completed 22,728 leadership-driven engagements.

To further prioritize safety throughout our company, in 2023 we launched comprehensive SIF prevention inspections. These inspections identify SIF precursors, such as high-risk activities or equipment malfunctions, and assist with implementing proactive injury mitigation measures. SIF prevention inspections are carried out by a team of trained associates who thoroughly observe and evaluate the conditions, equipment, procedures, and associate practices. The team evaluates 18 key risk areas, including Lock Out/Tag Out, loss of primary containment and other safety controls, using a customized checklist. In 2024, we completed 2,817 SIF prevention inspections compared with 502 in 2022 and 1,994 in 2023.

Management & auditing of sites

The corporate EHS team is responsible for regular audits of every Arxada facility to ensure that site-level EHS practices comply with regional laws and our own policies. Our audits allow us to better mitigate EHS-related risks and to ensure standardized H&S practices globally. In addition to following regulatory auditing requirements, we follow a risk-based auditing system, grouping our sites into categories that determine the frequency of their auditing. At a minimum, every site is audited every three years.

During audits, we assess our sites based on their risk management systems and performance and their compliance with a range of EHS-related issues, including H&S measures, emergency preparedness and response, and the handling, storage and disposal of waste. We also conduct assessments for industrial hygiene and personal protective equipment.

When Arxada acquires a new facility, we conduct a separate EHS gap assessment in addition to our regular auditing process. This assessment is designed to identify areas where current practices may need to be improved or established to meet our standards. After completing the assessment, our EHS teams work with the evaluated sites to discuss the findings and develop an action roadmap for the next 12 to 18 months to address any identified weaknesses. By proactively identifying and addressing potential EHS issues, we are ensuring that all our sites operate in a safe, compliant and sustainable manner.

One hundred percent of our operational sites have conducted associate H&S risk assessments, which evaluate potential workplace hazards and how to minimize the impacts. These assessments are routinely updated to reflect the latest regulations and industry standards and consider any audit findings or other safety events including near misses.

Our health & safety performance

In 2023, we improved our H&S performance, with our Total Recordable Incident Rate (TRIR) and Lost Time Injury Frequency Rate (LTIFR) decreasing by 0.34 and 0.03 respectively. Read more about our Safer Together at Arxada program and our efforts to identify root causes of H&S incidents to prevent recurrence below. In 2024, we decreased our TRIR by 0.09. The LTIFR increased from 0.38 to 0.46, while the absolute number of lost time injuries remained unchanged. This reflects a lower total number of total workhours during the reporting period, which affects the frequency rate calculation. We remain fully committed to maintaining a safe workplace and continuously improving our safety performance.

Legend:
- Total Recordable Incident Rate (TRIR)[27]
- Lost Time Injury Frequency Rate (LTIFR)[28]
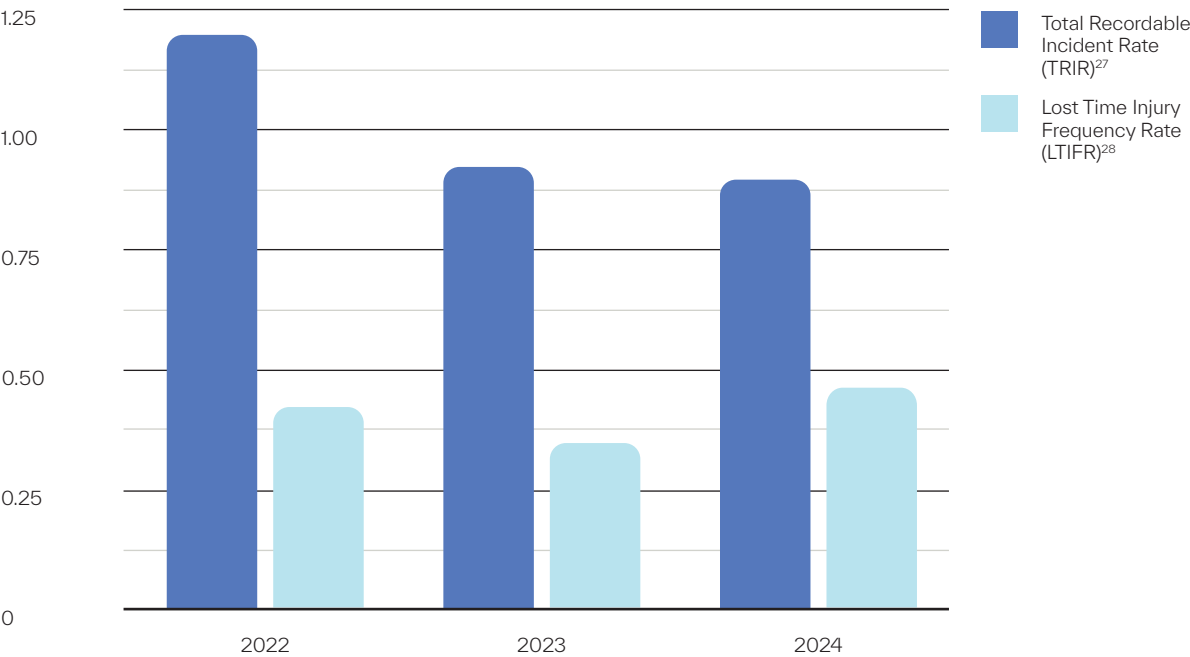
Events & incidents

While we are working hard to maintain a rigorous and comprehensive H&S culture, incidents can happen. When they do occur, we learn and adapt to prevent recurrences. We utilize two specific approaches:

1. **Root cause analysis:** Using the definitions of the Center for Chemical Process Safety for leading and lagging process safety metrics, we require a thorough and detailed root cause analysis for every registered Tier 1 and 2 incident.[29,30]

   Through root cause analysis, we can identify why an accident occurred and implement measures to prevent it from occurring again. This approach has been in place at our legacy sites for some time. We have been working to align this methodology across all our global operations, offering training in EMEA, APAC and the Americas. To broaden the reach and effectiveness, the analysis and cause mapping are shared with all EHS and site managers during a monthly global call. This allows us to implement our learnings on a global scale.

2. **SIF program:** As part of our Safer Together at Arxada program, we implemented a SIF program and integrated this into our corporate H&S processes. As part of this, SIF training was carried out at manufacturing sites globally, and we are committed to thoroughly investigating all registered incidents and examining their potential to cause acute injury or fatalities. By actively engaging our associates and managers in this process, we aim to identify and eliminate any potential sources of serious harm in our operations.

Looking forward to 2025

In 2025, we will continue our efforts in improving process safety by establishing risk profiles for each manufacturing site. This risk profile will initiate an overview of high hazard sites and processes and determine the site level risk to introduce stronger critical controls. With transfer of materials being the leading cause of our process safety incidents, we are focused on addressing these issues using the hierarchy of controls, completing field audits of safety critical operating documents, standardizing preparation and execution of PHAs, and creating a process safety information sharepoint site for process owners.

Highlights

The power of a safety culture

The Salto plant in Brazil, with over 30 years of history and culture, has reached an extraordinary milestone: 1 million work hours without any lost-time injury (LTI). This achievement is no coincidence—it is the result of a strong safety culture built through dedication, leadership, and active and interdependent participation from all employees.

Commitment to safety starts with leadership, which leads by example and promotes genuine care for people. Programs like EHSQ (Environment, Health, Safety, and Quality) encourage safe behaviors through training, campaigns, and continuous recognition.

Another key pillar is the SIQ Program — Sustainability, Social Inclusion, and Quality of Life — which reinforces the overall well-being of employees, fostering a healthier, more inclusive, and productive work environment. The Internal Committee for Accident Prevention (CIPA) also plays a vital role through preventive actions, regular inspections, and active listening to the teams.

This result proves that when safety is a shared value, the workplace can be transformed into a safer, more humane, and sustainable environment. The safety culture is undoubtedly a powerful differentiator of the Salto plant.

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[27] An injury or illness is considered a recordable incident if it results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. Additionally, a significant injury or illness diagnosed by a physician or other licensed healthcare professional is considered a recordable incident, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

[28] Rates are calculated as the number of injuries in the reporting period x 200,000 / Total hours worked in the reporting period.

[29] Leading metrics are a forward-looking set of metrics that indicate the performance of the key work processes, operating discipline, or protection layers that help prevent potential incidents. Lagging metrics are a retrospective set of metrics based on incidents that meet an established threshold of severity.

[30] Tier 1 incidents are described as catastrophic and exceed a defined threshold level, whereas a Tier 2 incident is used to normalize the industry metrics and provide a minimum and upper limit threshold range.

Attracting, enabling and engaging a diverse workforce

Building from a legacy spanning over a century, we have cultivated a community of dedicated individuals who are deeply passionate about their work and the impact it creates. We believe that attracting, empowering and engaging a diverse workforce is essential to our prosperity. By nurturing an inclusive environment for all our associates and recruiting team members from a range of backgrounds and experiences, we are better able to address the intricate challenges of today's world.

We strongly encourage the identification, hiring, and promotion of talented individuals from diverse backgrounds. We aim to achieve this by implementing robust processes—such as ensuring diverse interview panels for open positions, training managers on unconscious bias, and conducting pay equity audits for associates at all levels.

We are building a performance-driven culture with heart—where people are recognized for delivering impressive results, where all associates can thrive and be at their best, where open dialogue drives continuous improvement, and where high-performing teams create exceptional customer experiences that lead to strong business outcomes. Arxada's Behaviors reinforce these efforts and serve as the foundation for creating a great workplace.

Attracting & developing talent

As a vibrant and innovative company in a competitive sector, attracting and retaining top talent is essential to our success. In 2024, we continued to strengthen our people strategy by launching Arxada's mentorship program, designed to foster leadership development through meaningful conversations, reflection, and actionable growth plans. We also introduced dedicated learning spaces for career development and streamlined our onboarding process to ensure a more seamless experience for new hires.

By cultivating a unique and inclusive culture - guided by recognized leaders in the chemical industry - we offer associates meaningful opportunities for career advancement and personal growth. This not only makes Arxada an attractive employer for new talent but also reinforces our commitment to engaging and developing our current teams. By valuing our workforce and providing purposeful work, we are building a strong, resilient, and thriving business.

To support both new and current associates, we offer comprehensive training and personalized development plans. All associates complete annual compliance training, including our Code of Conduct. People Leaders and large group contributors (1,000 associates) also have access to LinkedIn Learning to build job-specific skills and explore personal interests.

In 2024, talent attraction efforts were led by local and regional teams, including partnerships with organizations supporting women in STEM and early-career apprenticeship programs. We focused on inclusive hiring practices to attract a broad and diverse candidate pool - aligned with our goal of building a workforce that reflects the communities where we operate. A new Recruitment Policy was introduced to guide and support these efforts.

We also rolled out personalized development plans for all associates, supported by training on goal setting and feedback mechanisms. These initiatives provide greater clarity around expectations and ensure associates have the tools and resources they need to succeed.

Engaging associates

Associate engagement is essential to retention and long-term success - especially in a dynamic business environment. We prioritize listening to our people and ensuring they understand our purpose and values. In 2024, we enhanced engagement through acting on the feedback we receive through our specialized engagement surveys (twice a year). Every team discussed the feedback and agreed on actions to raise the engagement. We started recognition programs and intensified our communication to involve all associates in our strategic priorities, share learnings and celebrate successes.

All associates have access to a regional handbook outlining relevant policies, practices, and expectations. It includes practical information on benefits, company culture, and how we address misconduct such as harassment and discrimination. This resource helps associates feel informed, supported, and aligned with our values. Learn more about our approach to business ethics, including our Code of Conduct.

To better understand and improve associate experience, we use Peakon, our engagement platform, to conduct the Insights2Action survey. This tool measures key drivers of engagement—such as recognition, workload, and role clarity - and provides an overall engagement score. Results are shared at both team and global levels, helping us identify areas that need attention and enabling local teams to develop targeted action plans.

In 2024, our health and wellbeing score rose from 7.2 to 7.5 out of 10, reflecting growing confidence in our support for associate wellbeing. Our employee Net Promoter Score (eNPS) - which indicates how likely associates are to recommend Arxada as a workplace - reached an average of 7.7/10, signaling strong engagement and satisfaction.

To further improve engagement, we introduced enhanced training for line managers to support more meaningful development conversations. Despite economic challenges, we saw an increase in engagement in 2024, driven by stronger communication, recognition efforts, and action planning.

We also focused on building a more connected and informal culture - encouraging open dialogue, creating moments for reflection and connection, and reinforcing the importance of taking time off for recovery. Additionally, we began developing a new Arxada Behaviors program to support cultural transformation and long-term engagement.

79%
Of our associates responded to our Insights2Action survey in 2024

In 2024
We achieved an average eNPS score of 7.7/10

Our behaviors

Everything we do is guided by our four behaviors - Go Beyond, Decide and Drive, Collaborate Always and Foster Grit. These behaviors embody what is important to our business and establish the foundation for our 'performance culture with a heart' ambition.

Key characteristics of our behaviors include:
– **Go Beyond:** Set ambitious goals, think big, show courage and embrace calculated risks.
– **Decide & Drive:** Empower your teams, be creative with resources, involve the right decision makers and do not over-engineer.
– **Collaborate Always:** Invite and embrace different opinions, maintain accountability, work across business segments and functions and stay connected.
– **Foster Grit:** Support each other in difficult times, recover from setbacks, persevere without giving up and prioritize time to recharge.

Advancing global inclusion

Since our inception, building a diverse and inclusive workforce has been a cornerstone of our global associate strategy. We recognize that diversity drives better decision-making, sparks innovation, and leads to higher-quality outcomes. Arxada is a workplace where everyone feels respected, included, and appreciated.

We are committed to creating a workplace where all associates feel empowered to bring their full selves to work, participate authentically, and are valued for their unique talents and perspectives.

As a global company serving a global customer base, we understand that diversity takes different forms across regions. We strive to ensure our workforce reflects the communities and markets in which we operate. We also acknowledge the historical gender imbalance in the chemicals industry and are committed to playing an active role in driving greater representation within the sector.
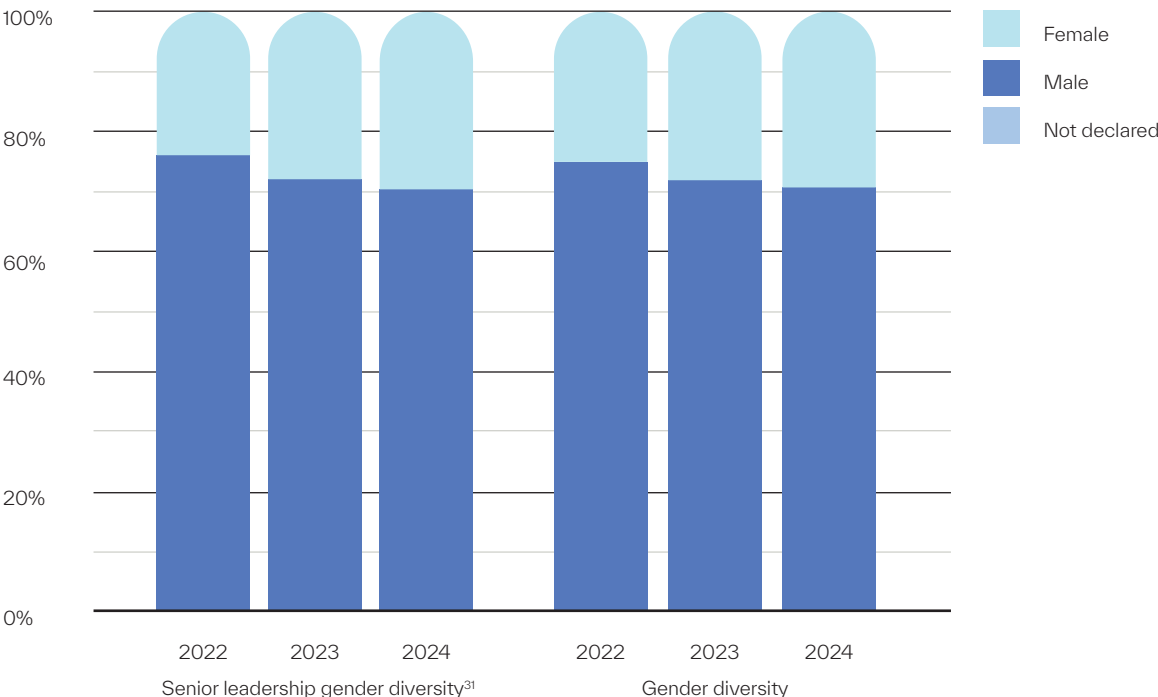
In 2024, we set a goal to improve year-over-year associate scores related to inclusion, and wellbeing, as measured through our Insights2Action survey. This renewed focus reinforces our commitment to listening to our associates to understand how we can improve inclusivity for all our associates and how they perceive our Global Inclusion efforts. Regular feedback allows us to strengthen and align our strategies, ensuring our values are embedded throughout the organization.

Arxada's Insight2Action survey results

In our Insights2Action survey we measured D&I and H&W scores improved from 2023 to 2024 and we met our commitment.	**D&I** Diversity and Inclusion measures associate perceptions of an organization's efforts to maintain a diverse workforce and create an environment where every individual feels included.	**H&W** Measures how much the associates believe their organization values health and well-being and supports these.
2023	7.5/10	7.2/10
2024	7.8/10	7.5/10

This year, female representation in our senior leadership team increased from 26% to 29%, exemplifying the ways in which we are encouraging women and creating a culture of inclusiveness at all levels.[31]

For the whole company population, the representation of female associates increased from 26% to 27%.

Arxada's workforce diversity[32]

Legend:
- Female
- Male
- Not declared

Senior leadership gender diversity[31]: 2022, 2023, 2024
Gender diversity: 2022, 2023, 2024

Leadership Commitment to Global Inclusion

To demonstrate our commitment to maintain a culture where all associates feel respected, included, and appreciated, we began actively communicating key messages about inclusion to our Senior Management Community in 2022. Our Executive Leadership Team (ELT) remains deeply engaged and passionate about advancing awareness and progress in this area.

That same year, we established a Global Inclusion Steering Committee to champion inclusion at the operational level. This group continues to foster a culture that embraces diversity and promotes inclusive practices across the organization. These efforts have contributed to a 14% increase in female-to-male hires since 2022.

To attract and retain top talent, we are developing a comprehensive Talent Engine Roadmap. This includes workstreams focused on aligning job levels and performance measures globally, standardizing our early careers approach, and building a robust learning and development plan—complete with training for line managers. The roadmap is closely linked to our Global Inclusion goals, helping us build a more diverse talent pipeline through targeted partnerships and inclusive, gender-neutral job descriptions.

In 2024, we continued to support Employee Resource Groups (ERGs), which are open to all associates. Each ERG has defined strategies and action plans tailored to the communities they represent. Through these groups, associates participate in educational sessions, virtual webinars, and meaningful discussions, while advocating for positive organizational change. All ERGs are sponsored by senior leaders, reinforcing their importance and visibility across the company.

| Women@Arxada | Pride & allies | Racial equity |

Commitment to workplace safety, integrity and associate wellbeing

We are dedicated to maintaining a safe, dynamic and compliant workplace through comprehensive company-wide and local policies. Our internal guidelines cover critical areas such as living wages, integrity and anti-harassment, collective bargaining, and the labelling, storage and transport of hazardous materials.

We provide our associates with an Ethics & Compliance Portal and Hotline, enabling them to report harassment, ethical concerns, legal or regulatory violations or pose questions. Associates can remain anonymous. Arxada's hotline is available 24 hours a day, seven days a week. They have the option to speak to a call center representative, file an online report or contact Arxada's compliance group who can address their matter appropriately.

Associate benefits

Arxada offers a comprehensive range of benefits tailored to local needs and designed to support the overall wellbeing of our associates. These include medical and healthcare services, life insurance, disability coverage, and retirement savings or pension plans. Associates and their families are supported through various life stages with location-specific, inclusive parental leave policies and childcare benefits.

While benefit offerings may vary by country, our commitment to providing essential support remains consistent across all regions. In some locations, we also offer additional coverage such as dental and vision care, and tuition assistance to encourage continued learning and development. We actively track benefit utilization and eligibility data to continuously enhance our offerings.

Commitment to pay fairness and equity

Arxada is committed to fair and equitable compensation for all associates. Our strategy is designed to address systemic pay disparities and promote transparency. Key initiatives include:
– Conducting annual living wage studies to identify and address potential disparities by location
– Regularly reviewing macro-level pay gaps
– Monitoring living wage benchmarks and trends
– Offering targeted training to ensure unbiased reward decisions based on compensable factors

In 2024, we conducted a living wage study aligned with the latest International Development House (IDH) Recognized Living Wage Benchmarks (as of April 2024) and found no disparities. Arxada proudly pays a living wage in all locations where we operate.

Fostering a supportive culture

Our commitment to associates is reflected in our values and actions. We promote work-life balance and personal development through a variety of initiatives, including:
– The Bike to Work Challenge
– Racial equity lunch & learns
– Global Pride Month events
– Pay equity education for managers
– Book clubs
– Training on psychological safety
– Open discussions and training on how to manage your personal energy and (mental) health
– Blood and stem cell donation drives
– Local wellbeing activities

These programs help create a workplace where associates feel supported, valued, and empowered to thrive.

Looking forward to 2025

In 2025, we will continue our communication regarding the activities of our ERGs and further build on the foundation of a nurturing culture that promotes inclusion and respect for all our associates. Through our open communication channels, Engagement surveys and ERGs, we can extract the real voices of our associates and understand their motivations and needs. This input will help us build the supporting policies and practices required to reach our goals. We will continue to maintain a continuous feedback loop to ensure our associates feel heard and are helping to drive policies with their insights.

Highlights

Empowering women in the chemical industry: Women@Arxada

Women@Arxada (W@A) is one of our new Employee Resource Groups formed in 2023. This group aims to build an inclusive community for discussing and creating awareness around the issues women face in the workplace. W@A provides our women associates with tools and resources while fostering an environment where colleagues can become more adept at supporting each other. Within its inaugural year, membership grew to over 100 associates, hailing from five continents. Furthermore, W@A welcomes male allies, constituting over 10% of its membership, thus promoting and enabling collaborative efforts towards gender equality.

In the chemical industry, women make up less than a quarter of the workforce worldwide. This is important because companies with more gender diversity tend to be more profitable. Female leaders are also more likely to switch jobs to places that are more committed to inclusion. Many young women now see this commitment as increasingly important. We aim to become a top choice for women to build their careers in the specialty chemical industry. With W@A, we are working on this through two main ways: offering family forward policies and supporting personal development. In our first year, we organized two global events: a panel discussion on Equal Pay Day and another on C-Suite discussions at the end of the year. We also started a mentorship program and collaborated with Women in Chemicals to host events.

Empowering the future: Port Shepstone's commitment to Black-Based Broad Economy Empowerment

The 2013 Black-Based Broad Economy Empowerment (B-BBEE) law was founded on three key pillars: Social Development, Supply Development and Enterprise, advancing economic transformation and economic participation of the Black community in South Africa. We take pride in our activities to support this important legislation and Arxada is committed to making contributions each year as we seek to enhance our impact.

[31] Our senior leadership includes the following job roles: Associate Director; Director; Senior Director; Vice President; Senior Vice President; President; and CEO.

[32] The data covers 100% of our workforce, including Arxada (legacy LSI), Troy and Enviro Tech.

Community involvement

Engaging with the people and places where we live and work is central to our values. It allows us to build meaningful relationships, learn from local perspectives, and contribute to the wellbeing of our communities. Our sustainability strategy reflects this global commitment by encouraging associates to give back and fostering a sense of purpose and connection.

In 2023, we set a goal to strengthen our community involvement. As we progressed, we recognized that impact cannot be measured by hours alone. In response, we shifted our focus to hosting community events at our sites—aiming for at least 24 events annually, aligned with the number of our global manufacturing locations. This approach enables deeper, more localized engagement.

Our definition of community engagement includes activities organized by Arxada or external partners that serve or involve local communities. These range from volunteer efforts and sponsorships to charity events, educational workshops, public meetings, and cultural celebrations.

By leveraging the passion and energy of our associates, we aim to support local initiatives and maximize our positive impact. In 2024, we proudly hosted 53 community events, more than doubling our target and demonstrating our commitment to meaningful engagement.

2024 Community engagement highlights

- **Barcelona, Spain:** Associates donated essential hygiene and cleaning supplies to support those affected by the October 2024 floods in Valencia.
- **Florham Park & Morristown, New Jersey:** Hosted the Workplace Health Expo, promoting wellness and preventive care through expert talks, interactive sessions, and exhibits.
- **Manchester, UK:** Celebrated Ada Lovelace Day, honoring the achievements of women in STEM.
- **Port Shepstone, South Africa:** Supported a local crèche with a graduation ceremony and Christmas celebration.
- **Trentham, Australia:** Sponsored local sports and recreation through annual donations to football/netball clubs, the golf club, and the lawn bowls club.
- **Visp, Switzerland:** Organized multiple sporting events, including marathons, ice hockey, and floorball tournaments.
- **Visp, Switzerland:** Flood support to community.

We are proud of the momentum we've built and look forward to expanding our efforts. As our sites and associates continue to identify local needs and opportunities, we remain committed to promoting activities that enhance the wellbeing and development of our communities. Our pledge to community improvement is unwavering, and we are excited to build on this foundation to create even greater positive change.

Looking forward to 2025

In 2025, we will continue empowering associates to make a meaningful impact through direct community involvement, including volunteerism with local civil society partners. Our focus will remain on creating opportunities locally relevant and globally aligned with our purpose, values, and strategy. We will also continue to evaluate what, where, and when to support our communities to ensure our efforts have the greatest possible impact. By facilitating purposeful engagement, we aim to strengthen our connections with the communities we serve and foster a culture of shared responsibility and positive change.

Highlights

Global community

Across our global sites, Arxada continues to demonstrate its deep commitment to community support, emergency preparedness, and workplace safety. Here are some key initiatives from different regions:

- **In Alpharetta (USA),** a successful food drive was organized, benefitting the North Fulton Community Charities, showcasing our commitment to local well-being and solidarity.
- **In Kourim (Czech Republic),** a fire drill was conducted in cooperation with the local fire brigade, enhancing readiness and safety procedures.
- **In Mapleton (USA),** both the Peoria and Pekin Fire Departments were brought onsite to review response protocols for chemical release and fire emergencies, reinforcing strong partnerships with local emergency services.
- **In Melbourne and Trentham (Australia),** large-scale emergency exercises were held with full involvement of local emergency services. These events were open to the community, creating transparency, awareness, and trust while ensuring compliance with safety mandates.
- **In Kalama and Valparaiso (USA),** teams held monthly safety engagements, including team lunches, promoting a strong safety culture and continuous dialogue among staff.

These activities reflect Arxada's global alignment with safety, emergency readiness, and community collaboration, forming the foundation of our responsible operations worldwide.

Salto, Brazil

One more year, the Salto Site stands out among global sites for its strong commitment to community-focused activities.

In 2024, the site launched several impactful initiatives, including the inauguration of a Leisure Space (a decompression room), the first internal tournament and games, and participation in the Selo Social 2024 program.

The site also organized a Christmas Basket Donation, promoted sports and blood donation, and built a partnership with a blind association.

Other remarkable actions involved the Salto Workers' Olympics, a dedicated day for LGBTQIAPN+ Pride Month, and monthly lectures.

A special highlight this year was the solidarity campaign for the State of Rio Grande do Sul, which suffered a devastating natural disaster in 2024. Arxada Salto joined national efforts by collecting animal feed, water, cleaning and hygiene products, food, clothes, and shoes. Additionally, employees raised R$ 2,575.00, which was tripled by the company, resulting in R$ 8,000.00 to purchase even more essential supplies, such as diapers, canned food, and hygiene products.

Resources and downloads

Sustainability report
- 2024 Sustainability report
- 2023 Sustainability report
- 2022 Sustainability report (PDF)
- Arxada certificates

Assurance of environmental data
- 2024 Independent Limited Assurance Statement to Arxada AG
- 2023 Independent Limited Assurance Statement to Arxada AG
- 2022 Independent Limited Assurance Statement to Arxada AG

2024 Sustainability report data indices
- Planet Pillar data
- People Pillar data
- Preservation Pillar data
- Complete sustainability report data

Policies
- Arxada cookie policy
- UK Modern Slavery Act Statement
- Arxada California Transparency in Supply Chains Act Statement
- Supplier Code of Conduct
- Arxada Code of Conduct
- Arxada Sustainability Policy

Sustainability Report 2024 – data index

Financial Year 2024 was Arxada's third year of ESG reporting. Due to this, some data in the report is incomplete. We are committed to increasing the scope of our sustainability data collection and data assurance in future years.

General disclosures

Performance indicator	FY24	Framework
Organization Name	Herens Midco S.a.r.l.	GRI 2-1
Ownership Status	Private equity, owned by Bain and Cinven funds, holding company.	GRI 2-1
Headquarters Location	Basel, Switzerland.	GRI 2-1
Countries of Operation	See Our Business and Sustainability.	GRI 2-1
Entities in Sustainability Reporting	Troy Corp and Arxada AG.	GRI 2-2
Differences between entity list in financial reporting and sustainability reporting	N/A Audited Financials on Harens Midco S.a.r.l. are non-public information.	GRI 2-2
Reporting period (sustainability and financial reporting)	01.01.2024 - 31.12.2024	GRI 2-3
Report cycle	Annual	GRI 2-3
Report publication date	13.10.2025	GRI 2-3
Report Contact Point	General enquiries on sustainability email: Sustainability@Arxada.com	GRI 2-3
Restatement of information	N/A	GRI 2-4
External assurance		GRI 2-5
	External assurance was sought for the assessment of embedded KPIs in our Sustainability-Linked Financial Instruments, covering Scope 1 and Scope 2 (location- based and market- based) as well as total waste generated for our Sustainability Report for the reporting year 2024. See Our 2024 External Assurance Report from ERM-CVS and Our Business and Sustainability'	
Sector	Chemicals sector	GRI 2-6
Value chain and activities	See Greenhouse Gas (GHG Emissions and Air Quality).	GRI 2-6
Governance structure and composition	See Sustainability Governance.	GRI 2-9
Nomination and selection of the highest governance body	See Sustainability Governance.	GRI 2-10
Chair of the highest governance body	Arxada does not have a formal Chairman of the Board.	GRI 2-11
Role of the highest governance body in overseeing the management of impacts	See Sustainability Governance.	GRI 2-12
Remuneration policies	See Sustainability Governance.	GRI 2-19
Statement on sustainable development strategy	See Our Business and Sustainability.	GRI 2-22
Policy commitments	See Sustainability Governance and Resources & Downloads. Arxada's policies are approved by the relevant ELT members and boards of the relevant legal entities. The policies mentioned above are communicated through the Arxada internet, intranet and periodic ethics & compliance training programs, such as our True Office training platform and periodic Legal Department training programs.	GRI 2-23
Embedding policy commitments	See Sustainability Governance.	GRI 2-24

Performance indicator	FY24	Framework
Processes to remediate negative impacts	See Business Ethics. Several of the company's manufacturing sites, including Visp, Newark, Mapleton, Willamsport, Conley and Suzhou have labor unions, which have Collective Bargaining Agreements (CBAs) under relevant local laws containing grievance mechanisms. In the event the company receives claims or complaints from associates or third parties, the Legal Department thoroughly investigates them with the appropriate internal stakeholders and business/functional partners, supported by outside counsel where necessary, and works with internal stakeholders to determine appropriate actions. Processes involving the Legal Department are periodically reviewed and evaluated as needed, depending on a variety of factors.	GRI 2-25
Mechanisms for seeking advice and raising concerns	The HR and Legal Departments typically support grievance processes. Guidance regarding reporting concerns is included in several company policies (such as some mentioned above), during training programs and during everyday business counselling.	GRI 2-26
Approach to stakeholder engagement	See Our busines & sustainability and Advocacy leadership	GRI 2-29

Planet Pillar disclosures[1]

Performance indicator	FY21	FY22	FY23	FY24	Framework
Greenhouse gas emissions					
Scope 1*[2]	658,222 tCO_2e	181,138 tCO_2e	190,865 tCO_2e	169,838 tCO_2e	GRI 305-1, 305-2, 305-3, 305-5
Scope 2 location-based*[3]	173,871 tCO_2e	155,514 tCO_2e	150,175 tCO_2e	147,839 tCO_2e	
Scope 2 market-based*[3]	168,216 tCO_2e	163,052 tCO_2e	155,446 tCO_2e	155,278 tCO_2e	
Total Scope 1 and 2 (market-based)*[23]	826,438 tCO_2e	344,190 tCO_2e	346,311 tCO_2e	325,116 tCO_2e	
Original Scope 3[4] (restated FY22 & FY23)[5]	1,725,106 tCO_2e	2,262,657 tCO_2e	1,915,755 tCO_2e	1,461,848 tCO_2e	
Improved Scope 3[4] (restated FY22 & FY23)[5]	–	3,486,958 tCO_2e	3,121,962 tCO_2e	3,064,578 tCO_2e	
Total Scope 1, 2 (market-based) and 3 emissions	2,551,544 tCO_2e	2,606,847 tCO_2e	2,262,066 tCO_2e	1,786,964 tCO_2e	
Total Scope 1, 2 (market-based) and improved scope 3 emissions	–	3,831,148 tCO_2e	3,468,273 tCO_2e	3,389,694 tCO_2e	
Base year	2021				
Consolidation approach	Operational control				
Standards, methodologies, assumptions and calculation tools	GHG Emissions are defined as Scope 1, 2 and 3 greenhouse gas emissions of the Group, determined in accordance with the Scope 1, 2 and 3 guidance of the GHG Protocol Corporate Accounting and Reporting Standard.				

Performance indicator	FY21	FY22	FY23	FY24	Framework
Air quality management					
NOx[6]	75.0 t	68.6 t	61.3 t	56.4 t	GRI 305-7, SASB RT-CH-120a.1
SOX	3.8 t	3.8 t	2.7 t	2.5 t	
voes	166.3 t	168.8 t	189.3 t	176.0 t	
PM10	51.4 t	51.4 t	38.2 t	41.6 t	
Energy management					
Total energy consumed	5,616,650 GJ	5,043,030 GJ	5,026,890 GJ	4,942,308 GJ	SASB RT-CH-130a.1
% grid electricity	30%	32%	32%	31%	
% renewable	5%	1%	1%	1%	
Waste management					
Third-party waste management	See Supplier Code of Conduct. Additionally, legislative compliance is administrated locally based on local legislation.				GRI 306-2, 306-3, 306-4, 306-5
Total waste generated*	70,717 t	53,881 t	48,729 t	41,252 t	
Hazardous waste generated	57,670 t	41,203 t	40,844 t	34,296 t	
Non-hazardous waste generated	13,047 t	12,678 t	7,885 t	6,956 t	
Hazardous waste recycled	6,899 t	5,109 t	5,417 t	8,250 t	
Non-hazardous waste recycled	2,522 t	2,585 t	1,661 t	1,381 t	
Hazardous waste incinerated	34,671 t	31,583 t	28,851 t	21,050 t	
Hazardous waste sent to landfill	3,034 t	1,240 t	282 t	224 t	
Hazardous waste disposed (other options)	13,064 t	3,269 t	6,293 t	4,771 t	
Non-hazardous waste incinerated	1,573 t	2,483 t	1,661 t	1,640 t	
Non-hazardous waste sent to landfill	8,951 t	7,610 t	4,563 t	3934 t	
Location of disposal	100% of waste captured is directed to offsite disposal.				

[1] The scope of our Planet Pillar data, excluding only our Scope 3 data, includes all manufacturing sites with FTE > 10 (note, Auckland New Zealand and Trentham Australia manufacturing sites are included even though they have less than 10 FTEs) and Pilot Manufacturing sites with FTE > 45. Emissions and waste from offices are not included, as these are not material to Arxada's overall emissions and waste

[2] Scope 1 emissions include the direct emissions to air from our operations, including CO_2, N_2O, CH_4, from fuels (e.g., LPG and Fuel Oil). Arxada does not have emissions from PCF, HFCs or SF_6.

[3] Scope 2 emissions are composed of purchased electricity and steam. For European locations, instead of the applicable residual mix factors, location-based IEA factors have been used.

[4] Scope 3 data include Arxada (legacy LSI), Troy and Envirotech. The original Scope 3 inventory excludes the following categories: Upstream leased assets (Cat. 8), Processing of sold products (Cat. 10), Use of sold products (Cat. 11), End-of-life treatments of sold products (Cat.12), Downstream leased assets (Cat.13), Franchises (Cat.14), Investments (Cat.15). The improved Scope 3 inventory includes Processing of sold products (Cat.10) and End-of-life treatments of sold products (Cat.12). For Fuel & Energy related Emissions (Cat 3) and Waste generated in Operations (Cat. 5), the footnote 1 scope limitations apply.

[5] The 2022 and 2023 Scope 3 values have been restated to account for missed data from Troy and Envirotech. These restated values supersede those published in our 2023 Sustainability Report. We acknowledge that additional methodological improvements were made for the 2024 calculation. We aim to publish a full recalculation for years 2021-2023 using our improved methodology in our 2025 Sustainability Report.

[6] NOx emissions do not include N_2O, which is included in our Scope 1

* Metrics have been assured by ERM CVS. For more information, please see the External Assurance Report which details the scope, activities and conclusion of their engagement

Preservation Pillar disclosures

Performance indicator	FY22	FY23	FY24	Framework
Safety & environmental stewardship for chemicals				
% of products containing GHS category 1 and 2 health and environmental hazardous substances.[1]	77%	76%	77%	SASB RT-CH-410b.1, RT-CH-410b.2
% of products containing GHS category 1 and 2 health and environmental hazardous substances with a hazard assessment[2]	100%	100%	100%	
Management of the legal & regulatory environment	See Advocacy leadership			SASB RT-CH-530a.1
Child labor and forced or compulsory labour	See Supplier Code of Conduct			GRI 408-1, 409-1
Suppliers screened using environmental and social criteria, as set forth in the updated Supplier Code of Conduct.[3]	Our suppliers are expected to adhere to our Supplier Code of Conduct, which outlines strict guidelines related to environmental sustainability, human rights protection, labor practices, social standards and protection against discrimination. It is imperative that our suppliers demonstrate a clear commitment to upholding these standards in their operations.			GRI 308-1,414-1

[1] Value is calculated for classified products; products that are not classified with relevant hazards but contain individual classified components are not considered. The percentage is given based on the number of SKUs in SAP (stock keeping units = material numbers). Wood Protection, Crop Protection NZ, Troy (as of 2024 Troy EMEA included) and Enviro Tech are not included within this calculation

[2] Value applies to the entire Arxada portfolio

[3] Please see the 'Responsible Sourcing' report section on how we monitor and assess our suppliers.

People Pillar disclosure[1]

Performance indicator	FY21	FY23	FY23	FY24	Framework
Workforce health & safety					
Process to identify work-related risks	—	—	See Creating a Health and Safety Culture and Management and Auditing of Sites for more information		GRI 403-2, 403-8
Number of comprehensive SIF prevention inspections	—	502	1,994	2,817	
Percentage of operation sites where health & safety risk assessments have been conducted	—	100%	100%	100%	
Number of sites where global audits have been conducted	—	19	9	1	
Total Recordable Incident Rate (TRIR)	1.03	1.21	0.87	0.81	GRI 403-9, SASB RT-CH-320a.1,RT-CH-320a.2
Total Recordable Fatality Rate (TRFR)	0	0	0	0	
Lost Time Injury Frequency Rate (LTIFR)[2]	0.23	0.41	0.38	0.46	
Associate training on occupational health and safety		Training conducted at site level according to local legislation.	Training conducted at site level according to local legislation. Additionally, see Safer Together at Arxada and Creating a Health and Safety Culture for more information		GRI 403-5

Performance indicator	FY22			FY23			FY24			Framework
Workforce health & safety										
Individual associate safety engagements	17.451			74.593			84.682			
Operational safety, emergency preparedness & response										
Process Safety Incidents Count (PSIC)	38			29			30			SASB RT-CH-540a.1, RT-CH· 540a.2
Process Safety Total Incident Rate (PSTIR)	0.98			0.68			0.87			
Number of transport incidents	0			0			1			
Diversity & equal opportunity[3]										
Senior leadership gender diversity	Female	46	23%	Female	54	26%	Female	69	29%	GRI 405-1
	Male	158	77%	Male	157	74%	Male	174	71%	
Gender diversity	Female	934	25%	Female	691	26%	Female	870	27%	
	Male	2,866	75%	Male	2,013	74%	Male	2,388	72%	
	Not declared		0.15%	Not declared		<0.5%	Not declared		<0.5%	
Non-discrimination	See our Code of Conduct									GRI 406-1
Employee engagement										
Percentage of associates who responded to Insight2Action survey	73%			71%			79%			These disclosures are not aligned with GRI or SASB. We collect and use this data to track our employee engagement and report against our relevant target.
DEI Score	7.4/10			7.5/10			7.8/10			
Health & Wellness	7.0/10			7.2/10			7.5/10			
Average eNPS score	7.2/10			6.7/10			7.7/10			
Employment										
Total employees	3,600			3,400			3,350			GRI 401-1, 401-2, 401-3
New hire gender diversity	157 hires in 2022			425 hires in 2023			292 hires in 2024			
	Female		23%	Female		36%	Female		32%	
	Male		53%	Male		63%	Male		67%	
	Not declared		24%	Not declared		2%	Not declared		1%	
Turnover gender diversity[3]	The total turnover rate for 2022 is 17.25%. We are unable to provide a turnover rate by gender for 2022.			The total turnover rate for 2023 is 16.70%. The turnover rate by gender was Female 26% and Male 74%.			Total turnover rate for 2024 is 16.0%. The turnover rate by gender was Female 30.8% and Male 68.6% (Others 0.6%).			
Full-time employee benefits	For U.S. FTEs: —Medical —Dental —Vision —Life insurance —Disability coverage —401k participation			For U.S. FTEs: —Medical —Dental —Vision —Life insurance —Disability coverage —401k participation See Associate Benefits for more information.			For U.S. FTEs: —Medical —Dental —Vision —Life insurance —Disability coverage —401k participation See Associate Benefits for more information.			
Significant locations of operation	See Our Business & Sustainability									
Parental leave entitlement female	Variable by region and location									
Parental leave entitlement male	Variable by region and location									

Performance indicator	FY22	FY23	FY24	Framework
Parental leave female	1 (based on last 6 months of 2022 only; U.S.)	7 (U.S.)	21 Globally	GRI 401-1, 401-2, 401-3
Parental leave male	1 (based on last 6 months of 2022 only)	5	18 Globally	
Community relations	See Community Involvement			SASB RT-CH-210a.1
Training & education	See Attracting, Enabling & Engaging a Diverse Workforce and Health & Safety			GRI 404-2

¹ Unless otherwise noted, the data covers 100% of our workforce, including Arxada (legacy LSI), Troy and Enviro Tech.

² Rates are calculated as the number of injuries or incidents in the reporting period x 200,000 / Total hours worked in the reporting period.

³ In 2022 and 2023 the data provided is only for Arxada (legacy LSI). In 2024 this represents 100% of the company.

Disclaimer

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The power of

science &
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Innovative solutions that
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