

Environmental, Social and Governance

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Madrid team – planting trees at a local forest

Building a sustainable future

2023 has been a year of significant progress for the business across the areas of environment, social and governance. In our first year as a pure-play components business, we have been able to sharpen our focus on the ESG topics that will drive us towards our goal of building a sustainable future.

Our purpose is to help customers build a sustainable future. With our unique business model combining manufacturing and distribution, we are ideally placed to provide a low-carbon service to our customers from design to delivery, and supporting them in their low-carbon transition.

Our ESG strategy is set out against five pillars: our planet, our components, our customers, our culture and our communities. We recognise that each of these are of great importance in our ESG journey, and interconnected. These pillars in turn are aligned to the United Nations

("UN") Sustainable Development Goals, with nine goals having a direct link to how we operate and the work we do.

In this report we set out our progress against our five pillars, and what we have planned for 2024. Highlights include achieving our goal two years ahead of plan, for at least 20% of materials to be from sustainable sources in our polymer ranges, and gaining approval of our near- and long-term science-based emissions reduction targets with the Science Based Targets initiative ("SBTi"). More details on these targets is on page 26.

To support our decarbonisation targets, this year, for the first time, alongside this ESG report we have published our first climate transition plan, on pages 40 to 53. This plan details our targets, focus areas and actions we will take across the Company, and in our value chain, for us to maintain our momentum in relation to sustainability whilst continuing to deliver for our customers and investors.

JENNIFER SPENCE
ESG Director



Delivering a sustainable service for our customers, our people and the planet sits at the heart of Essentra's ESG strategy."

Our ESG pillars

Our planet

Driving resource and energy efficiency, reducing emissions and embracing renewables.

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Our components

Developing innovative products using renewables, recyclables, reusables and biodegradables.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our culture

A safe, supportive work environment that champions equality and celebrates diversity.

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Our communities

Working with suppliers to ensure ethical practices and contribute to equitable economies. Volunteering our time and supporting good causes.

10 REDUCED INEQUALITIES

17 PARTNERSHIPS FOR THE GOALS

Our customers

Providing a hassle-free service that helps customers achieve their sustainability goals.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

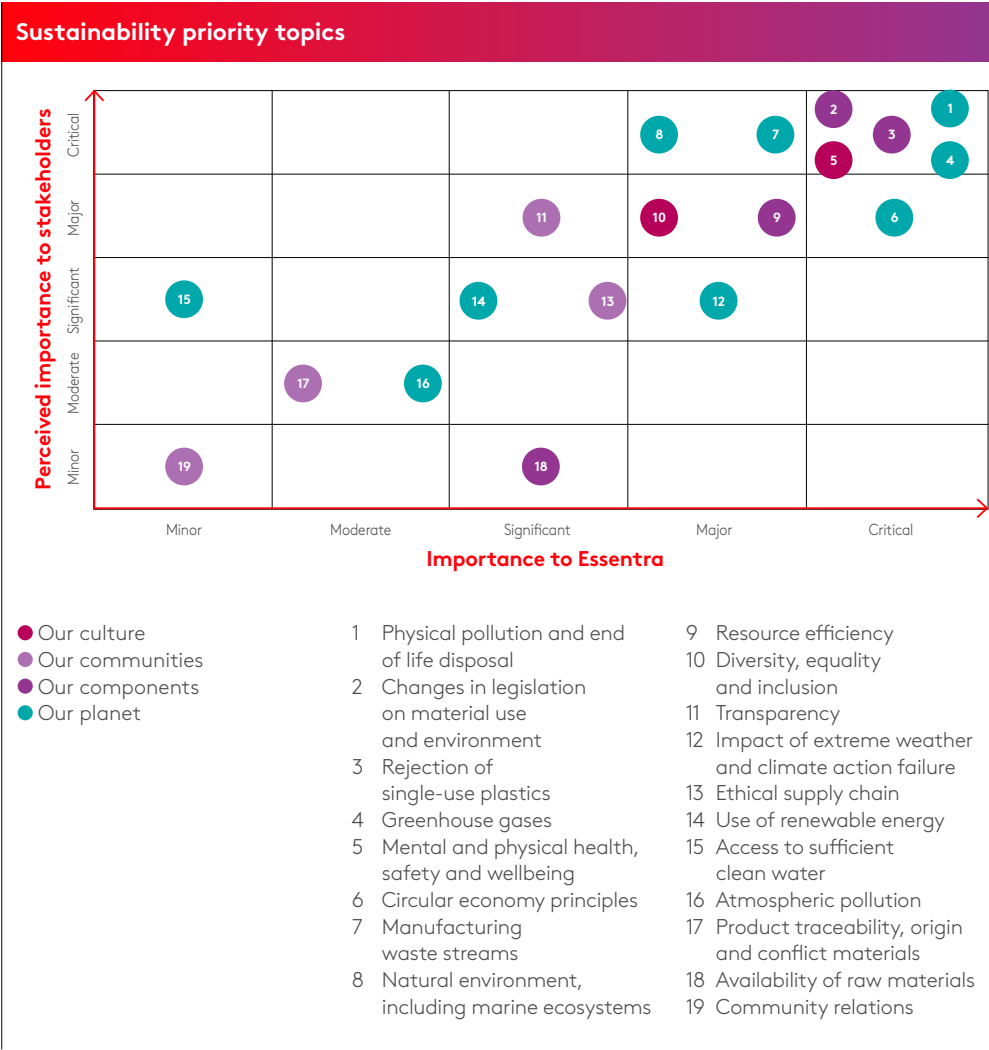
17 PARTNERSHIPS FOR THE GOALS

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Materiality assessment

Understanding the material risks and opportunities for our business is vital to form a comprehensive and effective sustainability strategy. We have identified 19 material topics, that vary in priority according to both our own and our stakeholders' perspective. These risks and opportunities are also considered as part of our approach to risk management and more information on ESG risks is available on page 71.

Our materiality assessment, our alignment to global reporting requirements and the UN Sustainable Development Goals, provides us with a clear set of focus areas and priorities from which we have built out our targets and reporting. In order to ensure our materiality assessment remains relevant, we review and update this assessment at least annually to incorporate any emerging topics and update existing topics as necessary.



External frameworks we align to

Task Force on Climate-Related Financial Disclosures

SBTi

UN Sustainable Development Goals

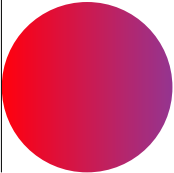
UN Global Compact

2023 ESG ratings




CDP
2023 ratings:
A- Climate Change
B Water Security






















EcoVadis
Silver Medal 2023

MSCI
AA Rating 2023



Our ESG strategy

-  On track
 Slightly behind target
 Behind target

ESG framework	Our focus and targets	Our progress	Status	Performance highlight	Read more
Our planet 	Reduce absolute scope one and two GHG emissions by 50% by 2030 from a 2019 base year.*	Scope one and two emissions have reduced by 38% since 2019.		38% reduction in scope one and two emissions since 2019.	See pages 26 to 29
	Reduce our scope three GHG emissions intensity from purchased goods and services, and upstream transportation and distribution by 55% per GBP of value added by 2030.*	Scope three emissions intensity has reduced by 30%.			
	All sites to achieve zero waste to landfill by 2030.*	14 sites achieved zero waste to landfill in 2023.			
	Reduce overall waste volumes by 50% by 2030.*	Waste intensity has reduced 28% against 2019 baseline.			
Our components 	50% of materials from sustainable sources by 2030 across our manufactured polymer ranges.*	We hit our previous target of 20% by 2025, two years early, reaching 21% in 2023.		21% of our polymers in 2023 from sustainable sources.	See pages 30 to 31
	100% of our packaging is reusable, recyclable or compostable by 2030.*	58% of our packaging is recyclable, or compostable.			
	50% recycled content in our packaging materials by 2030.*	28% of packaging materials contain recycled content.			
Our customers 	Increasing the number of products introduced with sustainability criteria.*	7,981 products across our ranges now have sustainability attributes, 750 were introduced in 2023.		7,981 total sustainable products.	See pages 32 to 33
Our culture 	Zero accidents for our people and visitors.	57% reduction in days lost in 2023, from 23 to 10 lost time incidents.		57% reduction in days lost in 2023.	See pages 34 to 37
	100% of employees trained on Ethics Code biannually.	99% of employees were trained on Ethics Code in 2023.			
	Healthy lifestyles campaigns at 50% of sites by 2025.	Healthy lifestyles campaign roll out commenced in January 2024.			
	Mental health training to 80% of leaders by end 2024.	9% of leaders have received mental health training.			
	40% women in leadership teams by 2025.	31% women in leadership teams in 2023, and 38% on the Board.			
Our communities 	Supplier Code of Conduct refreshed and launched in 2023 to all suppliers over a material spend threshold.*	18% of targeted suppliers have signed up to this code.		13% of employees took a community engagement day in 2023.	See pages 37 to 39
	Top 70% of suppliers by spend actively risk monitored.	Top 75% of suppliers actively risk monitored.			
	A community engagement day taken by 25% of employees during 2023.	Community engagement days taken by 13% of employees in 2023.			

* ERM CVS has assured a selection of our environmental, social and governance metrics for 2023. Full details of the scope, activities, limitations and conclusions of the assurance engagement are included in the Assurance Report on pages 148 to 149. Further details on our basis for reporting can be found at www.essentraplc.com/responsibility.

2023 environmental data

Scope one and two GHG emissions (tonnes CO ₂ e)*	2019	2022	2023	% change 2023/2019
Stationary fuel combustion	3,050	2,922	2,323	-24%
Mobile fuel combustion	372	456	604	62%
Fugitive emissions	–	57	247	–
Total scope one emissions	3,422	3,435	3,174	-7%
Electricity – location based	22,587	17,155	15,303	-32%
Electricity – market based	18,814	12,755	10,498	-44%
Off-site electric vehicle charging – location based	–	–	2	New
Off-site electric vehicle charging – market based	–	–	4	New
Purchased heating and cooling	–	–	89	New
Total scope two – location	22,587	17,155	15,394	-32%
Total scope two – market	18,814	12,755	10,591	-44%
Total scope one and two emissions location	26,009	20,590	18,568	-29%
Total scope one and two emissions market	22,236	16,190	13,765	-38%
GHG intensity (total scope one and market-based two emissions per £m revenue)	74.2	47.9	43.5	-41%

Scope three emissions	2022	2023	% change 2023/22
1. Purchased goods and services*	98,789	66,557	-33%
2. Capital goods*	1,161	141	-88%
3. Fuel and energy-related activities*	5,215	4,344	-17%
4. Upstream transportation and distribution* ¹	44,756	29,806	-33%
5. Waste generated in operations*	479	175	-64%
6. Business travel ²	809	809	–
7. Employee commuting*	6,741	6,433	-5%
10. Processing of sold products	29,859	23,141	-22%
12. End of life treatment of sold products* ³	291 ³	244	-16%
13. Downstream leased assets	84	84	–
Near-term target total (categories 1 and 4)*	143,545	96,363	-33%
Near-term GHG intensity (kgs/£ of value added)*	1.8	1.3	-30%
Total scope three emissions*	188,184⁴	131,733	-30%

Zero waste to landfill*	2019	2022	2023
Number of sites at zwtl	2	12	14

* ERM CVS has assured a selection of our environmental, social and governance metrics for 2023. Full details of the scope, activities, limitations and conclusions of the assurance engagement are included in the Assurance Report on pages 148 to 149. Further details on our basis for reporting can be found at www.essentraplc.com/responsibility.

Materials from sustainable sources*	2019	2022	2023
Percentage of polymers from sustainable sources	2%	10.8%	20.7%
Percentage of recycled content in packaging materials	–	–	28%
Percentage of packaging that is recyclable or compostable	–	–	58%

Energy (MWh)*		2019	2022	2023	TCO ₂ e 2023
Total Electricity Procured	UK	8,055	6,477	6,034	2
	Global	48,729	42,263	38,873	10,498
Renewable Electricity Procured	UK	7,896	6,423	5,973	–
	Global	7,896	13,277	16,967	–
Natural Gas	UK	14	38	367	67
	Global	14,318	13,683	12,145	2,217
Fuels	UK	691	572	409	109
	Global	2,206	2,503	2,944	710

Solid hazardous and non-hazardous waste destinations (tonnes)*	2019 ¹	2022	2023
Recycling	1,374	2,232	2,709
Recovery	161	199	330
Incineration	66	397	80
Landfill	2,787	896	204
Total solid waste	4,388	3,724	3,323
% solid waste diverted from landfill	36%	76%	94%

Liquid hazardous and non-hazardous waste destinations (tonnes)*	2020	2022	2023
Recycling	66	69	57
Recovery	198	1	26
Incineration	4	6	12
Landfill	3	–	–
Total liquid waste	271	76	95
% liquid waste diverted from landfill	99%	100%	100%

Water (cubic metres)*	2020	2022	2023	% change 2023/22
Water usage	135,015	158,383	171,145	8%

The organisational boundary for this data is determined using an operational control approach. All comparatives from 2019 to 2022 were restated in 2022, to reflect the divestment of our Filters and Packaging businesses. The 2019-2022 reporting periods are January to December. The 2023 reporting period is January to December, for all data except for scope three categories one, two and four, where the reporting period is October 2022 to September 2023. Excluded categories were determined via a materiality threshold assessment to be either inapplicable due to no related activity, or excluded due to low significance. This will be periodically reviewed.

- 1 Upstream transportation includes intra-company transport and products to customers. Downstream transportation is captured in category one as part of our spend on materials and services.
- 2 2023 business travel emissions is based on a study developed based on 2022 data.
- 3 2022 end of life treatment of sold products has been restated due to an amendment to include our goods for resale.
- 4 Total Scope 3 emissions has been restated for 2022 to include all emissions within Essentra's Scope 3 emissions inventory which forms the Science-Based Targets initiative approved near- and long-term target baseline.
- 5 Excludes Wixroyd as no data available.



Our planet

We want to end our dependency on virgin fossil materials and fuels, making significant emissions reductions across our value chain through energy efficiency, renewables, material and transport choices.

Reducing emissions

Our targets

Reduce our scope one and two GHG emissions by

50%

by 2030 from a 2019 baseline, and reach net-zero by 2040 at the latest.

Reduce our scope three GHG emissions intensity, from purchased goods and services, and upstream transportation and distribution by

55%

per GBP of value added by 2030 from a 2022 baseline, and reach net-zero by 2050 at the latest.

Our progress

38%

Reduction in scope one and two GHG emissions since 2019.

30%

Reduction in scope three GHG emissions intensity since 2022.

We are committed to continuing to reduce our emissions. In 2022, we reset our baseline for scope one, two and three emissions as part of our transition to a pure-play components business. Since 2019, we have reduced our total scope one and two CO₂e emissions by 38%, and indexed to revenue, emissions intensity has declined by 41%.

Total scope one and two emissions reduced by 15% in the year due to our continuing transition to renewable electricity and our focus on energy management programmes. Renewable electricity now accounts for 44% of total electricity usage, an increase of 13% compared to 2022. 2023 also saw our first on site solar project begin generating power at our Rayong, Thailand site, followed by our second site in our Yichun site in China, at the end of the year. Renewable energy generated on site is now 2% of our total usage.

We have continued to implement energy efficiency projects across the Company. In 2023, we completed 12 projects across seven sites. These ranged from injection moulding machine replacements at several sites, installation of lighting sensors at our site in Ningbo in China, LED installations at our site in Erie in the USA, and a new chiller system at our Barcelona site.

In 2023, our scope three near-term emissions intensity has reduced by 30% compared to our 2022 baseline. Key to this has been our progress in understanding of emissions hotspots within our scope three emissions, working with our supply chain to gather the

data required to transition from calculations based on our spend, to activity data which provides more precise measurements. Then using this data to determine actions for decarbonisation.

The largest areas of our scope three emissions are the goods and services we purchase, and the transport we use both upstream with our suppliers and downstream to our customers. In purchased goods and services, we have commenced engagement with our metals and packaging suppliers to collaborate on emissions reduction initiatives. We will be continuing this in 2024 and expanding to incorporate more suppliers across our value chain.

Within our product transportation, we have implemented a third-party shipment tracking service, which allows us to optimise the route and mode of shipments, reducing emissions by ensuring each shipment is using the most efficient methods available. In addition, we are continuing to engage our transport providers to decarbonise their operations and implement lower carbon equipment such as sustainable fuels, and electric vehicles.

In 2023, we submitted our scope one, two and three near-term and net-zero targets to the SBTi for validation, and these targets were approved in February 2024. To support our targets, in 2023, we developed our inaugural climate transition plan, which can be found on pages 40 to 53. This plan details the key initiatives we will be focusing on to reduce our emissions further and meet our targets across our scope one, two and three emissions.

Waste

Our targets

All sites to achieve

zero waste to landfill

by 2030 at the latest.

Reduce waste intensity by

50%

by 2030 from a 2019 baseline.

Our progress

14 sites

achieved zero waste to landfill in 2023, and 94% of waste is now diverted from landfill.

Waste intensity has reduced

28%

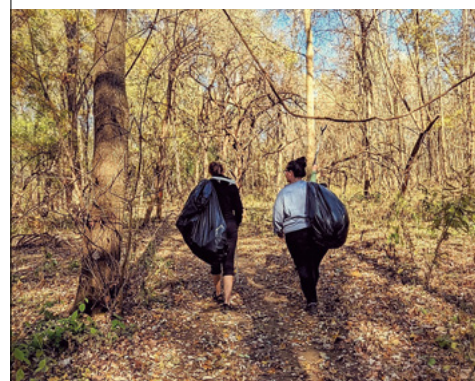
from our 2019 baseline.

We aim to dispose of zero waste to landfill ("zwtl") across our operations, as well as minimising the waste we generate across the product lifecycle. We recognise that waste, in particular plastic waste, is a key global challenge and reducing our waste generation alongside increasing reuse and recycling will provide us with cost and resource savings. In 2023, two additional sites achieved zwtl, taking our total to 14, or 34% of all sites. Looking ahead to 2024, we have a further seven sites which achieved at least three months of zwtl during the year, and are on track to reach full zero waste to landfill status by the end of 2024.

Overall, 94% of solid waste was diverted from landfill across our operations in 2023, an increase of 18% compared to 2022, and our waste intensity has reduced by 28% against our 2019 baseline. Throughout the year, we focused efforts and investment on waste prevention and reusing waste in our manufacturing and operations process. At our Kidlington site in the UK, we invested in new equipment that allows us to reuse our internal manufacturing polymer waste. Since installation, over three tonnes of resin has been internally reused across a range of products. At our metal manufacturing site in Silivri, projects have also been undertaken to reduce waste through design. This has resulted in a reduction in waste from the manufacturing process, and an increase in material suitable for reuse. In 2024, waste is a specific area of focus for our management and site teams, as 57% of all employees will have a waste reduction measure as part of their bonus objectives.



Madrid team – planting trees at a local forest



Louisville team – adopt a park initiative

Water use and our wider impacts on nature

Our polymer manufacturing operations predominantly use water in closed loop systems, and consequently our overall water usage globally is a result of metal manufacturing, hygiene, catering and cleaning at our sites. We are mindful that water is of great importance in the communities we operate in, and therefore ensure that we monitor our water consumption and track any reduction initiatives at our sites. In 2023, our water use has increased by 8%, due to an increase in our operational footprint reporting coverage, with nine additional sites reporting in 2023, and an increase in water usage at our metals manufacturing sites. In 2024, we plan to begin reporting on water usage per head and create an action plan for our Silivri, Yichun and Ningbo sites, which account for just under 80% of our total water usage.

We monitor water stress across all of our sites globally on at least an annual basis. In 2023, we identified two water basins in "extremely high" water stressed regions where we have manufacturing sites, Silivri in Turkey, and Monterrey in Mexico. In our Silivri facility, water efficiency actions have been implemented in the washrooms on site, and in Monterrey, we moved to a new purpose built facility in November 2023, where we will reset the baseline for our water usage in 2024. We monitor any site where we have water discharge consents to ensure compliance. In 2023, two sites, Yichun in China and Rayong in Thailand, had consents to discharge water and there were no incidents of non-compliance.

Across our sites globally in 2023, we have participated in many local initiatives that benefit the local natural environment. Highlights from some of those countries include: Spain, where the Madrid team and their families spent the day planting trees to restore an area of forest local to our site; in the USA, where our Louisville team adopted a local park, becoming stewards of Riverview Park which they will look after with various projects throughout the year; and Germany, where employees at our Nettetal site gave their support to a local conservation area, volunteering to maintain the nearby Brachter Wald nature reserve to preserve the sand dunes, which are an important special habitat for rare plant species.

In 2023, we also commenced our analysis of the Taskforce for Nature related Financial Disclosures ("TNFD") recommendations, and in 2024 we will be conducting our first TNFD assessment of our nature related risks and opportunities at our manufacturing and distribution sites in line with the TNFD guidance.



Nettetal team – Brachter Wald nature reserve volunteering



Madrid team – planting trees at a local forest

Environmental Compliance

In 2023, nine of our manufacturing sites equating to 80% of our production, are covered by ISO14001 certifications.

There were no reportable spillages or environmental incidents at any of our sites during the year, nor were there any fines or penalties related to environmental incidents.

Solar panels at our Yichun site

Solar panels have been installed at our largest manufacturing site in Yichun, China, this year.

The installation comes only three months after commissioning a 6,000m² solar array at Essentra's manufacturing site in Rayong, Thailand.

The solar panels will generate up to 1,650MWh of energy annually, reducing the sites reliance on fossil-fuel generated electricity and avoiding the unnecessary generation of an estimated 1,000 tonnes of GHG emissions each year.



The solar array reflects our overarching aim to reduce carbon emissions and practice sustainability in manufacturing across all of our global sites."

JENNIFER SPENCE
ESG Director



Our components

We will strive to design new products through the innovative use of renewable, reusable, recyclable and biodegradable materials. We have a Centre of Excellence where we can showcase products to our customers, and provide a space for ideas to flourish into innovative new products.

Transitioning to more sustainable materials

Our focus and targets

50%

of raw materials from sustainable sources by 2030 across our polymer ranges.

100%

of raw materials from sustainable sources by 2030 across our general protection and security seal ranges.

Our progress

In 2023, we hit our 2025 target early, achieving

20.7%

of sustainable materials in our polymer ranges.

In 2020, we signed up to the Circular Plastics Alliance commitment to use at least 20% recycled content in our polymer ranges by 2025. We have achieved our target early, developing our use of recycled content during the year to 20.7% for 2023. Consequently, we have set a new target to achieve 50% of raw materials from sustainable sources across our polymer ranges, and 100% in our general protection and security seals ranges by 2030.

In 2023, we have increased the number of products and sites that have transitioned to using recycled content in our polymer ranges. We now have seven manufacturing sites globally where recycled content is used as standard, across a range of over 7,000 products.

Our site in Kidlington, UK, now includes 50% recycled content as standard across most of our LDPE product range, with over 3,300 products achieving 98% recycled content.

In 2023, our Jaguariuna site in Brazil moved to producing 365 products with 50% recycled HDPE and LDPE material across our general protection ranges. Alongside this, our Erie facility also transitioned an additional 466 products to using recycled material. By delivering products with lower GHG emissions and improved circularity through our substitution programme, Essentra has helped customers reduce their own GHG emissions without the need for extra investment. We have conducted a lifecycle assessment on one of our most popular products, a push-in-plug from our general protection range, which has shown that the recycled material we currently use reduces product emissions by around 30%. We estimate in 2023, we avoided GHG emissions of over 950 tonnes by making the transition to more sustainable materials across our polymer ranges.

Our Centre of Excellence

In 2023, we launched our Centre of Excellence to support our transition to using more sustainable materials across our product range.

This dedicated centre at our Kidlington site in the UK, is used to trial a wide array of materials with sustainability benefits such as reduced emissions, improved recyclability and improved circularity. The centre has a dedicated test engineer, who conducts testing on both recycled content and various biodegradable and bio-based materials, including bio-woods and nylon, to establish how they perform when replaced or added to existing resins used in the manufacture of plastic components. These innovative new materials can reduce the environmental and carbon impact of the products we manufacture, and helps our customers reduce their GHG emissions.

The Centre of Excellence uses the latest technology, and we have made a significant investment in two different types of machinery: an all-electric machine and a servo drive machine. The principal purpose is to enable us to test not only how the materials will behave in the manufacturing process, but also the impact of different types of tooling. The results will provide us with the tool to drive efficiency and sustainability in our products and processes, reducing scrap rates and accelerating speed of delivery. The Centre of Excellence is an example of how sustainability is embedded in our culture. We are investing significantly in new infrastructure and equipment, allowing us to test and process new types of materials, and optimise energy consumption.



Our packaging

Our focus and targets

Support a circular economy by ensuring
100%
of our packaging is reusable, recyclable or compostable by 2030.

50%
recycled content in our packaging materials by 2030.

Our progress

58%
of our packaging is reusable, widely recyclable or compostable.

28%
recycled content in our packaging.

Packaging is an important part of our resource usage and is key to ensuring our products are delivered damage and hassle-free to our customers. 2023 is the first year since we introduced packaging targets, and during the year we have been engaging with our packaging suppliers to determine the current rates of recycled content in our packaging, and to explore opportunities to reduce packaging and waste. At the end of the year, we reached 28% recycled content across all of our packaging, and 58% of our packaging is deemed to be widely recyclable or compostable. We have included paper and wood in our scope of what we determine to be widely recyclable, or compostable.

In 2023, we implemented more recycled content into our packaging across our sites globally. At our Flippin site in the USA, we have transitioned our packaging to biodegradable and recyclable tape, with cardboard boxes which are now made using 62% recycled content. At our key European distribution sites, Łódź in Poland and Nettetal in Germany, we have established a reuse system for our intra-company product movements. By reusing our shipping boxes between the two hubs, we are reducing the amount of boxes we use by around 1,600 in 2023, reducing the amount of waste we generate and the amount of materials we buy.

In 2024, we will be continuing to engage with our packaging suppliers to share best practice and increase recycled content.

Collaborating with suppliers to support packaging goal

At our manufacturing and distribution centre in Kidlington, in the UK, we have switched to using paper-based packaging. The new packaging contains recycled content and is widely recyclable after use.

Working closely with packaging suppliers, the Kidlington distribution team focused on replacing transport packaging with more sustainable options:

- plastic used to fill voids has been replaced by 100% recycled cardboard, created by converting waste cardboard on site
- plastic mailers have been replaced with paper versions containing 20% recycled paper
- the tape used to seal boxes is now made from widely recyclable paper, and the adhesive is biodegradable.



Our customers

This pillar focuses on supporting our customers to achieve their sustainability goals. As the only global manufacturer and distributor of our kind, we are in a leading position to assist customers by providing products and services that have been developed to provide a hassle-free sustainable choice.

Our targets

Increasing the number of products introduced with sustainability criteria.

Our progress

750

products in 2023 introduced with sustainability criteria.

Sustainable products and services

Our purpose is to help customers build a sustainable future, and therefore working with them on their approach to sustainability is a key area of activity. We are committed to continuing to invest in developing new products with improved sustainability performance and lower lifecycle emissions, and providing our customers with expert advice on the most sustainable choice for their needs.

In 2023, we introduced 750 new products that provide a sustainability benefit. This includes lower GHG emissions, increased recycled content or biomaterials, and improved circularity. Our total products with sustainability features is now 7,981.

Alongside sustainable products, we are in a leading position to assist customers in defining, and reducing their scope three emissions. As a market leader with the unique proposition of offering manufacturing and distribution of our products in an otherwise fragmented market, we can provide clarity to our customers of our products emissions across its lifecycle. As detailed in our climate transition plan on pages 40 to 53, we intend to reduce our emissions to net-zero across the manufacture and distribution of our products to customers, delivering a low-carbon service to our customers from product design through to delivery. We commenced the work to establish product carbon footprints for our vast and diverse range of products in 2023, and delivered product-level footprints across our product categories, including our general protection and electronics ranges to our customers. We intend to continue and expand on this work in 2024 to provide product carbon footprints across our ranges.

Product governance

We are committed to achieving the highest standards of product quality, reliability and safety. We have comprehensive product design and development procedures to ensure precise delivery to specifications, and are constantly seeking opportunities to enhance quality and safety performance.

In 2023, 11 of our manufacturing sites, equivalent to 95% of products we manufacture, were certified to a recognised international quality management standard of ISO 9001 or ISO/IATF 16949.

Sustainable economies

In addition to supporting our customers with low carbon and circular products, we are also actively increasing our abilities and product offerings that serve the new and emerging markets that will be required in a low-carbon world. Our category teams are focused on identifying opportunities in high-growth, low-carbon markets such as renewables, electric vehicles, automation and electrical heating and cooling.

Within the heating and cooling markets, we have developed new relationships with customers who are leading the way with innovative new technology, with our diverse product ranges supporting a range of requirements from electrical components to access hardware.

We are ensuring we support our automotive customers in their transition to electric vehicles ("EV") and also providing the components needed for the supporting charging infrastructure. Our components are used throughout EV charging from the enclosure hardware to the electrical components.

Providing solutions for customers to charge ahead

Ingeteam is a leading energy conversion company, with a wide range of products across renewable energy generation, storage and e-mobility.

In 2023, as an existing customer of our recently acquired Wixroyd business, we were given the opportunity to provide Ingeteam with our full product range.

Ingeteam can now source the wide variety of electrical, general protection and access hardware components they need from one place, saving time, creating efficiency and reducing packaging and transport emissions.

Ingeteam



CABLE GLANDS

Maintain uptime, seal electronics and protect cables from strain relief with IP rated cable glands



SPRING PLUNGER

Make sure the charging gun is secure whilst ensuring ease of use



EMERGENCY BUTTON

Ensure user safety with our emergency stop buttons



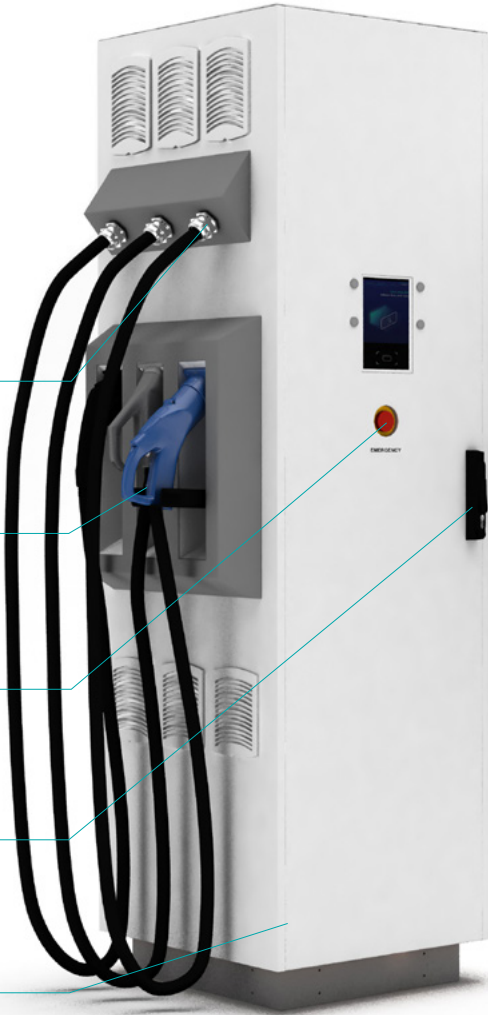
SWING HANDLE

Maintain easy access for maintenance whilst ensuring security and aesthetics are not compromised



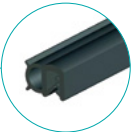
LEAF HINGE

Ensure easy access for maintenance with easy to install leaf hinges



CONCEALED HINGE

Concealed hinges provide additional security by removing pry points



BUBBLE GASKET

Maintain enclosure protection with IP rated gaskets



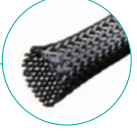
PLASTIC SCREWS

Prevent short circuits in electronics applications with non-conductive screws



QUARTER TURN LOCKS

Make sure electrical applications are secure and sealed from the elements with IP rated locks



BRAIDED CABLE SLEEVES

Protect wiring and ensure uptime with UL rated cable sleeves



TERMINALS

Maintain reliability with quality electrical connectors



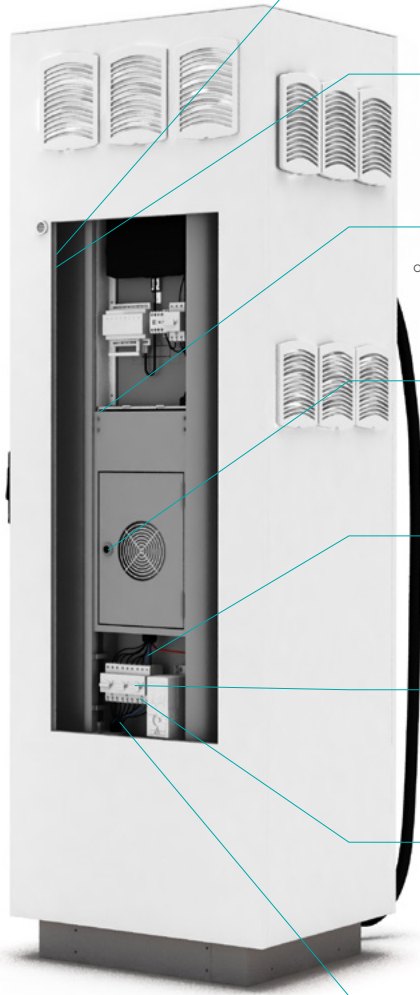
STANDOFFS

Mount PCB's securely and easily using a screw in standoff



CABLE TIES

Efficiently organise wiring to enhance reliability and reduce downtime





Our culture

This pillar focuses on creating a safe, supportive work environment that champions equality and celebrates diversity.

Health, safety and wellbeing

Our focus and targets

Zero accidents

for our people and visitors.

Mental health training to

80%

of leaders by 2024.

Healthy lifestyles campaigns at

50%

of sites by 2025.

Our progress

Lost time incidents reduced by

57%

in 2023.

9%

of leaders have received mental health training.

Healthy lifestyles campaigns launched in 2024.

We know from our employee engagement survey that employee perceptions of health and safety at work have improved. "My Company is safe place to work" was one of the top scoring statements at 91%. This has improved by 2% against 2022 and is 8% above our industry benchmark.

Our commitment to safety in 2023 resulted in tangible improvements, ranging from increased visibility and accountability among leaders to successful hazard reduction initiatives and a significant 57% reduction in lost time incidents. All our sites have health and safety management systems in place. Of these, nine sites are certified to ISO 45001 or an equivalent standard, covering 73% of employees.

In 2023, we launched the Leadership Safety Commitment, a standard to align all leaders in the organisation. We increased safety visibility, by installing lost time clocks at sites, and developing and embedding safety commitments into our 2023 objectives. As part of the safety protocol, our CEO, Scott Fawcett, actively participated in a review of each lost time incident. This practice ensures that leadership is actively engaged in addressing safety concerns, fostering a culture of transparency, responsibility, and a collective commitment to the wellbeing of every Essentra employee.

Our site in Yichun, China, implemented a risk reduction programme as a key safety initiative in 2023, and the site achieved an impressive milestone by reaching 365 days without a lost time incident. A third-party audit was conducted in 2022, and in 2023 all high-risk issues identified at the site were successfully resolved or reduced to a low level. In 2023, we ran a pedestrian segregation project, improving the separation of pedestrians from vehicles at each site. Fourteen projects were completed in the year, and the project drove an increase

in positive engagement. The emphasis on both our Yichun site, and the pedestrian segregation project has provided a holistic approach to safety, addressing site-specific needs while implementing broad, company-wide initiatives.

In 2024, our safety culture journey continues through a comprehensive strategy focusing on leadership commitment, active "grassroots" employee participation, stringent compliance measures, and continuous improvement. By embedding safety into our daily operations and ensuring leadership commitment at all levels, we aim to create a workplace that gives every team member a voice and leaders champion safety.

As well as physical health and safety, we recognise the importance of our people's mental health and wellbeing. We currently have 24 mental health first-aiders trained across the business, and in-house capability to train our people in mental health first aid. We recognise that, as well as having mental health first-aiders, it is valuable to equip our leadership with the skills required to support their teams and encourage employees to thrive. Currently, we are behind target, with 9% of our leadership team trained. In 2024, we are rolling out the training to more leaders and employees to reach our 80% target, ensuring a consistent approach to mental health and wellbeing across the business. We have also commenced our healthy lifestyle campaigns, starting with a global walking challenge in February 2024, this will be followed up with a rolling programme of activities during 2024.

We provide all of our people with access to our Employee Assistance Programme, providing them and their families with 24/7 access via a confidential phone line to support on any financial, legal or family topics. This is backed up with access to online health and wellbeing resources.

Safety performance 2023			
	2023	2022	% change
Lost time incidents ("LTIs")	10	23 ¹	-57%
LTI rate per 200,000 hours	0.42	0.96	-56%
Days lost	128	382 ¹	-66%
Severity rate (days lost per 200,000 hours)	5.41	16.02	-66%
<small>1 2022 LTI and days lost restated due to an incident severity change after publication of the 2022 Annual Report.</small>			

Employee engagement and recognition

Employee engagement is one of the most important indicators of the health of our business, as we believe that higher rates of employee engagement generate higher levels of customer satisfaction. In 2023, we changed the timing and cadence of our employee engagement survey, conducting a shorter survey earlier in the year, with further surveys planned throughout the year. We see this as an opportunity to introduce a more dynamic, frequent and data-driven approach to employee engagement through the concept of continuous listening.

86% of employees responded to the survey, meaning that the findings are a true representation of the employee voice at Essentra. The results of our 2023 survey show we have an overall engagement across the business of 82%. This is down by 1% in comparison to 2022, but exceeds the industry benchmark by 7%. Of the 22 questions in the shortened survey where we could make comparisons to the previous year, we exceed industry benchmarks in three key areas:

- “My company is a safe place to work” – at 91% this has improved by two percentage points since 2022 and is eight percentage points above the industry benchmark

- “I would like to be working for Essentra 12 months from now” – at 86% this remains the same as 2022, but still 14 percentage points above the industry benchmark
- “I am satisfied with Essentra as a place to work” – at 84% this remains the same as 2022, but continues to be 11 percentage points above the industry benchmark.

In comparison, the main areas where we want to continue to make improvements are:

- good communication between departments – this question scored 57% which is an increase of 1% against 2022 but still the lowest scored question
- similarly, when asked if there was little wasted time and effort only 61% of respondents agreed.

To implement improvements, every site and functional area of the business will be reviewing their 2023 engagement action plans, and building a 2024 plan to drive improvements in their area.

In 2023, we carried on our annual We Make it Work Awards. We had a great response rate, receiving 666 nominations across six categories:

- we deliver
- we champion equality and celebrate diversity
- we care about each other
- we care about our customers
- we drive a sustainable culture
- we are an effective team.

Recognising our employees through the awards provides a great opportunity to share good practice and spotlight great initiatives happening across the Company.

Championing equality and celebrating diversity

Our focus and targets

40% women in leadership teams by 2025.

25% of leaders identify as ethnically diverse by 2030.

Our progress

31% of women in leadership teams at end of 2023.

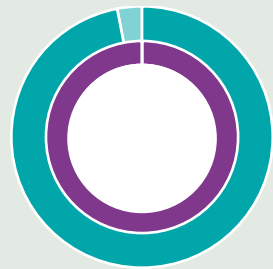
17% of leaders identify as ethnically diverse in 2023.

In 2023, we progressed in our journey to create a more diverse, equitable and inclusive workplace. In 2022, we set a target to have 40% of women in leadership teams by 2025, at the end of 2023 this was at 31%, an increase of 5% from 2022. In addition, we have for the first time collected information on the ethnic diversity of our senior leadership team, and found that 17% of employees in the team identify as ethnically diverse. With this baseline, we assessed suitable targets for a global business like ours, and used benchmarking across the regions we operate in to formulate a target for ethnic diversity that we believe not just represents, but surpasses the broader populations where we work. Consequently, we have set a new target for 25% ethnic diversity in our senior leadership team by 2030, with an interim target of 20% by 2027. This also meets the voluntary request made by the Parker Review to set an ethnicity target for 2027.

Our overall diversity, equality and inclusion (“DE&I”) goals are supported by series of campaigns that we run throughout the year, organised by a cross-functional team of our people that forms the DE&I team across Essentra. This team ran a series of campaigns across 2023 related to various topics including Pride, Black History Month, International Women’s Day and International Men’s Day. In 2024, we are focusing on a broader DE&I strategy that complements and supports our ESG strategy. This strategy covers all facets of DE&I, and brings together the targets and campaigns we run throughout the year, supported by activities to ensure we attract, recruit, train and retain diverse talent across our business.

Our employee diversity as of 31 December 2023

Permanent/Contractor split (%)



All employees
● Employees: 97% (2,978)
● Agency/Contractors: 3% (92)
Total: 3,070

Leadership team
● Employees: 100% (70)
● Agency/Contractors: 0% (0)
Total: 70

Gender (%)

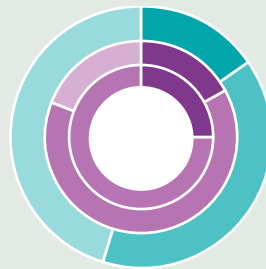


All employees
● Women: 43% (1,329)
● Men: 57% (1,741)

Leadership team
● Women: 31% (22)
● Men: 69% (48)

Board of Directors
● Women: 38% (3)
● Men: 62% (5)

Ethnicity (%)



All employees¹
● Ethnically diverse: 15% (325)
● White: 40% (848)
● N/A or no response: 45% (973)

Leadership team
● Ethnically diverse: 17% (12)
● White: 64% (45)
● N/A or no response: 19% (13)

Board of Directors
● Ethnically diverse: 25% (2)
● White: 75% (6)

1 Ethnic diversity of employees responding to the 2022 Employee survey (2,146 employees)

Women's Health In South Tyneside

The Social Committee team at our Jarrow, UK site held a number of fundraising activities for International Women's Day 2023. These included a bake sale, raffle, and donation of sanitary products in partnership with a local supermarket. All the funds and donations went to a local women's charity, Women's Health In South Tyneside ("WHIST").



Our commitment to being an ethical employer

Our target

100%
of employees trained on Ethics Code biannually.

Our progress

99%
of employees trained on Ethics Code.

Our Ethics Code is the core foundation of our compliance strategy and is issued to all employees globally. It is supported by a comprehensive training schedule, both online, virtual face to face and in person training that is delivered by our in house team. In 2023, 99% of employees who were assigned to receive Ethics Code training completed it. Management followed up with those who did not complete on time to understand why, and ensure there was a thorough understanding of the subject matter and the importance that is placed on compliance with the Ethics Code. The Ethics Code is available in all Essentra languages both in hard copy for colleagues working in factories, and online, so that employees are able to access it easily. An ethics decision tree helps guide employees on making the right decision. In addition, we have specific policies relating to Sanctions, Anti-Bribery and Corruption, Anti-Money Laundering, Anti-Trust and Competition and Third-Party Due Diligence. These policies are made available to all employees and specifically issued for affirmation to senior leaders and other employees who hold positions where such policies are relevant to ensure best practice.

Our Right to Speak Policy, which meets our obligations with regards to whistleblowing across the jurisdictions in which we operate, is well established and enables any employee, customer, supplier or individual otherwise connected to the business, to report circumstances where they believe that the standards of our Ethics Code, or our wider policies and guidance, are not being upheld. We are committed to ensuring employees feel able to raise any concerns in good faith, without fear of victimisation or retaliation and with our support. Employees can report any concerns on a confidential basis online or by telephone. During 2023, our Audit and Risk Committee received updates at each of its meetings on all Right to Speak issues raised

and sought assurance from management on the issues and the response. The issues raised mainly related to employment practices that were investigated in full under HR policies and gift disclosures. More information can also be found in the Audit and Risk Committee Report on page 113.

Throughout our international operations, we support and endorse human rights – as set down by the United Nations Declaration and its applicable International Labour Organisation conventions – through the active demonstration of our employment policies, our supply chain and the responsible provision of our products and services. This commitment includes a mandatory requirement at all our sites to avoid the employment of children, as well as a commitment to the prevention of slavery and human trafficking. Each of our websites includes a statement on Anti Modern Slavery, this statement is reviewed each year by management and then assurances provided as appropriate to the Board, prior to being agreed.

We are proud that in 2023, we joined the United Nations (“UN”) Global Compact initiative, confirming our commitment to responsible business practices, human rights and our support of the UN Sustainable Development Goals. The UN Global Compact is a voluntary leadership platform for the development, implementation and disclosure of responsible business practices.



Our communities

We work with our suppliers, local communities and wider family to ensure our values, ethical practices and processes provide equitable outcomes, as well as volunteering our time supporting good causes.

Developing an ethical supply chain

Our targets

Our Supplier Code of Conduct (“Supplier Code”) refreshed and launched in 2023 to all suppliers over a material spend threshold.

70%

of suppliers by spend actively risk monitored.

Our progress

18%

of suppliers targeted have agreed to our new Supplier Code so far.

75%

of suppliers by spend actively risk monitored – all suppliers over a material threshold spend.

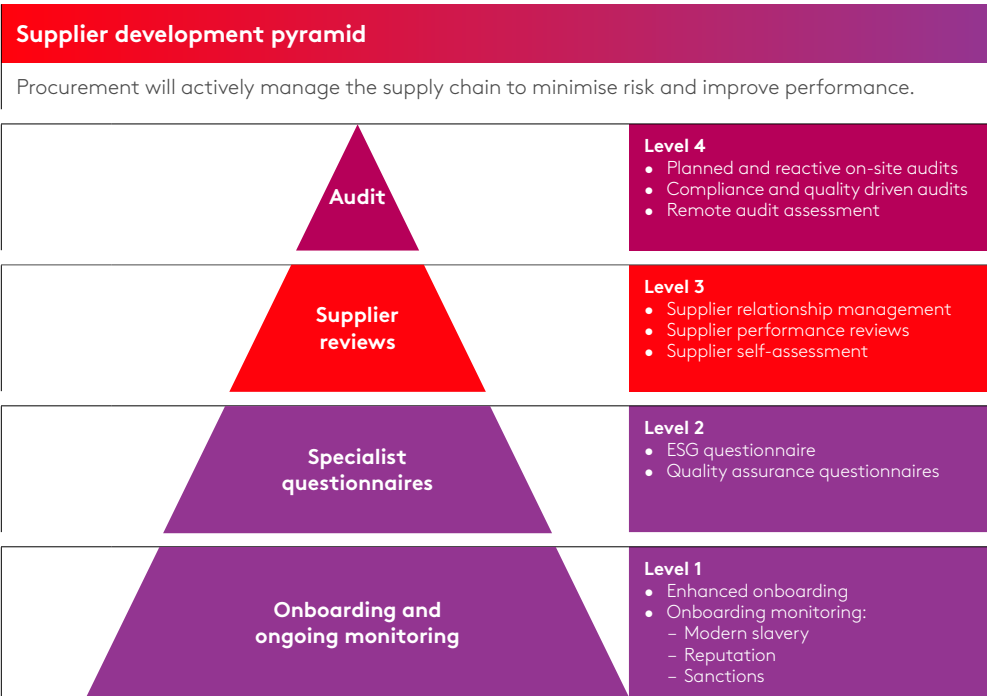
We are committed to conducting our business in a responsible and ethical manner. We recognise that our suppliers play a crucial role in our value chain and share in our commitment to upholding high standards of integrity, sustainability, and social responsibility. We have over 1,500 raw material and goods for resale suppliers who provide over 50,000 products, our supply chain is a core component of our business.

We recognise that local laws and regulations may differ across the regions in which we operate. However, our universal Supplier Code framework guides our suppliers’ behaviour and encourage best practices, irrespective of legal requirements. We expect our suppliers to not only comply with applicable laws but also embrace these principles and work towards continuous improvement. The Supplier Code is split into three distinct areas:

- health, safety and the environment
- respecting human and labour rights
- acting with integrity, ethics and compliance.

We believe that our suppliers are integral partners in achieving our ESG goals. By agreeing to operate to our Supplier Code, suppliers demonstrate their commitment to these principles and their willingness to work in collaboration with us towards a more sustainable and responsible future. Since its launch in October 2023, 18% of targeted suppliers have signed up to our Supplier Code. In 2024, we will be continuing engagement to increase responses. In 2023, we also developed and launched a new approach to supplier development incorporating four levels of engagement, from onboarding through to ongoing supplier relationship management. This new framework provides a collaborative approach to ESG matters and opportunities for decarbonisation.

We enhanced and rolled out a new supplier review and audit programme completing 19 on-site audits across the globe, which also forms part of our risk management approach (see page 65). In 2024, we will continue to work with our key partners to drive sustainable solutions. We have set additional targets to conduct supplier audits for tier one suppliers, based on the criticality of those suppliers, and to increase the percentage of spend actively risk monitored. We also plan to perform an assessment of our supplier's emissions reduction targets and alignment to science-based targets. Once this is complete we aim to set a target for our suppliers to set science-based targets in 2024, to ensure we continue to decarbonise our value chain.



Supporting good causes

Our targets

Community engagement days taken by **25%** of employees.

Our progress

13% of employees took a community engagement day in 2023.

We engage with our local communities to create a positive impact through initiatives that positively impact those in need, improving their lives, the community and the local economy. We relaunched our Community Engagement Policy in 2023 during our Sustainability Week in April, increasing visibility of the option that every employee has to receive one days paid leave each year to volunteer, and providing guidance to all of our employees on how they could spend their time.

In 2023, a total of 2,852 hours of volunteering were recorded by 405 employees, which is 13% of employees. As this is the first year we are recording volunteering, we recognise there is further engagement needed to encourage employees to volunteer and record their time, and this will be a focus area for 2024.

Our employees volunteered to support a wide variety of good causes across the world, illustrating the wide range of local communities our employees work and live in. Some examples include our employees in the UK taking part in beach cleans around the country, and helping a local school to tidy up their gardens. In the USA, our Louisville team adopted a local park, becoming stewards of Riverview Park which they will look after with various projects throughout the year.

In Thailand, over 200 employees took part in a local project to regenerate the local coral reefs, by creating the frames to support the reef restoration and planting live coral cuttings, and in China a team from our Yichun site donated stationery, schoolbags and sports supplies to a local school.



Chicago team – litter picking



Chichester team – beach clean



Rayong team – coral reef regeneration

Independent Limited Assurance Report to Essentra plc

ERM Certification and Verification Services Limited ("ERM CVS") was engaged by Essentra plc ("Essentra") to provide limited assurance in relation to the selected information set out below and presented in Essentra's Annual Report 2023 (the "Report").

Engagement summary

Scope of our assurance engagement

Whether the 2023 data for the following selected indicators, as indicated on pages 24-25 of the Annual Report are fairly presented, in all material respects, in accordance with the reporting criteria.

- Total Scope 1 GHG emissions (metric tonnes of CO₂e)
- Total Scope 2 GHG emissions (location-based) (metric tonnes of CO₂e)
- Total Scope 2 GHG emissions (market-based) (metric tonnes of CO₂e)
- Total Scope 3 GHG emissions from the following categories (metric tonnes of CO₂e):
 - Category 1: Purchased goods and services
 - Category 2: Capital goods
 - Category 3: Fuel- and energy-related activities
 - Category 4: Upstream transportation and distribution
 - Category 5: Waste generated in operations
 - Category 7: Employee commuting
 - Category 12: End-of-life treatment of sold products
- Total solid hazardous and non-hazardous waste by destination (Recycling, Recovery, Incineration, Landfill) (metric tonnes)
- Total liquid hazardous and non-hazardous waste by destination (Recycling, Recovery, Incineration, Landfill) (cubic metres)
- Zero waste to landfill sites (number)
- Total water usage (cubic metres)
- Percentage of raw materials from sustainable sources in polymer ranges
- Percentage of spend with targeted suppliers which have signed up to Essentra's Code of Conduct
- Products introduced with sustainability criteria (number)
- Recycled content in packaging materials (percentage)

Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report.

Reporting period

1 January 2023 – 31 December 2023

Reporting criteria

- WBCSD/WRI Greenhouse Gas Protocol Corporate Accounting and Reporting Standard for the Scope 1 and Scope 2 GHG emissions;
- WBCSD/WRI Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard for the Scope 3 GHG emissions; and
- Essentra's internal definitions and methodology for the waste, zero waste to landfill, water, raw materials, supplier, product and packaging metrics.

Assurance standard and level of assurance

We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Respective responsibilities

Essentra is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Report.

ERM CVS' responsibility is to provide a conclusion to Essentra on the agreed scope based on our engagement terms with Essentra the assurance activities performed and exercising our professional judgement.

Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the 2023 data for the indicators listed under 'Scope' above are not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the 2023 data a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the selected indicators
- Interviews with relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the selected disclosures
- A review at corporate level of a sample of qualitative and quantitative evidence supporting the reported data and information
- An analytical review of the year end data submitted by locations included in the consolidated 2023 Group data for the selected indicators which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary
- Conducting in-person visits to Essentra operations in Istanbul, Turkey and Nettetal, Germany, and a virtual visit to Hengzhu, China to review site level data management and reporting processes and assess the consistency of reported 2023 data for the indicators with underlying source data and related information
- Testing the accuracy of the Scope 1, 2 and Scope 3 GHG emissions calculations from the underlying activity data including a review of the conversion and emission factors used in these calculations
- Reviewing the presentation of information relevant to the scope of our work in the Annual Report to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly, we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Essentra in any respect.

Gareth Manning

Partner, Corporate Assurance
London, United Kingdom
18 March 2024

On behalf of:

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