Environmental, Social and Governance

IN THIS SECTION

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

Building a sustainable future

Our purpose, to help customers build a sustainable future, conveys our intent to provide a sustainable service to customers from design to delivery, whilst delivering on our targets for our people, planet, investors and the communities we operate in.

We continue to make good progress across each pillar in our ESG strategy. These pillars 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 during 2024, and what we have planned for 2025.

In 2024, we published our first Climate Transition Plan, underpinned with approved science-based targets, which gained an 97.6% approval from shareholders via an

advisory vote at our 2024 Annual General Meeting. Within this report, we have provided an update on our progress against this plan, outlined in each of the relevant targets in our ESG pillars.

This year, we have also advanced our assessment and disclosure of nature-related risks and impacts, using guidance provided by the Taskforce on Nature-related Financial Disclosure ("TNFD"). This information is provided alongside our Taskforce for Climate-related Financial Disclosure ("TCFD") report on pages 40 to 49.

+ For more information on our ESG strategy, our Climate Transition Plan and our methodology for collecting and calculating ESG data, go to:
essentraplc.com responsibility/reporting-centre

Jennifer Spence
ESG Director

"

Our first Climate Transition Plan, gained an 97.6% advisory vote approval from shareholders at our 2024 Annual General Meeting."

Our ESG pillars and related UN Sustainable Development Goals

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

Materiality assessment

Understanding the material risks and opportunities for our business is vital to form a comprehensive and effective ESG 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. More information on ESG risks is available on pages 50 to 57.

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.

Sustainability priority topics
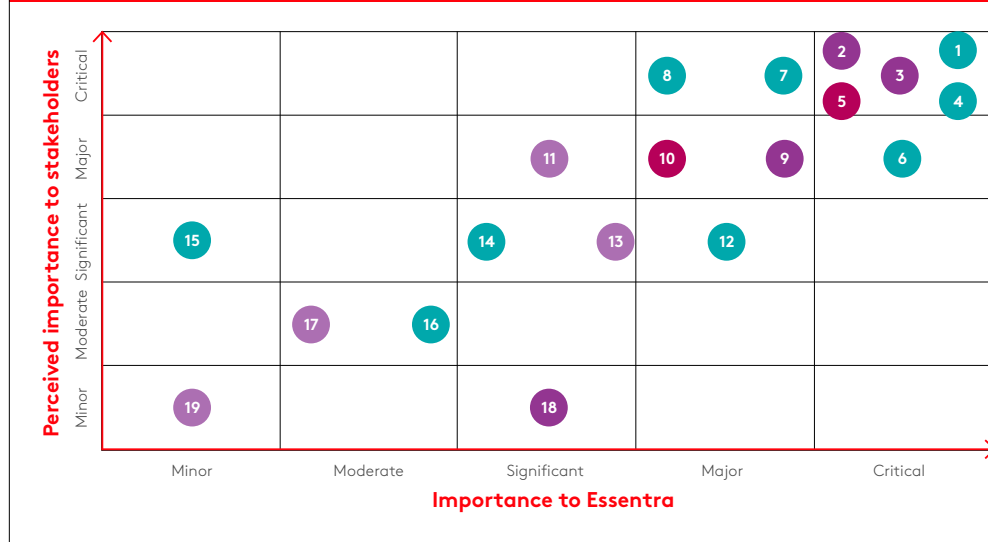
- ● Our culture
- ● Our communities
- ● Our components
- ● Our planet

1 Physical pollution and end of life disposal
2 Changes in legislation on material use and environment
3 Rejection of single-use plastics
4 Greenhouse gases

5 Mental and physical health, safety and wellbeing
6 Circular economy principles
7 Manufacturing waste streams
8 Natural environment, including marine ecosystems
9 Resource efficiency
10 Diversity, equity and inclusion
11 Transparency

12 Impact of extreme weather and climate action failure
13 Ethical supply chain
14 Use of renewable energy
15 Access to sufficient clean water
16 Atmospheric pollution
17 Product traceability, origin and conflict materials
18 Availability of raw materials
19 Community relations

External frameworks we align to

Task Force on Climate-Related Financial Disclosures

Science Based Targets initiative

UN Sustainable Development Goals

UN Global Compact

2024 ESG ratings

CDP 2024 ratings:

A–

Climate Change

B

Water Security

B–

Forests

MSCI

AA

Rating 2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

Non-Financial and Sustainability Information Statement

Essentra's strategic priorities and progress are measured with KPIs against stated priorities in terms of the environment, our customers, communities and people.

This table follows the requirements of Companies Act 2016 Sections 414C(7), 414CA and 414CB and is intended to help stakeholders understand our position on key non-financial matters. We have a number of Group policies and standards which govern our approach to these matters. These are detailed in this report in the sections shown.

Reporting requirement	Related policies and guidance	Relevant risks and where to read more	Pages	CA 414CB
Business model		Strategy and business model	**3 to 8**	CA s414CB 2(a)
Non financial KPIs		ESG report	**21 to 37**	CA s414CB 2(e)
Environmental matters	Sustainability Policy	ESG report	**21 to 37**	CA s414CB 1(a)
	Health, Safety and Environment Policy	TCFD and TNFD report	**40 to 49**	CA s414CB 2A(a-h)
	Our Climate Transition Plan	Principal risk – environment	**50 to 57**	CA s414CB 2(d)
Employees	Our Ethics Code	ESG report	**21 to 37**	CA s414CB 1(b)
	Health, Safety and Environment Policy	Principal risk – health and safety, leadership	**50 to 57**	CA s414CB 2(d)
	Diversity and Inclusion Policy			
Human Rights	Modern Slavery statement	ESG report	**21 to 37**	CA s414CB 1(d)
	Supplier Code of Conduct	Principal Risk – legal and regulatory	**50 to 57**	CA s414CB 2(d)
	Our Ethics Code			
Social Matters	Diversity and Inclusion Policy	ESG report	**21 to 37**	CA s414CB 1(c)
	Community Engagement Policy	Stakeholder engagement S172	**38 to 39**	
		Principal Risk – talent	**50 to 57**	CA s414CB 2(d)
Anti Bribery and Corruption	Anti Bribery and Corruption	Principal Risk – legal and regulatory	**50 to 57**	CA s414CB 1(e)
	Right to Speak Policy			

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

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 49% since 2019.	✅	**49%** reduction in scope one and two emissions since 2019.	See pages 27 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 16% since 2022.	✅		
	All sites to achieve zero waste to landfill by 2030.*	20 sites achieved zero waste to landfill in 2024.	✅		
	Reduce overall waste volumes by 50% by 2030.*	Waste intensity has reduced 42% against 2019 baseline.	✅		
Our components	50% of materials from sustainable sources by 2030 across our manufactured polymer ranges.*	18.4% of our manufactured polymer ranges used sustainable materials.	❌	**33%** of our general protection and security seals ranges used sustainable materials in 2024	See pages 29 to 30
	100% of materials from sustainable sources in our general protection and security seals ranges by 2030.	Sustainable materials made up 33% of these product ranges in 2024.	✅		
	100% of our packaging is reusable, recyclable or compostable by 2030.*	48% of our packaging is recyclable, or compostable.	✅		
	50% recycled content in our packaging materials by 2030.*	29% of packaging materials contain recycled content.	✅		
Our customers	Increasing the number of products introduced with sustainability criteria.*	6,846 products across our ranges now have sustainability attributes, 1,428 were introduced in 2024.	✅	**6,846** total sustainable products.	See page 36 to 37
Our culture	Zero accidents for our people and visitors.	10 lost time incidents in 2024.	⚠️	**92%** of our sites took part in healthy lifestyles activities in 2024	See pages 31 to 34
	100% of employees trained on Ethics Code biannually.	99.6% of employees were trained on Ethics Code in 2024.	✅		
	Healthy lifestyles campaigns at 50% of sites by 2025.	92% of our sites participated in activities in 2024.	✅		
	Mental health training to 80% of leaders by end 2024.	84% of leaders have received mental health training.	✅		
	40% women in our leadership team by 2025.	33% women in 2024 leadership team, 57% on the Board.	❌		
Our communities	100% of suppliers over a £100k spend threshold sign up to our Supplier Code of Conduct.*	37% of targeted suppliers have signed up to this code.	❌	**14%** of employees took a community engagement day in 2024.	See pages 34 to 35
	70% of suppliers over £100k spend actively risk monitored.	90% of suppliers actively risk monitored.	✅		
	A community engagement day taken by 25% of employees	Volunteer days taken by 14% of employees in 2024.	❌		

*   ERM CVS has assured a selection of our environmental, social and governance metrics for 2024. Full details of the scope, activities, limitations and conclusions of the assurance engagement are included in the Assurance Report on pages 120 to 121. Further details on our basis for reporting can be found at www.essentraplc.com/responsibility.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

2024 environmental data

Scope one and two GHG emissions (tonnes CO_2e)*	2019	2023	2024	% change 2024/2019
Stationary fuel combustion	3,050	2,323	2,127	-30%
Mobile fuel combustion	372	604	640	72%
Fugitive emissions	–	247	16	–
Total scope one emissions	**3,422**	**3,174**	**2,783**	**-19%**
Electricity – location based	22,587	15,303	15,151	-33%
Electricity – market based	18,814	10,498	8,275	-56%
Off-site electric vehicle charging – location based	–	2	5	–
Off-site electric vehicle charging – market based	–	4	8	–
Purchased heating and cooling	–	89	187	–
Total scope two – location	22,587	15,394	15,343	-32%
Total scope two – market	18,814	10,591	8,470	-55%
Total scope one and two emissions location	**26,009**	**18,568**	**18,126**	**-30%**
Total scope one and two emissions market	**22,236**	**13,765**	**11,253**	**-49%**
GHG intensity (total scope one and market-based two emissions per £m revenue)	**74.2**	**43.5**	**37.2**	**-50%**

Scope three emissions by category number (tonnes CO_2e)	2022	2023	2024	% change 2024/2022
1. Purchased goods and services*	98,789	66,557	67,735	-31%
2. Capital goods*	1,161	141	120	-90%
3. Fuel and energy-related activities*	5,215	4,344	4,308	-17%
4. Upstream transportation and distribution*[1]	44,756	29,806	22,106	-51%
5. Waste generated in operations*	479	175	85	-82%
6. Business travel*[2]	809	809	901	11%
7. Employee commuting*	6,741	6,433	5,208	-23%
8. Upstream leased assets*	–	–	463	–
10. Processing of sold products	29,859	23,141	22,646	-24%
12. End of life treatment of sold products[5]	291[3]	244	341	17%
13. Downstream leased assets	84	84	146	74%
Near-term target total (categories 1 and 4)*	**143,545**	**96,363**	**89,841**	**-37%**
Near-term GHG intensity (kgs/£ of value added)*	**1.80**	**1.27**	**1.52**	**-16%**
Total scope three emissions	**188,184**[4]	**131,733**	**124,059**	**-34%**

Zero waste to landfill*		2019	2023	2024
Number of sites at zwtl			2	14	20

Materials from sustainable sources	2019	2023	2024
Percentage of polymers from sustainable sources*	2%	20.7%	18.4%
Percentage by spend of recycled content in packaging materials*	–	28%	29%
Percentage by spend of packaging that is recyclable or compostable	–	58%	48%

Energy (MWh)*		2019	2023	2024	TCO₂e 2024
Total electricity procured	UK	8,055	6,034	5,629	28
	Global	48,729	38,873	41,237	8,283
Renewable electricity procured and generated	UK	7,896	5,973	5,564	–
	Global	7,896	16,967	23,432	–
Natural gas	UK	14	367	353	64
	Global	14,318	12,145	11,179	2,031
Fuels	UK	691	409	328	88
	Global	2,206	2,944	3,103	738

Solid hazardous and non-hazardous waste destinations (tonnes)*	2019[1]	2023	2024
Recycling	1,374	2,709	2,006
Recovery	161	330	351
Incineration	66	80	80
Landfill	2,787	204	135
Total solid waste	**4,388**	**3,323**	**2,572**
% solid waste diverted from landfill	36%	94%	95%

Liquid hazardous and non-hazardous waste destinations (tonnes)*	2020	2023	2024
Recycling	66	57	98
Recovery	198	26	25
Incineration	4	12	15
Landfill	3	–	6
Total liquid waste	**271**	**95**	**144**
% liquid waste diverted from landfill	99%	100%	96%

Water (cubic metres)*	2020	2023	2024	% change 2024/23
Water usage	135,015	171,145	180,125	5%

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 to 2022 reporting periods are January to December. The 2023 and 2024 reporting period is January to December, for all data except for spend-based calculations in scope three categories one, two and four, where the reporting period is January to September of the current year, and October to November of the preceding year. Excluded categories were determined via a materiality threshold assessment to be inapplicable due to no related activity. This is periodically reviewed.

* ERM CVS assured metric. Details of the scope, activities, limitations and conclusions of the assurance are on pages 120 to 121.
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 2022 and 2023 business travel emissions is based on a 2022 data study. 2024 is activity data from US and UK based employees only
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 SBTi approved near- and long-term target baseline.
5 Excludes Wixroyd and BMP TAPPI as no data available.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

Our planet

We want to transition to net-zero in our direct operations and value chain, reducing absolute emissions, whilst protecting natural resources by improving our resource efficiency and minimising our impacts on nature.

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

49%

Reduction in scope one and two GHG emissions since 2019.

16%

Reduction in scope three GHG emissions intensity since 2022.

We are committed to continuing to decarbonise our operations. Since 2019, we have reduced our total scope one and two CO_2e emissions by 49%, and indexed to revenue, emissions intensity has declined by 50%.

Total scope one and two emissions reduced in the year due to our continuing transition to renewable electricity and our focus on energy management programmes. Renewable electricity now accounts for 57% of total electricity usage, an increase of 13% compared to 2023. In 2024, our teams in APAC and EMEA signed agreements for two more solar arrays, at our Kidlington head office, and our Ningbo manufacturing facility, both due for completion by Q2 2025. Renewable energy generated on site is now 5% of our total usage.

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 received 97.6% approval from shareholders via an advisory vote at our 2024 AGM. 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, and is available at essentraplc.com/responsibility/reporting-centre.

Alongside decarbonising our energy usage, part of our plan includes increasing our energy efficiency, and we have continued to implement energy efficiency projects across the Company. In 2024, we completed 10 projects across five sites. These include installation of new energy efficient material loaders in Erie, a high efficiency compressor installation in Flippin, new chiller equipment in Rayong, and the upgrade of injection moulding machines in Barcelona and Yichun.

In 2024, our absolute scope three emissions have reduced by 34% and our emissions intensity has reduced by 16% compared to our 2022 baseline. However our intensity has increased 20% since 2023, due to the market downturn having an impact on our 2024 gross economic value added. We are still on track for our 2030 target, but are mindful we need to renew focus on our scope three emissions hotspots in our value chain, and gain a better understanding of our product carbon footprints to ensure we stay on track.

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. During 2024, we have engaged with our metal and goods for resale suppliers to better understand their product carbon footprints and their decarbonisation plans. We will be continuing this in 2025, and expanding to incorporate more suppliers across our value chain.

Within our product transportation, we are working with our supply chain to track each shipment's route and distance, which allows us to optimise the route and travel mode, 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

Our pathway to net-zero

Scope one and two emissions
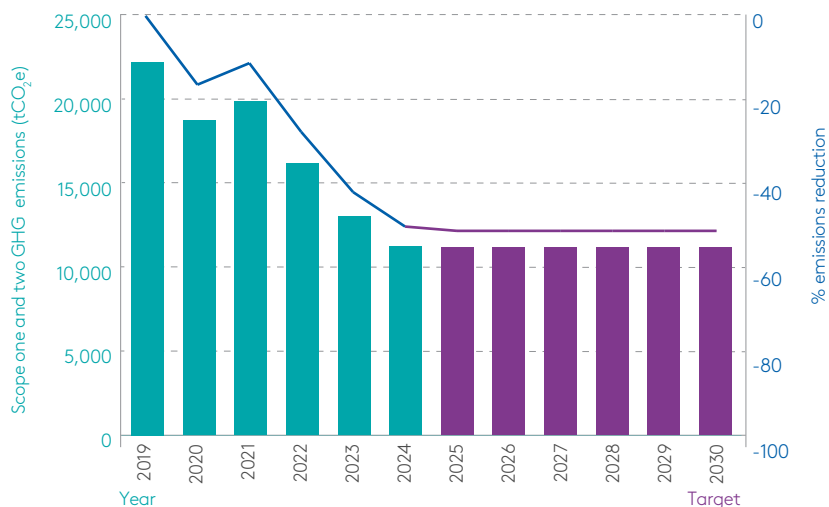
Scope three emissions

Waste

Our targets	Our progress
All sites to achieve **zero waste to landfill** by 2030 at the latest.	**20 sites** achieved zero waste to landfill in 2024, and 95% of waste is diverted from landfill across all our operations.
Reduce waste intensity by **50%** by 2030 from a 2019 baseline.	Waste intensity has reduced **42%** from our 2019 baseline.

We aim to dispose of zero waste to landfill 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 2024, six additional sites achieved zero waste to landfill, taking our total to 20, or 67% of all sites in scope. Of the 10 sites we have remaining, six have already achieved three months of zero waste to landfill in 2024, and are aiming to progress to meeting the target fully in 2025. The remaining four sites will be assessed in 2025. Overall, 95% of solid waste was diverted from landfill across our operations in 2024, and our waste intensity has reduced by 42% against our 2019 baseline. This performance has been driven by including waste reduction targets as an element of reward for many of our site teams, 45% of all employees had a waste reduction measure as part of their bonus objectives in 2024, and we will be continuing this into 2025. This focus has resulted in many waste prevention projects across the Company globally, reusing waste across all aspects of our manufacturing and operations process.

At our Kidlington site in the UK, by investing in equipment to reprocess and reuse polymer material left over after the manufacturing process, we have reused over 50 tonnes of material in 2024, reducing cost, waste and material transportation emissions.

At our Houston and Flippin sites in the USA, and our Chichester, UK site, they have implemented composting of their organic waste, which can then be reused on site for gardening, or if not needed, donated to a local garden in their area.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

Water use and our wider impacts on nature

Our polymer manufacturing operations predominantly use water in closed loop systems, and consequently our most material water usage globally is a result of metal manufacturing 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 2024, our water use has increased by 5% compared to 2023, due to an increase in water use at our Yichun site in China, due to an increase in products being manufactured with higher water intensity.

Yichun is our site with our biggest water usage, and accounts for around 50% of our total. The site has a detailed water management plan, and in 2024, they invested in improvements to the water treatment and management processes on site. Water quality is continuously monitored, and the readings are sent automatically to the local regulatory authority.

We monitor water stress across all of our sites globally on at least an annual basis. We have three sites that are in high water stressed regions, Barcelona, Spain and Monterrey, Mexico, which manufacture plastic components, and Johannesburg in South Africa which is a distribution site. These sites have a low water consumption, making up only 1% of our total water usage in 2024.

This year, we have made progress in adopting the recommendations of the Taskforce for Nature related Financial Disclosures ("TNFD"), and on pages 40 to 49 have provided our first TNFD assessment of our nature-related risks and opportunities at our manufacturing and distribution sites in line with the TNFD guidance.

Across our sites globally in 2024, we have participated in many initiatives that benefit the local natural environment. Highlights included beach cleans, litter picking in our areas local to our sites, and adopting a local park to look after.

Environmental Compliance

In 2024, 10 of our manufacturing sites, equating to 85% of our production, are covered by ISO 14001 certifications.

We monitor any site where we have water discharge consents to ensure compliance. In 2024, two sites, Yichun in China and Rayong in Thailand, had consents to discharge water and there were no incidents of non-compliance.

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.

Our components

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

Transitioning to more sustainable materials

Our focus and targets	Our progress
50% of raw materials from sustainable sources by 2030 across our polymer ranges.	In 2024 **18.4%** of sustainable materials in our polymer ranges.
100% of raw materials from sustainable sources by 2030 across our general protection and security seal ranges.	**33%** of raw materials from sustainable sources by 2030 across our general protection and security seal ranges.

In 2024, we have increased the number of sites that have transitioned to using recycled content in our polymer ranges. We now have 10 manufacturing sites globally where recycled material is used as standard, an increase of three from 2023, across a range of over 6,000 products. Due to the overall slowdown in demand in 2024, and a variation in the product types we provided

to customers throughout the year, we have seen a slight reduction in our overall percentage of sustainable materials, which has dropped by 2.3% to 18.4%. For the first time, we are also reporting on the target we developed in late 2023 to increase the percentage of sustainable materials (which includes recycled materials and bio-polymers) within our general protection and

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

security seals ranges. At 33%, this higher percentage reflects our prioritisation to date on these high volume, product ranges.

We remain committed to increasing our range of sustainable products, and during 2024 we revitalised our product management focus, supported by research in our Centre of Excellence to develop new product offerings and material types to support our continued transition. In 2025, we have a planned roll out of a new post-consumer recycled material within our caps and plugs ranges, as well as continued investment into our Centre of Excellence to work on finding alternative materials for our other product ranges and polymer types.

Innovating with new materials at our Centre of Excellence

At our manufacturing and distribution centre in Kidlington, in the UK, we have been operating our Centre of Excellence since 2023.

Working closely with existing suppliers, and forging relationships with new suppliers developing innovative new bioplastics. During 2024, we conducted 46 trials on a variety of different materials, including recycled materials and bio-plastics.

A particularly exciting innovation is the ongoing trials utilising seaweed bio-plastics. Working with these emerging materials, our Centre of Excellence has been testing these flexible, seaweed-derived bioplastics to substitute into our existing fossil based polymer ranges, as well as for consideration in our product pipelines.

Other materials being tested are different types of bio-woods, post-industrial recycled ("PIR") nylons, and a variety of different Low Density Polyethylene ("LDPE") products from both PIR and post-consumer recycled ("PCR") sources. We are also trialling materials using industrial and consumer products that have already been recycled once, thus extending the life and increasing the circularity of a material.

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

48%

of our packaging spend is reusable, widely recyclable or compostable.

29%

recycled content in our packaging spend.

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. In 2024, At the end of the year, we reached 29% recycled content across all of our packaging spend, a small increase of 1% compared to 2023, and 48% of our packaging spend is deemed to be widely recyclable or compostable. This is a decrease of 10% compared to 2023, which we believe is down to an increase in the reuse of pallets across the Company, which currently is not monitored. We will be looking into methods to incorporate this reuse into our target in 2025.

In 2024, we implemented more recycled and reusable content into our packaging across our sites globally. At our Chichester site in the UK, pallets that are no longer needed are donated to a local charity to reuse in local community projects. Our Brazil site has invested in reusable pallet wrap, reducing the amount of single use packaging they use on site. And in the USA, at our Louisville site, they initiated a new process for products that eliminated the need for over 100,000 labels annually, saving both resources and time.

In 2025, we will be continuing to engage with our packaging suppliers to share best practice and increase recycled content.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

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	Our progress
Zero accidents for our people and visitors.	Lost time incidents **10** in 2024.
Mental health training to **80%** of leaders by end of 2024.	**84%** of leaders have received mental health training.
Healthy lifestyles campaigns at **50%** of sites by 2025.	Healthy lifestyles campaigns at **92%** of sites.

In 2024, our lost time incidents remained the same as 2023, however, the severity rate increased. In 2025, we plan to ensure sites have a stronger focus on safety via our safety committees, and our improved management platform will offer sites better tools to report and manage incidents.

Our safety commitment is centred around developing and implementing four key global safety strategic initiatives:

- implementation of a safety playbook, providing a comprehensive guide outlining our safety expectations in compliance, leadership, and participation

- development of our incident reporting platform, providing an auto-generated notification system, and an interactive incident dashboard
- the introduction of a improved safety culture assessment, leading to the development of an annual plan that targets key priorities identified through the assessment
- embedding the Safety Commitment, a site-wide engagement initiative where teams sign a visible commitment to safety on posters, reinforcing collective responsibility for safety.

In 2024, the focus was on developing global safety tools and frameworks to strengthen our safety initiatives. The Essentra Safety Programme establishes clear safety expectations for all employees, structured around three key pillars: leadership at every level, active participation, and strong compliance. In 2024, we completed four assessments, supporting sites in identifying, and understanding their position on the safety culture scale, while helping them create a focused annual plan.

In 2025, safety culture assessments will continue, with the primary goal of completing assessments at all focus sites and establishing a baseline for Essentra's overall safety culture, alongside a strategic plan for the next three years. Our safety playbook will play a crucial role in 2025, helping to align the safety plan globally across our sites, and guiding the integration of any new sites into the business. Additionally, a training aid will be developed to support the implementation of our safety playbook.

Safety performance 2024

	2023	2024	% change
Lost time incidents ("LTIs")	10	10	–
LTI rate per 200,000 hours	0.42	0.43	2%
Days lost	128	333	160%
Severity rate (days lost per 200,000 hours)	5.41	13.95	158%
Fatalities	0	0	–

As well as physical health and safety, we recognise the importance of our people's mental health and wellbeing. In 2024, we rolled out mental health training for all of our senior leadership team, ensuring a consistent approach to mental health and wellbeing across the business.

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.

We also commenced our healthy lifestyle campaigns last year, with a rolling programme of monthly activities throughout the year ranging from team sports and walking challenges, to a nature photography competition and a focus on employee mental health. These activities are promoted globally for all employees to participate in, and we know at least 92% of our sites have participated in at least one activity.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

Employee engagement (%)

Why this is important
The happiness and fulfilment of our people is a key priority. Having more engaged employees reduces staff turnover, improves productivity and helps us serve and retain customers.

Year	Value
2024	85
2023	82
2022	83

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 2024, 93% of employees responded to the survey, meaning that the findings are a true representation of the employee voice at Essentra. The results of our 2024 survey show we have an overall engagement across the business of 85%. This is up by 2% in comparison to 2023, and exceeds the industry benchmark by 10%.

Across the 52 questions asked, we have seen positive increases compared to our last full survey in 2022, and we also exceed industry benchmarks, in three key areas:

- "My company is a safe place to work" – at 92% this has improved by 3% since 2022 and is 8% above the industry benchmark
- "I would like to be working for Essentra 12 months from now" – at 88% this has risen by two points since 2022, and is 15% above the industry benchmark

- "My company is an environmentally responsible company" – at 90% this increased by 5% from 2022, 8% 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 60%, which is an increase of 4% against 2022 but still the lowest scored question
- similarly, when asked if there was little wasted time and effort only 66% of respondents agreed.

To implement improvements, every site and functional area of the business will be reviewing their 2024 engagement action plans, and building a 2025 plan to drive improvements in their area related to the feedback provided.

As well as some very positive engagement scores, in January 2025 we were pleased to be notified we have been selected as one of the UK's Best Employers, as determined by the Financial Times and Statista. This was based on a survey of more than 20,000 people in the UK in which participants were asked to rate their employers on various factors in their workplace, and means we stood out as one of the most highly recommended employers in the UK.

Championing equality and celebrating diversity

Our focus and targets	Our progress
40% women in our Board and leadership teams by 2025.	**33%** of women in leadership teams at end of 2024, 57% on our Board.
25% of leaders identify as ethnically diverse by 2030, 20% by 2027.	**19%** of leaders identify as ethnically diverse in 2024, 28% on our Board.

We believe that Diversity, Equity and Inclusion ("DEI") are essential to our success as a global organisation, and we are dedicated to fostering a safe supportive work environment, where every individual feels valued and empowered. We are committed to offering equal opportunities to potential and current employees. We maintain a flexible position to best manage disabilities, making adjustments in a range of ways to best meet the needs of future and current employees.

In 2022, we set a target to have 40% of women in our leadership teams and our Board, by 2025. At the end of 2024, in our senior leadership team this was at 33%, an increase of 2% from 2023. At Board level, composition increased to 57% women, with the appointment of Rowan Baker as our CFO, and the departure of Ralf K. Wunderlich. In addition, we have continued to collect information on the ethnic diversity of our senior leadership team, and found that 19% of employees in the team identify as ethnically diverse, an increase of 2% from 2023. At the Board, our percentage increased from 25% to 28%, due to the Board reducing size to seven members.

In 2024, we carried out a review of our DEI actions, supported by external consultants. This provided us with key insights to strengthen and embed DEI throughout the organisation. Using these findings, we developed a DEI action plan, which was approved by the ESG Committee in December 2024. This global action plan provides a roadmap to support our targets, whilst acknowledging we have different requirements and opportunities within each region we operate in, and will be rolled out in 2025.

Our overall DEI goals are supported by a 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 2024 related to various topics, including Pride, Black History Month, International Women's Day and International Men's Day. In 2025, we are building on these campaigns by showcasing and celebrating the diversity we have in our workforce. We are also increasing the focus on attracting and recruiting individuals who reflect our countries of operation and customer base.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

Our employee diversity

Permanent/Contractor split (%)
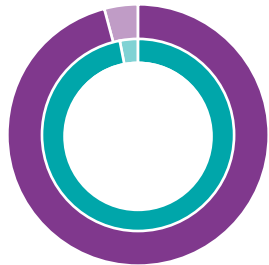
All employees
- Employees: 96% (2,880)
- Agency/Contractors: 4% (112)
  Total: 2,992

Leadership team
- Employees: 97% (67)
- Agency/Contractors: 3% (2)
  Total: 69

Gender (%)

All employees
- Women: 43% (1,295)
- Men: 57% (1,697)

Leadership team
- Women: 33% (23)
- Men: 67% (46)

Board of Directors[2]
- Women: 57% (4)
- Men: 43% (3)

Ethnicity (%)

All employees[1]
- Ethnically diverse: 26% (681)
- White: 30% (804)
- N/A or no response: 44% (1,177)

Leadership team
- Ethnically diverse: 19% (13)
- White: 45% (31)
- N/A or no response: 36% (25)

Board of Directors[2]
- Ethnically diverse: 28% (2)
- White: 72% (5)

1   Ethnic diversity of employees responding to the 2024 Employee survey (2,662 employees)
2   Ethnic and gender diversity of the Board of Directors is reported as at 8th January 2025

Why this is important

At Essentra we are committed to progress in terms of the diversity of our leadership community. We believe this diversity brings a range of outlooks to decision-making and problem-solving, ensures representation of our employee base and the communities in which we operate. We also report this information to meet FCA reporting requirements and we aim to meet all FCA targets: we currently have 57% women on the Board and ensure diversity is considered in our recruitment processes, our Senior Independent Director is a women and we have two Board members from an ethnic minority background.

Our commitment to being an ethical employer

Our focus and targets

100%

of employees trained on Ethics Code biannually.

Our progress

99.6%

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 2024, 99.6% 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 polices 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 2024, 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 89.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

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 prevent 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. In 2024, we continued our membership and also participated in their 9th European Peer Learning Group on Business and Human Rights. This allowed us to gain insights and assurance on our current ethics practices, as well as providing a great opportunity to share best practices in this area.

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 progress
100% of suppliers over a £100k spend threshold signed up to our Supplier Code.	**37%** of suppliers targeted have agreed to our Supplier Code.
70% of suppliers by spend actively risk monitored.	**90%** of suppliers over a £100k spend threshold actively risk monitored.

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 encourages 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. Our Supplier Development Programme includes levels of requirements which are tailored to suppliers based on our assessment of criticality and spend. In 2024, 90% of suppliers over a £100k spend were actively risk monitored to ensure compliance with relevant legislation, and flag any regulatory or reputational concerns for further investigation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

Since its launch in October 2023, 37% of targeted suppliers have signed up to our Supplier Code. Whilst this has more than doubled from the 18% we reported at the end of 2023, we would like to see more progress in this area. In 2025, we will be focusing on continuing engagement within our raw material and goods for resale suppliers to increase responses. This will be further supplemented under the Supplier Development Programme, where audit activity will be undertaken across a number of critical suppliers, ensuring compliance to the Supplier Code as part of a wider review of their processes and policies associated with quality and performance.

In 2025, 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 will also continue to monitor our supplier's emissions reduction targets and alignment to science-based targets.

Supplier development pyramid

We actively manage our supply chain to minimise risk and improve performance.

Level 4
- Planned and reactive on-site audits
- Compliance and quality driven audits
- Remote audit assessment

Audit

Level 3
- Supplier relationship management
- Supplier performance reviews
- Supplier self-assessment

Supplier reviews

Level 2
- ESG questionnaire
- Quality assurance questionnaires

Specialist questionnaires

Level 1
- Enhanced onboarding
- Onboarding monitoring:
  – Modern slavery
  – Reputation
  – Sanctions

Onboarding and ongoing monitoring

Supporting good causes

Our targets

Community engagement days taken by

25%

of employees.

Our progress

14%

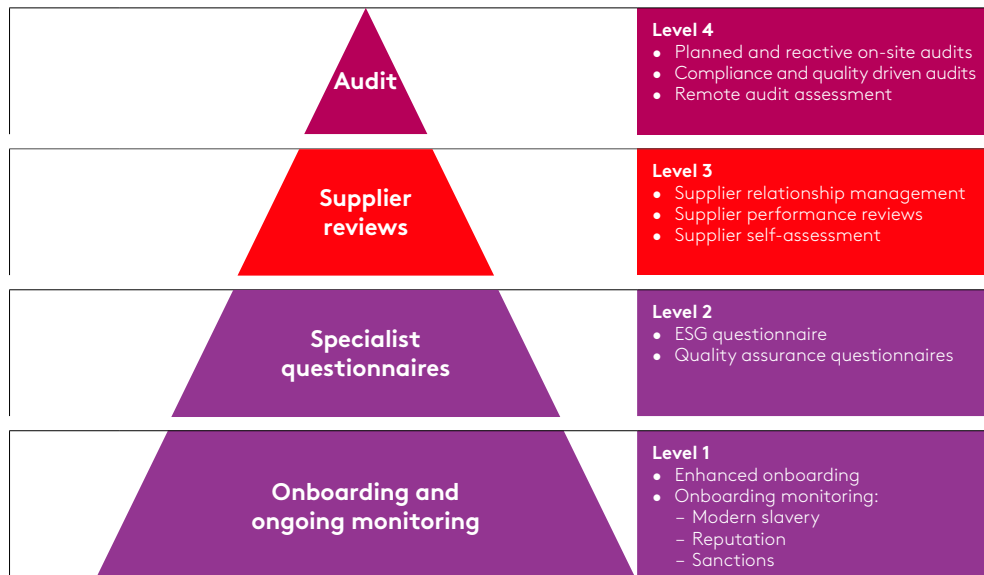of employees took a community engagement day in 2024.

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 have a Community Engagement Policy that offers every employee one day of paid leave each year to volunteer, and provides guidance to all of our employees on how they could spend their time.

In 2024, over 2,000 hours of volunteering were recorded by 424 of our employees around the world. Our employees volunteered to support a wide variety of good causes globally, illustrating the wide range of local communities our employees work and live in. Some examples include litter picking in local neighbourhoods, beach cleans, and volunteering to spend time with community charities in activities from painting to sport to planting a forest. Whilst participation in volunteering activities has increased slightly by 1% from 2023, we

know we still have some work to do to encourage our employees to use the time available to them to support their local communities. We will continue to promote activities across the regions we operate as part of our annual sustainability week, and as part of our healthy lifestyle campaigns we run throughout the year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

Our customers

This pillar focuses on supporting our customers to achieve their sustainability goals. As a global manufacturer and distributor, 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

1,428

products in 2024 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 2024, we introduced 1,428 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 6,846, this is a decrease in total against 2023, due to the discontinuation of some obsolete product lines in EMEA. When we look at revenue however, we have increased total revenue globally from all of our sustainable product ranges by 0.7% from 4.8% to 5.5%.

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, 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 provide product carbon footprints and material circularity information to our customers, providing transparency and expertise to help our customers when looking for solutions.

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 2024, 10 of our manufacturing sites, equivalent to 93% of products we manufacture, were certified to a recognised international quality management standard of ISO 9001 or ISO/IATF 16949.

Our Customer KPIs

Active customers

Why this is important
This reflects marketing effectiveness and measures the potential population for further growth opportunities. Customer numbers fluctuate yearly, for example, due to strategic focus on mid-size accounts and digital marketing strategy.

Year	Value
2024	64k
2023	69k
2022	74k

Net Promoter Score

Why this is important
Reflects our customers' overall satisfaction with our products and service, as well as loyalty to our brand.

Year	Value
2024	43
2023	40
2022	34

On Time In Full%

Why this is important
Our ability to deliver quality products on time and in full demonstrates our ability to meet our customers' delivery demands.

| Year	Value
2024	81.7
2023	82.2
2022	78.2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

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.

Our sustainable product focus areas
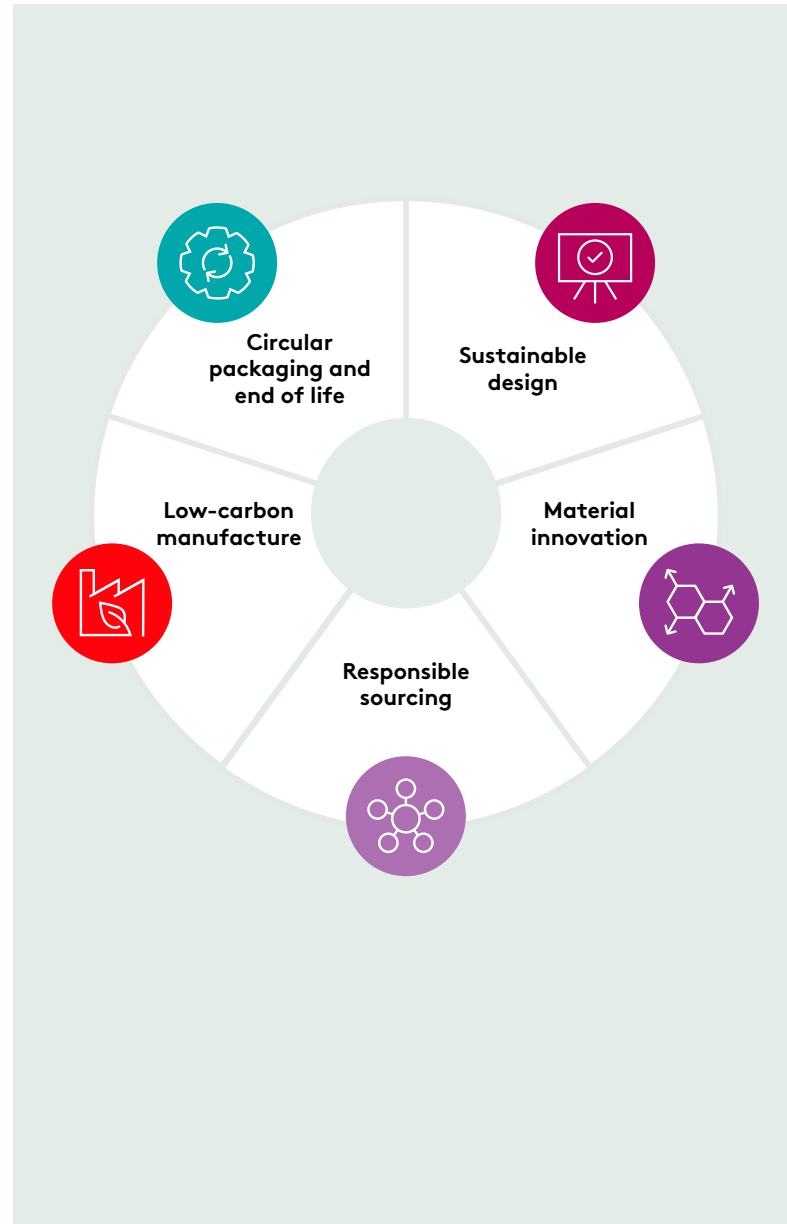
Sustainable design
Adopt circular economy principles to reduce material use per product and per process cycle. Maximise resource efficiency and design out waste.

Material innovation
Transition to more sustainable materials and increase recycled content across our product ranges.

Responsible sourcing
Embed environmental and social objectives and targets into our supply chain, and engagement to identify decarbonisation opportunities.

Low-carbon manufacture
Reduce the emissions intensity of our products by decarbonising our energy usage, increase our energy efficiency through new technologies, and reduce waste through employee engagement and improved tooling.

Circular packaging and end of life
Increase the circularity of our packaging through initiatives like increasing recycled content and ensuring reuse, recyclability or compostability at end of life.