



Doing good with chemistry



PETRONAS

Report overview



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About this report

The PCG Specialty Chemicals (PCG SC) Sustainability Report 2025 shares how we are advancing sustainability as a key part of our business strategy. PCG SC is a division owned by PETRONAS Chemicals Group Berhad (PCG).

This year's report includes a formal Sustainability statement for both Perstorp and Da Vinci Group (DVG, widely known as BRB), which are our legal groups within PCG Specialty Chemicals. These statements are inspired by the European Sustainability Reporting Standards (ESRS) under the CSRD.

The Sustainability statement for Perstorp and DVG can be found on pages 33–68 and 69–96, and they also include limited assurance on selected KPIs.

PCG Specialty Chemicals is moving towards full compliance with the Corporate Sustainability Reporting Directive (CSRD) with the first CSRD-aligned report to be published for FY2027.

This is PCG Specialty Chemicals

PCG Specialty Chemicals is building a solutions-driven specialty chemicals platform to help support customers solve tomorrow's needs, and by enabling sustainable innovations everywhere. By uniting BRB (legally known as Da Vinci Group, DVG) and Perstorp in one division, we deliver high-performance, lower-impact chemistry across global value chains. Guided by our purpose, 'Doing good with chemistry', we enable, transform, and care to accelerate the transition to safer, circular, and more sustainable materials.

Chemistry is everywhere

Our solutions shape how surfaces and functional properties improve how products perform in real-world conditions. Through specialty chemistry, we enhance durability, adhesion and protection in applications people rely on every day. This includes coatings that shield buildings from wind, rain and sun, safety glass with reliable performance, and fire protection systems that help delay structural failure. Often unseen, this chemistry helps products and infrastructure last longer and perform with a lower environmental footprint.

This is us

PCG Specialty Chemicals (PCG SC) brings together BRB and Perstorp within PETRONAS Chemicals Group Berhad (PCG) to build a leading specialty chemicals platform focused on solving tomorrow's needs while doing good with chemistry.

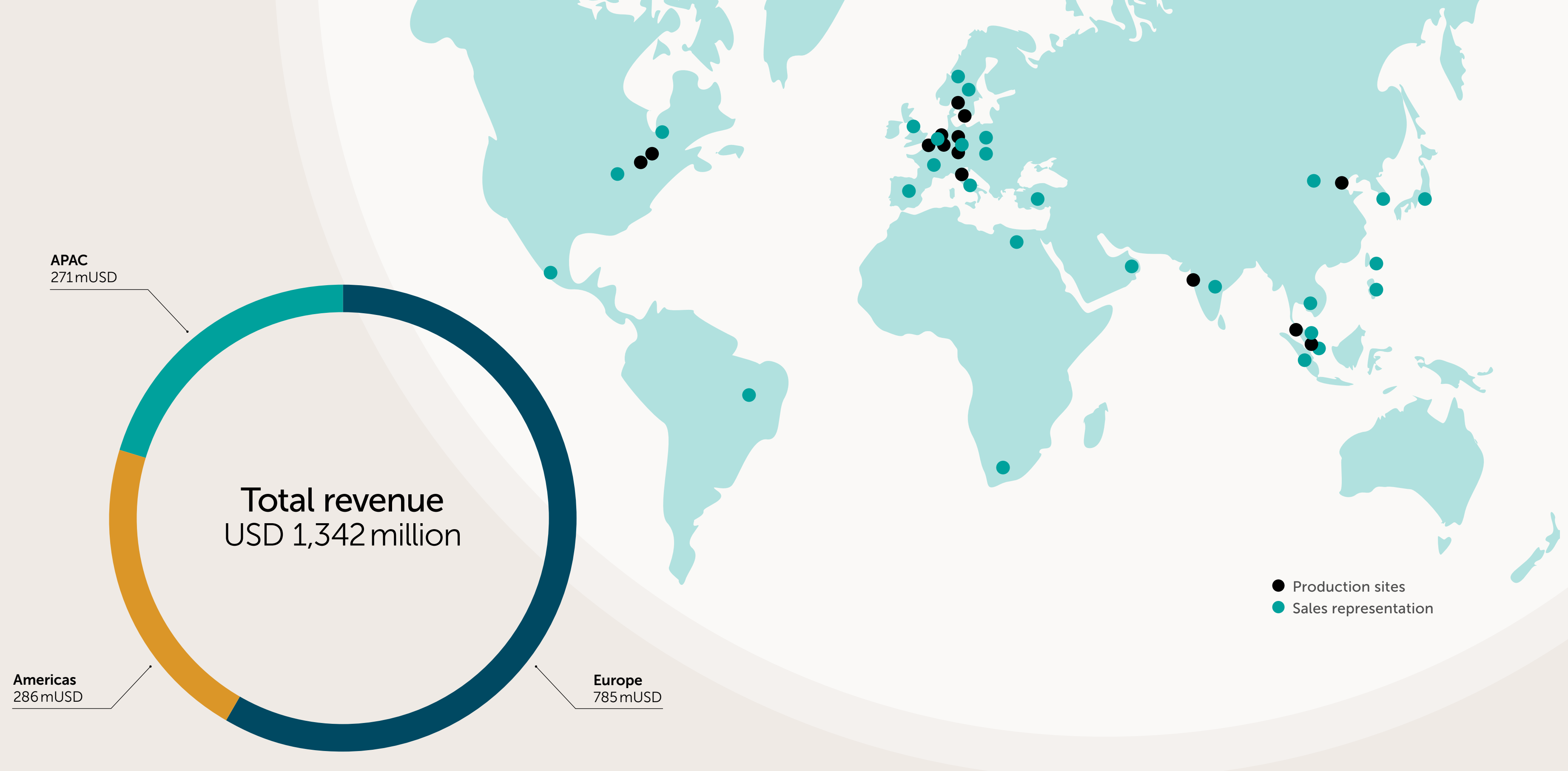
With operations across Europe, Asia and North America, and a sales presence in more than 27 countries, our approximately 2,000 colleagues serve customers globally in industries that rely on advanced, high-performance chemistry. These industries, for example, cover paints and coatings, personal care, engineered fluids and thermal management, advanced materials and packaging, lube oil additives, silicones, and animal nutrition.

To stay close to the market, our division is aligned around four focus segments:

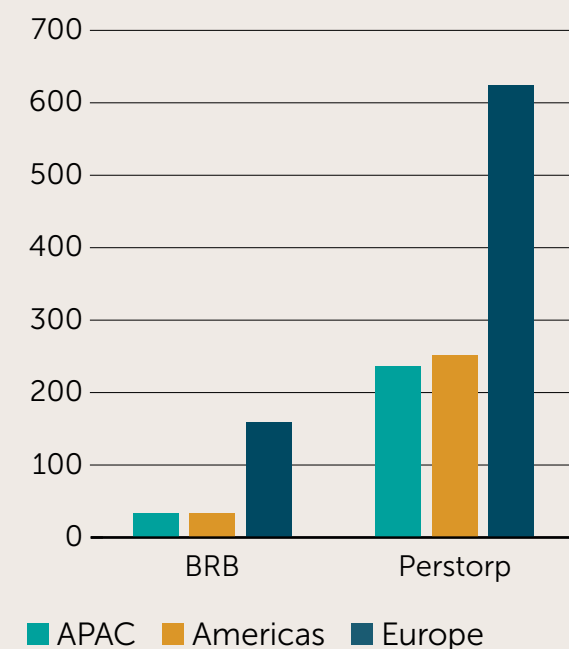
- Coatings Solutions
- Engineered Fluids Solutions
- Personal Care Solutions
- Advanced Polymer Solutions

Silicones from BRB, together with polyols, oxo chemicals, formates and animal nutrition solutions from Perstorp, form a strong and stable platform enabling our focus segments.

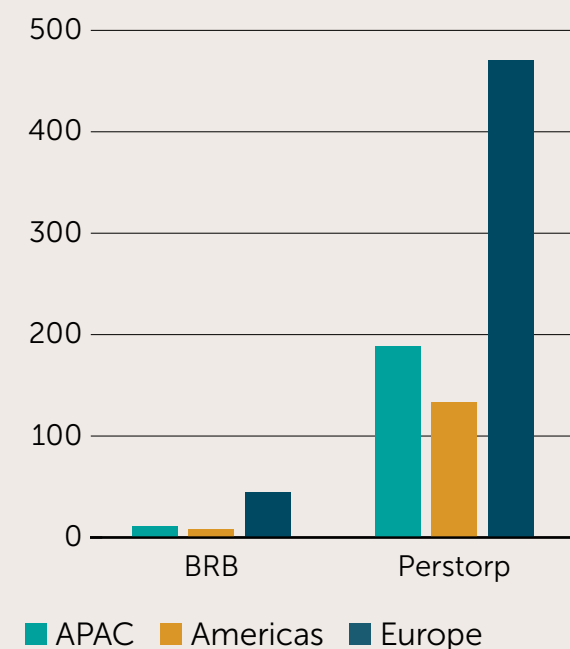
By bringing together complementary chemistries, strong application expertise and a shared purpose of doing good with chemistry, we are shaping solutions that advance industries and support a more sustainable future.



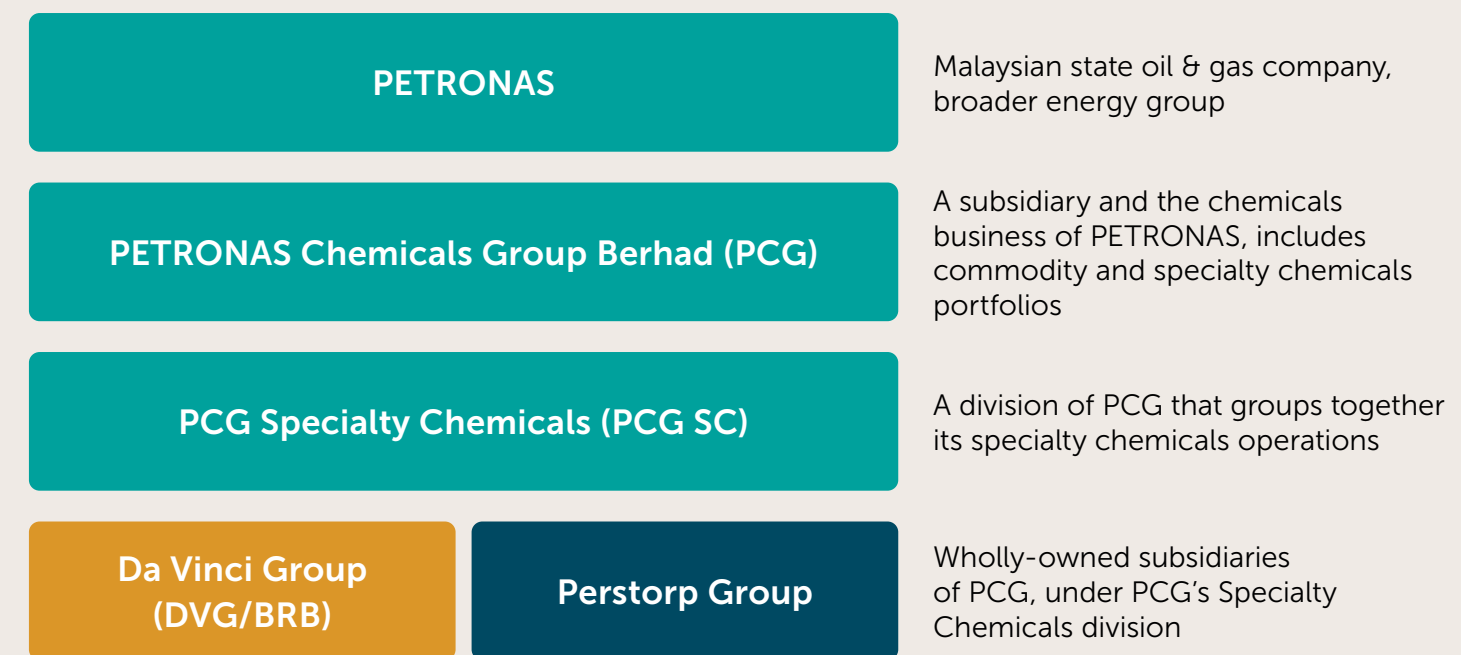
Sales revenue, mUSD



Sales volume, KMT



Organisation



PCG SC in numbers

Employees
2,000

Production sites
15

Countries
27+

Stronger platform, sharper focus

Words from our CEO, Flavio Kliger

2025 has been another testing year for the chemical industry. Demand remained uneven across segments, cost pressures persisted in several regions, and global trade flows continued to shift as new capacity, particularly from China, reshaped supply-demand balances.

Looking at PCG Specialty Chemicals with fresh eyes, what stands out is the strength of the platform and the clarity on the task at hand: concentrate on what we can control, strengthen and sharpen our ability to compete.

Despite market challenges, we remained committed to innovation and sustainability. We focused on developing solutions and strengthening our specialty segments where we bring most value to customers. This approach lays a strong foundation for our 2037 strategy and confirms that business-driven sustainability is a key enabler for our future success.

One of our priorities for 2025, and beyond, was to strengthen integration and further sharpen strategic focus. After PCG's acquisitions of BRB and Perstorp, the PCG Specialty Chemicals (PCG SC) Division was created. In 2025, we established market facing units to drive innovation in areas where PCG SC can make a positive

impact, and do good with chemistry. This approach aligns our innovation, application development and technical services with market demands.

Another priority last year was competitiveness and relevance. We launched a division-wide spend-optimisation and a review of our different supply chains to structurally reduce cost, improve asset utilisation, and produce where we are most efficient after considering logistics, tariffs, and customer proximity. Commercially, we are refreshing our customer segmentation to focus our energy where our solutions, performance, and reliability are truly valued, while serving pure price-driven demand with the right model. These moves are about building resilience, staying relevant to customers and competitive against any benchmark.

Thirdly, we accelerated innovation and capabilities, because specialty businesses win by solving specific customer challenges through application know-how. In 2025 we introduced new solution series in Engineered Fluids Solutions supporting high-performance cooling in fast-growing areas such as data centres and electrification. Furthermore, we expanded our Personal Care portfolio with the Emfinity® smart-ingredients line and advanced

“Our direction remains firm: to build a resilient, solutions-led growth engine within PCG and become a global leader in specialties.”



Looking ahead, our direction remains firm: to build a resilient, solutions-led growth engine within PCG and become a global leader in specialties by solving tomorrow's needs. We will continue strengthening our capabilities, expanding application science, investing in innovation, and pursuing targeted M&A where it accelerates technology access and customer reach. We will continue to drive financial discipline, competitiveness, efficiency, and optimise our supply network. The external environment may remain challenging, but our platform is stronger, our focus is sharper, and our people, our biggest source of competitive advantage, continue to show that doing good with chemistry is also good business.

Flavio Kliger
CEO, PCG Specialty Chemicals

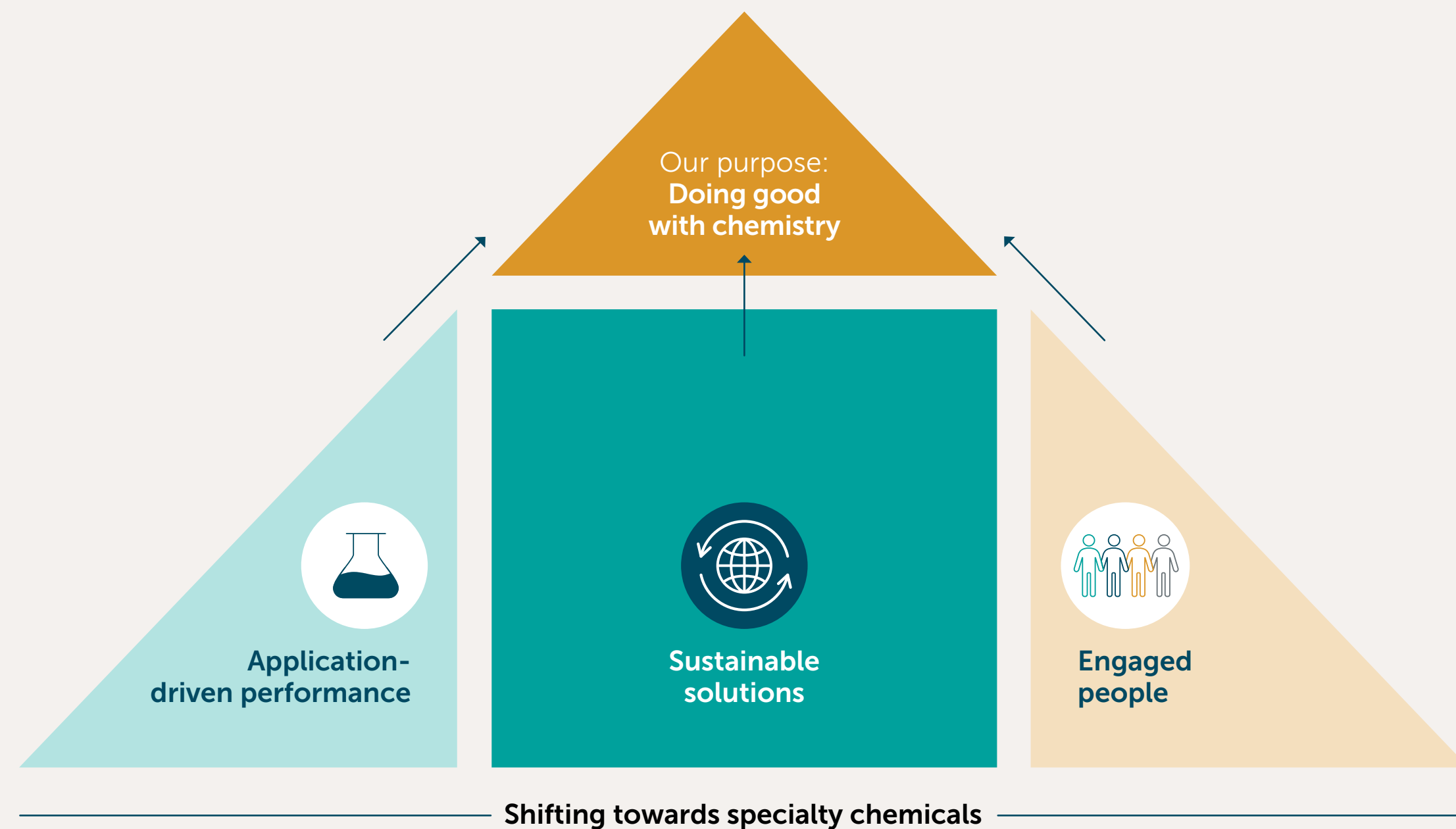
a new coatings platform with the Neptem™ range recognised with a regional industry pioneer award in Asia. All these innovations are examples of how we enable more sustainable solutions downstream in our value chains. We also opened the PETRONAS Application Technology Centre in Shanghai, China, enabling co-creation, faster qualification cycles, and deeper technical intimacy across Asia Pacific. These steps support our long-term ambition to build a global network of innovation and application labs that bring us even closer to customers.

Sustainability continues to be a core engine of differentiation and growth. We are scaling our Pro-Environment Solutions portfolio through traceable mass balance and shifting feedstocks to renewable, recycled, and CO₂-based sources without compromising quality or performance. Two of our sites in the Netherlands operates reporting zero scope 1 and 2 emissions, demonstrating how determined roadmaps, engineering excellence, and disciplined execution can turn recarbonisation into real competitive advantage. This is how we help customers reduce footprint while keeping performance intact.

Our strategy

Our growth strategy for industry leadership

PCG Specialty Chemicals Strategic Pillars



We aim to become a global leader in specialty chemistry. Our consolidated growth strategy provides the foundation for our ambition in combining the strengths of BRB and Perstorp into a single, focused division with a clear direction.

Our strategy is segment-led, which means that we organise ourselves around our customers and their markets. We focus on four customer-facing segments within our specialty business: Coating Solutions, Engineered Fluids Solutions, Personal Care Solutions, and Advanced Polymer Solutions. Across these segments, our ambition is to be in the top three globally.

Our long-term ambition is to grow our specialties portfolio close to 70 per cent of our business. This growth is guided by a staged plan:

- **Establish** (2025–2026): Build the foundation, integrate platforms, and capture early wins
- **Build** (2027–2029): Strengthen application-driven positions with leading offerings in all focus segments
- **Expand** (2030 onwards): Scale towards our 2037 leadership ambition through innovation, capability development, and targeted mergers and acquisitions.

We have anchored our strategic ambition on three core pillars: Performance, Sustainability, and People. Underlying these pillars is the shift towards specialty chemicals.

Application-driven performance

For us, performance is all about being a partner and an enabler for our customers. We help them secure high-performing solutions that meet our customers' needs, today and tomorrow, ensuring a sustainable business.

We do that by evolving from a portfolio anchored in intermediates, to a specialty business that is more balanced, solutions-led, and application-driven. Our goal is to have

70 per cent of our portfolio shaped by application expertise bringing solutions to our customers. Our shared set of building blocks: Polyols, Oxo, Formates, Silicones, and Animal Nutrition, forms an integrated toolbox that allows us to tailor performance, cut time to market, and reduce product footprints across our business.

Sustainable solutions

All our offerings are designed to support our customers in meeting their increased demands for sustainable solutions, such as durability, recyclability, energy efficiency or bio-based offerings. Our platforms are being progressively shifted to renewable, recycled and CO₂-based feedstocks via certified mass balance as well as segregated bio-based and recycled approaches. These steps are also reflected in our expanding Pro-Environment Solutions portfolio, now including products from both BRB and Perstorp.

Engaged people

Our strategy is powered by the success, well-being, and shared culture of our people. In 2025, we began developing a culture programme across PCG SC. Guided by our cultural beliefs, we are building best-in-class capabilities across technology and innovation, application development, commercial excellence, and operations. Our growing global network of application and innovation capabilities, including the new PETRONAS Application Technology Centre in Shanghai, China, enables our teams to collaborate, experiment, and create value together.

By working as one with a shared way of working, shared platforms, and unified customer engagement, we are strengthening our collective ability to deliver as one. This people-powered approach is helping us build a more resilient and competitive portfolio with specialties projected to become the most significant share of our business by 2037.

Our business

Enabling high performance, lower impact solutions across value chains.

PCG Specialty Chemicals develops and produces specialty chemicals that enable performance, durability and safety in products used every day, under the BRB and Perstorp brands.

Our chemistry plays a critical role in modern society, supporting applications that people rely on in buildings, transportation, energy systems, digital infrastructure, personal care and packaging. By focusing on specialty chemistry, we help customers & value chain partners solve complex technical challenges while supporting the transition to more sustainable materials and solutions.

Our business is shaped by what our customers need and where our solutions make a difference. We operate through four market-facing solution areas, each addressing distinct application needs and performance requirements, while being powered by shared chemistry platforms and application expertise.

Coating Solutions

We provide advanced building blocks and performance additives used in architectural, industrial and automotive coatings. Our solutions enhance durability, adhesion and protection, helping extend the lifetime of buildings, infrastructure and manufactured goods. By enabling technologies such as waterborne, low-VOC and solvent-free systems, our chemistry supports the development of coatings with lower environmental impact while maintaining high performance and safety standards.

APPLICATION AREAS INCLUDE:

alkyd paints, PU dispersions, UV/EB resins, Intumescent coatings, and silicone resins.

LEADING PRODUCTS AND TECHNOLOGIES INCLUDE:

Neptem™ and Bis-MPA™.



Engineered Fluids Solutions

Our engineered fluids support applications where thermal control, lubrication and reliability are critical. This includes synthetic esters and advanced fluids for thermal management in data centres, batteries and electronics, as well as high performance lubricants and additives for automotive, industrial and off road applications. These solutions improve energy efficiency, operational safety and equipment lifetime in demanding environments and emerging technologies. This area consists of two focus areas, Engineered Fluids and Lube Oil Additives & Chemicals (LAC).

Engineered Fluids focus on reliable, high-performing synthetic esters in lubrication and thermal management applications.

APPLICATION AREAS INCLUDE:

thermal management fluids (such as data centre liquid cooling, batteries, and semi-conductor manufacturing) and synthetic lubricants (such as marine and environmentally acceptable lubricants, metalworking fluids, food grade lubricants).

LEADING PRODUCTS AND TECHNOLOGIES INCLUDE:

Synmerse™ DC portfolio and the Synthetic-EF portfolio.

Lube Oil Additives & Chemicals (LAC) focus on high quality, reliable, non-homologate additives and chemicals for a sustainable future.

APPLICATION AREAS INCLUDE:

automotive, industrial, and off-road.

LEADING PRODUCTS AND TECHNOLOGIES INCLUDE:

Viscotech™ and Petrolad™.

Personal Care Solutions

Our solutions are designed to deliver sensory performance, stability and formulation flexibility, while increasingly meeting expectations for renewable content through natural-based and biodegradability sources. In doing so, we support brands in creating products that combine performance, safety and more sustainable choices.

APPLICATION AREAS INCLUDE:

colour cosmetics, hair care, and skin care.

LEADING PRODUCTS AND TECHNOLOGIES INCLUDE:

Emfinity® Silicones and Emfinity® Esters product ranges.

Advanced Polymer Solutions

Delivers competitive edge chemistry and material solutions developed and manufactured to provide alternative material solutions for the plastics industry. In partnership with formulators, converters, and customers we engineer and produce plastics components that enable circularity, reduced carbon footprint while being future-proof, safe, and high-performing.

APPLICATION AREAS INCLUDE:

hotfill food packaging, durable food contact solutions, hot beverage services, and PVC stabilisers and plasticisers.

LEADING PRODUCTS AND TECHNOLOGIES INCLUDE:

Akestra™.



Shared chemistry platforms – enabling scale and transition

Across all market facing solution areas, our offerings are powered by shared chemistry platforms, building on more than 140 years of experience. The platforms include polyols, oxo chemicals, formates, silicones and animal nutrition solutions. These platforms provide scale, resilience and flexibility, while enabling a stepwise transition towards renewable and recycled raw materials and lower environmental footprint. This approach allows us to maintain consistent quality and performance while supporting customers' sustainability ambitions.

Polyols

Serving as a critical intermediate in the manufacture of resins, coatings, adhesives, lubricants and polyurethanes, polyols' multifunctionality allows for crosslinking, flexibility, and durability in end-applications.



Oxo

Consisting of a variety of acids, alcohols, aldehydes, and esters, the platform offers a diversified portfolio based on different feedstocks, and are mainly used as building blocks in the production of plasticisers, engineered fluids, resins and coatings, surfactants, animal nutrition, and fuel additives.

Formates

Formates such as sodium, potassium, and calcium are intermediates with applications spanning de-icing, oil drilling fluids, leather tanning, tile adhesives, plant nutrition, and feed preservation.

Silicones

The Silicones platform offers specialty silicones like emulsions, antifoams, water repellants, elastomers, lubricants, silanes, resins, silicone polyethers, dimethicone & cyclomethicone blends, cross polymers and many more customised products.

In addition, it supplies a very broad range of core and specialty intermediates to the entire silicone industry with a superior combination of product supply regularity and competitive pricing.

Animal Nutrition

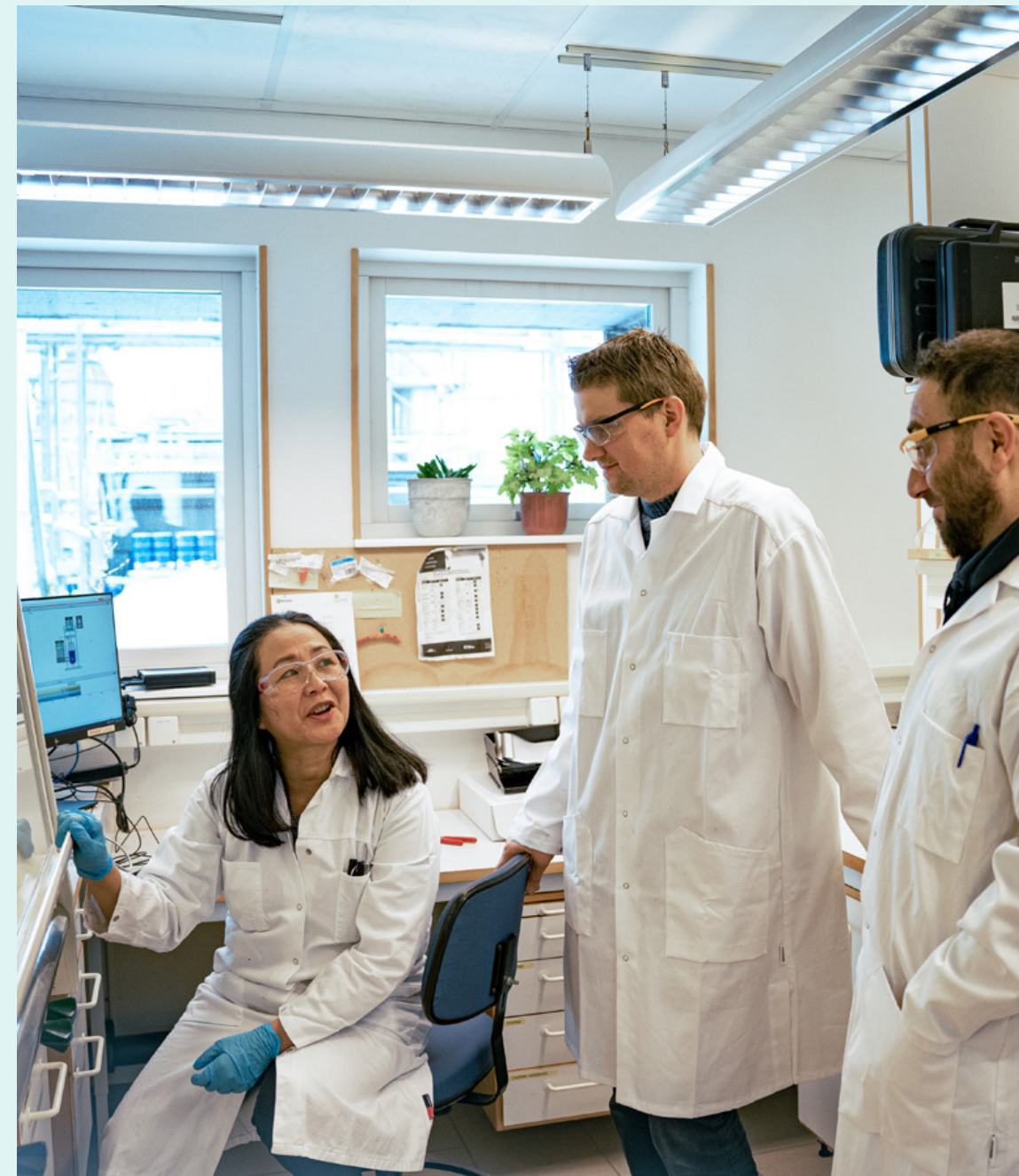
Innovative organic-acid based solutions to support gut health and performance as well as help to keep feed nutritious and safe from enterobacteria, mycotoxins, moulds and yeasts.

Creating and delivering value across the wider value chain

Our shared chemistry platforms, delivered through market facing solution areas, enable innovation that creates value far across value chains. Our business at PCG Specialty Chemicals is application-led and grounded in real world needs, translating proven technologies into solutions that deliver performance, reliability and sustainability where it matters most.

This approach is powered by our people. Our highly specialised engineers, scientists and application experts work in close partnership with customers to co-develop and scale solutions for real-world challenges. By combining deep technical expertise with proximity to customers and end use requirements, our teams accelerate innovation, support the transition to more sustainable materials and ensure that solutions perform in practice, not only in theory.

powered by our people



Key highlights 2025



Zero greenhouse gas emissions from operations at production site Echt

The BRB site in Echt, the Netherlands, has successfully reduced its scope 1 and 2 greenhouse gas emissions to zero by transitioning to renewable energy sources, marking a major milestone in our sustainability journey.

[Read more →](#)



Neptem™ – Award-winning sustainable innovation

Perstorp launched Neptem™, a range of emulsifiers that enable low-VOC, waterborne alkyds, and support the transition away from solvent-based coatings. In recognition of its environmental impact, Neptem™ won the Environmental Pioneer Award at the Asian Coating Industry Awards 2025.

[Read more →](#)



Perstorp launched a synthetic fluids portfolio for high-performance lubricants

The new portfolio of saturated synthetic polyol esters was launched, featuring three high-performing synthetic esters; Perstorp Synthetic-EF 5, Synthetic-EF 15, and Synthetic-EF 22, developed to meet the lubricant industry's evolving technical, environmental, and performance demands.

[Read more →](#)



BRB introduced Emfinity® Esters

To meet the growing market demand for ester-based emollients, BRB launched, alongside its trusted Emfinity® Silicones, the new Emfinity® Esters, unlocking infinite possibilities in modern formulations. This range combines patented innovation with industry-proven esters, mostly plant-based, biodegradable, and natural.

[Read more →](#)



BRB launched Viscotech® low carbon footprint viscosity modifiers for the lubricant industry

BRB launched an industry first in low carbon footprint viscosity modifiers for the lubricant industry. Viscotech® Upcycled reduces carbon footprint by 60 per cent through the use of re-refined base oils, providing an alternative to virgin base oils, and thereby supporting circular economy.

[Read more →](#)



Inauguration of a new specialty chemicals laboratory in Shanghai

PCG SC inaugurated the PETRONAS Application Technology Centre in Shanghai, China. This advanced laboratory opened in April 2025 and will support growth in the region by increasing technical support for customers with a specific focus on the Asian market.

[Read more →](#)

The science of life

Why chemistry matters

From the paint on a bridge to the fibres in our clothes and the batteries that power our future, chemistry is what makes it all work.

Chemistry is the science of life's building blocks, and it underpins everyday living. Chemicals are present in almost all the products we rely on, from clothing and furniture, to cars, computers and buildings. Almost every manufactured item depends on chemistry. About 96 per

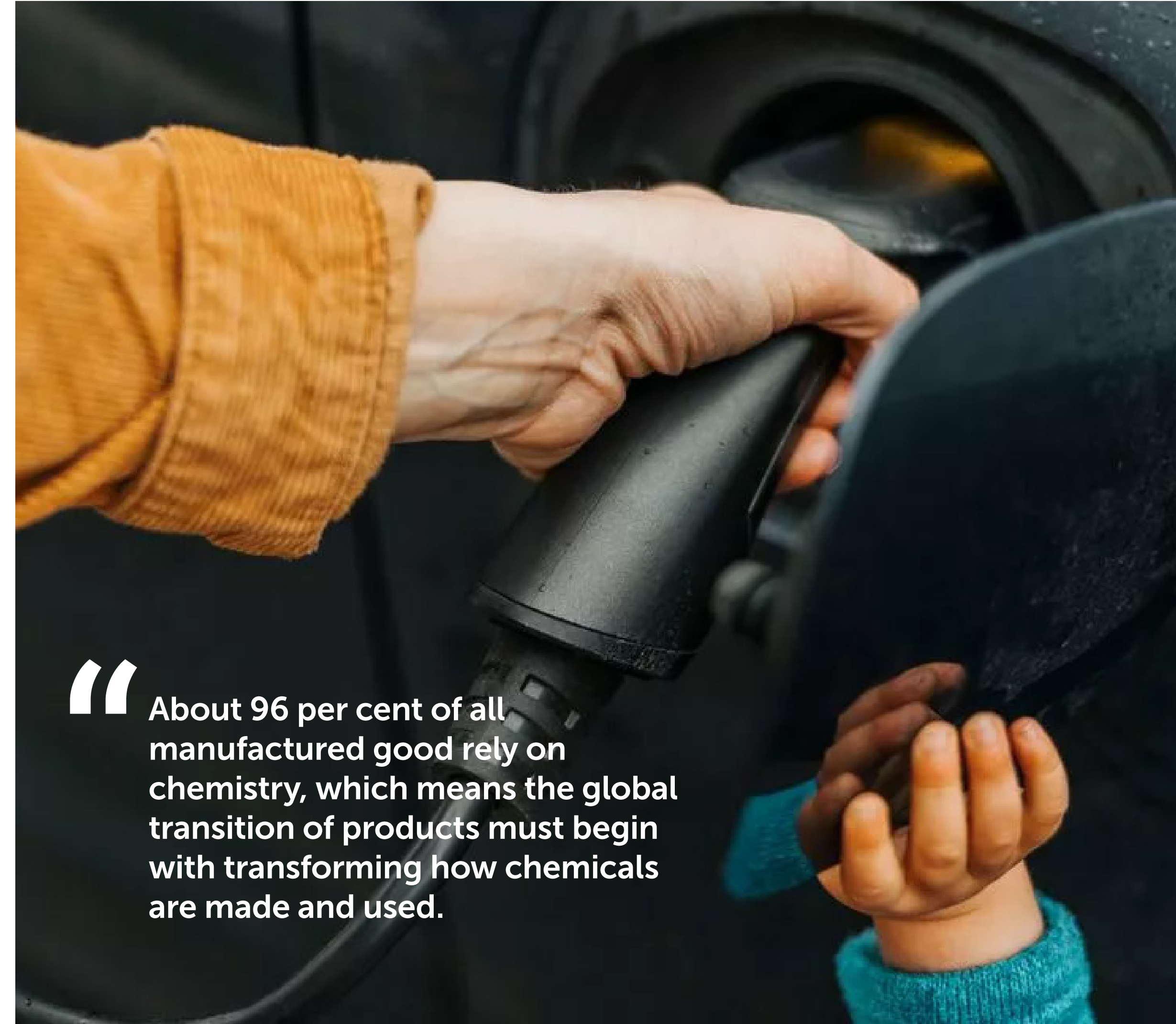


cent of all manufactured goods use chemicals somewhere in the value chain, which is why the sustainable transition of materials starts with the transformation of the chemical industry.

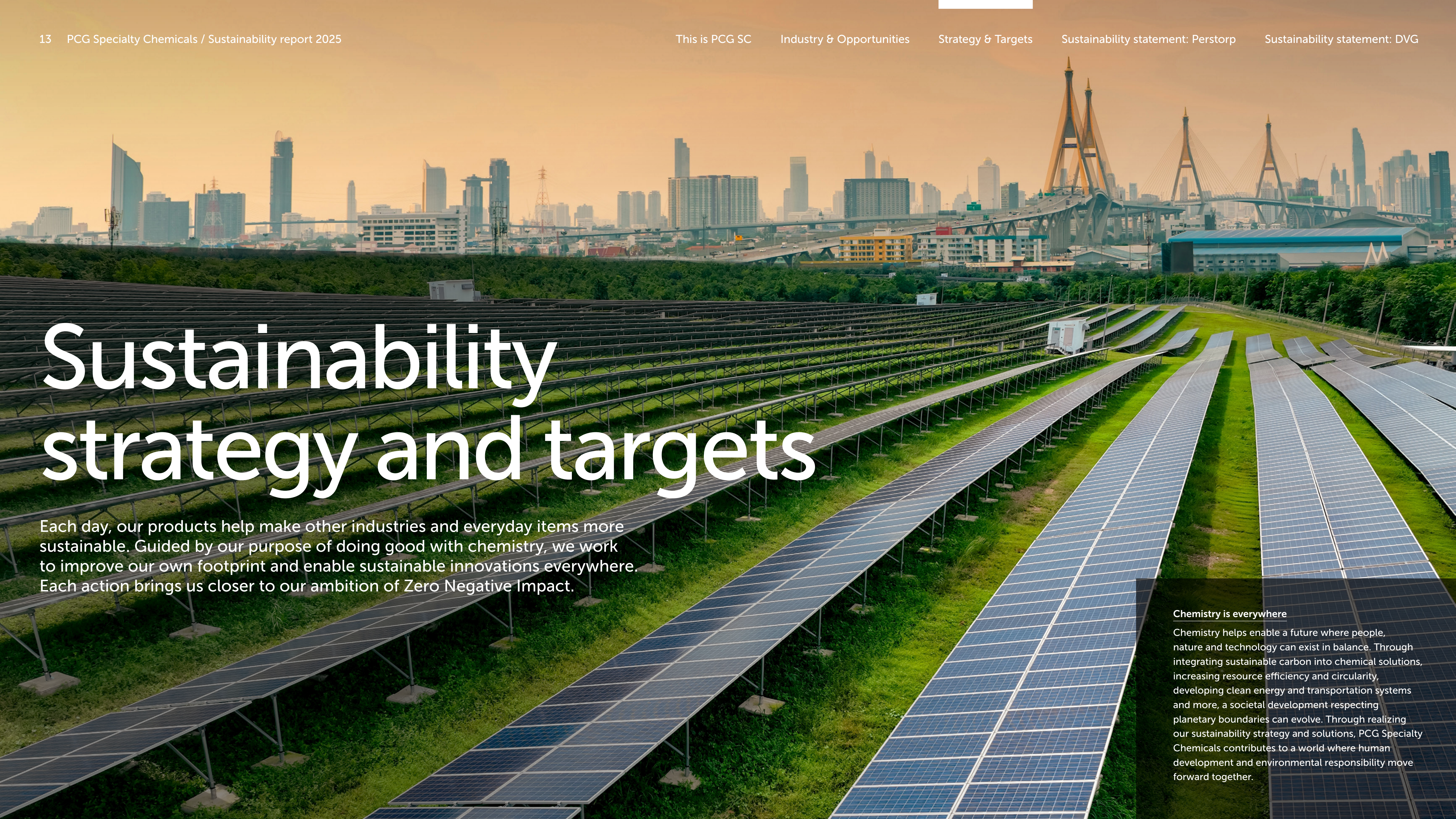
At PCG Specialty Chemicals we focus our science on solutions that matter. Our molecules enable efficient lubricants, longer-lasting coatings and advanced materials for wind turbines and batteries that support the shift to renewable energy. Chemical innovation can extend product lifetimes and reduce raw material and energy use.

Since carbon is a necessary building block in products and materials, the task ahead is not only to decarbonise chemicals, but to recarbonise them with renewable, recycled, and CO₂-based feedstocks, applied with traceable mass balance with a physical and chemical connection from the raw material to the product and verified reductions in the carbon footprint.

Chemistry is everywhere, and therefore we must transition to a more sustainable chemical industry. This means sustainable raw materials, reduced environmental impact, and safer chemicals.



“ About 96 per cent of all manufactured good rely on chemistry, which means the global transition of products must begin with transforming how chemicals are made and used.



Sustainability strategy and targets

Each day, our products help make other industries and everyday items more sustainable. Guided by our purpose of doing good with chemistry, we work to improve our own footprint and enable sustainable innovations everywhere. Each action brings us closer to our ambition of Zero Negative Impact.

Chemistry is everywhere

Chemistry helps enable a future where people, nature and technology can exist in balance. Through integrating sustainable carbon into chemical solutions, increasing resource efficiency and circularity, developing clean energy and transportation systems and more, a societal development respecting planetary boundaries can evolve. Through realizing our sustainability strategy and solutions, PCG Specialty Chemicals contributes to a world where human development and environmental responsibility move forward together.

Transforming ambition into action

Words from our VP Sustainability, Anna Berggren

Although 2025 presented many challenges and uncertainties, PCG SC laid a strong groundwork for its long-term 2037 strategy, reaffirming business-driven sustainability as a key enabler for future success.

2025 marked a critical milestone for PCG SC, coming together across BRB and Perstorp in one division and starting to deliver as one. Despite the challenges and uncertainties around us, this was an important year when we developed the sustainability strategy and roadmaps for the full SC division, followed our existing roadmaps, and made progress on our short-term targets. We continuously worked to fully embed sustainability into decision-making across our business, while delivering value to our customers. In this report, you can learn more about our strategy, our roadmaps and targets, our progress and our priorities.

A strong foundation and bold ambitions

At the core of our sustainability strategy is the PCG SC transformation strategy and our purpose of doing good with chemistry. We have a firm belief that companies who are successful tomorrow, are companies that will minimise their environmental impact and incorporate sustainable solutions in all aspects of their business. This set out our direction of a business-driven sustainability agenda. In

addition, we have a strong legacy. From Perstorp, we have a solid foundation and track record to build on, from BRB, we have exciting opportunities and experiences to build on, and from PCG there is a clear commitment.

Our long-term ambition is to have Zero Negative Impact. This can naturally be achieved by simply not producing anything. But to make it come true in the chemical industry, a major shift is needed. It is a bold but important ambition that guides our decision-making and our beliefs. Over the shorter-term timeframe, we have set 2030 and 2035 targets for water and waste, as well as for greenhouse gas emissions, the latter in line with the 1.5°C Paris Agreement. In addition, we have developed and updated our roadmaps to ensure we have progress.

Reducing the footprint while securing high performance

We also stayed the course on delivering on our existing roadmaps for BRB and Perstorp, leading to several achievements. We saw continued stable sales of our Pro-Environment products and the continued development and launches of new Pro-Environment products as well as products that enable downstream sustainability contributions such as Emfinity® esters and the Neptem™ ranges of emulsifiers. This is how



“ Our long-term ambition is to have Zero Negative Impact. To make it come true in the chemical industry, a major shift is needed.

“ During 2025, we further strengthened our ways of working to secure wider aspects of sustainability by developing a sustainability due diligence framework for PCG SC.

we help our customers reduce their footprint without compromising high performance, and it shows how we continuously work to realise our purpose of doing good with chemistry.

For over 15 years, we have had a strong belief that mass balanced renewable and recycled raw materials is a cornerstone for the development of society, value chains, and our own business. Our first product of this kind was launched in 2010 and since then we have had many challenging and rewarding years of innovation, inspiration and progressing together with our like-minded customers and partners, coupled with a wide portfolio of Pro-Environment products. Having driven this transition of products for many years now enables us to take the next steps to also offer segregated products – products that are based on actual bio-based or recycled materials, such as Viscotech® Upcycled. In the coming years, we will continue to see more raw material shifts. However, mass balance applying chemical and physical traceability will continue to be a critical bridge from virgin fossil to fully-transitioned, segregated products.

Demonstrating commitment through action

I am proud to say that we follow the roadmaps we have created, and by doing so, we reached our three targets for 2025 within scope 1&2, scope 3 and water. For scope 1&2, this takes us to an absolute reduction of 27 per cent in comparison to our 2019 baseline and an absolute reduction of 39 per cent for fresh water withdrawal in high-water stress areas compared to 2019. Regarding reducing fresh water withdrawal, we continued optimising the wastewater recycling plant in Stenungsund, paving the way for the implementation of this technology at other sites. We now have two production sites reporting zero emissions from scope 1 and 2, and we finalised the phase out of all fossil external energy from Site Perstorp,

our largest production site. For scope 3, we expanded our Pro-Environment product portfolio, helping our customers and value chains reduce their scope 3 emissions.

During 2025, we further strengthened our ways of working to secure wider aspects of sustainability by developing a sustainability due diligence framework for PCG SC. This includes the capabilities to identify, prevent, mitigate, and account for actual and potential impacts on the environment and people within our own operations and in the value chain, including human rights. Implementation will necessitate continuous work during the coming years and will involve Procurement, EHS, HR, Sustainability, and Product Stewardship.

The need for a viable business case

While we have in general made good progress on our targets so far, we are concerned that the scope 3 target 2030 may be challenging for us, and others, to reach. The necessary prerequisites are simply not in place yet. However, we are actively involved in shaping some of these prerequisites, such as harmonised standards for chain of custody models and PCF/LCA methodologies, as well as policy development within EU.

One major challenge is the limited market and payment capability for sustainable products. Even though we see stable demand for our products with a reduced carbon footprint and a significantly higher demand for sustainability data such as the product carbon footprint, this is currently a market driven by the voluntary behaviour and willingness to pay of value chain actors and end consumers.

The transformation of the chemical industry will not happen on a significant scale without policies creating a market and economic incentives for sustainable products. This market creation, through regulation, follows the

same logic as is already in place within the fuels and energy sectors. Climate targets are politically decided, but politics also need to create the economic drivers for the transition. Thus, it is through an efficient framework of regulations that market demand and revenue for sustainable products can be created; economic incentives which in turn create the drive for innovation and maturing technology to reduce costs. Even with a large willingness from value chains, investments will not be made if there is no economically viable business case to do so. That is how markets work, and it is why efficient regulations are so important in the creation of economic incentives.

Dedicated team and strong partnerships

We continue to work closely with our customers and partners to innovate and co-create new solutions. Our experience is that sustainability continues to be central in discussions with our customers and partners, and is step by step becoming integrated into strategies and business models.

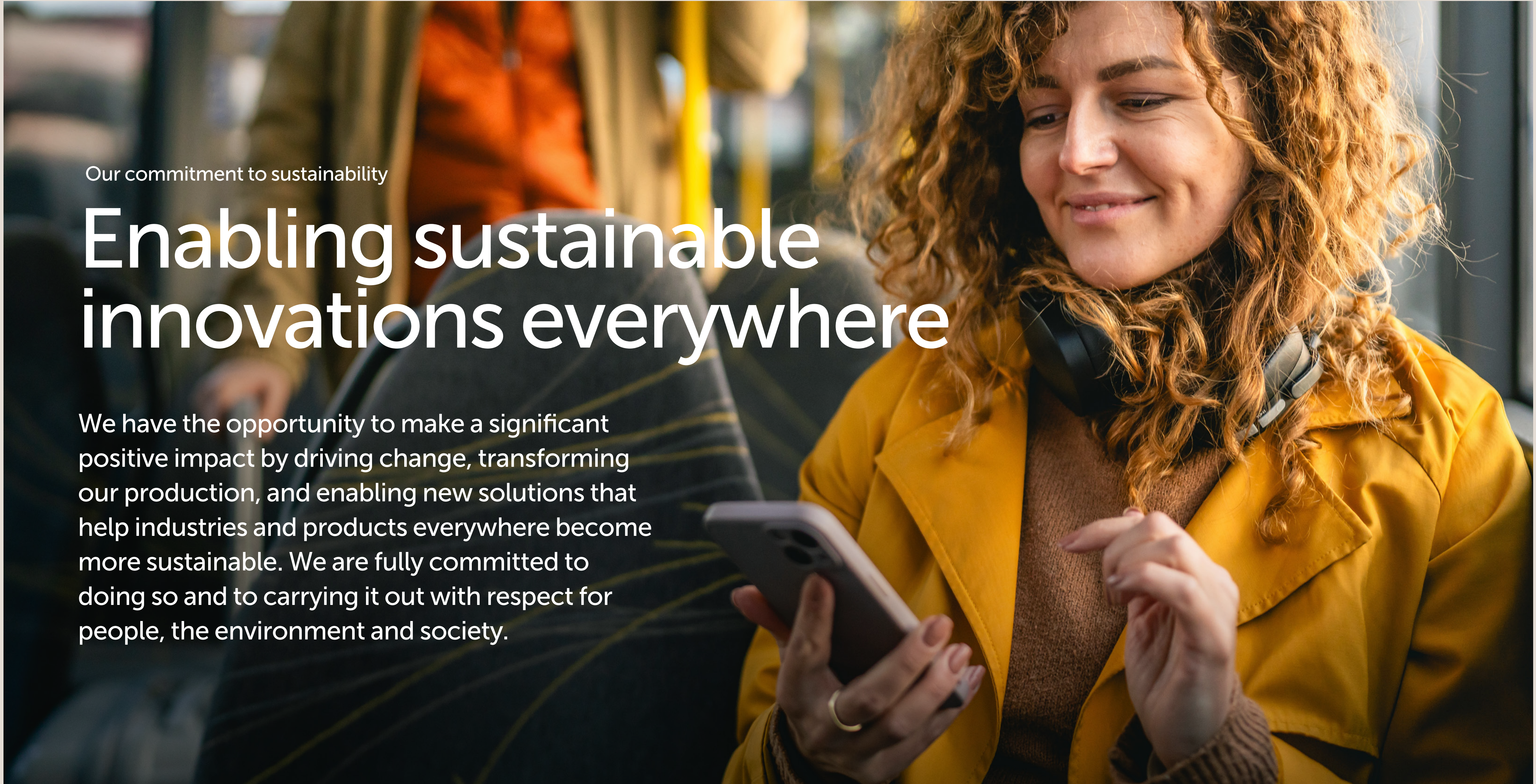
As we look ahead, sustainability will remain central to how we create value – for our customers, our communities, and our planet. The progress outlined in this report reflects the dedication of our employees, partners, and stakeholders, and it reinforces our belief that responsible growth and strong performance go hand in hand. While there is more work to be done, we are committed to continuous improvement, transparency, and meaningful impact.

Anna Berggren
VP, Sustainability

Our commitment to sustainability

Enabling sustainable innovations everywhere

We have the opportunity to make a significant positive impact by driving change, transforming our production, and enabling new solutions that help industries and products everywhere become more sustainable. We are fully committed to doing so and to carrying it out with respect for people, the environment and society.



Our sustainability approach

Our approach to sustainability is built on three pillars, Enable, Transform, and Care, that we have identified as key enablers for us at PCG Specialty Chemicals to drive change and generate positive impact.

To turn ambition into action, our sustainability work is structured around three interconnected pillars: Enable, Transform, and Care. We work across all three at the same time to advance sustainability in a balanced and meaningful way throughout our business operations and our value chain.

- **Enable** is about creating value and delivering solutions for customers and value chains.
- **Transform** focuses on reducing our own environmental impact.
- **Care** is the foundation for how we act.

Transform

- Addresses the transformation of our own operations and environmental footprint across raw materials, energy, CO2e emissions, waste, water, and biodiversity. This includes ongoing reductions in resource use and emissions across operations and managing impacts throughout our value chain.



Long-term ambition: Zero Negative Impact

Responsible, circular use of finite resources

Our long-term ambition of Zero Negative Impact ensures that our production and products should not cause harm to people, society, or the environment.

Zero Negative Impact shows our strong commitment to sustainability in the wider perspective of environmental protection, social equality, and economic viability.



Our long-term ambitions guide how we work to ensure health and safety, reduce emissions, shift to zero virgin fossil raw materials, minimise and recycle all waste, use zero fresh water, and to protect people and nature across our value chain. Long-term ambitions for human rights and biodiversity are also to be developed going forward.

Reaching our long-term ambition requires consistency and collaboration. Step by step, we are establishing a proactive safety culture, reducing our greenhouse gas emissions, transforming our feedstocks, improving efficiency at our production sites in areas such as waste, water, and energy, and supporting the development of circular material systems that keep resources in use for longer.

Guided by our approach of Enable, Transform, and Care, we aim to create value while operating within planetary limits and ensuring that finite materials are used responsibly, replaced where feasible, and kept in the loop as long as possible.

ZERO NEGATIVE IMPACT: Our long-term ambition – What we strive for everyday

 HEALTH AND SAFETY Zero cases of injuries and occupational illness	● ● ●	We have established a proactive safety culture where safeguarding health and preventing harm is embedded in every action and decision.
 GREENHOUSE GAS EMISSIONS Zero carbon emissions (scope 1,2,3)	● ● ●	We have no direct or indirect greenhouse gas emissions thanks to e.g. energy efficiency, electrification and fossil-free energy and fuels.
 RAW MATERIALS (organic) Zero virgin fossil raw materials	● ● ●	Shifting all organic raw materials from virgin fossil to sustainable recycled, bio-based and CO2-based.
 WASTE Zero disposal (incineration, landfill etc.)	● ● ●	All our waste is recycled and reused for new products, by us or other companies. None of our waste is sent for disposal like incineration or landfill.
 WATER Zero freshwater withdrawal	● ● ●	We do not use any fresh water at our production plants. Instead, we use alternative sources like e.g. purified wastewater or desalinated seawater.
 (ECO) TOXIC IMPACT Zero Negative Impact on human health & environment	● ● ●	Ensure safe use of all chemicals used or put on the market by us throughout the value chain, by identifying hazards and assessing risks.
 RESPONSIBILITY / HUMAN RIGHTS Long-term ambition to be developed	● ● ●	To be further developed
 BIODIVERSITY Long-term ambition to be developed	● ● ●	To be further developed

Sustainability targets

Our targets for 2030 and 2035

Our sustainability targets guide how we move towards our long-term ambition of Zero Negative Impact and help ensure progress across climate, water, and waste.

To drive this progress, we have set ambitious targets for 2030 and 2035 and developed production site-level roadmaps that translate these targets into actions. These roadmaps are guided by our transition plan, and supported by our broader sustainability levers, which are the everyday enablers for reaching our targets.

All targets compared to baseline 2019 unless otherwise stated.



Climate

Our climate targets are aligned in ambition with the Paris Agreement and the Science Based Targets initiative (SBTi) pathways for 1.5°C, but are not yet approved by SBTi. The scope 3 targets are indicative, to be confirmed after SBTi approval.

For Perstorp, the climate targets for 2030 have been approved by SBTi since 2021.



Water

The purpose of the target is to reduce our freshwater withdrawal in high water stress areas and as well as continuously reducing freshwater withdrawal overall at all of our production sites.



Waste

The purpose of the target for disposal intensity is to increase recycling of waste, and to reduce waste to disposal such as combustion or landfill. This is complemented by a second target to reduce landfilling of waste which is the least preferred option in the waste hierarchy.

TARGETS 2030

-46%	Scope 1 & 2 Absolute CO2e reduction Meeting: 1.5°C
-40%	Scope 3 CO2e reduction / ton product Levels TBC Meeting: 1.5°C

TARGETS 2035

-67%	Scope 1 & 2 Absolute CO2e reduction Meeting: 1.5°C
-60%	Scope 3 CO2e reduction / ton product Levels TBC Meeting: 1.5°C

-25%	Fresh water withdrawal in high water stress areas Absolute reduction
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-40%	Fresh water withdrawal in high water stress areas Absolute reduction
------	--

-20%	Waste to disposal intensity % tonne total waste to disposal / tonne product
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-20%	Waste to landfill intensity % tonne total waste to landfill / tonne product
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-(40–60)%	Waste to disposal intensity % tonne total waste to disposal / tonne product The exact level TBC
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-(40–60)%	Waste to landfill intensity % tonne total waste to landfill / tonne product The exact level TBC
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Sustainability progress

Our sustainability performance progress towards 2030

In 2025, we continued advancing toward our 2030 and 2035 sustainability targets by executing the roadmaps developed at production sites and functional levels.

These roadmaps guided our actions related to scope 1 and 2 emissions, scope 3 intensity, waste, and water, and remained the foundation for monitoring our progress and refining our efforts throughout the year.

In our 2025 review of the progress towards the 2030 targets we can conclude that we are on track to reach our scope 1&2 and water targets.

Ecovadis

To further strengthen and showcase our sustainability work we engage with Ecovadis. Every year we report for both our legal groups BRB and Perstorp. In 2025 BRB was awarded a silver medal and Perstorp a gold medal.



Climate



During the year, we advanced our roadmap reduction initiatives. We focused on energy efficiency, preparations of further shifts to non-fossil electricity, continued the phasing out of fossil fuels for energy production and kept driving further development of the Pro-Environment product portfolio for shift of raw materials and reduced scope 3 emissions. In 2025 we now have two production sites reporting zero scope 1&2 emissions and our progress towards the 2030 targets is 27 per cent absolute reduction compared to base year 2019. For scope 3 we had an intensity reduction of 1 per cent in 2025 compared to 2024.

PROGRESS TOWARDS 2030

Scope 1 & 2 Absolute CO2e reduction

Target 2030	Development 2019–2025		Development 2024–2025	
-46%	-27%	-7%	-9%	+1%
	ABSOLUTE	INTENSITY	ABSOLUTE	INTENSITY

Scope 3 CO2e reduction / tonne product

Target 2030	Development 2019–2025		Development 2024–2025	
-40%	-22%	+0.3%	-6%	-1%
	ABSOLUTE	INTENSITY	ABSOLUTE	INTENSITY

Sustainability progress

Regarding our intensity of waste, it has increased since the base year but if we follow our roadmaps and execute the activities, we will be able to reach the 2030 targets. Scope 3 is the target area where we see the largest challenge since it is not only in our own control. Scope 3 is an area where we are depending on external preconditions such as regulatory development creating market demand and economic incentives for sustainable products based on bio-based and recycled raw materials. A market demand and payment capability in our value chains would enable us to drive a more large-scale shift of raw materials in our products – a key enabler for reaching our scope 3 target.

We continuously execute our roadmaps and also develop them as new ways and technologies become available. This is made in a collaborative quarterly rolling process across our organisation. A foundational principle for our sustainability agenda is to create business value and investments always have to make business sense and create value for customers and value chains as well as for our selves.

Our targets have 2019 as a baseline however in the follow-up we also present the result compared to the previous year.



Production sites located in high-water stress areas continued the work along their water roadmaps. Roadmap activities include efficiency improvements, wastewater recycling projects and other steps aligned with the 2030 and 2035 targets for reduced freshwater withdrawal. We had an overall strong reduction of freshwater withdrawal in 2025 and have now reduced 39 per cent of our absolute withdrawal since the baseline of 2019 and are ahead of the 2030 target of 30 reduction. Overall, we had a good water management on all sites in 2025.

Fresh water withdrawal in high-water stress areas

Absolute reduction

Target 2030	Development 2019–2025		Development 2024–2025	
-25%	-39%	-31%	-5%	-23%
	ABSOLUTE	INTENSITY	ABSOLUTE	INTENSITY



During 2025 we continued the implementation of roadmaps to reduce waste to disposal and waste to landfill. The 2025 development showed a 3 per cent decrease for the target on waste to disposal and 15 per cent decrease for waste to landfill target compared to 2024. The major driver behind this improvement were results of our roadmap activities to reduce sludge volumes from site Stenungsund and increased conversion of waste volumes from disposal to recycled waste.

Waste to disposal intensity

% ton total waste to disposal / tonne product

Target 2030	Development 2019–2025		Development 2024–2025	
-20%	-16%	+7%	-12%	-3%
	ABSOLUTE	INTENSITY	ABSOLUTE	INTENSITY

Waste to landfill intensity

% ton total waste to landfill / tonne product

Target 2030	Development 2019–2025		Development 2024–2025	
-20%	-6%	+20%	-24%	-15%
	ABSOLUTE	INTENSITY	ABSOLUTE	INTENSITY

Our levers towards 2030 and beyond

Our levers are linked to our approach to sustainability: Enable, Transform, and Care. The levers help us reduce emissions, improve efficiency, and increase circularity across our operations and value chain. They are tools for us to reach our targets.

Transform

Roadmaps to 2030 & 2035

Actionable plans on production sites and functional levels for the steps needed to reach the targets. These plans are supported by our strengthened ways of working in the division, with governance processes that allow us to continuously develop and execute our roadmaps as well as follow up progress.

Internal carbon pricing

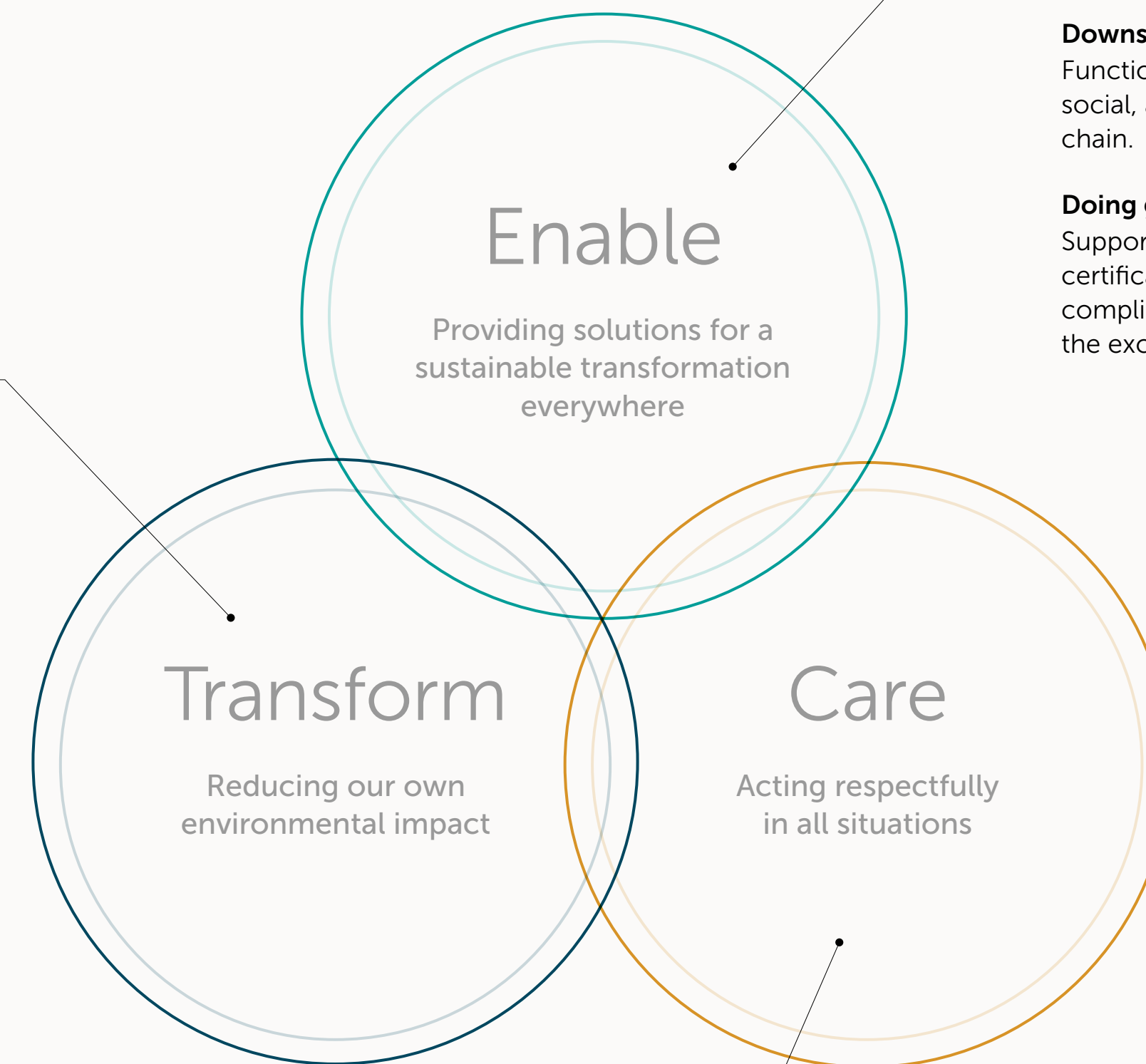
A price on CO2 emissions (scopes 1 and 2, as well as 3) to guide our strategy and investment decisions. Internal carbon pricing is used in the evaluation of projects as a basis for all strategic investments, M&A and Tolling. All business cases are presented both with and without internal carbon pricing, and the business case with internal carbon pricing is the guiding principle for decision-making.

A dedicated budget for realising our targets

A dedicated investment budget for realising our 2030 and 2035 sustainability targets.

Sustainability data

Continuous development of data and digital solutions for driving transformation and creating value through the value chain.



Enable

Pro-Environment Solutions

Products with reduced impact: based on non-virgin fossil materials and with a reduced carbon footprint.

Downstream sustainability contributions

Functionality of our products contributing to environment, social, and economic benefits downstream in the value chain.

Doing good with chemistry

Supporting responsible choices through product certifications, traceable mass balance approaches, confirmed compliance (e.g. EUDR), responsible sourcing practices and the exclusion of intentionally added PFAS.

Care

Careway programme

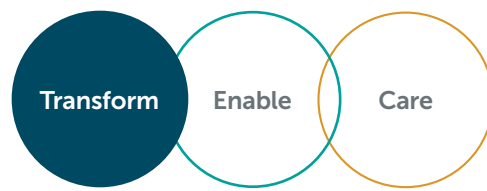
We are committed to upholding the highest standards of health and safety through our Careway programme which will be rolled out to remaining PCG SC locations during 2026. We have a comprehensive plan to strengthen our cultural maturity and integration. The result is followed up through internal Careway assessments. The Careway programme was first introduced in 2019.

Responsible sourcing

Ensuring a sustainable supply chain is a key part of the sustainability strategy, to operationalize this a responsible sourcing programme is in development since 2024. Each year another part of it is deployed and it includes human rights and a due diligence process.

Transition plan

Turning ambition into measurable action



The transition plan provides the overall structure for how PCG Specialty Chemicals turns its long-term sustainability ambition of Zero Negative Impact into measurable progress. It describes how we will reach our 2030 and 2035 targets and guides the priorities that shape our daily work across production sites, functions, and businesses.

The transition plan is executed through roadmaps for every production site and business within the PCG Specialty Chemicals division. Each roadmap outlines the improvements required to reduce emissions, water use, and waste, and to advance responsible material choices.

Our roadmaps are the site-level plans that translate our targets into concrete actions. They drive real progress toward our targets by outlining what needs to be done, when, and with what resources. When a roadmap states, "Q2 2026: start-up of pre-study for energy efficiency at Site X," we allocate the necessary resources, secure the CapEx, form a project organisation and initiate the work. Dedicated roles in both the Sustainability team and at our sites ensure consistent delivery.

Progress is managed through a rolling quarterly process, where we review execution, update plans, and report on developments. As living documents, our roadmaps evolve continuously as we learn and identify better ways of achieving our targets.



Short-term operational improvements

In the transition plan, the actions include short-term operational improvements, such as reducing energy consumption, reusing waste streams, improving process efficiency and increasing wastewater recycling along with the shift of raw materials. Recent proof points show momentum, for example:

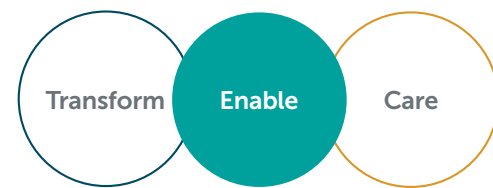
- The Waspik and Echt sites reporting zero scope 1 and 2 emissions
- Continued expansion and development of the Pro-Environment Solutions portfolio
- ISCC PLUS certifications across Europe, Asia, and the US
- The phase out of fossil fuel oil and peat at the Perstorp production site. The phase out was completed by the end of 2025, and the site no longer uses external fossil fuels for energy or electricity
- Optimisation of the wastewater recycling plant at site Stenungsund during 2025 which has further reduced freshwater withdrawal
- Reusing waste streams
- Scaling non-fossil electricity.

Long-term transformation measures

The transition plan also includes the long-term transformation measures essential for meeting our 2035 horizon:

- Continuous scaling of non-fossil electricity
- Increasing the share of bio-based, recycled and CO₂-based raw materials, aligned with our ambition of zero virgin fossil organic raw materials
- Expanding the availability and market penetration of Pro-Environment Solutions
- Electrification of energy (heat pumps, boilers)
- New low-energy process technology
- Recycling of waste streams as raw materials.

Downstream sustainability contributions



Our products create value far beyond our own operations. Through their functionality, chemistry, and performance, they enable environmental, social, and economic benefits downstream in customer applications and across end-use value chains.

Downstream sustainability contributions are a way for us at PCG Specialty Chemicals to describe, package, and communicate the broader value that our products deliver; value that goes beyond footprint reductions and into real transformation for customers.

Our downstream sustainability contributions are an essential part of our Enable sustainability pillar, demonstrating how our solutions support the transition

of products and materials across society. Our chemistry accelerates sustainability shifts across applications and industries ranging from transportation and data centres to packaging and buildings. Through our solutions, we reduce resource and energy consumption, increase durability, enable recycling of end products, minimise food waste, and replace harmful substances.

Beyond product performance, the carbon we use also contributes to sustainability downstream in our value chain. Using bio-based or recycled carbon to make chemical products keeps that carbon locked into materials for much longer than if it were burned as fuel or used as an energy source. This helps create longer-lasting carbon storage and supports a circular carbon economy.

Examples of contributions to the value chain

Substitution/alternative for harmful and toxic substances and antibiotics

Pevalen™ | Phthalate-free plasticizer for flexible PVC, designed for close-to-consumer applications. Delivers efficient processing, strong UV resistance and low volatility, while reducing the use of finite raw materials.



Enable recyclability and circularity along the value chain

Akestra™ | Copolyester enhancing PET into heat-resistant food packaging – increasing recycled content, supporting circularity, and reducing carbon footprint without sacrificing functionality or design.



Improved durability and prolonged lifetime of end-product

Silanil® | Enhancing adhesion between surfaces and providing superior moisture resistance, which prevents degradation over time.



Resource and energy efficiency improvements throughout the value chain

Petrolad® | Designed to boost the performance, efficiency and endurance of the gear and engine lubricant systems. The portfolio includes additives for engine, driveline, hydraulic and off-road applications.



Replacement of solutions for value chain products based on scarce resources

Viscotech® Upcycle | Viscosity modifier for lubricants with circular/recycled content (re-refined base oil), improving engine performance and fuel economy while reducing reliance on virgin petroleum.



Prevent wastage of food and feed along the value chain

ProSid™, ProMyr™, ProTain™ | Help to prevent decay through molds, yeasts or oxidation. This in turn extends shelf life and reduces wastage.



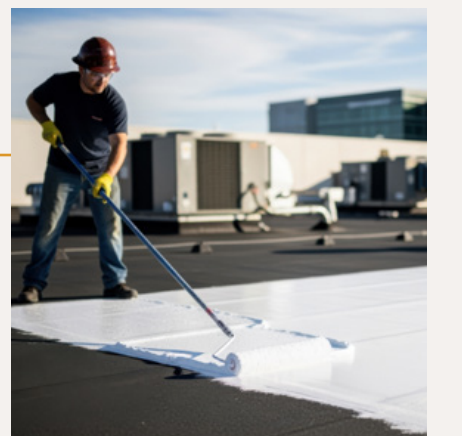
Support systems with lower impact e.g. shift from solvent borne to waterborne resins and coatings

Neptem™ | Emulsifier solutions enabling the next generation of high-performance, low-VOC waterborne alkyds.



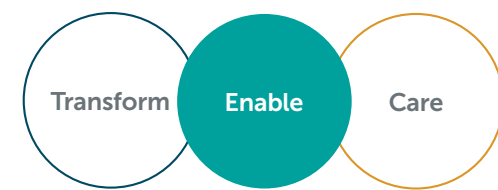
Reducing heat stress, enhancing fire safety

Si-COAT@RCT™ Series | Silicone roof coatings that lowers roof temperatures, reducing heat stress, and mitigating the heat island effect to create healthier environments. They also enhance safety by suppressing flame spread and minimizing smoke generation.



Pro-Environment Solutions

Designed to reduce carbon footprint and shift raw materials



Our Pro-Environment Solutions offer bio-based, recycled and CO₂-based raw material alternatives to virgin fossil raw materials enabling a lower product carbon footprint. The updated portfolio introduces mass balanced, segregated, and combined products.

Our Pro-Environment Solutions portfolio is a cornerstone of our sustainability journey. Since Perstorp launched the first product back in 2010, the portfolio has grown into a broad family of drop-in products across polyols, acids, alcohols, plasticisers, silicones, and advanced specialties.

Pro-Environment products:

- are partly or fully renewable or recycled origin of raw materials (segregated or mass balanced with chemical and physical traceability)
- reduce the carbon footprint compared to virgin fossil equivalents
- ensure product claims and responsible practices through ISCC PLUS (International sustainability & Carbon Certification), C14 (ASTM 6866), RSPO (Roundtable of Sustainable Palm Oil) or equivalent.

At PCG Specialty Chemicals, the Pro-Environment Solutions portfolio has since expanded both in terms of companies and in terms of raw material scope. What began with mass balanced grades has now evolved into a broader portfolio that includes both mass balanced and segregated products, marking a significant next step in the raw material transition.

Every Pro-Environment product sold contributes both to our own footprint reduction and to our customers' scope 3 reductions. By scaling circular and bio-based feedstocks, through mass balance and now, increasingly, also segregated sustainable products, we are taking the next step in moving the chemical industry away from its dependence on virgin fossil carbon.

Our ambition is to make sustainable carbon a natural choice across the PCG Specialty Chemicals portfolio, and to demonstrate that high-performance chemistry and sustainability can advance together.

Mass balanced products

traceable fossil-to-renewable and recycled shift

Mass balanced products are produced using ISCC PLUS-certified mass balance, with both chemical and physical traceability from raw material to final product. They allow customers to adopt renewable and recycled carbon without reformulating.

Mass balanced products have been the backbone of our transition since 2010 and will continue to play a crucial role for many years to come, acting as a bridge towards fully segregated solutions.

Segregated products

actual bio-based or recycled molecules

Segregated products represent the next stage: the final molecule itself is bio-based or recycled. This demonstrates that we are progressing beyond transition only – we are creating real, physical circular chemistry across specialties, intermediates, and silicones.

As these products scale over time, they will increasingly complement mass balanced products, supporting the long-term shift to fully segregated value chains.

This two-pathway portfolio recognises that:

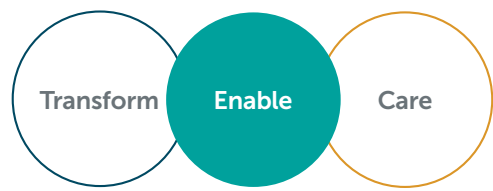
- different raw materials and their infrastructure mature at different speeds, and
- customer needs and availability vary by region, industry and application.

By offering both, we can support customers today while accelerating the pace of the industry-wide transition.



Traceable mass balance

The bridge to segregated bio-based and recycled materials



We need mass balance because replacing virgin fossil raw materials at industrial scale must happen step by step. It is the only practical way to shift existing, capital-intensive production towards bio-based and recycled feedstocks without building parallel systems.

A credible transition requires that we shift our existing processes gradually as market demand and sustainable raw material availability increases, and mass balance is the only practical way to do that.

Mass balance means that we can mix bio-based or recycled raw materials with fossil-derived raw materials in the same process, while carefully tracking and allocating how much of each goes into the final product. It allows bio-based, recycled, and CO₂-based raw materials to be introduced step by step into existing assets, accelerating transformation while maintaining product quality and

traceability. These actions will gradually drive the transition as raw materials become available and market demand increases.

Our approach is clear: we apply and advocate a mass balance with both chemical and physical traceability, ensuring a real physical link between the raw materials used and the product. The raw materials used in products are recorded and verified through third-party ISCC PLUS Trace-the-Atom certification, to provide traceability for claims all the way through the value chain. Biogas, biomethanol, bioacetaldehyde, and bioolefins are used as raw materials for Pro-Environment products today.

Our mass balance connects the molecule to its source. It is the enabler of genuine material transformation, turning ambition into measurable progress on the journey towards a circular and low-carbon chemical industry.

Applying a traceable mass balance with chemical and physical traceability

Traceable mass balance enables the gradual shift from fossil to renewable, recycled and CO₂-based raw materials in our existing production plants.



Raw materials
Raw materials transported to the site where they are used. No transfer of credits within the company.

Feedstock
The raw materials can only replace their own share of the product. A can only replace the share of C which it creates.

Process unit
The raw materials are used in the process unit where the product is being produced.

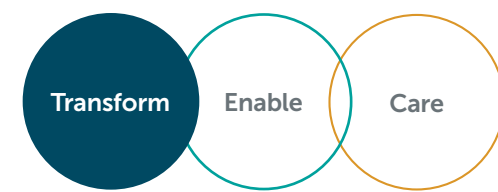
Final products
There is a real possibility of finding sustainable molecules in the end-product.

What is mass balance?

- Mass balance provides manufacturers with a methodology to track certified materials as they move along the value chain and attribute the inputs of a production process to outputs of that production process through certified bookkeeping.
- Mass balance allows input materials of different origins and characteristics, such as certified bio-based/recycled materials and fossil raw material, to be mixed but separated in bookkeeping. That is necessary in industries with complex manufacturing processes where certified and non-certified materials cannot be processed in separate production lines.
- However, the application of mass balance should not be viewed as an objective itself. Instead, it should be seen as a bridge facilitating the transition to segregated, sustainable production processes.

[Learn more about mass balance here](#)

Quantifying impact with sustainability data



Every molecule we produce has a story and increasingly, a measurable impact and sustainable properties. To understand that impact, we gather and share transparent and verified data.

Our Product Carbon Footprints (PCFs) is an example of how we verify that our solutions reduce fossil carbon emissions. Through PCFs, we quantify the impact across the value chain, from raw-material origin to ready product at our production gate, as well as analysing different end-of-life options. This transparency allows us and our customers to make informed choices, design lower-carbon solutions, and gradually transition towards replacing virgin fossil raw materials and fossil energy with renewable, recycled, and lower-carbon emission alternatives.



Product carbon footprint data and calculations:

- Yearly updated PCF calculations based on company-specific methodology, continuously adding further product calculations based on customer needs
- Cradle-to-gate PCF values with biogenic CO₂ uptake specified
- Site-, process- and product-specific PCF calculations with allocation approach mass
- Sharing PCF data e.g. via SiGreen (digital, auditable PCF exchange platform).

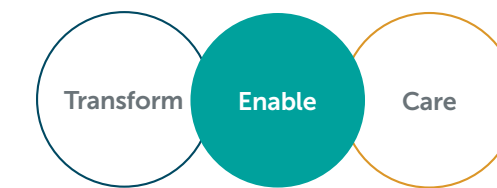
All ISCC PLUS-certified Products include third-party verified data on:

- Total sustainable share of the product
- Sustainable carbon content
- Type of sustainable origin
- C14-verified bio-based content
- Product carbon footprint value.



“Our innovation model is designed as an end-to-end ecosystem rather than a collection of stand-alone laboratories. Rather than working in isolated R&D environments, we develop solutions in close collaboration with customers and partners across the value chain. This approach ensures that new products meet defined performance requirements, regulatory expectations, and application realities. During 2025, we successfully adopted an AI pilot in formulation development – enabling faster, more accurate responses to customer needs, reducing development costs and opening new opportunities for designing next-generation surfactant chemistries. Adopting AI will become an essential capability for modern chemical innovation.”

Innovation drives sustainability



Innovation at PCG Specialty Chemicals is not only about performance – it is about purpose. Investing in research and development, as well as innovating new applications are at the core of our existence.

Innovation has always been a core part of our business, but it is now more essential than ever in meeting the challenges ahead. As a specialty chemicals division committed to doing good with chemistry, we see innovation not only as a driver of competitiveness, but as an essential enabler of the transition towards lower-carbon emissions, and more resilient value chains.

To support customers in all major markets, our innovation capabilities are established globally. Our laboratories and technical support teams are embedded close to our key markets across Europe, Asia, and North America, enabling

us to co-innovate where the need arises. Across these regions, more than 150 technologists combine expertise in chemistry, formulation, and application development to accelerate problem-solving and ensure that innovation is grounded in real-world application needs. This proximity to customers, applications, and regulatory landscapes allows us to anticipate emerging requirements and tailor solutions with precision, agility, and relevance.

Building on this foundation, our innovation capability plays a critical role in developing products that enable more sustainable solutions for our customers, and in the raw-material transition journey. The collective capability of PCG Specialty Chemicals' talent is fundamental to the raw-materials transition. As the industry shifts from virgin fossil resources toward bio-based, recycled and CO₂-based carbon, innovation becomes a necessity, not an option. Our teams are developing new products and raw material pathways, scaling mass balance systems, advancing Pro-Environment Solutions, and validating lower-carbon solutions that help customers reduce their scope 3 emissions.

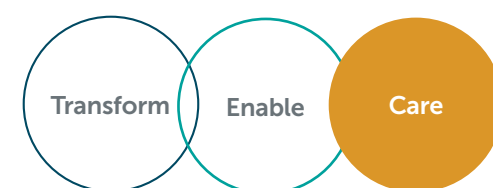
Our efforts in research and development directly align with our long-term ambition of Zero Negative Impact and our 2030 and 2035 sustainability targets, keeping us firmly on the pathway to a more circular and climate-aligned chemical industry.



Axel Tuchlenski
Head of Innovation

A highly skilled team driving sustainable chemistry

A people-centred culture built on learning and safety



Our strength lies in skilled and committed people who are continuous learners and share a common goal to make chemistry more sustainable. We consciously focus on, and invest, in capability building, ensuring and creating a safe, fair, and inclusive workplace that enables high performance and growth for everyone.

Our ability to do good with chemistry is powered by our people, whose everyday actions and ways of working help us deliver meaningful results through integrity, innovation, and collaboration across teams and countries. In 2025, we have taken steps to strengthen our people strategy as well as put focus on integration work to deliver us one.

Our strategic business ambition aims to bring together performance, sustainability, and people. We invest in engaged talent both organically and through acquisitions to successfully deliver on our future growth plan. As we continue to expand, we anticipate welcoming new colleagues who will deepen our capabilities and enable the next chapter of sustainable growth across PCG Specialty Chemicals, to deliver as one.

Our culture is built on nurturing curiosity

We nurture a growth mindset that guides how we work together with our colleagues, customers, and partners. Our focus on understanding customer needs lays the foundation for decision-making, and helps us build clarity and trust. We aim to create long-term value by delivering solutions that make a real difference. We embrace the adventurous nature of innovation, experimentation, and technical creativity. This in turn fosters a culture where we recognise opportunities and believe that responsible progress is always possible. We act with courage and care, take initiative and lead with heart – the foundation for everything we do.

Engagement takes place with employees globally through one to one conversations and channels such as bi-monthly employee pulse surveys, the incident reporting system, the whistleblower mechanism, and regular dialogue with local trade unions. These avenues ensure that every voice can be heard and that our people actively shape our culture and direction.

Continuous learning, endless opportunities

At PCG Specialty Chemicals, we are empowered by the opportunity to learn, develop, and grow, both as individuals and in our professional roles. Our ability to

learn and unlearn is key to our continued success going forward, and by having the right competence at the right time, we can perform at our full potential both in the short and long term.

We continuously develop towards being a learning organisation where learning is embedded in our daily work and nurtured over the long term. Every employee regularly reviews their performance and development needs with their immediate manager – to set and follow up targets, and to discuss their career ambitions.

We proudly nurture a workplace that brings together global perspectives, where colleagues connect across functions, learn from one another, and contribute to a shared sense of progress.



Sandra van Dongen
Global Learning
& Development Manager



“Learning Drops are online learning activities for all our employees globally. They are webinars on a range of topics, designed to increase awareness and knowledge and to share updates on our work and progress. Learning Drops are open to anyone who wants to learn more and stay up to date.”

Ensuring Health and Safety

Health and safety are embedded in our long-term ambition of Zero Negative Impact, where our goal is to have zero cases of injuries and occupational illness. We are committed to building a proactive safety culture in which safeguarding health, preventing harm, and maintaining operational integrity guide our daily actions across all functions. This commitment is reinforced by operational practices, including comprehensive root-cause analysis and a 24-hour call system, which support incident prevention. Occupational health and safety remains our number one priority, reflected in dedicated awareness initiatives such as engaging all our employees across every location in a week focused on health and safety activities, with learning in the forefront.

Our Careway development programme within the area of health and safety is an important enabler in continuing to build a safe and integrated culture across PCG Specialty Chemicals. First launched within Perstorp in 2019, and currently established in Perstorp sites, the roll out is continuing to the rest of our BRB locations in 2026. The internal Careway assessments are designed not as formalities, but as opportunities to create genuine and lasting change. By bringing attention to what truly happens at our production sites, the assessments help us identify gaps, strengthen capability, and embed health and safety into all aspects of our operations. In turn, this is what will make the Careway programme a true driver of cultural and operational transformation.



"In November 2025, we united across PCG Specialty Chemicals to deepen our focus on Health, Safety and Care through awareness sessions, hands on exercises, and meaningful knowledge sharing aimed at strengthening our commitment to a safer, healthier workplace for everyone. The openness and engagement showed by colleagues around the world was truly inspiring and proof that safety lives in our actions, not just our words."

0

0 Fatalities, major LOPC or major fire incidents

100%

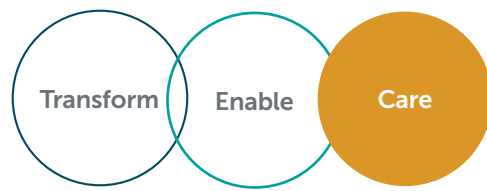
100% sites and offices participated in the annual Health, Safety and Care week



Eva Trulsson
VP Environment, Health & Safety

Doing business the right way

Responsible business through good governance



Acting responsibly and in an ethical manner is fundamental to performance and reputation. Our governance approach is guided by the PETRONAS Code of Conduct and Business Ethics, and PETRONAS Shared Values which anchor our expectations for loyalty, integrity, professionalism, and cohesiveness.

Our shared values shape how we make decisions, uphold ethical standards, and work together as one division, ensuring that responsible conduct is embedded in everyday actions. We also maintain strict compliance standards, assess suppliers systematically, and work with partners who share our commitment to ethical business.

PETRONAS Code of Conduct and Business Ethics sets overarching principles of integrity and responsible business

conduct, requiring compliance with environmental laws and commitment to sustainable development throughout the value chain. The PETRONAS Board of Directors is accountable for overseeing the implementation of the policy across PETRONAS Group.

PCG Specialty Chemicals is composed of stand-alone companies operating independently amid an increasingly uncertain and cost-pressured global landscape. Our strategy provides the platform to strengthen a different governance approach and grow towards a unified, future-ready division. Our strategy will reshape how we govern and operate by embedding collaboration, shared priorities, and structured oversight across functions. This Deliver as One model enables consistent ways of working while ensuring the agility that is essential for specialty businesses.

Mergers and acquisitions play a central role in our governance journey and will support future growth. Beyond organic development, selective acquisitions are essential for gaining strategic specialty positions, securing customer access, expanding technology platforms, and accelerating capability ramp-up. We are building a governance model that supports the integration of targeted acquisitions, which is critical for expanding technology platforms and strengthening our customer reach across divisions. The strategy provides the structure and alignment needed to incorporate new businesses effectively and realise synergies across PCG Specialty Chemicals, BRB and Perstorp.

We operate in an increasingly complex global environment, shaped by climate transition pressures, digitalisation, cyber threats, geopolitical uncertainty, and cost volatility, which places even greater emphasis on robust, ethical governance. Through consistent compliance, strengthened oversight, responsible sourcing, and transparent decision-making, we strive to maintain the trust of our stakeholders and ensure that we grow responsibly, sustainably, and in line with our commitments.

From ambition to measurable progress

Advancing a more sustainable chemical industry requires long-term commitment, disciplined execution and collaboration across value chains. Our ambition of Zero Negative Impact provides clear direction for how we operate, innovate and create value – today and over time.

The transition will not happen overnight. Through clearly defined targets, structured roadmaps and continuous follow-up, we translate long-term ambition into concrete actions across

our operations and value chain. By embedding sustainability into decision-making and prioritising investments with real impact, we are strengthening a business that is resilient, responsible and future-ready.

This is how we put our purpose, Doing good with chemistry, into practice – turning ambition into progress and contributing to a future where performance, sustainability and people move forward together.

Perstorp Sustainability statement

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General information

ESRS 2 General disclosures

BP-1 General basis for preparation of the Sustainability statement

Perstorp Holding AB (Perstorp or Perstorp Group) operates as part of the PCG Specialty Chemicals, a division within PETRONAS Chemicals Group Berhad (PCG). In this report, Perstorp discloses information on relevant sustainability topics throughout its operations. The disclosures are based on internal reporting guidelines developed from the parent company's requirements, as well as the Corporate Sustainability Reporting Directive (CSRD), and the European Sustainability Reporting Standards (ESRS). In preparing this statement, Perstorp also references other internationally recognised frameworks, including the UN Global Compact, of which Perstorp has been a signatory since 2004 (see G1-1 for further details). CSRD and ESRS are used on a voluntary reporting basis and is part of the preparations for full CSRD compliance for financial year 2027. The ESRS are referenced throughout the report and other external standards, tools, and methodologies are referenced where they have been used. The data is per 31 December 2025.

This sustainability report covers the same scope of consolidation as for the consolidated financial statement of Perstorp. This includes all nine production sites (operating across seven countries) where Perstorp has operational control and which were owned in part or in total by Perstorp at the end of 2025.

These sites are:

- Perstorp, Sweden
- Amsterdam, Netherlands*
- Stenungsund, Sweden
- Zibo, China
- Bruchhausen, Germany
- Waspik, The Netherlands
- Castellanza, Italy
- Toledo, United States
- Sayakha, India

* New production site acquired in late 2024.

BP-2 Disclosures in relation to specific circumstances

Perstorp has applied the recommended time horizons used in the ESRS, which defines short-term (1 year), medium-term (2–5 years), and long-term (more than 5 years) time horizons.

Generally, Perstorp has been able to report actual data for its own operations, but for value chain metrics, including scope 3 GHG emissions, sources of data uncertainties have been identified and estimations and/or assumptions used. More information regarding estimations and assumptions used have been specified in the respective locations throughout the report. For the estimations used in relation to scope 3 GHG emissions, supplier-based emissions factors have been used when available. For more information, see E1-6 disclosures.

While Perstorp has reported on sustainability before, this is the first Sustainability statement disclosed according to the ESRS structure and it constitutes the first step on the journey towards full compliance. The differences from figures disclosed in preceding periods are due to changes in preparation and presentation that have been implemented to move towards CSRD compliance.

Use of phase-in provisions in accordance with Appendix C of ESRS 1

Perstorp is not yet subject to CSRD and this Sustainability statement is therefore not fully compliant with it. Perstorp is making use of the phase-in provisions allowed under ESRS 2 paragraph 17 for the 2025 reporting year and is taking steps towards being CSRD compliant in the 2027 reporting year. While Perstorp has restructured its sustainability report to align with the ESRS framework and mapped existing content accordingly, certain disclosures required under ESRS E1 (Climate), ESRS E2 (Pollution), ESRS E3 (Water and marine resources), ESRS E5 (Resource use and circular economy), ESRS S1 (Own Workforce), and ESRS G1 (Business Conduct) are not fully reported this year due to data availability and system integration constraints. Likewise, ESRS E4 (Biodiversity and ecosystems) and ESRS S2 (Workers in the value chain) have been assessed to be material but are not yet reported on due to lack of reporting readiness. Perstorp plans to expand its reporting scope progressively so that by FY2027 it includes full disclosures and covers all material topics identified in its double materiality assessment (DMA). This phased approach ensures robust data quality and consistency while progressively expanding the reporting scope to achieve full CSRD compliance.

GOV-1 The role of the administrative, management, and supervisory bodies

The Board of Perstorp Holding AB is responsible for oversight of sustainability-related impacts, risks, and opportunities, including ensuring ethical business conduct across Perstorp's operations. The Board consists of 9 board members and the gender diversity ratio is 56 per cent (male) / 44 per cent (female). According to the Swedish Companies Act, no distinction is made in terms of executive/non-executive members or in terms of independence. Among board members there are three employee representatives with their respective three deputy board members. The identities of the Perstorp board members are listed on page 67.

Board Composition – Gender

Gender	Number		Per cent, %	
	2024	2025	2024	2025
Men	5	5	62.5	55.6
Women	3	4	37.5	44.4
Other / Not reported	0	0	0	0
Total	8	9	100	100

GOV-4 Statement on due diligence

Core elements of due diligence	Paragraph
a) Embedding due diligence in governance, strategy and business model	SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	SBM-2 SBM-3 S1-2
c) Identifying and assessing adverse impacts	SBM-2 IRO-1 E1 ESRS 2 IRO-1 E2 ESRS 2 IRO-1 E3 ESRS 2 IRO-1 E5 ESRS 2 IRO-1 S1-2
d) Taking actions to address those adverse impacts	SBM-3 E1-3 E2-2 E3-2 E5-2 S1-4
e) Tracking the effectiveness of these efforts and communicating	E1-4 E2-3 E3-3 E5-3 S1-5

GOV-5 Risk management and internal controls over sustainability reporting

Perstorp’s sustainability reporting system was introduced to control and manage corporate reporting. Perstorp applies a structured quarterly process for reporting significant climate and environmental impacts, including local-level quality assurance (four-eye principle), group-level control, and management reporting. Reported data is locked after sign-off, with changes requiring formal approval on group level and documented in a closed error log. Responsibilities for quality control and management reporting are segregated at group level. Major impact drivers are reviewed quarterly, while findings from risk assessments and internal controls are reported annually through the audit process. As regards the Sustainability statement of FY2025, only selected KPIs have been subject to audit as opposed to the full statement. Data ownership remains with the respective functional areas.

SBM-1 Strategy, business model and value chain

Perstorp operates as part of PCG Specialty Chemicals, a division within PETRONAS Chemicals Group Berhad (PCG), serving global markets with specialty chemical solutions. The industry is characterised by high technical requirements, regulatory complexity, and increasing demand for sustainable solutions. The transformation of raw materials is essential for societal transition and it is an ongoing shift in which Perstorp, as a global player in the industry, has a responsibility. Perstorp is actively enabling this transition through expanding its offering of Pro-Environment, renewable and recycled based chemical products. Perstorp’s role is to provide functional ingredients that enable performance, durability, and efficiency in end-use applications such as automotive, personal care, and industrial manufacturing. Total revenue for the reporting period was SEK 10,923 million. The total number of employees was 1816.

Strategy

Perstorp’s strategy is linked to, and impacts, sustainability through various objectives. These include the objective to support customers in reducing negative environmental impact through Pro-Environment Solutions that are based on renewable and/or recycled raw materials which are safe and sustainable by design. Perstorp’s sustainability strategy is directly linked to its material sustainability matters through its mission to enable downstream transition by delivering solutions that for example reduce emissions, promotes circularity and increases energy efficiency. Perstorp aims to address its environmental impact and footprint across raw materials, energy, CO2e emissions, waste, water and biodiversity, through ongoing reductions in resource use and emissions across operations and by managing impacts throughout its value chain.

Perstorp’s sustainability strategy is based on three pillars reflecting the most important sustainability themes and the company’s core values:

- **Enable** – Perstorp provides solutions for a sustainable transition everywhere by enabling a focus on delivering Pro-Environment products, reducing CO2 emissions, and increasing the use of sustainable materials. The company’s downstream contributions for example enable improved durability, recyclability, and energy efficiency. Doing good with chemistry guides how Perstorp develops and enhances product properties and values.
- **Transform** – Perstorp focuses on reducing its own environmental impact by transforming its own operations and environmental footprint across raw

materials, energy, CO2e emissions, waste, water, and biodiversity. This includes ongoing reductions in resource use and emissions across operations and managing impacts throughout its value chain.

- **Care** – The “Care” pillar is the foundation of how the company acts, and covers health and safety, (eco) toxic impact, responsible sourcing, ethical business practices, product stewardship, and diversity and inclusion. These areas guide how Perstorp and its employees works with colleagues, suppliers, and partners, as well as ensure respect as the foundation of all actions and in all situations.

Perstorp’s sustainability targets

Category	Targets ¹
Products and services	<ul style="list-style-type: none"> • Reduce scope 1 & 2 greenhouse gas emissions by 46.2% in 2030 (absolute) and by 67% in 2035 from 2019 baseline.² • Reduce scope 3 emissions by 27.8% per tonne product sold in 2030 and by 60% in 2035 from 2019 baseline.² • 25% absolute reduction in freshwater withdrawal for sites in high water stress areas in 2030, and reduction of 40% in 2035, from 2019 baseline. • 20% reduction in waste to disposal intensity (% tonne total waste to disposal / tonne product) in 2030, and reduction of 40-60% in 2035 (exact level to be decided). • 20% reduction in waste to landfill intensity (% tonne total waste to landfill / tonne product) in 2030, and reduction of 40-60% in 2035 (exact level to be decided).
Relationships with stakeholders	<ul style="list-style-type: none"> • Enable customers and value chain partners to reduce scope 3 emissions and fossil material dependence via Pro-Environment products. • Partner with customers and value chain partners in their shift to sustainable raw materials and a reduction of their negative environmental impact through offering renewable-based polyols, acids, and specialty chemicals for coatings, plastics, and engineered fluids, and innovations such as PFAS-free cooling fluids, phthalate-free plasticisers, and non-isocyanate polyurethane alternatives. • Extend ISCC PLUS certification throughout Perstorp operations.
Customer categories	<ul style="list-style-type: none"> • Ensure all new products are safe and sustainable by design; no chemicals of concern should reach consumer or professional markets.

¹ Further detail on sustainability targets can be found in their respective topical disclosures.

² See E1-4 for details.

Business model

Perstorp provides advanced chemical solutions that enable sustainable transformation across global industries. Perstorp provides building blocks through Polyols, Oxo, Formates and Animal Nutrition. Its portfolio further spans specialty chemicals in the following focus segments: Coatings Solutions, Engineered Fluid Solutions and Advanced Polymer Solutions.

These solutions support advanced manufacturing, lightweight design, and improved resource efficiency, while addressing sustainability aspects such as GHG emissions, circularity, and safety. Perstorp's Pro-Environment products, chemically identical to fossil-based alternatives but produced from renewable or recycled raw materials via mass balance, are central to its strategy. Key applications include powder and UV-cured coatings, plasticisers, synthetic lubricants, grain preservation, and animal gut health. With nine production units in Europe, Asia, and North America and a global sales network, Perstorp serves diverse industrial and agricultural customer bases worldwide. Perstorp is active in chemicals production but has no product or service that is banned in any market. Perstorp is owned by PETRONAS Chemicals Group, in turn a subsidiary of PETRONAS.

NACE Code/activity

C.20.11 Manufacture of industrial gases

C.20.13 Manufacture of other inorganic basic chemicals

C.20.14 Manufacture of other organic basic chemicals

C.21.20 Manufacture of pharmaceutical preparations

Value chain

Perstorp conducted a value chain mapping as part of its DMA process with the goal of identifying the main activities of the upstream and downstream value chain as well as its own operations. Perstorp's DMA informs the strategy by identifying key sustainability matters such as climate change, resource use, and product safety. Perstorp actively manages upstream relationships with energy and feedstock suppliers and downstream partnerships with industrial and agricultural customers to minimise environmental impacts across the value chain.

Perstorp's key **upstream** business relationships include energy, feedstock and chemical suppliers, and logistics providers. Perstorp purchases electricity, fuels, petrochemical or renewable feedstock and other materials, from suppliers in multiple countries.

Downstream operations include business relationships with customers, distributors, waste management providers and key product consumers/product users. The customer and consumer bases stretch worldwide and across various industries as well as the agricultural sector.

Within **own operations**, the key business relationships include manufacturing, sales and marketing, employees, regulators, investors, financial institutions, and shareholders. Perstorp operates with a global presence and has production in seven different countries. Activities primarily include manufacturing, packaging and warehouse storage of various chemical products and animal nutrition. Information about Perstorp's employees and headcount can be found in chapter S1-6.

SBM-2 Interests and views of stakeholders

Perstorp engages with a diverse set of stakeholders across its value chain to understand their expectations and incorporate their views into strategic and operational decision-making. Stakeholder interests are primarily identified through structured processes such as the DMA, supplier dialogues, customer interactions, employee surveys, and regulatory consultations. These inputs inform Perstorp's sustainability priorities and reporting scope.

Key stakeholder groups and their interests

- **Employees and contractors:** Health and safety, fair working conditions, diversity and inclusion, and opportunities for skills development. These topics are addressed through internal policies, training programmes, and continuous improvement of workplace safety standards.
- **Suppliers and tolling partners:** Responsible sourcing, traceability of raw materials, and compliance with environmental and social standards. Perstorp maintains a Supplier Code of Conduct (SCoC) and engages in audits and certification schemes such as ISCC PLUS to ensure transparency.
- **Customers and distributors:** Reliable supply, product performance, and sustainability credentials, including carbon footprint data and safe chemical composition. Increasingly, customers request verified sustainability claims and compliance with emerging regulations on circularity and chemical safety.
- **Local communities near production sites:** Environmental compliance, minimisation of emissions and waste, and contribution to local employment. Perstorp addresses these concerns through permit compliance, environmental monitoring, and community engagement initiatives.

- **Regulators and policymakers:** Alignment with EU sustainability directives, chemical safety regulations, and climate targets. Perstorp actively monitors regulatory developments and participates in industry dialogue to support policy frameworks that enable the raw material transition.

- **Investors and financial institutions:** Transparency on climate-related risks, progress toward sustainability targets, and governance practices. These interests are reflected in Perstorp's sustainability disclosures.

Stakeholder feedback has reinforced the importance of climate change mitigation, pollution control, water stewardship, and circularity, as well as social topics such as health and safety and human rights in the supply chain. These views have been integrated into Perstorp's DMA and shape its sustainability strategy, including the expansion of Pro-Environment products, operational roadmaps for zero scope 1 and 2 emissions at selected sites and the creation of a transition plan. Perstorp's Board and management are informed about views and interests of affected stakeholders with regard to sustainability-related impacts on a regular basis.

S1-ESRS 2 SBM-2 Interests and views of stakeholders

Engagement occurs with all employees globally, including permanent and temporary staff, through channels such as bi-monthly employee pulse surveys, the incident report system and the whistleblower mechanism, and through dialogue with local trade unions. The views and interests of its own workforce, i.e. employees and contractors, primarily inform Perstorp's strategy and business model through the DMA process and the bi-monthly employee pulse surveys. Operational responsibility for ensuring that engagement happens and that the results inform the undertaking's approach lies with HR and management who ensure the systematic integration of survey insights and union feedback into policy updates, workplace improvements, and negotiation outcomes.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business models

Information about the impacts, risks and opportunities as identified in Perstorp's DMA is found under the related disclosure for each respective topical section.

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

Perstorp's DMA was originally conducted in 2024 and reviewed for validity in 2025. The process applied a structured methodology following the principles of EFRAG's Implementation Guidance documents while adhering to latest CSRD and ESRS requirements. The scope covered Perstorp's entire value chain, upstream, own operations, and downstream, based on information available internally. The process was supported by external experts and anchored in Perstorp's existing sustainability governance and risk management practices.

Understanding the context

The first step involved mapping Perstorp's entire value chain. This mapping identified specific activities, business relationships, geographies, dependencies and other factors that give rise to heightened risk of adverse impacts. Industry-specific context and regulatory trends were reviewed alongside affected stakeholder expectations. The stakeholder perspectives were gathered through interviews and workshops with internal functions knowledgeable of the views of various internal and external stakeholder groups, covering employees, suppliers, customers, local communities, and civil society. This process resulted in a long list of sustainability topics aligned with ESRS topical standards.

Identification of impacts, risks and opportunities

Each sustainability topic was analysed to identify actual and potential positive and negative impacts, which were categorised as actual or potential and mapped to upstream, own operations, or downstream activities. For example, for E1 Climate Change, actual impacts were linked to greenhouse gas emissions from own operations, while potential impacts related to transition opportunities. For E2 Pollution, actual impacts were associated with air and water emissions, and potential impacts with hazardous substances in the supply chain. For S1 Own Workforce, actual impacts concerned working conditions and occupational safety. For G1 Business Conduct, risks such as corruption and ethical breaches were considered across the entire value chain. Associated risks and opportunities were then linked to these impacts, considering their potential influence on Perstorp's strategic objectives, growth, and profitability.

Assessment and determination of materiality

The assessment applied five-point scales ranging from zero to five for severity and likelihood, where zero indicated negligible impact or probability. Impact materiality was calculated as the product of severity and likelihood, with severity considering scale, scope, and remediability, and likelihood reflecting the probability of occurrence. Negative human rights impacts followed UNGP and OECD guidelines, prioritising severity over likelihood.

Financial materiality was calculated as the product of the potential magnitude of the associated financial effect and its likelihood, using an approach adopted from Perstorp's existing environmental risk management practices. Workshops with cross-functional teams validated scores, and results were consolidated and reviewed by the Perstorp Leadership Team.

The outcome of the process was that 26 subtopics were deemed material, covering eight of the ten ESRS topical standards. Highly material areas include climate change mitigation and energy use, pollution of air and water and substances of concern, water consumption and discharges, resource inflows and outflows and waste, as well as ethical business topics such as corporate culture, animal welfare, and anti-corruption. These findings inform Perstorp's sustainability strategy, risk management, and reporting.

IRO-2 Disclosure Requirements in ESRS covered by the undertaking's Sustainability statement

See appendix A.

Environmental information

ESRS E1 Climate change

E1-1 Transition plan for climate change mitigation

Perstorp's transition plan for climate change mitigation consists of several roadmaps, and it will be aligned with the ESRS standards going forward. For more details on roadmaps see E1-3 Actions and resources in relation to climate change policies. Perstorp's roadmaps outlines the short- and long-term improvements and site level action plans that make up the company's approach to reaching its targets and to the transition. They are founded upon three pillars: reducing direct emissions through fuel switching and process optimisation; enabling circularity and renewable feedstocks to minimise upstream and downstream impacts; and supporting customers and value chain partners in reducing their scope 3 emissions. Progress is monitored through quarterly performance reviews and integrated into risk management and capital allocation processes.

IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities, and their interaction with strategy and business model

Perstorp has identified climate change as a highly material topic through its DMA, covering both impact and financial perspectives. The company's operations and value chain contribute to greenhouse gas emissions primarily through energy use and fossil-based raw materials, which represent over 80 per cent of the carbon footprint. These emissions create actual negative impacts on the environment and potential risks to human health and ecosystems.

From a financial perspective, climate-related risks include regulatory changes, carbon pricing, and volatility in the availability and cost of renewable raw materials. These risks could affect production costs, competitiveness, and access to markets. Conversely, significant opportunities arise from the transition to low-carbon solutions, including the expansion of Perstorp's Pro-Environment product portfolio, which is based on renewable and recycled raw materials and, to a certain extent, certified through ISCC PLUS.

Rising temperatures, sea levels, fresh water scarcity and the occurrence of extreme weather events may in the long term pose risks to Perstorp's production facilities, as well as for the activities of many customers.

Climate considerations are integrated into Perstorp's business model and strategic priorities. The company's long-term ambition is Zero Negative Impact and the first step is the 2030 targets to reduce scope 1 & 2 emissions by 46.2 per cent and scope 3 emissions intensity by 27.8 per cent from a 2019 baseline. These targets are aligned with the Paris Agreement 1.5°C scenario and approved by the Science Based Targets initiative (SBTi). Perstorp is planning for the 5-year SBTi review and an internal review indicates that the scope 1 & 2 target will be updated to 46 per cent and the scope 3 target to 40 per cent. (Further details about targets can be found under section E1-4). These targets guide investment decisions, innovation programmes, and operational improvements, including energy efficiency projects, renewable energy sourcing, and raw material substitution.

The interaction between climate-related impacts, risks, and opportunities and Perstorp's strategy is evident in its innovation agenda, which prioritises low-carbon technologies and partnerships across the value chain. These actions aim to mitigate climate risks, capture growth opportunities in sustainable markets, and ensure resilience of the business model under future regulatory and market conditions.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topical standard	Description of material impact, risk or opportunity (IRO)	IRO type	Location in the value chain			Expected time horizon
			Upstream	Own operations	Downstream	
E1 Climate change	Energy use and direct emissions from on-site manufacturing scope 1 and 2 greenhouse gas (GHG) emissions from combustion processes at Perstorp’s own production sites contribute directly to climate change. These emissions are primarily associated with energy-intensive industrial manufacturing operations.	Actual negative impact		●		All time horizons
E1 Climate change	Enabling the green transition and product longevity Perstorp produces several key materials that support the transition to a low-carbon and circular economy. These include specialty chemicals used in the production of energy-efficient lubricants, engineering fluids, recyclable PET, and low-carbon or recyclable PVC. Additionally, Perstorp’s products enable extended life spans for end-use goods, reducing the need for frequent replacement and thereby lowering overall resource consumption and associated emissions across the value chain.	Actual positive impact			●	All time horizons
E1 Climate change	Downstream emissions from product use and end-of-life processing Various activities in Perstorp’s downstream contribute to climate change through indirect GHG emissions (scope 3). For instance, animal nutrition products are used in livestock farming, a source of methane and other GHGs. Many products require substantial energy during use, and recycling or disposal processes are also energy-intensive, adding to the overall climate impact.	Actual negative impact			●	All time horizons
E1 Climate change	Upstream emissions from energy-intensive feedstock production The production of key feedstocks used by Perstorp such as methanol, hydrogen, natural gas, and quick lime results in significant indirect GHG emissions (scope 3) and requires large amounts of energy.	Actual negative impact	●			All time horizons
E1 Climate change	Other emissions from transport, waste, and employee mobility throughout the value chain Greenhouse gas emissions occur throughout Perstorp’s value chain from several routine activities. Inbound and outbound transport and logistics, internal and external waste management processes (including incineration) and employee commuting and business travel add to direct and indirect GHG emissions throughout Perstorp’s value chain.	Actual negative impact	●	●	●	All time horizons
E1 Climate change	Climate-driven disruptions to operations and compliance Perstorp faces increasing physical risks from climate change, including rising temperatures, sea level rise, freshwater scarcity, and extreme weather events. These factors may disrupt production and logistics, impair water-dependent processes, and challenge compliance with environmental permits, potentially leading to operational downtime and increased costs.	Physical climate risk	●	●		Medium-to-long term
E1 Climate change	Market and regulatory risk from carbon-intensive products Perstorp faces transition risks due to shifting consumer preferences and evolving climate-related regulations. Demand for carbon-intensive products may decline as customers and governments increasingly favour low-emission alternatives, potentially impacting sales volumes, market access, and long-term competitiveness.	Climate transition risk			●	Medium-to-long term
E1 Climate change	Cost risk from fossil-based inputs and emission regulations Perstorp is exposed to rising costs for fossil-based feedstocks and fuels due to tightening GHG regulations, such as increased pricing in the EU Emission Trading System (ETS) and potential carbon taxes. These developments may significantly impact production costs and profitability.	Climate transition risk		●		Medium-to-long term
E1 Climate change	Market opportunity from low-carbon and transition-enabling products Growing demand for low-carbon solutions and materials that support the green transition, such as lubricants for electric vehicles and renewable energy systems, and offers Perstorp the opportunity to attract climate-conscious customers and increase revenue.	Climate transition opportunity			●	All time horizons
E1 Climate change	Cost risk from rising electricity prices Growing demand for electricity, especially from non-fossil sources, may lead to higher energy prices, increasing operational costs for Perstorp’s production sites and energy-intensive processes.	Climate transition risk	●	●		Medium-to-long term
E1 Climate change	Operational efficiency through energy efficiency Implementing energy efficiency measures across Perstorp’s operations can lower energy consumption, reduce operating costs, and enhance financial performance, while also contributing to climate mitigation goals.	Climate transition Opportunity		●		All time horizons

E1-2 Policies related to climate change mitigation and adaptation

Management of climate change mitigation and adaptation is governed by the PETRONAS Code of Conduct and Business Ethics which sets overarching principles of integrity and responsible business conduct. It requires compliance with environmental laws and commitment to sustainable development throughout the value chain. PETRONAS Group Board of Directors is accountable for implementation of the policy.

Perstorp also has an Environmental Policy and a Sustainability Policy in place. The Environmental Policy aligns and refers to the global chemical industry’s commitment to the sustainable management of chemicals throughout their life cycle (Responsible Care Charter) and the continuous improvement of Perstorp’s ISO 14001 certified environmental management system. Both policies underpin Perstorp’s Zero Negative Impact ambition, climate targets and support the company’s sustainability approach (“Enable, Transform, Care”) and transition to a low-carbon economy. The policies addresses material matters identified in Perstorp’s DMA, including climate change, resource efficiency, and pollution prevention.

This Environmental Policy applies to all employees and contractors across all Perstorp sites and business entities in which Perstorp holds an ownership stake. It also covers value-chain engagement, including supplier compliance with sustainable sourcing standards and collaboration on circular solutions. Site managers are responsible for implementing the relevant requirements, ensuring legal compliance, and monitoring and reporting performance to meet the company’s environmental commitments.

The policies have been approved at the highest level of management and are reviewed annually to ensure correspondence with business requirements and environmental management commitments. The VP of Sustainability owns the Sustainability Policy and VP EHS owns the Environmental Policy. Both are responsible to ensure its annual review. Any updates are approved by the Board of Directors which is ultimately accountable for the sustainability performance of the Group.

E1-3 Actions and resources in relation to climate change policies

Perstorp has established a clear pathway to achieve its science-based greenhouse gas (GHG) reduction targets for 2030 and 2035. This pathway is built on several key decarbonisation levers:

- **Roadmaps to 2030 and 2035:** Site-specific actionable plans for emission reduction, including improved heat integration, electrification and transition to bio-based and recycled raw materials and energy.
- **Responsible sourcing:** Compliance with EUDR, avoidance of intentional PFAS use, and implementation of mass balance with physical and chemical traceability. Sourcing non-virgin fossil raw materials and fossil-free electricity.
- **Pro-Environment Solutions:** Development of products with reduced carbon footprint, based on non-virgin fossil materials. In addition many of Perstorp products are enabling downstream sustainability benefits and contributions.
- **Product certifications:** Verification of mass balanced content, biobased content (C14), biodegradability, and other sustainability attributes.
- **Energy efficiency & electrification:** Focus on energy efficiency improvements and heat production using renewable fuels or fossil-free electricity.
- **Internal carbon pricing and dedicated investment budget:** A carbon price applied to scope 1, 2 and 3 emissions guides strategic decisions and prioritises investments. CapEx allocations are identified for roadmap projects to ensure delivery of decarbonisation actions.
- **Sustainability data:** Continuous development of digital tools and data analytics to drive transformation and create customer value.

In 2025, Perstorp advanced its reduction initiatives as part of the production site roadmaps and implemented a number of associated actions. A particular focus was placed on energy efficiency, and preparing for shifts to non-fossil electricity and the transition of raw materials from fossil to renewable, recycled, and CO2-based alternatives. These initiatives were supported by Perstorp’s internal carbon pricing, ensuring that climate impact was reflected in business cases and investment prioritisation (see E1-8 for more details on internal carbon pricing). Associated CapEx investments are often identified for each roadmap project and its actions included as part of the effort to ensure a dedicated investment budget to the realisation of the projects. Overall, these efforts contributed to ongoing reductions toward the 2030 and 2035 targets.

Expected contributions of key levers to scope 1 and 2 GHG emissions reductions include energy optimisation (~5%), heat integration (~10%), fossil-free electricity (~20%), fossil-free boiler fuel or electric boilers (~50%) and fossil-free raw materials (~5%). For scope 3, the shift to renewable raw materials and increased recycling of end-products

accounts for ~70 per cent of reductions, with the remainder driven by global recycling improvements and supplier emission reductions (~30%).

Resource allocation and governance

These actions and their allocated resources are essential to achieving Perstorp’s science-based targets and reflect the company’s commitment to reducing emissions, improving efficiency, and increasing circularity across its operations and value chain. The actions listed under responsible sourcing generally require minimal plant modifications and therefore limited resources, while energy efficiency and electrification are resource intensive and supported by dedicated budgets due to the nature of those kind of projects, requiring adaptation of production sites. Internal carbon pricing ensures that climate impact is embedded in business cases, investment prioritisation and decisions. The roadmaps and governance structures enable cross-functional collaboration, including investment projects, strategy development, and M&A activities. This is a prerequisite in order to reach its GHG science-based targets for 2030 and 2035. Expected GHG emissions reductions per action is disclosed below.

Actions related to climate change mitigation and adaptation

Action (description)	Achieved GHG emissions reductions (2025 vs base year 2019):	Expected GHG emissions reductions (to 2030 from base year 2019):	Scope
Improved energy efficiency, increase electrification and fossil free energy.	-27% absolute tonnes CO2e	-46.2% absolute volumes.	Scope 1 and 2
Sourcing of fossil free raw material (offer Pro-Environment Solutions)	+0.5% intensity (tonneCO2e/tonne product)	-27.8% intensity tCO2e/sold vol	Scope 3

E1-4 Targets related to climate change mitigation and adaptation

As part of its long-term ambition to achieve Zero Negative Impact, Perstorp has established ambitious targets for climate, water, and waste for 2030 and 2035. Given that its production processes are often energy-intensive and rely on fossil-based feedstocks, the reduction of greenhouse gas emissions remains one of Perstorp's highest priorities. Perstorp's 2030 GHG emission reduction targets for scope 1, 2 and 3, have been approved by the Science Based Targets initiative (SBTi) and are aligned with the 1.5°C Paris Agreement and the overall Business Strategy. Perstorp also follows and takes into account the policy and regulatory developments within the EU such as fit for 55 and the 2040 climate target, into its strategic planning. Targets apply to Perstorp's consolidated operations.

Scope 1 and 2 targets

For scope 1 and 2, Perstorp commits to reducing absolute GHG emissions by 46.2 per cent by 2030, compared to a 2019 base year (SBTi approved). Perstorp is planning for the 5-year SBTi review. In addition, Perstorp has also developed targets for 2035 that are in line with the Paris agreement on 1,5 degrees.

Regarding biogenic emissions, Perstorp uses the 0/0 Approach which means both biogenic uptake as well as direct and end of life emissions are characterized as zero. This means that the target boundary includes biogenic emissions from biofuels and process emissions from bioenergy feedstocks which are both reported as zero.

Scope 3 target

Perstorp has set targets to reduce scope 3 GHG emissions by 27.8 per cent per tonne sold product by 2030, using the same 2019 baseline year. As part of the 5-year review process the scope 3 target is estimated to be updated to 40 per cent intensity reduction (initial assessment, exact level to be decided). Perstorp additionally developed a 2035 target for scope 3 which is in line with the Paris agreement.

Perstorp's reporting boundary is five categories for scope 3, covering about 88 per cent of the scope 3 emissions, which exceeds the 66 per cent requirement according to SBTi. The selected categories are:

- Category 1: Raw materials
- Category 3: Fuel & Energy-related activities
- Category 4: Transports
- Category 5: Waste
- Category 12: End of Life

Baseline year

The baseline year for climate-related targets is 2019, selected in line with the SBTi recommendation to use the most recent year that reflects normal business. Year 2019 is considered representative for targets set in 2021, as operations were unaffected by extraordinary external factors. Subsequent years were impacted by the COVID-19 pandemic and global financial turbulence, which could distort comparability.

Recalculation policy

Baseline values are recalculated and adjusted for structural changes that significantly impact base year emissions, such as mergers, acquisitions, or divestments. The baseline values are not recalculated and adjusted for organic growth.

If the base year value increases, the absolute target value for reduction targets will be higher, but the percentage reduction remains unchanged. Conversely, if the base year value decreases, the absolute target value will be lower, while the percentage reduction remains unchanged. Progress reporting and achievement calculations will also be adjusted for all affected years.

Monitoring and reporting

Progress towards these targets is monitored annually and reported in accordance with ESRS E1 requirements. Yearly reduction targets are set to ensure alignment with the 2030 and 2035 trajectory. External verification will be applied to ensure transparency and credibility.

Targets related to climate change mitigation and adaptation

GHG emissions	Base year		
	(2019)	2030 target	2035 target
Scope 1 & 2 - absolute target (ktCO ₂ eq)	469	-46.2%	-67%
Scope 3 - intensity target (CO ₂ eq/sold volume)	3.00	-27.8%	-60%

E1-5 Energy consumption and mix

Specialty chemicals manufacturing is an energy intensive process and Perstorp uses large amounts of energy at many of its plants. Therefore, its focus continues to lie on energy efficiency and the transition to fossil-free energy at the production sites. This a prerequisite in order for Perstorp to reach its GHG science-based targets for 2030. In 2025, energy consumption in own operations decreased by 11 per cent in absolute numbers. Renewable electricity sources accounted for 22 per cent of the energy consumption during the year. The following sites partly source renewable electricity Perstorp, Stenungsund, Bruchhausen and Castellanza. Site Waspik and Amsterdam are supplied fully with renewable electricity. Aligned with Perstorp's main decarbonisation levers, sourcing of renewable electricity and implementing roadmaps that improve energy efficiency are key actions that enable Perstorp's climate change transition. Five of our nine sites have their own boilers and are equipped with waste heat recovery systems and/or a combined heat and power (CHP) unit. For the sites where our production processes involves exothermic reactions, the energy generated is recovered and used to produce steam in order to improve energy efficiency. Energy management is guided by Perstorp's Environmental Policy and the 2030/2035 transition roadmaps that have been developed for each site.

Energy intensity per net revenue

	2024	2025	% N/N-1
Energy intensity (MWh/Million SEK)	163	167	+2

Methodology

Energy intensity has been calculated by dividing total energy consumption per total net revenue. This corresponds to energy intensity of Perstorp's activities across all sectors. Net revenue refers to the total net revenue as reported in Perstorp's Financial statement.

Energy consumption and mix

Energy	Consumption (MWh)			% of total consumption			Intensity MWh / tonne product sold		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Exotherm recovered source*	374,918	422,413	296,598	20	21	16	0.50	0.53	0.39
Fuel consumption from coal and coal products	0	0	0				0.00	0.00	0.00
Fuel consumption from crude oil and petroleum products	25,092	18,769	20,190				0.03	0.02	0.03
Fuel consumption from natural gas	379,690	447,924	411,179				0.51	0.56	0.54
Fuel consumption from other fossil sources	375,552	419,597	377,666				0.51	0.52	0.50
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	280,482	253,407	263,385				0.38	0.32	0.35
Total fossil energy consumption	1,060,817	1,139,698	1,072,419	57	55	59	1.43	1.42	1.41
Consumption from nuclear sources	12,424	57,649	62,734	1	3	3	0.02	0.07	0.08
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	212,849	247,857	224,718				0.29	0.31	0.30
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	198,641	187,128	168,185				0.27	0.23	0.22
The consumption of self-generated non-fuel renewable energy	0	0	0				0.00	0.00	0.00
Total renewable energy consumption	411,490	434,984	392,904	22	21	22	0.55	0.54	0.52
Total energy consumption	1,859,648	2,054,744	1,824,655	100	100	100	2.50	2.56	2.40

*At our sites in Perstorp, Stenungsund, and Toledo some of our production processes are exothermic reactions which generate energy. This energy is recovered and used to produce steam for the production at the site.

E1-6 Gross scope 1, 2, 3 and total GHG emissions

Perstorp measures and reports emissions of greenhouse gases (GHG) in scope 1, 2 and 3 according to the GHG Protocol. The company's efforts to reduce these emissions are guided by its long-term ambition to have Zero Negative Impact, its Sustainability Policy and Environmental Policy, which have been broken down into science-based targets until 2030 set for all three scopes in 2021. In addition, Perstorp has added a target for 2035 during 2025.

Perstorp will continue to define sustainability targets that ensure that it is an enabler of a sustainable transformation. For 2025, Perstorp reports a decrease of 9 per cent for scope 1 and 2 emissions, and a decrease of 6 per cent for scope 3 emissions.

Scope 1 emissions are direct GHG emissions that occur from sources that are owned or controlled by Perstorp, including emissions from combustion of fuels for electricity, heat, or steam and emissions from physical or chemical processing.

Scope 2 emissions are indirect GHG emissions from the generation of purchased electricity and steam consumed by Perstorp.

Scope 3 emissions are indirect emissions from; purchased good and services, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations and end of life treatment of sold products.

Perstorp has not seen any effects of significant events and changes in circumstances (relevant to its GHG emissions) that occur between the reporting dates of the entities in its value chain and the date of the undertaking's general purpose Financial statements. Biogenic CO₂ emissions are disclosed separately from fossil emissions in the inventory and from scope 1 totals to ensure transparency. Non-CO₂ biogenic gases (e.g., CH₄) are always included.

Greenhouse gas emissions	Retrospective					Retrospective – Intensity tCO2e / volume products sold			
	Base year 2019	2023	2024	2025	% N / N-1	Base year 2019	2023	2024	2025
Scope 1 GHG emissions									
Gross scope 1 GHG emissions (tCO2eq)	317,727	223,769	253,421	216,174	-15	0.33	0.30	0.32	0.28
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	75	75	76	80	+5				
Scope 2 GHG emissions									
Gross location-based scope 2 GHG emissions (tCO2eq)	155,748	137,981	127,827	133,152	+4	0.16	0.19	0.16	0.18
Gross market-based scope 2 GHG emissions (tCO2eq)	151,666	136,424	123,405	127,735	+4	0.16	0.18	0.15	0.17
Significant scope 3 GHG emissions									
Total gross indirect (scope 3) GHG emissions (tCO2eq)	2,927,721	2,306,115	2,440,807	2,289,160	-6	3.00	3.10	3.04	3.02
Upstream scope 3 emissions									
1 Purchased goods and services	1,305,542	996,732	1,051,324	1,015,250	-3	1.34	1.34	1.31	1.34
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	60,675	52,619	56,738	48,877	-14	0.06	0.07	0.07	0.06
4 Upstream transportation and distribution	66,021	52,574	61,318	54,055	-12	0.07	0.07	0.08	0.07
5 Waste generated in operations	30,238	29,227	26,237	18,814	-28	0.03	0.04	0.03	0.02
Downstream scope 3 emissions									
12 End-of-life treatment of sold products	1,465,246	1,174,963	1,245,191	1,152,164	-7	1.50	1.58	1.55	1.52
Total GHG emissions									
Total GHG emissions (location-based) (tCO2eq)	3,401,196	2,667,865	2,822,055	2,638,486	-7	3.49	3.59	3.51	3.48
Total GHG emissions (market-based) (tCO2eq)	3,397,115	2,666,308	2,817,633	2,633,069	-7	3.48	3.59	3.51	3.47

Methodologies, significant assumptions and emissions factors used to calculate or measure GHG emissions

Scope 1

- **Emissions from fuel combustion:** Calculated based on consumption volumes, heat values, emission factors and biomass fractions for each fuel.
- **Emissions from chemical processes:** Calculated based on the actual carbon content of the substances through mass balance method.
- **Emissions from leakage of refrigerants:** Amounts leaked (fugitive emissions) are regularly checked via certified third-party leakage tests. Emissions are calculated based on leaked volumes and refrigerant specific emission factors/Global warming potential from IPCC Fifth Assessment Report (AR5).
- **Emissions to air of other greenhouse gases:** Calculated based on emitted volumes and emission factors from IPCC Fifth Assessment Report (AR5)

Scope 2

- **Electricity:** Market-based approach calculated with emission factors from suppliers when available, or else using residual mix factors. Location-based approach calculated with emission factors for national/regional production mixes. Sources are, for European sites: Association of Issuing Bodies; Site Toledo: Gabi LCA database until 2024, Green-e Residual Mix Emissions Rate from 2025; Site Sayakha: GaBi LCA database; Site Zibo: values from ecoinvent.
- **Steam:** Supplier information about the origin of the steam. Emission factor calculated based on operational data from the supplier or own best estimate and the actual carbon content of the used fuel.

Scope 3

- **Category 1:** Emissions calculated for raw materials, utilities and tolled products. Primary sources are supplier GHG data. When complete supplier data is not available emissions are calculated in whole or in part using best matching database e.g. ecoinvent LCA:s. For category 1, the biogenic uptake for the renewable raw materials is considered to be 0.
- **Category 3:** Average data method for upstream emissions from purchased fuels and electricity, transmission and distribution losses, generation of purchased electricity sold to customers.
- **Category 4:** Emission from inbound transportations and outbound transportations including transports between own production sites. Distance-based method, online maps or calculations and emission factors from ecoinvent, Clean Cargo, or transport company.
- **Category 5:** Waste generated in all production sites and treated externally, including both waste and wastewater. Waste-type-specific method using emission factors for specific waste types and waste treatment methods.
- **Category 12:** Emissions calculated based on that all carbon in the products is turned into CO2 at the end of life. As regards biogenic emissions for category 12, the end of life of the renewable product is considered to be 0 and only CO2 from fossil carbon content in products is covered.

GHG Intensity per net revenue

	2024	2025	% N/N-1
Total GHG emissions (location-based) per net revenue (tCO2eq / Million SEK)	223	242	+8
Total GHG emissions (market-based) per net revenue (tCO2eq / Million SEK)	223	241	+8

Methodology

GHG intensity has been calculated by dividing total GHG emissions per total net revenue. This corresponds to the GHG intensity of Perstorp’s activities across all sectors. Net revenue refers to the total net revenue as reported in Perstorp’s financial statement.

E1-8 Internal carbon pricing

Internal carbon pricing is used to develop and guide the strategy, investments and decisions. For example, it is included in the evaluation of projects as a basis for all strategic/growth investments, M&A and tolling within the operational boundary of Perstorp. All business cases are presented both with and without internal carbon pricing, and the business case with internal carbon pricing is the guiding principle for decision-making.

Internal carbon pricing is applied to greenhouse gas emissions of all scopes and in all regions of the world with the same prices regardless of actual carbon pricing schemes like the EU ETS. The price applied is reviewed on a yearly basis and decided in the end of Q1 or beginning of Q2. The yearly review is based on the development of EU emissions trading scheme (EU ETS) and allowances market (with a price forecast of five years for EU ETS allowances), the development of carbon pricing schemes outside of Europe, potential coming legislation connected to carbon pricing of scope 1 & 2 or scope 3 emissions, and benchmarking with peers and other companies.

When first implemented, the internal carbon pricing scheme was evaluated based on the impact that different pricing levels (scope 1 & 2 and 3) would have on different types of projects. By aiming for a balanced impact, Perstorp enables decision-making that supports the realisation of its targets while also creating business value and future proofing of investments in the long term. This was the basis of the scope 3 emissions price level, which remains the same at this date.

For the reporting year, the pricing scheme is used for investment decisions and therefore it neither covers nor directly relates to actual emissions during 2025.

Internal carbon pricing

Type	% of overall GHG emissions	Volume at stake (tCO2eq)	Prices applied (€/tCO2eq)	Perimeter description
CapEx shadow price	100%	216,174	120	Scope 1
CapEx shadow price	100%	127,735	120	Scope 2
CapEx shadow price	98%	2,235,105	25	Scope 3

ESRS E2 Pollution

IRO-1 Description of processes to identify and assess material pollution-related impacts, risks and opportunities

As part of Perstorp's latest DMA, the actual and potential pollution-related impacts, risks, and opportunities across the company's own operations and its upstream and downstream value chain were systematically identified and assessed. The assessment followed the first three phases of the LEAP (Locate, Evaluate, Assess, and Prepare) approach and was aligned with international due diligence principles such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

The process began with a comprehensive mapping of Perstorp's value chain, covering upstream suppliers, nine production sites in Europe, Asia, and North America, and downstream distribution and end-use. This mapping covered actual and potential impacts from production processes, chemical handling, emissions to air and water, waste management, and downstream product use. Financial materiality was evaluated to determine operational and regulatory pollution-related risks and opportunities that could affect Perstorp's strategy and business model. Stakeholder insights were gathered from internal experts and functional leads in areas such as Sustainability, Environmental Health & Safety (EHS), Regulatory Affairs, Procurement, and Operations. The outcome of the process confirmed that pollution of air, water, and soil, substances of concern, and substances of very high concern, and microplastics are material topics for Perstorp.

The associated material impacts, risks and opportunities are presented in the table on the following page.

E2-1 Policies related to pollution

Perstorp manages pollution through a hierarchy of policies. At the highest level, the **PETRONAS Code of Conduct and Business Ethics** sets overarching principles of integrity and responsible business conduct, requiring compliance with environmental laws and commitment to sustainable development throughout the value chain. PETRONAS Group Board of Directors is accountable for implementation of the policy.

The **Sustainability Policy** embeds pollution prevention in Perstorp's ambition to have Zero Negative Impact, emphasising reduction of emissions to air, water, and soil and safe, sustainable products by design. It also aligns with international frameworks such as the UN Global Compact, the UN Sustainable Development Goals, and the Paris Agreement. Approved and reviewed annually by the highest level of management, the Perstorp Board of Directors holds ultimate responsibility for implementation of the policy. The policy covers all Perstorp employees and contractors across every site and business entity in which Perstorp holds an ownership stake.

The **Environmental Policy** provides operational guidance, mandating compliance with legislation, adoption of the Responsible Care Charter, and continuous improvement through an ISO 14001-certified environmental management system. These policies collectively ensure systematic efforts to minimise pollution and manage substances of concern at all production sites governed by Perstorp Holding AB. Approved at the highest level of Perstorp management, ultimate accountability for its implementation rests with the Board of Directors.

Together, these policies aim to ensure that pollution prevention is embedded in Perstorp's governance, strategy, and operational practices. They provide a clear framework for managing material impacts, risks and opportunities related to substances of concern, reducing emissions to air, soil and water, and microplastics.

E2-2 Actions and resources related to pollution

In line with Perstorp's overarching policy commitments to minimise pollution and advance its ambition to have Zero Negative Impact, the company is implementing targeted actions to reduce emissions to air, water, and soil, manage substances of concern, and address microplastics throughout its value chain.

- **Continuous employment of ISO 14001 Environmental Management System**

Of the Perstorp production sites five out of nine operate under an ISO 14001-certified environmental management system, ensuring systematic monitoring, compliance with legal requirements, and continuous improvements. This includes regular audits, risk assessments, and corrective actions to minimise emissions and discharges.

- **VOC and NOx emission reduction projects**

Perstorp is executing projects to reduce volatile organic compounds (VOC) and nitrogen oxides (NOx) emissions at key sites, including process optimisation and installation of advanced abatement technologies. These measures aim to meet stringent local air quality standards and reduce overall air pollution.

- **Wastewater recycling and effluent control**

The company has initiated wastewater recycling projects at two sites (operational at Stenungsund and planned at Zibo), replacing freshwater with purified wastewater and reducing effluent discharge. These projects are part of Perstorp's roadmap to minimise water consumption

- **Hazardous waste minimization and circular solutions**

Perstorp is implementing waste segregation and recovery initiatives to reduce hazardous waste directed to disposal. Efforts include identifying opportunities for recycling process residues and developing circular solutions for by-products, aligned with the 2030 targets

of a 20 per cent reduction in waste to disposal – and waste to landfill intensity respectively (further detail can be found in disclosure E5-3).

- **Compliance programmes for substances of concern and microplastics**

The company maintains rigorous product stewardship processes to ensure compliance with REACH and other chemical safety regulations. Ongoing portfolio reviews aim to eliminate substances of concern from consumer and professional markets by 2030, supported by safe and sustainable-by-design principles. This includes adjustments and collaboration with industry partners to develop solutions that minimise microplastic release during production and downstream use.

- **Responsible Care and continuous training**

Perstorp adheres to the Responsible Care Charter and provides regular training for employees on pollution prevention, chemical handling, and emergency response. This ensures awareness and capability to manage environmental risks effectively across all sites.

- **Control programme and air emissions**

Each production site is required to continuously evaluate and reduce emissions to air, as well as minimise noise, odour and other nuisances. All air emissions shall be handled in such a fashion as to minimise the risk of fire or explosion, and to eliminate the possibility of condensation and subsequent contamination of rivers, streams, soil and groundwater. Air emissions which cannot be captured through improved containment shall be incinerated, and those which cannot be incinerated shall always be the subject of legal permits.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topical standard	Description of material impact, risk or opportunity (IRO)	IRO type	Location in the value chain			Expected time horizon
			Upstream	Own operations	Downstream	
E2 Pollution	Air, water, and soil pollution from Perstorp's own production activities Perstorp's own operations contribute to pollution across air, water, and soil. Air emissions include NOx, CO2 and VOC from planned emission sources (e.g. stacks) as well as diffuse emissions from production. Water pollution includes waste water discharge and effluent chemical pollutants from production, pH and effluent temperature. As for the risk of soil pollution, this is mostly related to risk of accidents such as spills, fire or loss of containment including underground wastewater sewage leaks. Soil pollution also include the monitoring, development and management of legacy soil pollution.	Actual negative impact		●		All time horizons
E2 Pollution	Pollution associated with use of Perstorp's products The downstream use of Perstorp's products contributes to environmental pollution. Fertilisers and animal nutrition products used in agriculture can lead to eutrophication of water bodies and soil degradation. Additionally, certain applications, such as paints and plastics, may result in microplastic pollution, posing risks to ecosystems and long-term environmental health.	Actual negative impact			●	Medium-to-long term
E2 Pollution	Air and water pollution from industrial manufacturing, logistics and waste throughout Perstorp's value chain Pollution occurs throughout Perstorp's value chain in production processes, energy use, waste management and transportation. VOC emissions contribute to ground-level ozone, affecting ecosystems and human health. NOx and SOx emissions from feedstock production and operations lead to smog formation, acidification, and eutrophication of water bodies. Road transport of raw materials and products adds further pollutants, including particulate matter and carbon monoxide, exacerbating air quality issues.	Actual negative impact	●	●	●	All time horizons
E2 Pollution	Presence of hazardous substances in Perstorp's value chain Chemicals classified as substances of concern are present in Perstorp's upstream activities, own operations, and in products sold. Additionally, substances of very high concern are used in upstream processes and internal production. If not properly managed, these substances may pose significant risks to human health and the environment throughout the value chain.	Actual negative impact	●	●	●	All time horizons
E2 Pollution	Legacy soil pollution Historic soil contamination poses a risk of ongoing leakage into surrounding soil layers. If not properly contained or remediated, this may lead to long-term environmental degradation and potential regulatory non-compliance.	Potential negative impact		●		Medium-to-long term
E2 Pollution	Pollution-related infrastructure, regulatory, and reputational risks Perstorp faces elevated environmental and compliance risks stemming from both current and legacy pollution sources. Inadequate sewage infrastructure at certain sites may lead to flooding and uncontrolled pollutant dispersion, necessitating potential upgrades to water treatment systems to meet tightening regulatory standards—resulting in increased compliance costs and operational adjustments. Additionally, the potential leakage of historic contaminants, including heavy metals and PFAS, from legacy industrial areas poses reputational risks and may trigger regulatory penalties and costly remediation obligations.	Risk		●		All time horizons
E2 Pollution	Regulatory risk from restricted or reclassified substance If substances used in Perstorp's feedstock or operations (such as PFAS) are prohibited or subject to stricter regulation, the company may face operational disruptions while identifying suitable alternatives. Similarly, if substances present in Perstorp's products are classified as substances of very high concern (SVHC) and deemed unsafe for use, production may need to be halted until compliant substitutes are found, potentially impacting supply continuity and customer commitments.	Risk	●	●		Short-to-medium time term
E2 Pollution	Regulatory foresight and substitution opportunities Proactive screening of emerging regulatory changes related to substances of concern enables Perstorp to anticipate restrictions and offer safer, compliant alternatives to customers. This approach not only mitigates regulatory and reputational risks but also strengthens customer trust and brand value. A notable example is the successful market positioning of Pevalen™ as a non-phthalate plasticiser substitute, which has contributed to both environmental performance and financial growth. Such foresight supports long-term competitiveness and aligns with Perstorp's commitment to sustainable innovation across its strategic segments.	Opportunity		●	●	Medium-to-long term

E2-3 Targets related to pollution

Perstorp’s pollution-related targets are designed to reduce eco-toxic impacts and ensure compliance with environmental regulations across all production sites. These targets are aligned with the company’s ambition to have Zero Negative Impact and its commitment to safe and sustainable chemical management.

- **Elimination of products reaching the consumer or professional market that are chemicals of concern**
By 2030, no chemicals of concern will reach the consumer or professional market. This target supports compliance with the EU Chemicals Strategy for Sustainability and involves systematic portfolio reviews, substitution of hazardous substances, and implementation of safe-and-sustainable-by-design principles.
- **All newly developed products are safe and sustainable chemicals**
By 2030, 100 per cent of newly developed products will be safe and sustainable by design. This ensures that all innovations meet stringent eco-toxic criteria, reduce environmental impact, and enable circularity throughout the value chain.
- **ISO 14001 Certification of production sites**
An overall goal has been set to have ISO 14001 certification of all sites. During 2026, a plan is in place to start the certification process for the four sites that are not certified at the end of this reporting period..

Targets apply to all Perstorp operations globally and cover substances of concern and product safety. The time horizon for both targets is 2030, with 2019 as the baseline year.

E2-4 Pollution of air, water and soil

Persorp’s total non-GHG are presented in the table below.

Non-GHG Emissions to air	Emissions (Tonnes)			
	Pollutant	2023	2024	2025
Inorganic emissions				
NOx (Nitrogen Oxides)	118	129	122	
SOx (Sulfur Oxides)	2	2	2	
VOC (Volatile Organic Compounds)	91	100	82	

The metrics cover all Perstorp production sites globally and include emissions to air. Perstorp pursues continuous improvement of non-GHG emission levels through process optimisation and abatement systems. Emission levels are however to some extent dependent on production levels. Emissions are measured and reported in accordance with local environmental permit requirements. Data is based on continuous monitoring and periodic sampling validated by third-party audits where required.

Channelled air emissions are determined by multiplying the concentration by the relevant activity data (such as gas flow and operating hours, or fuel consumption) according to any of the following formulas:

$$\text{Concentration (mg/Nm}^3\text{)} \times \text{Gas Flow (Nm}^3\text{/h)} \times \text{Operating Hours (h)} = \text{Emissions (kg or tonnes).}$$

$$\text{Concentration (mg/L)} \times \text{Annual fuel consumption (L)} = \text{Emissions (kg or tonnes).}$$

E2-5 Substances of concern and substances of very high concern

Perstorp recognizes the importance of managing substances of concern (SoC) and substances of very high concern (SVHC) in line with regulatory requirements and its sustainability ambitions. The company complies with the EU REACH Regulation (EC 1907/2006) and maintains product stewardship processes to ensure safe use of chemicals throughout the value chain, all Perstorp relevant substances are registered at the European Chemical Association (ECHA). The product stewardship process ensures that all Perstorp products are accompanied with appropriate safety data sheets that provide detailed information about the product and how to use the product safely throughout the value chain. For those of our current products that have a hazard classification further communication is provided. Throughout our operations, we have processes in place to assess and document risks related to customer health and safety and we proactively interact with customers regarding the potential health and safety risks from product use. During 2025, Perstorp had zero product recalls (same amount as in 2024).

Perstorp has set clear targets to eliminate chemicals of concern from consumer and professional markets by 2030 and to ensure that all newly developed products are safe and sustainable by design. These targets are aligned with the EU Chemicals Strategy for Sustainability and support the transition toward safer and more circular solutions. At present, Perstorp does not report quantitative data on the total volume of substances of concern or SVHC used or placed on the market. The company is developing systems to enable portfolio screening against the REACH Candidate List and other relevant frameworks, with the aim of providing detailed metrics in future reporting periods. Ongoing efforts include systematic portfolio reviews, substitution planning, and collaboration with customers to phase out hazardous substances where feasible. Progress toward these objectives is monitored through internal governance.

ESRS E3 Water and marine resources

IRO-1 Description of processes to identify and assess material water and marine resources-related impacts, risks and opportunities

As a part of the DMA conducted in 2024, Perstorp applied a structured process to identify and assess water-related impacts, risks and opportunities across its own operations and value chain. Using the first three phases of the LEAP approach (Locate, Evaluate, Assess), Perstorp mapped water dependencies at all production sites, including those in regions exposed to water stress, and evaluated withdrawals, consumption and discharges against local conditions and regulatory frameworks. Included in this process was a water-stress assessment with the support of the Aqueduct Water Risk Atlas.

Stakeholder input was integrated through interviews and workshops, ensuring that issues such as water scarcity, effluent quality and compliance obligations were addressed. The outcome confirmed that water consumption, withdrawals and discharges are material topics for Perstorp, while marine resources were assessed but not deemed material. All Perstorp’s production processes use water to some extent: as a solvent for chemical reactions, as a carrier for products, as a heat-transfer medium or for cooling. As access to drinking-quality water and water fit for food production is scarce in many parts of the world, Perstorp addresses water as a part of its overall Zero Negative Impact ambition.

These findings are embedded in Perstorp’s sustainability strategy and governance, reflected in the 2030 target to reduce freshwater withdrawal by 25 per cent compared to 2019 for sites located in high water stress areas.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topical standard	Description of material impact, risk or opportunity (IRO)	IRO type	Location in the value chain			Expected time horizon
			Upstream	Own operations	Downstream	
E3 Water and marine re-sources	Negative impacts on sensitive water bodies and exacerbation of local water stress Perstorp’s site operations have a direct impact on sensitive water recipients, particularly in areas identified as having high water stress or elevated water risk. Water is used in various production processes, and site discharges may affect local aquatic ecosystems. These impacts are especially relevant for facilities located near vulnerable water bodies, where operational activities can contribute to cumulative pressure on water quality and availability.	Actual negative impact		●		All time horizons
E3 Water and marine re-sources	Water-intensive upstream impacts from fossil fuel inputs Significant volumes of water are consumed in the upstream production and refining of fossil-based energy carriers (such as natural gas, oil, and coal) used in Perstorp’s site operations. These activities contribute to water stress in regions where extraction and processing occur, particularly in areas already facing high water scarcity. The indirect water footprint associated with fossil fuel inputs represents a material environmental impact in Perstorp’s upstream value chain.	Actual negative impact	●			All time horizons
E3 Water and marine re-sources	Water stress exposure and regulatory risk Several Perstorp production sites are located in regions classified as high water stress or elevated water risk areas. This geographic exposure increases the likelihood of stricter regulatory controls over water withdrawals and discharges. As a result, Perstorp may face rising compliance costs and operational constraints related to permitting processes, water usage limits, and discharge quality standards. These risks are particularly relevant in jurisdictions where water scarcity is intensifying due to climate change and competing demands.	Risk		●		Medium-to-long term
E3 Water and marine re-sources	Operational and regulatory risk from non-compliant wastewater discharges If the quality or temperature of return water and wastewater discharged from Perstorp sites fails to meet permit conditions, the company may face regulatory penalties, including fines or enforced operational shutdowns. This risk is particularly acute in regions with strict environmental controls and sensitive water recipients, where non-compliance can lead to immediate enforcement actions and reputational damage.	Risk		●		All time horizons

E3-1 Policies related to water and marine resources

Perstorp manages water and marine resources through a hierarchy of policies that embed responsible water stewardship into governance and operations. At the highest level, the **PETRONAS Code of Conduct and Business Ethics** establishes overarching principles of integrity and sustainable development, requiring compliance with environmental laws and responsible resource management throughout the value chain. Accountability for implementation rests with the PETRONAS Group Board of Directors.

The **Sustainability Policy** integrates water management into Perstorp's ambition to have Zero Negative Impact, emphasising the reduction of freshwater withdrawal, efficient water use, and prevention of negative impacts on ecosystems and human health. It aligns with international frameworks such as the UN Global Compact, the UN Sustainable Development Goals, and the Paris Agreement. The Perstorp Board of Directors holds ultimate responsibility for implementation of this policy.

The **Environmental Policy** provides operational guidance, mandating compliance with legislation, adoption of the Responsible Care Charter, and continuous improvement through an ISO 14001-certified environmental management system. It explicitly addresses water, requiring proactive measures to minimise pollution to water, optimise water efficiency, and manage environmental risks across all sites. These policies collectively ensure systematic efforts to reduce water withdrawals, consumption, and discharges at all production sites governed by Perstorp Holding AB. Approved at the highest level of Perstorp management, responsibility for implementation rests with the Managing Director of Perstorp and ultimate accountability with the Perstorp Board of Directors.

Together, these policies embed water stewardship into Perstorp's governance, strategy, and operational practices. They provide a framework for managing material impacts, risks, and opportunities related to water use and discharges, ensuring compliance and driving continuous improvement toward sustainable water management.

E3-2 Actions and resources related to water and marine resources

Actions such as wastewater recycling and process optimisation are being implemented across sites to mitigate risks and capture opportunities, strengthening efficiency and resilience in water management.

In line with Perstorp's overarching policy commitments to responsible water stewardship and its ambition to have Zero Negative Impact, the company is implementing targeted actions to reduce freshwater consumption, optimise water efficiency, and minimise effluent-related impacts across its value chain.

- **Continuous employment of ISO 14001 Environmental Management System**

Five of the Perstorp production sites operate under an ISO 14001-certified environmental management system, ensuring systematic monitoring of water use, compliance with legal requirements, and continuous improvement in water efficiency and discharge control. This includes regular audits, risk assessments, and corrective actions to prevent water-related impacts.

- **Wastewater recycling and reuse projects**

Perstorp has wastewater recycling projects at two sites, Stenungsund (in operations) and Zibo (initiated), where purified wastewater replaces freshwater in production processes. Additional projects are planned for other sites located in areas of high water stress as part of the water reduction roadmap. These initiatives significantly reduce freshwater withdrawals and effluent discharge volumes.

- **Water efficiency optimisation in production processes**

Process optimisation programmes are underway to reduce water intensity in chemical reactions and cooling systems. Measures include upgrading heat-transfer systems and reducing dependency on freshwater sources.

- **Effluent quality management and compliance**

Perstorp maintains strict effluent control programmes to ensure compliance with local discharge permits and minimise environmental impact. Continuous monitoring and treatment systems are in place to prevent contamination of water bodies, ground water and safeguard water ecosystems.

- **Roadmap for water reduction targets**

Perstorp's water roadmap outlines site-specific actions to achieve the target of a 25 per cent absolute reduction in freshwater withdrawal for sites in areas of high water stress by 2030, and 40 per cent by 2035. Actions include technology upgrades, reuse systems, and alternative water sourcing strategies, supported by quarterly performance reviews.

- **Responsible care and employee training**

Perstorp adheres to the Responsible Care Charter and provides regular training for employees on water management, wastewater handling, and emergency response. This ensures awareness and capability to manage water-related risks effectively across all sites.

E3-3 Targets related to water and marine resources

Perstorp's water-related targets are designed to reduce freshwater withdrawal in areas of high water stress and ensure responsible water management across all production sites. These targets are aligned with the company's ambition to have Zero Negative Impact and its commitment to minimising environmental impacts.

- **25 per cent absolute reduction in freshwater withdrawal for sites located in high water stress areas**

By 2030, Perstorp aims to achieve a 25 per cent absolute reduction in freshwater withdrawal compared to the 2019 baseline for sites located in high water stress areas. This target applies to all such production sites globally and is supported by actions such as wastewater recycling, process optimisation, and alternative water sourcing. The reduction roadmap includes site-specific projects and quarterly performance reviews to monitor progress.

The target apply to all Perstorp operations worldwide and covers water withdrawals.

E3-4 Water consumption

Perstorp primarily sources water from its own on-site extraction points, including surface water and groundwater, in compliance with site-specific environmental permits and applicable legislation.

Withdrawals are monitored through flow meters installed at each production site. Water obtained from municipal supply is tracked either via on-site flow meters or indirectly through supplier invoices based on their measurements. In addition, parts of Perstorp's water withdrawal consist of contaminated water from external sources, which is treated internally and reused in production processes.

Perstorp maintains detailed records of water consumption at sites and have set reduction target for locations in high water stress areas. Changes in water storage are not

consolidated at the corporate level but are monitored locally where relevant. Reporting is carried out by each site individually, following internal instructions to document the basis of measurement. While Perstorp does not currently aggregate the proportion of data obtained from direct measurement, sampling and extrapolation, or best estimates at Group level, sites are required to keep written

documentation of their measurement approach to ensure transparency and traceability.

Information on Perstorp's water consumption performance is presented in the table below.

Water consumption

Metric	Amount (m ³)			Intensity (Litre of water/kg volume of products sold)		
	2023	2024	2025	2023	2024	2025
Freshwater withdrawal	18,757,945	21,588,952	20,191,532	25.23	26.87	26.61
Freshwater withdrawal in high water stress areas	430,885	372,882	371,254			
Total water consumption	1,790,298	1,680,549	1,202,840	2.41	2.09	1.58
Total water consumption in water risk areas	250,297	240,947	228,571			

Water intensity per net revenue

Metric	Amount (m ³)	Net revenue (MSEK)	Water intensity (m ³ per MSEK)
Total water consumption in own operations	1,202,840	10,923	110

Water effluents

To prevent contamination of soil, surface water and groundwater, each site identifies, documents and monitors the effluents arising out of its activities. Effluents are routed to waste water treatment, using methods and procedures prescribed by local law and approved by relevant authorities. Perstorp also works proactively at several levels of production to limit polluted waste water

by reusing chemicals (e.g. solvents) and water within the production, by reducing the amount of waste water and/or its pollutants leaving the production unit, by removing substances difficult to biodegrade from the waste water at source, by pretreatment when necessary before sending the waste water to biological treatment and by securing adapted and relevant biological treatment before releasing the treated waste water to receiving waters.

Organic Pollution Before Treatment

	Absolute (tonnes)			Intensity (kg / tonnes product sold)		
	2023	2024	2025	2023	2024	2025
Chemical Oxygen Demand (COD)*	8,523	12,241	9,447	11.5	15.2	12.4

*COD is measured in the flow into the wastewater treatment plant. Wastewater treatment reduces the COD with over 90% and the treated water is sent to recipients. COD is either measured directly or calculated through conversion of the Total Organic Compound (TOC) value. Using TOC analysis instead of COD is preferable, as COD testing requires mercury-based reagents, which poses environmental and health risks.

ESRS E5 Resource use and circular economy

IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

As part of Perstorp's latest DMA, the actual and potential impacts, risks, and opportunities related to resource use and circular economy across the company's own operations and its upstream and downstream value chain were systematically identified and assessed. The assessment followed the first three phases of the LEAP approach (Locate, Evaluate, and Assess) and was aligned with international due diligence principles such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

The process began with a comprehensive mapping of Perstorp's value chain, covering upstream suppliers, nine production sites in Europe, Asia, and North America, and downstream distribution and end-use. This mapping covered actual and potential impacts from sourcing of raw materials, production processes, waste management, and downstream product use. Financial materiality was evaluated to determine operational and regulatory risks and opportunities related to resource use and circular economy that could affect Perstorp's strategy and business model. Stakeholder insights were gathered from internal experts and functional leads in areas such as Sustainability, Environment, Health & Safety, Regulatory Affairs, Procurement, and Operations.

The outcome of the process confirmed that resource inflows (including resource use), resource outflows related to products and services, and waste are material topics for Perstorp.

The associated material impacts, risks and opportunities are presented in the table on the following page.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topical standard	Description of material impact, risk or opportunity (IRO)	IRO type	Location in the value chain			Expected time horizon
			Upstream	Own operations	Downstream	
E5 Resource use and circular economy	Limited circularity due to virgin feedstock dependence Perstorp's production processes currently rely heavily on virgin feedstock materials, with a low proportion of recycled content. This practice limits circularity and contributes to increased resource extraction and associated environmental impacts.	Actual negative impact	●			All time horizons
E5 Resource use and circular economy	End-of-life circularity challenges in product design Many of Perstorp's end-products are not designed for disassembly or efficient recycling at the end of their life cycle. This limits circularity and increases the risk of environmental leakage, as products may end up in water bodies, natural ecosystems, or come into contact with humans. The complexity of chemical formulations and the integration of materials in final applications pose barriers to recovery and reuse, contributing to resource inefficiency and potential environmental and health risks.	Actual negative impact			●	All time horizons
E5 Resource use and circular economy	Negative impacts from generated hazardous waste across Perstorp's full value chain, from raw material extraction to end-of-life disposal, hazardous waste generation poses a risk of releasing dangerous chemicals into the environment. Improper handling, treatment, or disposal at any stage (whether by suppliers, production partners, or downstream users) can lead to soil and water contamination, ecosystem degradation, and potential human health impacts. These risks are amplified in regions with limited regulatory oversight or insufficient waste infrastructure.	Actual negative impact	●	●	●	All time horizons
E5 Resource use and circular economy	Generation of hazardous fly ash Perstorp's operations generate large quantities of fly ash classified as hazardous waste due to its zinc content. This waste stream presents environmental and health risks if not properly managed, including potential contamination of soil and water.	Actual negative impact		●		Short-to-medium term
E5 Resource use and circular economy	Strategic and regulatory risks from products with limited circularity Perstorp faces increasing regulatory and market pressure to transition toward circular economy principles, including the use of recyclable materials and products designed for reuse or disassembly. If Perstorp does not proactively adapt to these expectations, there is a risk of losing customers to competitors offering more circular alternatives. Additionally, the company's current dependency on fossil-based and other finite feedstocks may result in higher input costs and reduced product demand if new circularity regulations are introduced.	Risk	●	●	●	Medium-to-long term
E5 Resource use and circular economy	Cost risk from stricter hazardous waste regulations Perstorp may face increased operational costs due to tightening regulations on hazardous waste management and transport. More stringent requirements (such as enhanced tracking, treatment standards, and cross-border transport controls) could raise the cost of compliance, particularly for waste streams classified as hazardous (e.g., fly ash containing zinc). These regulatory developments may also require investments in upgraded infrastructure or third-party services to ensure safe and lawful disposal.	Risk		●		Medium-to-long term
E5 Resource use and circular economy	Financial opportunity through waste reduction Perstorp's efforts to reduce waste across its operations, e.g. the optimisation of methanol waste streams at multiple sites, have financial benefits. By minimising waste generation and improving resource efficiency, the company reduces disposal costs and enhances operational performance.	Opportunity		●		All time horizons
E5 Resource use and circular economy	Revenue potential from industrial by-product utilisation Perstorp has identified opportunities to generate additional income by repurposing certain waste streams as input materials for other industries. For example, by-products such as mother liquid (residual liquid resulting from crystallisation) and residual methanol can be sold to external partners for use in their production processes.	Opportunity			●	Long term
E5 Resource use and circular economy	Market opportunity through circular design enablement Perstorp's product solutions can support customers in meeting current and future sustainability targets by enabling design for circularity. As regulatory requirements and consumer expectations increasingly favour products with recycled content and low waste generation, Perstorp is well-positioned to strengthen its market presence by offering materials that align with circular economy principles. This trend presents a strategic opportunity to enhance customer value and secure long-term demand, particularly in segments such as Resins & Coatings and Advanced Materials.	Opportunity		●	●	Medium-to-long term
E5 Resource use and circular economy	Strategic advantage through early adoption of non-fossil carbon sourcing By proactively sourcing renewable and recycled carbon ahead of regulatory mandates, Perstorp strengthens its position in the transition toward a circular and climate-neutral economy. This forward-looking approach supports alignment with emerging frameworks such as the EU Sustainable Carbon Cycle and enhances the company's ability to meet future customer and legislative requirements.	Opportunity	●			Medium term

E5-1 Policies related to resource use and circular economy

Resource use and circular economy is governed at the highest level by the **PETRONAS Code of Conduct and Business Ethics**. The code of conduct sets overarching principles of integrity and responsible business conduct, requiring compliance with environmental laws and commitment to sustainable development throughout the value chain. The PETRONAS Group Board of Directors is accountable for its implementation.

Perstorp's **Sustainability Policy** addresses resource use, circularity and waste management into its overall strategic ambition to have Zero Negative Impact. It highlights efforts of safe and sustainable design with the ultimate goal to enable circular and sustainable solutions in the value chain and for customers. It aligns with international frameworks such as the UN Global Compact, the UN Sustainable Development Goals, and the Paris Agreement. The Perstorp Board of Directors is ultimately responsible for the policy's implementation.

Perstorp has also adopted an **Environmental Policy** that addresses material impacts, risks, and opportunities related to resource use and circular economy, as identified in the company's DMA. The policy is designed to improve resource efficiency, reduce dependency on virgin fossil resources, and minimise waste generation, while leveraging opportunities for circular solutions and renewable feedstocks.

The policy is guided by Perstorp's long-term ambition to have Zero Negative Impact, covering scope 3 raw materials and waste across own operations and the value chain. It underpins Perstorp's sustainability approach (Enable, Transform, Care) and supports the company's 2030 and 2035 climate and resource targets for scope 1, 2, and 3. It guides Perstorp's roadmaps for:

- Transitioning away from virgin fossil fuels for heat and steam (scope 1 and 2),
- Increased use of renewable and non-fossil electricity (scope 1 and 2), and
- Circularity and waste reduction (scope 3).

It also commits to sustainable sourcing and increased use of renewable and recycled resources through:

- Continuous improvement in resource efficiency and waste reduction,
- Responsible management of chemicals throughout their life cycle, in line with the Responsible Care Charter,
- Compliance with all applicable environmental legislation,
- Provision of up-to-date information on product properties and impacts.

The environmental policy applies to all employees and contractors across all sites and business entities where Perstorp has an ownership stake. It also extends to value chain engagement through supplier compliance with sustainable sourcing standards and collaboration on circular solutions. Perstorp site managers are responsible for the implementation of relevant requirements, compliance with legal requirements, monitoring and reporting to fulfill the company's environmental commitments. The policy has been reviewed and approved at the highest level of management and is reviewed annually to ensure correspondence with business requirements and environmental management commitments. Ultimate accountability rests with the Perstorp Board of Directors.

E5-2 Actions and resources related to resource use and circular economy

Perstorp has roadmaps in place to guide planned actions related to resource use and circular economy for scope 3 (shifts of raw materials from virgin fossil to renewable and recycled) and for scope 1 & 2 (shifts of fuels and electricity). Two examples of roadmap projects in place for 2030 are related to methanol intended for reuse as raw material and fly ash to product, and they cover the scope of the Perstorp production site. The continued execution of these projects is a priority for 2026/27. Additional roadmap projects to 2035 will be decided in relation to the 2035 target on percentages of produced waste volumes diverted to disposal and to landfill respectively. Additional

priority actions in 2026 that are related to resource use and circular economy are:

- further developing PCF and LCA calculations
- certifications such as RSPO and ISCC Plus
- development of Pro-Environment product portfolio
- further enhancing responsible sourcing
- ensuring compliance with legislation, e.g. CSRD and CSDDD.

At site Perstorp, 2025 saw the continued phase-out of fossil peat as fuel and the initiation of a pre-study of the roadmap recycling project for purifying and recycling the residue methanol waste stream to enable its reuse as raw material instead of as a fuel for steam production. The roadmap project of reusing fly ash as raw material for an other company's concrete production continued, as did the exploration of renewable/fossil-free electricity for the production sites in China and India. On the global market, Perstorp also launched Neptem, an emulsifier product which enables water-based alkyd paint (instead of fossil solvent-based) and progressed on Akestra, which mainly helps customer/value chains meeting regulatory demand in EU (PPWR) and USA.

E5-3 Targets related to resource use and circular economy

Efficient resource management reduces operational risks, ensures compliance, and strengthens stakeholder trust. These measures align with Perstorp's strategic pillar of Transform, supporting its transition plan and long-term ambition to embed sustainability into products and operations. By combining operational improvements with product innovation, Perstorp creates business opportunities while contributing to environmental goals.

Perstorp has set voluntary targets related to waste and scope 3 that relate to circular design. The scope 3 target for 2030 has been approved by the SBTi. This is done by enabling recycling and reuse of its waste streams as raw materials for Perstorp itself or other companies, and innovating products which are recyclable and enables recycling of the end products of its value chains, or enable

using recycled content in the end products. Perstorp's targets also relates to the shift to using recycled raw materials for its production. This reduces Perstorp's raw materials emissions which constitute a significant part of its scope 3 emissions.

The first waste target is a 20 per cent reduction by 2030 and a 40-60 per cent reduction by 2035 of waste to disposal intensity (calculated as per cent total waste to disposal/tonne product). The exact level of 2035 reduction is to be decided upon in relation to future development of the 2035 roadmaps. The targets purpose is to increase recycling of waste (reduce waste to disposal such as combustion or landfill). The 2019 baseline value is 7.3 per cent tonne total waste to disposal / tonne product.

The second waste target is a 20 per cent reduction by 2030 and a 40-60 per cent reduction by 2035 of waste to landfill intensity (calculated as per cent total waste to landfill / tonne product). The exact level of 2035 reduction is to be decided upon in relation to future development of the 2035 roadmaps. The purpose of the second target (waste to landfill intensity) is to reduce landfilling of waste which is lowest in the waste hierarchy. The 2019 baseline value is 0.8 per cent tonne total waste to landfill / tonne product.

Targets on increased recycling and reducing waste diverted to landfill enables a move in the waste hierarchy and relates directly to hierarchy levels of disposal to recovery by reducing landfill and disposal/recovery to recycling. Perstorp expects waste to increase by 2035 in line with our business strategy to grow if we continue business as usual. This makes our targets and implementation of of roadmaps important to mitigate this development. As more regulation is implemented, the driving forces to recycle waste will be higher and the value of waste streams increase. For realizing Perstorp's scope 3 strategy and target in 2035 it is assumed that about 30 per cent of the reduction is coming from increased recycling globally and suppliers emission reductions of the raw materials.

Target progress is tracked through internal KPIs and reported annually.

E5-4 Resource inflows

Perstorp has datasets to meet parts of ESRS E5-4 requirements for resource inflows by category (renewable vs. non-renewable, recycled vs. virgin) and by type (materials, energy, water, and critical raw materials). For 2025, Perstorp will disclose information on purchased materials, including raw materials and packaging. This disclosure will be based on purchase data rather than actual usage. Perstorp also includes qualitative data on bio-based feedstocks and circular initiatives to support future reporting of a full quantitative breakdown.

Reporting processes are being refined to ensure full ESRS-compliant disclosure on resource inflows, including technical materials, as part of the company's roadmap to achieve CSRD compliance by FY2027. These efforts are supported by improved traceability, supplier transparency, and adherence to the Supplier Code of Conduct. Interim progress will continue to be reported annually.

Data presented in the table this include all actual purchased feedstock, raw materials, and packaging across our global spend and operational sites. All quantities are converted into kilograms and categorised as either raw materials or packaging. Materials with bio-based or recycled content are identified at the level of specific materials or through verified supplier declarations. The data is consolidated according to our internal sustainability reporting procedures.

Resource inflows			
Material category	Total weight (kilotonnes)	Biological	Recycled
Key raw materials	877.7		
Whereof biological	11.7	1.3%	
Packaging materials	10.4		
Whereof biological	7.4	71.2%	
Whereof recycled	0.02		0.2%
Total	888.1	2.2%	0%

E5-5 Resource outflows

Throughout Perstorp's operations, waste is managed in compliance with national legislation and categorised into relevant streams based on composition and emission properties. Large-volume production wastes, such as polyol residues, mother liquids, and waste methanol, are mapped through analysis or mass balance calculations and reported separately. All waste is physically separated into categories such as glass, metals, electronics, and asphalt. For sustainability reporting purposes, the mixed materials category is used for streams that do not fit standard categories to ensure full reporting coverage.

All waste volumes are measured upon collection, whether handled internally (e.g., combustion with energy recovery) or by external contractors. Disposal methods communicated by waste collectors are recorded in Perstorp's reporting systems.

Improvements in ESRS-aligned data to be reported is being developed and expected to be in place in FY2027. Perstorp does not yet report the quantitative breakdown of waste for site-level or segment-level. Likewise, reporting processes and data collection on resource outflows in regards to product durability, reparability, and rates of recyclable content in products are being developed.

Waste	Total amount of waste (tonnes)			Hazardous waste (tonnes)			Non-hazardous waste (tonnes)			Total amount of waste (kg waste / tonnes product sold)			Hazardous waste (kg waste / tonnes product sold)			Non-hazardous waste (kg waste / tonnes product sold)		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Total waste generated	57,216	71,529	66,194	50,507	64,024	61,663	6,709	7,505	4,532	77.0	89.0	87.2	67.9	79.7	81.2	9.0	9.3	6.0
Total waste diverted from disposal	2,546	2,407	5,845	1,072	931	4,261	1,474	1,476	1,583	3.4	3.0	7.7	1.4	1.2	5.6	2.0	1.8	2.1
Total waste directed to disposal	54,670	69,121	60,350	49,436	63,093	57,402	5,235	6,029	2,948	73.5	86.0	79.5	66.5	78.5	75.6	7.0	7.5	3.9
Percentage Non-Recycled Waste [%]	96%	97%	91%	98%	99%	93%	78%	80%	65%									
Total waste diverted from disposal (by recovery operations)	2,546	2,407	5,845	1,072	931	4,261	1,474	1,476	1,583	3.4	3.0	7.7	1.4	1.2	5.6	2.0	1.8	2.1
Preparation for Reuse	82	186	31	0	0	0	82	186	31	0.1	0.2	0.0	0.0	0.0	0.0	0.1	0.2	0.0
Recycling	2,464	2,204	2,282	1,072	914	776	1,393	1,290	1,506	3.3	2.7	3.0	1.4	1.1	1.0	1.9	1.6	2.0
Other Recovery Operations	0.0	17	3,531	0	17	3,485	0	0	46	0.0	0.0	4.7	0.0	0.0	4.6	0.0	0.0	0.1
Total weight of waste directed to disposal (by disposal operations)	54,670	69,121	60,350	49,436	63,093	57,402	5,235	6,029	2,948	73.5	86.0	79.5	66.5	78.5	75.6	7.0	7.5	3.9
Incineration with Energy Recovery	43,231	53,123	51,737	40,010	50,193	50,396	3,222	2,929	1,341	58.1	66.1	68.2	53.8	62.5	66.4	4.3	3.6	1.8
Incineration without Energy Recovery	147	26	16	141	18	16	6	8	0	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Landfill	8,971	9,579	7,242	6,965	6,502	5,755	2,007	3,077	1,487	12.1	11.9	9.5	9.4	8.1	7.6	2.7	3.8	2.0
Other Disposal Operations	2,320	6,394	1,355	2,320	6,379	1,235	0	15	120	3.1	8.0	1.8	3.1	7.9	1.6	0.0	0.0	0.2

Social information

ESRS S1 Own workforce

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Perstorp’s recognises that its workforce is a critical enabler of its overall strategy and that social impacts, risks, and opportunities related to employees directly influence operational resilience and long-term value creation. The company identified several topics related to Own workforce as material through its DMA, specifically working conditions and privacy. Working in a chemical company like Perstorp is linked to potential negative impacts on health and safety. Perstorp therefore recognises the importance of being able to offer attractive and safe working conditions to ensure talent retention and attraction. Based on the topics, Perstorp has identified several impacts, risks and opportunities that are presented in the table on the right:

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topical standard	Description of material impact, risk or opportunity (IRO)	IRO type	Location in the value chain			Expected time horizon
			Upstream	Own operations	Downstream	
S1 Own workforce	Potential negative impacts – working conditions Workers at Perstorp production sites may face health and safety risks due to chemical handling, high-temperature and high-pressure processes, and dust explosion hazards, potentially leading to chronic illness, disability, or fatality. Additionally, long working hours and high workloads (particularly in production and support functions) can negatively affect work-life balance and contribute to psychosocial stress, increasing the risk of workplace incidents.	Potential negative impact		●		All time horizons
S1 Own workforce	Positive impacts related - working conditions Perstorp contributes positively to the working conditions of its employees by offering secure employment, fair and adequate wages, and promoting a sound work-life balance. These practices support employee well-being, retention, and long-term workforce stability, aligning with Perstorp’s commitment to responsible employment and social sustainability.	Potential positive impact		●		All time horizons
S1 Own workforce	Potential adverse employee privacy impacts If personal data is handled incorrectly or without adequate safeguards, Perstorp may negatively impact the privacy rights of its employees. Inadequate data protection can lead to unauthorised access, misuse, or loss of sensitive information, undermining trust and exposing individuals to privacy risks.	Potential negative impact		●		All time horizons
S1 Own workforce	Attractive working conditions and inclusive culture as key enablers of talent retention Lagging in diversity, inclusion, or the provision of attractive working conditions (such as fair pay, work-life balance, health and safety, and access to training) can hinder Perstorp’s ability to attract and retain skilled employees.	Risk		●		All time horizons
S1 Own workforce	Financial opportunity through inclusive and attractive workplaces Investing in diversity, inclusion, and attractive working conditions – such as safe environments, fair compensation, and development opportunities – enhances Perstorp’s ability to attract employees with specialised competencies. This strengthens innovation capacity and operational excellence, supporting long-term financial performance and competitiveness.	Opportunity		●		All time horizons

S1-1 Policies related to own workforcePETRONAS Code of Conduct and Business Ethics

Perstorp adheres to the PETRONAS Code of Business Ethics (CoBE), which sets out principles and commitments for ethical conduct, anti-corruption, human rights, workplace discrimination and fair business practices. It sets out a commitment to respecting human rights across all operations which applies to employees, third parties working for or on behalf of PETRONAS, and anyone on its premises. The policy prohibits the use of child labour, requiring compliance with minimum legal working age in all operating countries. It also forbids involvement in human trafficking or modern slavery, including any form of forced, bonded, or involuntary labour. Perstorp follows up human rights related questions through employee surveys, trade union dialogue, and supplier risk management process, including labour rights and related topics. Remediation of human rights impacts stemming from Perstorp's activities takes place according to local laws and regulations.

The Code of Conduct enforces a zero-tolerance policy for unlawful workplace discrimination. All employees and third parties must comply with local anti-discrimination laws. The company does not discriminate in employment or hiring based on race, ethnicity, colour, age, gender, gender identity or expression, sexual orientation, political beliefs, citizenship, national origin, religion, disability, parental status, economic/class status, or any characteristic unrelated to merit or job requirements.

The CoBE applies to all Perstorp employees and business partners and is publically available on the PETRONAS website. Perstorp ensures local implementation through mandatory training, regular communication, and compliance monitoring through the anonymous whistleblowing mechanism, dialogue with local trade unions and the bi-monthly employee pulse survey. Representatives from HR and Legal are responsible for handling reports through the whistleblowing channel, for which reception is confirmed within seven days and response delivered to the submitter within three months.

Human Rights Policy

Perstorp is committed to respecting internationally recognised human rights and ensuring safe, fair, and inclusive working conditions across its operations and value chain. This commitment is formalised in Perstorp's Human Rights Policy, which aligns with the International Bill of Human Rights, ILO Core Conventions, UN Guiding Principles on Business and Human Rights (UNGPs), and OECD Guidelines. The policy prohibits discrimination, child labour, modern slavery, and human trafficking, and mandates a risk-based approach to human rights due diligence. It also ensures access to grievance mechanisms that are confidential, fair, and non-retaliatory. Governance and oversight of human rights compliance rest with Perstorp's leadership team and Board of Directors.

Perstorp Sustainability Policy

Perstorp has adopted a Sustainability Policy which addresses material impacts, risks and opportunities related to the own workforce and the strategic ambition to have Zero Negative Impact through the sustainability approach elements – Enable, Transform, and Care. It highlights impacts and priorities related to people through addressing topics of health and safety and safe and sustainable design to add value to value chain partners and for customers. The policy is aligned with international frameworks such as the UN Global Compact, the UN Sustainable Development Goals, and the Paris Agreement.

Perstorp Health and Safety Policy

Perstorp ensures continuous access to accurate information on product properties for internal and external stakeholders, adheres to internal design standards and preventive measures to manage process risks, and sets annual objectives and roadmaps for ongoing health and safety improvements. The company embraces the Responsible Care Charter for safe chemical management throughout their life cycle and promotes a culture of collaboration between leaders and employees as a prerequisite for a safe work environment. Employees are expected to safeguard their own and colleagues' health and safety by complying with relevant frameworks

and legislation, promptly reporting deviations or unsafe conditions, suggesting improvements, and applying the Golden Rule to stop work when necessary. Perstorp has a workplace accident prevention management system in place ("Responsible Care management system") which is audited.

Perstorp Corporate Privacy Policy

Perstorp's Corporate Privacy Policy states that the company is committed to complying with all applicable privacy and personal data protection laws and maintaining high standards in handling personal data of employees, contractors, directors, and third parties. The company ensures lawful collection and use of data, obtains consent where required, provides necessary notices, keeps data accurate and up to date, retains it only as long as necessary, informs individuals about disclosures, secures data with appropriate safeguards, and enables individuals to exercise their legal rights such as access, correction, and erasure.

Perstorp Availability Policy

Through its Availability Policy, Perstorp ensures all employees have a sustainable work situation regarding health, safety, and work-life balance. Availability and flexibility are determined by work tasks and personal circumstances and should be managed through continuous dialogue between managers and teams. Managers must define availability expectations, handle exceptions (e.g., urgent requests, travels), and align with stakeholders. Employees should report deviations that may affect health and safety. The policy mandates compliance with local laws on work hours, minimises overtime, and clearly communicates work hours in employment contracts. Unless specifically agreed, employees are not expected to be available outside regular work hours, during leave, or before recovery after long-distance travel.

PETRONAS Whistleblowing Policy

Perstorp is committed to responsible and ethical business conduct and provides secure channels for reporting concerns. All employees, contractors, and third parties can report actions that breaches the company's Code of Conduct

through the PETRONAS Whistleblowing Policy, which applies to Perstorp's operations and sets the framework for protection of whistleblowers. Reports can be submitted via a secured and confidential channel in accordance with the procedures as provided under the policy, ensuring confidentiality and protection against retaliation.

Global Recruitment Policy

Perstorp comply with their Global Recruitment Policy which is aimed at eliminating discrimination in the recruitment process. Discrimination is also addressed through the requirements of the PETRONAS Code of conduct and business ethics as well as PETRONAS Whistleblowing Policy (see above).

Governance, scope and responsibilities

The policies apply to all employees and contractors across all sites and business entities where Perstorp has an ownership stake. They also extend to value chain engagement through supplier compliance with the PETRONAS Code of Conduct and Business Ethics. Perstorp site managers are responsible for the implementation of relevant requirements, compliance with legal requirements, monitoring and reporting to fulfill the company's commitments. The policies have been approved at the highest level of management and are reviewed annually to ensure correspondence with business requirements and management commitments related to the workforce as well as compliant with applicable laws. Ultimate accountability lies with the Perstorp Board of Directors.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Perspectives of own workforce inform Perstorp's decisions and/or activities aimed at managing actual and potential impacts. The perspectives are communicated through engagement with the workforce and their representatives directly via the bi-monthly employee pulse survey and indirectly through engagement with local trade unions. The employee representatives are engaged with the company on a regular basis and in significant changes or negotiations. HR and management have operational

responsibility for ensuring that engagement happens and that the results inform undertaking's approach. They review survey insights and union feedback systematically and incorporate it into policy updates, workplace improvements, and negotiation outcomes.

Perstorp does not have any global framework agreements in place related to the respect of human rights of workers, but only local agreements with local or national unions. Effectiveness of the engagement with the own workforce is assessed through tracking the participation rates of the bi-monthly employee pulse surveys and related scores and management is responsible for engaging their respective teams in dialogue regarding the results. Engagement processes cover all employees globally, including permanent and temporary staff.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

Remediation where Perstorp has caused or contributed to a material negative impact on people in its own workforce is ensured through the compliance with national legislation and regulation.

Employees can raise concerns or needs directly with Perstorp through the SpeakUP whistleblowing mechanism and bi-monthly employee pulse survey or through local employee representatives and unions. A mechanism for grievance and complaints related to employee matters exist (whistleblowing mechanism) and is communicated through internal channels to ensure it is readily available and accessible, along with instructions and information on its use. HR and Legal representatives are responsible for collecting and managing the reports. Within seven days, the submitter receives a confirmation of reception, and potential enagement with involved parties as well as response on how the matter has been handled is completed within three months. The mechanism also allows functions such as anonymous calls.

Trust and awareness of the mechanism and other structures and processes are tracked through anonymous reports through the use of the mechanism and the

bi-monthly employee pulse surveys. In cases of lack of trust where dialogues are taking place, Perstorp collaborates with unions and employee representatives. Perstorp has policies in place to address confidentiality and protection against retaliation for individuals that use channels to raise concerns; PETRONAS Whistleblowing Policy, and PETRONAS Code of Conduct and Business Ethics. All information on policy and how to raise concerns is gathered and accessible on the intranet.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Key actions to implement the commitments set out in the policies:

- **Human rights:** Integration of human rights principles into supplier engagement and contractual requirements, through the Code of Conduct (CoBE) (see G1-1 for futher details) which applies to employees and contractors. The CoBE sets out commitments to ethical conduct, anti-corruption, human rights, workplace discrimination and fair business practices across all operations. It applies to employees, third parties working for or on behalf of the company, and anyone on its premises. The launch of the new Code of Conduct was accompanied by related training materials.
- **Health and safety:** Continuous monitoring of workplace conditions to ensure compliance with safety standards. Employees receive training on health and safety regulations and are encouraged to report any work-related complaints promptly.
- The **Perstorp Careway model** highlights a strong health and safety culture and is a way to display and advance maturity in terms of health and safety practices. Careway assessments are conducted yearly at sites and offices, in order to monitor performance and identify areas of improvement. Based on the results of the assessments, action plans are developed from team level and up to corporate level. Globally, the Careway continuous

improvement (CI) programme coordinates cross-functional improvement projects that addresses identified gaps on a global level. Projects completed 2025 include a new global procedure for dust hazard management and upskilling of global incident investigators.

Ongoing identification of actions needed and appropriate in response to particular actual or potential negative impacts is done through the bi-monthly employee pulse surveys, risk assessments, and global change frameworks. This includes to ensure that Perstorp's own practices do not cause or contribute to material negative impacts on the workforce. The resources allocated to managing material impacts are the Care committees which cover all Perstorp sites.

Grievance mechanisms are accessible to all stakeholders, ensuring timely resolution of concerns related to human rights or workplace conditions.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Perstorp has set a target related to own workforce of an index of 67 within all teams in the bi-monthly employee pulse survey. In 2025, the index was 73, compared to 2024 when the index was 74. Progress in relation to this target is reported to the leadership team on a regular basis, and followed up with the respective teams in the organisation.

Perstorp engages directly and indirectly with its own workforce and their representatives in relation to target setting. This engagement is accomplished through the bi-monthly employee pulse survey and through engagement with local trade unions. In terms of tracking performance against the targets, engagement takes place through updates to and dialogue with local union representatives and internal communication in relation to e.g. the yearly bonus results. Identification of lessons learned and the identification of improvements as a result of Perstorp's performance is done on a case basis and through lessons learned workshops and surveys.

Targets related to own workforce			
	Target	2024	2025
Employee Pulse Survey	67	74	73

S1-6 Characteristics of the undertaking's employees

Methodologies and assumptions

Number of employees are reported in head count and at end of reporting period. These include only employees hired by Perstorp. Permanent employees include both part-time and full-time employees. Employees who have left the company include all types of departures where the permanent employment has ended. The data has been extracted from Perstorp's global HR Master Data system and reflect the company on a global level.

Employee Head Count by Gender

Gender	Head count		Per cent, %	
	2024	2025	2024	2025
Female	569	580	31	32
Male	1,261	1,236	69	68
Other	0	0	0	0
Not reported	0	0	0	0
Total	1,830	1,816	100	100

Employee head count by contract type and gender – 2025

Contract type	Female	Male	Other*	Not disclosed	Total
Number of employees	580	1,236	0	0	1,816
Number of permanent employees	528	1,183	0	0	1,711
Number of temporary employees	52	53	0	0	105

*Gender as specified by the employees themselves

General Employee Indicators	2024	2025
Employee turnover, %	7	9
Number of employees who have left the company	146	154

S1-7 Characteristics of non-employees in the undertaking's own workforce

Methodologies and assumptions

Number of non-employees are reported in head count and at end of reporting period. The types of non-employees included are agency consultants engaged to provide personnel support, interim consultants contracted for short-term assignments or specialised expertise, and other external service providers, such as consultants with whom the company has established support agreements or framework contracts for the continuous delivery of defined services.

Number of Non-Employees	2024	2025
Total number of non-employees in company's workforce	71	73
Number of non-employees in own workforce – self-employed people	0	0
Number of non-employees in own workforce – people provided by undertakings primarily engaged in employment activities	71	73

S1-8 Collective bargaining coverage and social dialogue

In 2025, 64 per cent of all Perstorp employees are covered by collective bargaining agreements.

Collective Bargaining and Social Dialogue

Coverage Rate	Collective bargaining coverage	
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl)
0–19%		APAC, Americas
20–39 %		
40–59 %		
60–79 %		
80–100 %	Sweden Germany	

S1-9 Diversity metrics

Perstorp defines top management as being the Perstorp leadership team.

Gender Distribution in Top Management

Gender	Number		Per cent, %	
	2024	2025	2024	2025
Female	2	3	25	30
Male	6	7	75	70
Other / Not reported	0	0	0	0
Total	8	10	100	100

Age Distribution of Employees

Age	Number		Per cent, %	
	2024	2025	2024	2025
Under 30 years	295	283	16.1	15.6
30–50 years	948	956	51.8	52.6
Over 50 years	587	577	32.1	31.8
Total	1,830	1,816	100	100

S1-10 Adequate wages

All Perstorp employees are paid an adequate wage, in line with national legislation and applicable benchmarks.

S1-11 Social protection

All Perstorp employees are covered by social protection in line with national laws and legislation as well as collective bargaining agreements. Depending on the country, this may include coverage of loss of income due to sickness, unemployment, employment injury and acquired disability, parental leave or retirement.

S1-13 Training and skills development metrics

Performance and career development		
Employees that participated in regular performance and career development reviews	2024	2025
Employees, %	80	84
Women, %	No data	88
Men, %	No data	82
Other, %	No data	N/A
Number of performance reviews per employee	1	1
Number of reviews in proportion to the agreed number of reviews by the management	1	1

Training, Learning & Development Indicators

Metric	2023	2024	2025
Average number of training hours per employee	No data	36	45
Percentage of employees who received skills-related training, %	100	100	100
Percentage of the total workforce that has taken the Code of Conduct training, %	100	100	90
Percentage of employees trained on business ethics, %	100	100	90

S1-14 Health and safety metrics

General health & safety metrics	2023	2024	2025
The percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines, reported by head count basis	100	100	100
% of all operational sites for which an employee health & safety risk assessment has been conducted.	100	100	100
Employee Sickness Absence rate	2.3	5.2	2.1

Occupational Injuries

	Employees			Contractors			Total Own Workforce		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Fatalities	0	0	0	0	0	0	0	0	0
Number of Lost Workday Cases (LWC)	10	3	5	1	0	2	11	3	7
LTIF*	3.5	1.0	1.6	2.6	0	2.5	3.4	0.7	1.8
Total Lost Days	54	28	77	10	0	45	64	28	122
Number of Recordable Injuries**	10	7	8	2	2	5	12	9	13
TRCF***	3.5	2.1	2.6	5.2	2.3	6.2	3.7	2.3	3.3

* LTIF = Number of LTI × 1,000,000 / number of hours worked. LTI = Lost Time Injury. An injury sustained by a worker that resulted in Fatality, Permanent Total Disability (PTD), Permanent Partial Disability (PPD) and Lost Workday Case (LWC).

** Occupational accidents resulting in fatality, lost time, restricted work or medical treatment as defined by the Occupational Safety & Health Administration (OSHA) under the United States Department of Labor.

*** Number of recordable injuries × 1,000,000 / number of hours worked.

Process Safety Events (PSEs)

	Number			Rate*		
	2023	2024	2025	2023	2024	2025
Tier 1	5	2	0	0.3	0.1	0
Tier 2	14	6	3	0.9	0.3	0.8

* Number of incidents × 200,000 / number of hours worked.

S1-17 Incidents, complaints and severe human rights impacts

Discrimination incidents			
Metric	2023	2024	2025
Total number of incidents of discrimination	0	0	0
Number of complaints filed through channels for people in own workforce to raise concerns	1	0	5
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0	0	0
Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed	0	0	0

Human rights incidents

Metric	2023	2024	2025
The number of severe human rights incidents connected to the undertaking's workforce	0	0	0
Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	0	0	0
Amount of fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	0	0	0

Governance information

ESRS G1 Business conduct

G1-1 Business conduct policies and corporate culture

Perstorp has established comprehensive policies to address ethical business conduct and corporate culture topics. The policies are designed with the intention to support Perstorp's strategic objectives and manage impacts, risks and opportunities related to topics such as anti-corruption and bribery, corporate culture, protection of whistleblowers, and animal welfare.

PETRONAS Code of Conduct and Business Ethics

Regarding corporate culture, Perstorp has adopted the PETRONAS Code of Conduct and Business Ethics (CoBE) and PETRONAS Anti-Bribery and Corruption Policy and Guidelines (ABC Manual), which contains detailed information and instruction on anti-bribery matters. The Code of Conduct sets clear expectations for all employees to act in the best interests of the company, uphold professionalism, honesty, and diligence, and avoid conflicts of interest or misuse of authority for personal gain.

Employees are required to comply with applicable laws, regulations, and internal policies, and foster a culture of responsibility, creativity, and collaboration. These principles guide Perstorp's efforts to ensure ethical, transparent, and responsible business practices across all operations. For more details on the CoBE, see disclosure S1-1.

Perstorp Sustainability Policy

Perstorp's Sustainability Policy addresses material impacts, risks and opportunities related to business conduct and emphasises specifically priorities related to upholding fair and ethical business practices and providing sustainable solutions and products to value chain partners and

for customers. The policy is aligned with international frameworks such as the UN Global Compact, the UN Sustainable Development Goals, and the Paris Agreement.

Whistleblowing mechanism

Perstorp provides employees with the possibility to report unlawful behaviour or behaviour in contradiction of the Code of Conduct through its whistleblowing channel.

The Group is also in the process of being onboarded to PETRONAS' whistleblowing channel, which will enable external parties to report concerns. In addition, Perstorp Group and its employees are subject to various compliance requirements related to laws and regulations. A high-level workflow has been established to address breaches within five critical legal areas, as outlined in the Compliance Breach Manual. For more details on the whistleblowing mechanism, see disclosure S1-1. Perstorp's additional procedures to investigate business conduct incidents, including incidents of corruption and bribery beyond the procedures to follow-up on reports by whistleblowers include processes set out in the CoBE and Anti-Corruption and Bribery manual.

Supplier Code of Conduct

Perstorp requires all suppliers to adhere to its Supplier Code of Conduct (SCoC), which is aligned with international standards including the UN Global Compact, OECD Guidelines for Multinational Enterprises, and the Corporate Sustainability Due Diligence Directive (CSDDD). The SCoC sets clear expectations for ethical business conduct, human rights and environmental responsibility. Specifically, it addresses the prohibition of child and forced labour, respect for freedom of association, fair treatment of workers, zero tolerance for bribery, corruption, and anti-

competitive practices, and compliance with ISO 14001 and relevant EU regulations such as REACH and CLP.

Suppliers are required to sign the SCoC, implement human rights and environmental due diligence, and maintain grievance mechanisms. Perstorp provides dedicated whistleblowing channels and reserves the right to conduct audits to verify compliance.

Regulatory Affairs Policy

In relation to business conduct, Perstorp's Regulatory Affairs Policy addresses the topic of animal welfare. The policy states that while animal studies may be required to develop data on hazard properties, Perstorp will only conduct animal studies when scientifically or legally required and when no viable alternative is yet available. When animal testing is necessary, Perstorp works exclusively with certified research laboratories with proven track record adhering to animal welfare rules. Perstorp will not conduct or participate in human testing. The contact research organisations that Perstorp works with operate according to (GLP) and has well-developed approaches to animal welfare.

Governance, scope and responsibilities

The policies listed above apply to all employees and contractors across all sites and business entities where Perstorp has an ownership stake. All employees must know and follow the PETRONAS Code of Conduct and Business Ethics, including taking mandatory trainings in it. The policies also extend to value chain engagement through supplier compliance with the PETRONAS Code of Conduct and Business Ethics and the Supplier Code of Conduct. Perstorp site managers are responsible for the

implementation of relevant requirements, compliance with legal requirements, monitoring and reporting to fulfill the company's commitments. The policies have been approved at the highest level of management and are reviewed annually to ensure correspondence with business requirements and management commitments related to the workforce as well as compliant with applicable laws. Ultimate accountability rests with the Perstorp Board of Directors.

External commitments and reporting

Perstorp has been a signatory to the United Nations Global Compact (UNGC) since 2004, committing to the Ten Principles on human rights, labour, environment and anti-corruption. These principles form a foundational part of our governance framework and are embedded throughout our Code of Conduct and Business Ethics, the PETRONAS Anti-Bribery & Corruption Manual, our Human Rights Policy, Environmental Policy, Responsible Care commitments, and supplier requirements. The UNGC principles guide our approach to due diligence, ethical business conduct and compliance expectations for employees, contractors, and partners across the value chain.

Perstorp reports annually on progress through the UN Global Compact Communication on Progress (CoP). This reporting outlines our actions and outcomes related to the Ten Principles and complements the disclosures included in this sustainability statement. By maintaining our long-standing UNGC commitment, Perstorp ensures that internationally recognised standards continue to shape the way we operate and govern environmental, social and ethical matters.

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topical standard	Description of material impact, risk or opportunity (IRO)	IRO type	Location in the value chain			Expected time horizon
			Upstream	Own operations	Downstream	
G1 Business conduct	Embedding values to strengthen culture and retain competence A strong corporate culture grounded in shared values supports consistent ways of working and fosters employee engagement. This alignment enhances retention of key competencies, contributing to long-term organisational resilience and performance.	Potential positive impact		●		All time horizons
G1 Business conduct	Sound corporate culture as a driver of organizational performance A strong and positive corporate culture contributes to enhanced organisational performance and effectiveness. By fostering shared values, trust, and collaboration, it supports employee motivation, alignment with strategic goals, and continuous improvement	Opportunity		●		All time horizons
G1 Business conduct	Animal welfare in the value chain Animal testing is legally required to conduct for certain Perstorp’s products, which may cause distress and psychological suffering to the animals involved. Additionally, there is a potential negative impact on farm animal welfare downstream in the value chain, where living conditions may not meet acceptable standards or adequately respect the animals’ needs. These risks are particularly relevant in regions with limited enforcement of animal welfare regulations or where supply chain visibility is low.	Potential negative impact	●		●	All time horizons
G1 Business conduct	Improving animal welfare through targeted nutrition solutions Perstorp’s Animal Nutrition segment contributes to improved animal health and welfare by providing solutions that help reduce the incidence of disease on farms. By enhancing gut health and supporting natural defense mechanisms, these products contribute to better living conditions for livestock.	Potential positive impact			●	All time horizons
G1 Business conduct	Opportunity in antibiotic-free animal nutrition Perstorp is well-positioned to capitalise on the growing global shift toward reducing antibiotic use in animal feed. Through its portfolio of alternative solutions (such as organic acid-based feed additives and gut health enhancers) Perstorp supports improved animal resilience and performance without reliance on antibiotics. This trend aligns with increasing regulatory pressure and consumer demand for sustainable, responsible farming practices.	Opportunity		●		Medium-to-long term
G1 Business conduct	Adverse impacts of inadequate anti-corruption governance Weak anti-corruption policies pose a material risk to Perstorp and its value chain, potentially enabling unethical practices such as bribery or fraud. Such activities can exacerbate social inequality and undermine trust in institutions, particularly in regions with fragile governance structures.	Potential negative impact	●	●	●	All time horizons
G1 Business conduct	Risk of potential corruption If corruption is identified within Perstorp or its value chain, it could lead to significant financial and reputational consequences. These include regulatory fines, legal liabilities, and erosion of stakeholder trust—particularly among financial institutions. Such outcomes may restrict access to capital or increase the cost of financing major investments, ultimately impacting the company’s ability to execute its strategic objectives.	Risk	●	●	●	All time horizons

G1-2 Management of relationships with suppliers

Perstorp has developed procurement guidelines that build on the PETRONAS Code of Conduct and Business Ethics and sets out the basic procurement rules, strategies, supplier selection and relations, as well as payments. It states that Perstorp's approach to selection of suppliers should support Perstorp's ambition to have Zero Negative Impact, which is the key ambition to the overall sustainability strategy of the company. Suppliers shall always be treated with respect and behaviour shall be ethical and in line with the Code of Conduct. The guidelines also set out the rules for purchase orders, payments and purchasing terms and conditions.

G1-3 Prevention and detection of corruption and bribery

The CoBE and the Anti-Corruption and Bribery manual sets out the procedures in place regarding the prevention, detection and addressing of incidents of corruption and bribery, including the disclosure duties and reporting process for anyone aware of breaches or potential breaches. This includes the possibility to report using the procedures of the Whistleblowing Policy (see further details in G1-1 and S1-1). These types of matters are typically investigated in collaboration between Legal and HR. All related policies are communicated to all employees via the intranet.

During the 2025 financial year, Perstorp provided internal online training through MyLearningX to its employees in terms of its Anti-Corruption and Bribery manual (see G1-1). 1,710 of Perstorp's employees have partaken in the eLearning on corruption and anti-bribery on MyLearningX.

Training related to prevention and detection of corruption and bribery – Year 2025

	At-risk functions, managers, and AMSB*	Other own workers
Training coverage		
Total people	800	1,100
Total people receiving training	720	990
Delivery method and duration		
Classroom training (hours)	–	–
Computer-based training (hours)	1 hour	1 hour
Voluntary computer-based training (hours)	–	–
Frequency		
How often training is required	Bi-annually	Bi-annually
Topics covered		
Knowledge of Anti-Bribery & Corruption Policy & Manual	X	X
Guidance concerning on how to deal with improper solicitation	X	X
Guidance concerning on how to deal with bribery	X	X
Guidance concerning on how to deal with other corrupt activities and issues that may arise in the course of business	X	X

*Administrative, management, and supervisory bodies.

G1-4 Incidents of corruption or bribery

Perstorp has not been convicted or fined for violation of anti-corruption and anti-bribery laws during 2025. Actions to address breaches in procedures and standards of anti-corruption and bribery are taken following the processes set out in the CoBE and ABC manual (see G1-1).

Anti-corruption and anti-bribery

Metric	2023	2024	2025
Number of convictions for violation of anti-corruption and anti-bribery laws	0	0	0
Confirmed incidents of corruption and action taken	0	0	0
Amount of fines for violation of anti-corruption and anti-bribery laws	0	0	0

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Appendix

Other sustainability information

Contributing to the UN Sustainable Development Goals (SDGs)

Perstorp supports the UN 2030 Agenda and contributes to the Sustainable Development Goals through the long-term ambition of **Zero Negative Impact** which is executed through the strategy **Transform, Enable and Care**. In line with the ESRS, we address SDG contributions from both **impact materiality** (our effects on people and the environment) and **financial materiality** (risks and opportunities arising for our business). Our work is guided by transition plans, value chain due diligence and science aligned targets for 2030 and 2035. Our strongest contributions relate to **SDG 3, 6, 7, 12 and 13**, where our activities, products and transformation levers have the most material effects:

- SDG 12 – Responsible consumption and production**
 We advance responsible resource use by shifting from virgin fossil to **bio-based, recycled and CO₂ based raw materials**, increasing circularity, and phasing out chemicals of concern through **safe and sustainable by design** principles. Roadmaps to 2030/2035 steer reductions in waste, improved recyclability and responsible sourcing across the value chain.
- SDG 13 – Climate action**
 Through our transition plan and **science aligned targets**, we reduce scope 1, 2 and 3 emissions via energy efficiency measures, electrification, non-fossil energy sourcing and the expansion of **Pro-Environment products** with lower carbon footprints. **Internal carbon pricing** and a dedicated sustainability investment budget ensure climate impacts are integrated into decision-making.

- SDG 7 – Affordable and clean energy**
 We contribute to the shift to non fossil energy through electrification of processes, increased non-fossil electricity use, and enabling customers to reduce energy demand through specialty fluids, lubricants and other solutions enhancing efficiency throughout downstream value chains.

- SDG 6 – Clean water and sanitation**
 Our water strategy prioritises **reduced freshwater withdrawal**, water recycling and site specific actions in high water stress areas. We minimise emissions to water through improved treatment technologies and closed loop practices, in alignment with ESRS E3.

- SDG 3 – Good health and well being**
 Our commitment to **zero injuries**, strong process safety culture, and elimination of chemicals of concern supports safer working conditions and safer products. Through product stewardship we safeguard users throughout the value chain, while several product families contribute to reducing disease risks in agriculture and other sectors.

Through these actions, Perstorp contributes to a more resilient and sustainable chemical industry, enabling customers and value chains to reduce environmental impact while accelerating the transition toward circular and climate aligned material systems.

Additional Disclosures

These are additional indicators that Perstorp discloses that are not included in the ESRS.

Environmental Indicators	2023	2024	2025
Percentage of employees trained on environmental issues, %	No data	No data	20
Percentage of operational sites assessed on environmental risks, %	No data	100	100
Percentage of operational sites with ISO 14001 environmental certification, %	70	60	56

Social Indicators	2024	2025
Percentage of the total workforce across all locations represented in formal joint management-worker health & safety committees.	98	98
Percentage of the total workforce across all locations who are covered by formal collective agreements concerning working conditions.	64	64
Percentage of the total workforce across all locations who are covered by formally-elected employee representatives.	64	64
Percentage of operational sites with a labor and human rights certification, %		

Procurement	2023	2024	2025
Targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements, %	65	65	65
Targeted suppliers that have gone through a CSR assessment (e.g. questionnaire), %	99	99	99
Targeted suppliers that have gone through a CSR on-site audit, %	0	0	0
Buyers across all locations who have received training on sustainable procurement, %	0	0	0
Number of audited/assessed suppliers engaged in corrective actions or capacity building, %	0	0	0

Whistleblowing	2023	2024	2025
Number of reports related to whistleblower procedure	1	0	8

Data Privacy & Information Security	2023	2024	2025
Number of confirmed information security incidents	0	0	0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

Signing of the report

Malmö, 2026-02-24

Mazuin Ismail

Member & Chairman of the Board of Directors

Gorm Jensen

Managing Director Perstorp Holding AB

Durgambikai Arasratnam

Member of the Board of Directors

Debbie Y. Chiu

Member of the Board of Directors

Ralph Pinckaers

Member of the Board of Directors

Charlotte Wolff-Bye

Member of the Board of Directors

Heidi Waleniussen Englund

Member of the Board of Directors
(elected by employees)

Jesper Fahlén

Member of the Board of Directors
(elected by employees)

Gerry Ackert

Member of the Board of Directors
(elected by employees)

Assurance

Auditor's limited assurance report on Perstorp Holding AB's sustainability KPIs

To Perstorp Holding AB, corporate identity number 556667-4205

Conclusion

We have been appointed by the Board of Directors and Executive management of Perstorp Holding AB to conduct a limited assurance engagement of selected sustainability KPIs, in accordance with Petronas Groups requirements consisting of climate disclosures relating to (the "sustainability KPIs") of Perstorp Holding AB for the financial year 2025:

- GHG Emissions – Scope 1
- GHG Emissions – Scope 2, Location Based
- GHG Emissions – Scope 2, Market Based
- Total energy consumption
- Chemical Oxygen Demand (COD)
- Freshwater withdrawal
- Lost Time Injury Frequency (LTIF)
- Fatalities
- Air Emissions, NOx emissions
- Air Emissions, SOx emissions
- Number Tier 1 Process Safety Event

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability KPIs is not, in all material respects, prepared in accordance with the applicable parts of Global Reporting Initiative (GRI), Bursa, American Petroleum Institute (API), and the greenhouse gas calculation standards issued by the GHG Protocol (Greenhouse Gas Protocol), and Petronas Groups requirements well as the company's own accounting and calculation principles.

Basis for conclusion

We have conducted the limited assurance engagement in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. Our responsibility under this standard is further described in the section Auditor's responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Board of Directors and the Executive management

The Board of Directors and Executive management are responsible for the preparation of the sustainability KPIs in accordance with the applicable criteria, as described on page 34 of the sustainability report. The applicable criteria consist of the relevant parts of Global Reporting Initiative (GRI), Bursa, American Petroleum Institute (API), the greenhouse gas calculation standards issued by the GHG Protocol (Greenhouse Gas Protocol), and Petronas Groups requirements as well as the company's own accounting and calculation principles. This responsibility also includes such internal control as the Board of Directors and Executive management determine is necessary to enable the preparation of sustainability KPIs that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the sustainability KPIs based on our review. The limited assurance engagement has been conducted in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform our procedures to obtain limited assurance that the sustainability KPIs is prepared in accordance with the

criteria described in the section Responsibilities of the Board of Directors and the Executive management.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. 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. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Perstorp Holding AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance engagement involves performing procedures to obtain evidence to support the sustainability KPIs. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability KPIs, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and Executive management prepares the sustainability KPIs, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness

of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability KPIs, performing analytical review, and conducting other review procedures.

The limited assurance procedures have covered the following:

- GHG Emissions – Scope 1
- GHG Emissions – Scope 2, Location Based
- GHG Emissions – Scope 2, Market Based
- Total energy consumption
- Chemical Oxygen Demand (COD)
- Freshwater withdrawal
- Lost Time Injury Frequency (LTIF)
- Fatalities
- Air Emissions, NOx emissions
- Air Emissions, SOx emissions
- Number Tier 1 Process Safety Event

Our limited assurance is based on the criteria selected by the Board of Directors and Executive management, as defined above.

The limited assurance procedures primarily include:

The limited assurance procedures primarily include:

- Inquiry
- Test of Details, sampling and verification of supporting documentation
- Analytical Procedures

Stockholm 24 February 2026

KPMG AB

Jonas Nihlberg
Authorized Public Accountant

KPMG AB

Torbjörn Westman
Expert Member of FAR

Da Vinci Group Sustainability statement



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General information

ESRS 2 General disclosures

BP-1 General basis for preparation of the sustainability statement

Da Vinci Group, referred to in this report as DVG (often also referred to as BRB), operates as part of the PCG Specialty Chemicals, a division within PETRONAS Chemicals Group Berhad (PCG). In this report, DVG discloses information on relevant sustainability topics throughout its operations. The disclosures are based on internal reporting guidelines developed from the parent company's requirements, as well as the Corporate Sustainability Reporting Directive (CSRD), and the European Sustainability Reporting Standards (ESRS). In preparing this statement, CSRD and ESRS are used on a voluntary reporting basis and is part of the preparations for full CSRD compliance for financial year 2027. The ESRS are referenced throughout the report and other external standards, tools, and methodologies are referenced where they have been used. The data is per 31 December 2025.

This sustainability report covers the same scope of consolidation as for the consolidated financial statement of DVG. This includes all four production sites (operating across three countries) where DVG has operational control and which were owned in part or in total by DVG at the end of 2025.

These sites are:

- Ittervoort, Netherlands
- Ecgt, Netherlands
- CSL, Canada
- Brant, Malaysia

BP-2 Disclosures in relation to specific circumstances

DVG has applied the recommended time horizons used in the ESRS, which defines short-term (1 year), medium-term (2–5 years) and long-term (more than 5 years) time horizons.

Generally, DVG has been able to report actual data for its own operations, but for value chain metrics sources of data uncertainties have been identified and estimations and/or assumptions used. More information regarding estimations and assumptions used have been specified in the respective locations throughout the report.

GOV-1 The role of the administrative, management and supervisory bodies

The Management Board of DVG is responsible for oversight of sustainability related impacts, risks and opportunities, including for ensuring ethical business conduct across DVG's operations. The Board consists of 5 board members and the gender diversity ratio is 100 per cent (male) / 0 per cent (female). The identities of the DVG Management Board members are listed on page 95.

Board Composition – Gender

Gender	Number		Per cent, %	
	2024	2025	2024	2025
Men	3	5	75	100
Women	1	0	25	0
Other / Not reported	0	0	0	0
Total	4	5	100	100

GOV-5 Risk management and internal controls over sustainability reporting

DVG's sustainability reporting process and system was introduced to control and manage corporate reporting. It includes local-level quality assurance (four-eye principle), group-level control, and management reporting. Reported data is locked after sign-off, with changes requiring formal approval on group level and documented in a closed error log. Responsibilities for quality control and management reporting are segregated at group level. Result and findings from risk assessments and internal controls are reported annually through the audit process. As regards the Sustainability statement of FY2025, only selected KPIs have been subject to audit as opposed to the full statement. Data ownership remains with the respective functional areas.

SBM-1 Strategy, business model and value chain

DVG operates as part of PCG Specialty Chemicals, a division within PETRONAS Chemicals Group Berhad (PCG), serving global markets with advanced silicone technologies and lubricant additives. The industry is characterised by high technical requirements, regulatory complexity, and increasing demand for sustainable solutions. DVG's role is to provide functional ingredients that enable performance, durability, and efficiency in end-use applications such as automotive, personal care, and industrial manufacturing. Total revenue for the reporting period was EUR 202 million. The total number of employees was 390.

Strategy

DVG's strategic objective is to become a leading specialty chemicals provider focused on sustainable innovation and customer-centric solutions. The company creates value by delivering high-performance chemistries that support product functionality and environmental goals across diverse industries. DVG serves lubricant producers, OEMs, and formulators with capabilities in formulation science, application development, and global supply reliability.

DVG's competitive advantage is based on deep technical expertise, strong customer relationships, and integration within PETRONAS Chemicals Group, which provides scale and access to global resources. DVG leverages its innovation platforms, certified sustainability practices, and operational excellence to meet evolving market and regulatory requirements.

DVG's sustainability strategy is based on three pillars reflecting the most important sustainability themes and the company's core values:

- **Enable** – DVG provides solutions for a sustainable transition everywhere by enabling a focus on delivering Pro-Environment products, reducing CO2 emissions, and increasing the use of sustainable materials. The company's downstream contributions for example improve durability, recyclability, and energy efficiency. Doing good with chemistry guides how DVG develops and enhances product properties and values.

- **Transform** – DVG focuses on reducing its own environmental impact by transforming its own operations and environmental footprint across raw materials, energy, CO2e emissions, waste, water, and biodiversity. This includes ongoing reductions in resource use and emissions across operations and managing impacts throughout its value chain.
- **Care** – The "Care" pillar is the foundation of how the company acts, and covers health and safety, (eco) toxic impact, responsible sourcing, ethical business practices, product stewardship, and diversity and inclusion. These areas guide how DVG and its employees works with colleagues, suppliers, and partners, as well as ensure respect as the foundation of all actions and in all situations.

Business model

DVG operates through two main business segments:

- **Silicones**: Producing emulsions, antifoams, water repellents, elastomers, and specialty silicone blends for automotive, construction, and personal care applications.
- **Lube Oil Additives and Chemicals (LAC)**: Manufacturing viscosity modifiers, dispersants, and other additives for lubricants used in automotive and industrial sectors.

The company depends on petrochemical and silicone feedstocks, energy, and skilled human resources. Securing these resources relies on long-term supplier partnerships, certified sourcing practices, and investments in renewable and recycled raw materials. DVG also maintains tolling arrangements and joint ventures to ensure flexibility and resilience in production.

Value Chain

Key features of DVG's value chain include upstream sourcing, own industrial and administrative operations, and downstream distribution.

Upstream value chain activities involve the procurement of petrochemical and silicone feedstocks, packaging materials, and energy, primarily from global suppliers. These relationships are critical for securing raw materials and ensuring compliance with sustainability standards. Stakeholders affected in this stage include suppliers, workers in the value chain, and local communities in sourcing regions, particularly where extraction and processing occur.

Own operations take place at DVG's production sites in the Netherlands, Malaysia, and Canada, complemented by tolling partners and joint ventures. These facilities handle blending, formulation, packaging, and warehousing of specialty silicones and lubricant additives. The main stakeholders impacted here are employees, contractors, and local communities near production sites, with health, safety, and environmental performance being key considerations.

In the downstream value chain, DVG delivers its products to lubricant producers, OEMs, and specialty formulators worldwide, supported by a network of distributors. These products are functional ingredients in end-use applications such as automotive lubricants, coatings, and personal care items. Stakeholders in this part of the value chain include customers, distributors, and end-users, as well as civil society indirectly, given the environmental and safety expectations associated with chemical products.

SBM-2 Interests and views of stakeholders

DVG engages with a diverse set of stakeholders across its value chain to understand their expectations and incorporate their views into strategic and operational decision-making. Stakeholder interests are primarily identified through structured processes such as the double materiality assessment (DMA), supplier dialogues, customer interactions, employee surveys, and regulatory consultations. These inputs inform DVG's sustainability priorities and reporting scope.

Key stakeholder groups and their interests

- **Employees and contractors**: Health and safety, fair working conditions, diversity and inclusion, and opportunities for skills development. These topics are addressed through internal policies, training programmes, and continuous improvement of workplace safety standards.
- **Suppliers and tolling partners**: Responsible sourcing, traceability of raw materials, and compliance with environmental and social standards. DVG maintains a Supplier Code of Conduct and engages in audits and certification schemes such as ISCC PLUS to ensure transparency.
- **Customers and distributors**: Reliable supply, product performance, and sustainability credentials, including carbon footprint data and safe chemical composition. Increasingly, customers request verified sustainability claims and compliance with emerging regulations on circularity and chemical safety.
- **Local communities near production sites**: Environmental compliance, minimisation of emissions and waste, and contribution to local employment. DVG addresses these concerns through permit compliance, environmental monitoring, and community engagement initiatives.

- **Regulators and policymakers:** Alignment with EU sustainability directives, chemical safety regulations, and climate targets. DVG actively monitors regulatory developments and participates in industry dialogue to support policy frameworks that enable the raw material transition.
- **Investors and financial institutions:** Transparency on climate-related risks, progress toward sustainability targets, and governance practices. These interests are reflected in DVG's sustainability disclosures.

Stakeholder feedback has reinforced the importance of climate change mitigation, pollution control, water stewardship, and circularity, as well as social topics such as health and safety and human rights in the supply chain. These views have been integrated into DVG's DMA and shaped its sustainability strategy, including the expansion of Pro-Environment products, operational roadmaps for zero scope 1 and 2 emissions at selected sites and the creation of a transition plan. DVG's Board and management are informed about views and interests of affected stakeholders with regard to sustainability-related impacts on a regular basis.

S1-ESRS 2 SBM-2 Interests and views of stakeholders

Engagement occurs with all employees globally, including permanent and temporary staff, through channels such as bi-monthly employee pulse surveys, the incident report system and the whistleblower mechanism, and through dialogue with local trade unions. The views and interests of the own workforce, i.e. employees and contractors, primarily inform DVG's strategy and business model through the DMA process and the bi-monthly employee pulse surveys. Operational responsibility for ensuring that engagement happens and that the results inform the undertaking's approach lies with HR and management who ensure the systematic integration of survey insights and union feedback into policy updates, workplace improvements, and negotiation outcomes.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

During the reporting period, a set of material sustainability impacts, risks, and opportunities (IROs) were identified in DVG's DMA. The assessment considered both impact materiality (effects on people and the environment) and financial materiality (risks and opportunities affecting DVG's business performance). The analysis covered DVG's entire value chain, including upstream suppliers, own operations, and downstream customers, and was informed by stakeholder engagement and regulatory developments.

The identified IROs reflect DVG's role as a specialty chemicals provider and its strategic focus on sustainability. They are closely linked to DVG's business model and strategy, particularly the pillars of Enable, Transform, and Care, and influence decisions on innovation, resource allocation, and operational practices. The material IROs are presented under their respective topics below.

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

DVG's DMA to identify and assess the most important sustainability impacts, risks and opportunities was conducted in 2024 and reviewed for validity in 2025. The process followed the principles outlined in EFRAG's Implementation Guidance and adhered to the latest CSRD and ESRS requirements. The scope covered DVG's entire value chain, upstream, own operations, and downstream, based on information available internally. The assessment was supported by external experts and anchored in DVG's sustainability governance and risk management practices.

Understanding the context

The first step involved mapping DVG's value chain across its prioritised business areas: Silicones and Lube Oil Additives & Chemicals. This mapping identified key activities, business relationships, geographies, and dependencies that could give rise to heightened sustainability impacts or risks. Industry-specific context and regulatory trends were reviewed alongside stakeholder expectations. Stakeholder perspectives were gathered

through interviews and workshops with internal functions knowledgeable about external views, covering employees, suppliers, customers, local communities, and civil society. This process resulted in a comprehensive long list of sustainability topics aligned with ESRS topical standards.

Identification of impacts, risks and opportunities

Each topic was analysed to identify actual and potential positive and negative impacts, mapped to upstream, own operations, or downstream activities. For example, for E1 Climate Change, actual impacts were linked to greenhouse gas emissions from production and transport, while potential impacts related to opportunities for lower-carbon products. For E2 Pollution, actual impacts were associated with air and water emissions and hazardous substances, while potential impacts included innovation in safer formulations. For S1 Own Workforce, actual impacts concerned working conditions and occupational safety. For G1 Business Conduct, risks such as corruption and ethical breaches were considered across the value chain. Associated risks and opportunities were then linked to these impacts, considering their potential influence on DVG's strategic objectives and long-term competitiveness.

Assessment and determination of materiality

The assessment applied five-point scales for severity and likelihood, where zero indicated negligible impact or probability. Impact materiality was calculated as the product of severity and likelihood, with severity considering scale, scope, and remediability, and likelihood reflecting probability of occurrence. Negative human rights impacts followed UNGP and OECD guidelines, prioritising severity over likelihood.

Financial materiality was calculated as the product of the potential magnitude of the associated financial effect and its likelihood, using an approach aligned with DVG's enterprise risk management practices. Cross-functional workshops validated scores, and results were consolidated and reviewed by senior management.

Outcome of the process

A number of sustainability topics spanning various ESRS standards were considered formally material as a result of the process. Highly material areas include climate change mitigation and energy use, pollution of air and water and substances of concern, water consumption and discharges, resource inflows and outflows and waste, as well as social topics such as health and safety and governance topics including corporate culture and anti-corruption. These findings inform Da Vinci Group's sustainability strategy, operational roadmaps, and reporting under CSRD.

IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

See appendix A.

Environmental information

ESRS E1 Climate change

E1-1 Transition plan for climate change mitigation

DVG's transition plan for climate change mitigation consists of several roadmaps, and it will be aligned with the ESRS standards going forward. For more details on roadmaps see E1-3 Actions and resources in relation to climate change policies. DVG's roadmaps outlines the short- and long-term improvements and site level action plans that make up the company's approach to reaching its targets and to the transition. They are founded upon three pillars: reducing direct emissions through fuel switching and process optimisation; enabling circularity and renewable feedstocks to minimise upstream and downstream impacts; and supporting customers and value chain partners in reducing their scope 3 emissions.

IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities, and their interaction with strategy and business model

DVG has identified climate change as a highly material topic through its DMA, covering both impact and financial perspectives. The company's operations and value chain contribute to greenhouse gas emissions primarily through energy use and fossil-based raw materials. These emissions create actual negative impacts on the environment and potential risks to human health and ecosystems.

From a financial perspective, climate-related risks include regulatory changes, carbon pricing, and volatility in the availability and cost of renewable raw materials. These risks could affect production costs, competitiveness, and access to markets. Conversely, significant opportunities arise from the transition to low-carbon solutions, including the expansion of DVG's Pro-Environment product portfolio, which is based on renewable and recycled raw materials and, to a certain extent, certified through ISCC PLUS.

Rising temperatures, sea levels, fresh water scarcity and the occurrence of extreme weather events may in the long term pose risks to DVG's production facilities, as well as for the activities of many customers.

Climate considerations are integrated into DVG's business model and strategic priorities. The company's long-term ambition is Zero Negative Impact and the first step is the 2030-targets to reduce scope 1 & 2 emissions by 46.2 per cent and scope 3 emissions intensity by 40 per cent from a 2019 baseline. These targets are aligned with the Paris Agreement 1.5°C scenario. Further details about targets can be found under section E1-4. These targets guide investment decisions, innovation programmes, and operational improvements, including energy efficiency projects, renewable energy sourcing, and raw material substitution.

ESRS SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topical standard	Description of material impact, risk or opportunity (IRO)	IRO type	Location in the value chain			Expected time horizon
			Upstream	Own operations	Downstream	
E1 Climate change	Materials enabling climate adaptation DVG produces specialty chemicals, including silicones, that are integral to technologies supporting climate change adaptation. These materials are used in applications such as roofing, construction, coatings, and sealants, where they enhance durability and extend product lifespans. By improving resilience against extreme weather and reducing the need for frequent replacements, DVG’s products contribute to adaptation strategies across multiple sectors, including infrastructure and housing.	Positive impact			●	All time horizons
E1 Climate change	Flooding risk impacting production continuity DVG faces physical climate-related risks from flooding in the Netherlands and Malaysia, where key production sites are located. Increased frequency and severity of floods could disrupt operations, damage infrastructure, and halt production, leading to potential income loss and supply chain delays. This risk underscores the need for robust climate resilience measures, including site-specific adaptation planning and emergency response strategies.	Risk	●	●	●	Medium-to-long term
E1 Climate change	Market expansion through sustainable solutions DVG is pursuing a strategic growth opportunity by entering a new market dedicated exclusively to biodegradable and other sustainable chemical alternatives under Project Garcinia. This initiative aligns with global demand for eco-friendly products and regulatory trends favoring low-impact materials. By leveraging innovation in green chemistry, DVG aims to diversify its portfolio, capture emerging customer segments, and strengthen its position in the transition toward a circular and low-carbon economy.	Opportunity		●	●	Medium-to-long term
E1 Climate change	GHG emissions from combustion and waste management DVG’s operations contribute to GHG emissions (scope 1) through combustion processes at production sites and waste management activities, including internal handling and external incineration.	Actual negative impact		●		All time horizons
E1 Climate change	Energy-intensive operations driving GHG emissions operating DVG’s production sites requires significant electricity and heating/cooling, resulting in substantial energy consumption and associated GHG emissions (scope 2).	Actual negative impact		●		All time horizons
E1 Climate change	Upstream GHG emissions from purchased goods The production of goods and raw materials purchased by DVG generates significant greenhouse gas emissions, contributing to climate change. These upstream emissions occur outside DVG’s direct control but form part of its value chain footprint.	Actual negative impact	●			All time horizons
E1 Climate change	Energy-intensive downstream activities and end-use emissions Further processing of DVG’s products and waste management activities, such as recycling of end products, are highly energy demanding, contributing to indirect GHG emissions (scope 3). Additionally, the end use of certain DVG products results in further GHG emissions, amplifying climate change impacts across the value chain.	Actual negative impact			●	All time horizons
E1 Climate change	Materials enabling green transition and product longevity DVG develops specialty chemicals, such as lubricants, engineering fluids, and silicones, that play a critical role in advancing the green transition. These materials support technologies that reduce environmental impact and improve energy efficiency. Additionally, DVG’s products enhance the durability and lifespan of goods, reducing resource consumption and waste generation over time. This creates opportunities to align with circular economy principles and meet growing market demand for sustainable solutions.	Actual positive impact			●	All time horizons
E1 Climate change	GHG emissions from transport and employee travel Greenhouse gas emissions arise from inbound and outbound transportation of goods within DVG’s value chain, as well as from employee commuting and business travel, including aviation and car use.	Actual negative impact	●	●	●	All time horizons

E1-2 Policies related to climate change mitigation and adaptation

Management of climate change mitigation and adaptation is governed by the PETRONAS Code of Conduct and Business Ethics (PETRONAS CoBE) which sets overarching principles of integrity and responsible business conduct. It requires compliance with environmental laws and commitment to sustainable development throughout the value chain. PETRONAS Group Board of Directors is accountable for implementation of the policy.

Reducing greenhouse gas emissions and improving energy efficiency are core elements of DVG's sustainability strategy and climate transition plan. DVG's commitment to climate change mitigation is embedded in its Quality, Environment, Safety & Health (QESH) Policy, which sets out objectives to protect the environment, prevent pollution, conserve natural resources, reduce material waste, and optimise energy usage across all operations. The policy emphasises full compliance with legal and regulatory requirements, continuous improvement through the Plan-Do-Check-Act principle, and the provision of resources and training to achieve world-class environmental performance. These commitments align with DVG's long-term ambition to contribute to global climate goals and the Paris Agreement 1.5°C scenario.

The most senior accountable level for implementation is DVG's CEO, supported by the global QESH manager and local QESH employees.

E1-3 Actions and resources in relation to climate change policies

DVG is developing and executing a climate transition plan that integrates sustainability into all parts of the organisation. The plan includes roadmaps for scope 1, 2, and 3 GHG emissions reductions, endorsed by senior management and linked to a dedicated sustainability investment portfolio. Key decarbonisation levers and actions include:

- Energy optimisation and heat integration to improve efficiency
- Full shift to fossil-free electricity for all production sites by 2030
- Transition to renewable and recycled raw materials
- Increased recycling of end-products and waste-to-resource solutions
- Collaboration with suppliers to reduce upstream emissions and improve circularity

These scope 1, 2 and 3 actions are complemented by product-level initiatives, such as expanding Pro-Environment Solutions that help customers reduce their carbon footprint, as well as reducing the footprint for Da Vinci Group. Progress is already visible through milestones like achieving zero scope 1 and 2 emissions at DVG's Echt site in the Netherlands and advancing renewable feedstock integration.

Expected contributions of key levers to scope 1 and 2 GHG emissions reductions include energy optimisation (~5%), heat integration (~10%), fossil-free electricity (~75%) and fossil-free raw materials (~5%). For scope 3, the shift to renewable raw materials and increased recycling of end-products accounts for ~70 per cent of reductions, with the remainder driven by global recycling improvements and supplier emission reductions (~30%).

E1-4 Targets related to climate change mitigation and adaptation

DVG has science-based GHG reduction targets which are aligned with the Paris Agreement.

Scope 1 and 2 GHG emissions:

Absolute reduction of **46.2 per cent by 2030**, and 67 per cent by 2035, compared to the 2019 baseline year.

Scope 3 GHG emissions:

Reduction of **40 per cent CO₂ per tonne of product sold by 2030, and 60 per cent by 2035**. These targets are the initial assessment and exact levels are to be decided. The targets cover the five categories included in boundary:

- Category 1: Raw materials
- Category 3: Fuel and energy-related activities
- Category 4: Transport
- Category 5: Waste
- Category 12: End-of-life treatment of sold products

Baseline year

The baseline year 2019 was selected following SBTi recommendations as the most recent representative year unaffected by external disruptions, subsequent years were impacted by the COVID-19 pandemic and global financial turbulence, which could distort comparability.

Recalculation policy

Baseline values are recalculated and adjusted for structural changes that significantly impact base year emissions, such as mergers, acquisitions, or divestments. Baseline values are not recalculated and adjusted for organic growth.

If the base year value increases, the absolute target value for reduction targets will be higher, but the percentage reduction remains unchanged. Conversely, if the base year value decreases, the absolute target value will be lower, while the percentage reduction remains unchanged. Progress reporting and achievement calculations will also be adjusted for all affected years.

Monitoring and reporting

Progress towards these targets is monitored annually and reported in accordance with ESRS E1 requirements. Yearly reduction targets are set to ensure alignment with the 2030 and 2035 trajectory. External verification will be applied to ensure transparency and credibility.

Targets related to climate change mitigation and adaptation

GHG emissions	Base year (2019)	2030 target	2035 target
Scope 1 & 2 - absolute target (ktCO ₂ eq)	0.6	-46.2%	-67%
Scope 3 - intensity target (CO ₂ eq/sold volume)	TBC*	-40%	-60%

*To Be Calculated

E1-5 Energy consumption and mix

Specialty chemicals manufacturing is an energy intensive process. Therefore its focus continues to lie on energy efficiency and the transition to fossil free energy at the production sites. This a prerequisite in order for DVG to reach its GHG science-based targets for 2030. In 2025, energy consumption in own operations decreased by 10 per cent. Renewable electricity sources accounted for 36 per cent of the energy consumption during the year. Site CSL Canada partly source renewable electricity and site Ittervoort & Echt are supplied fully with renewable electricity. Aligned with DVG's main decarbonisation levers, sourcing of renewable electricity and implementing roadmaps that improve energy efficiency are key actions that enable DVG's climate change transition.

Energy intensity per net revenue

	2024	2025	% N/N-1
Energy intensity (MWh/Million EUR)	27	26	-3

Methodology

Energy intensity has been calculated by dividing total energy consumption per total net revenue. This corresponds to energy intensity of DVG's activities across all sectors. Net revenue refers to the total net revenue as reported in DVG's financial statement.

Energy consumption and mix

Energy	Consumption (MWh)			% of total consumption			Intensity MWh / tonnes product sold		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Fuel consumption from coal and coal products	0	0	0				0.00	0.00	0.00
Fuel consumption from crude oil and petroleum products	0	0	0				0.00	0.00	0.00
Fuel consumption from natural gas	2,009	1,644	1,068				0.03	0.03	0.02
Fuel consumption from other fossil sources	0	0	0				0.00	0.00	0.00
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	2,823	2,892	2,264				0.05	0.05	0.04
Total fossil energy consumption	4,832	4,536	3,332	90	78	64	0.08	0.07	0.05
Consumption from nuclear sources	0	0	0	0	0	0	0.00	0.00	0.00
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0	0	725				0.00	0.00	0.01
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	548	1,294	1,166				0.01	0.02	0.02
The consumption of self-generated non-fuel renewable energy	0	0	0				0.00	0.00	0.00
Total renewable energy consumption	548	1,294	1,891	10	22	36	0.01	0.02	0.03
Total energy consumption	5,380	5,829	5,222	100	100	100	0.09	0.09	0.08

E1-6 Gross scopes 1, 2, 3 and total GHG emissions

DVG measures and reports greenhouse gas (GHG) emissions in scope 1, 2 and 3 according to the GHG Protocol. The company's efforts to reduce these emissions are guided by the QESH Policy and the sustainability strategy which includes the long-term ambition to have Zero Negative Impact and with defined targets to 2030 and 2035. DVG reports a decrease of 11 percent for scope 1 and 2 emissions in 2025.

Scope 1 emissions are direct GHG emissions that occur from sources that are owned or controlled by DVG, including emissions from combustion of fuels for electricity, heat, or steam and emissions from refrigerants leaks.

Scope 2 emissions are indirect GHG emissions from the generation of purchased electricity and steam consumed by DVG.

Scope 3 emissions are indirect emissions from; fuel and energy related activities and waste generated in operations. DVG is working on extending the reporting to: purchased good and services, upstream transportation and distribution and end of life treatment of sold products as well.

DVG has not seen any effects of significant events and changes in circumstances (relevant to its GHG emissions) that occur between the reporting dates of the entities in its value chain and the date of the undertaking's general purpose financial statements. Biogenic CO₂ emissions are disclosed separately from fossil emissions in the inventory and from scope 1 totals to ensure transparency. Non-CO₂ biogenic gases (e.g., CH₄) are always included.

Greenhouse gas emissions	Retrospective					Retrospective – Intensity tCO ₂ e / kg products sold				
	Base year 2019	2023	2024	2025	% N / N-1	Base year 2019	2023	2024	2025	
Scope 1 GHG emissions										
Gross scope 1 GHG emissions (tCO ₂ eq)	458	380	312	273	-12	0.008	0.006	0.005	0.004	
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	N/A	N/A	N/A	N/A						
Scope 2 GHG emissions										
Gross location-based scope 2 GHG emissions (tCO ₂ eq)	384	1,422	1,619	1,458	-10	0.007	0.024	0.025	0.023	
Gross market-based scope 2 GHG emissions (tCO ₂ eq)	153	1,220	1,304	1,172	-10	0.003	0.020	0.020	0.018	
Significant scope 3 GHG emissions										
Total Gross indirect (scope 3) GHG emissions (tCO₂eq)	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	
Upstream scope 3 emissions										
1 Purchased goods and services	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	141	352	342	70	-79	0.003	0.006	0.005	0.001	
4 Upstream transportation and distribution	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	
5 Waste generated in operations	54	307	269	406	+51	0.001	0.005	0.004	0.006	
Downstream scope 3 emissions										
12 End-of-life treatment of sold products	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	
Total GHG emissions										
Total GHG emissions (location-based) (tCO ₂ eq), scope 1 and 2	842	1,802	1,931	1,731	-10	0.015	0.030	0.030	0.027	
Total GHG emissions (market-based) (tCO ₂ eq), scope 1 and 2	611	1,600	1,616	1,446	-11	0.011	0.027	0.025	0.023	

TBC - To Be Calculated

Methodologies, significant assumptions and emissions factors used to calculate or measure GHG emissions

DVG calculates GHG emissions using recognised standards and consistent approaches across all scopes.

Scope 1

Emissions from fuel combustion are based on consumption volumes, heat values, and emission factors. Refrigerant leakage (fugitive emissions) is monitored through certified tests and calculated using leaked volumes and emission factors/Global Warming Potential values from IPCC AR5.

Scope 2

Both market-based and location-based methods, are used: supplier-specific emission factors where available, or residual mix and national grid factors otherwise.

Scope 3

Calculations cover categories 3 and 5. Fully comprehensive scope 3 reporting is under development, specifically categories 1 (Purchased goods and services), 4 (upstream transportation & distribution) and 12 (end-of-life treatment of sold products).

- Category 3: Average data method for upstream emissions from purchased fuels and electricity, transmission and distribution losses.
- Category 5 : Waste generated in all production sites and treated externally, including both waste and waste water. Waste emissions apply waste-type-specific emission factors.

GHG Intensity per net revenue

	2024	2025	% N/N-1
Total GHG emissions (location-based) per net revenue (tCO2eq / Million EUR)	11.6	10.9	-6
Total GHG emissions (market-based) per net revenue (tCO2eq / Million EUR)	10.2	9.5	-7

Methodology

GHG intensity has been calculated by dividing total GHG emissions per total net revenue. This corresponds to the GHG intensity of DVG’s activities across all sectors. Net revenue refers to the total net revenue as reported in DVG’s Financial statement.

E1-8 Internal carbon pricing

Internal carbon pricing is used to develop and guide the strategy, investments and decisions. For example, it is included in the evaluation of projects as a basis for all strategic/growth investments, M&A and tolling within the operational boundary of DVG. All business cases are presented both with and without internal carbon pricing, and the business case with internal carbon pricing is the guiding principle for decision making.

Internal carbon pricing is applied to greenhouse gas emissions of all scopes and in all regions of the world with the same prices regardless of actual carbon pricing schemes like the EU ETS. The price applied is reviewed on a yearly basis and decided in the end of Q1 or beginning of Q2. The yearly review is based on the development of EU emissions trading scheme (EU ETS) and allowances market (with a price forecast of five years for EU ETS allowances), the development of carbon pricing schemes outside of Europe, potential coming legislation connected to carbon pricing of scope 1 & 2 or scope 3 emissions, and benchmarking with peers and other companies.

When first implemented, the internal carbon pricing scheme was evaluated based on the impact that different pricing levels (scope 1 & 2 and 3) would have on different types of projects. By aiming for a balanced impact, DVG enables decision making that supports realization of its targets while also creating business value and future proofing of investments in the long-term. This was the basis of the scope 3 emissions price level, which remains the same at this date.

For the reporting year, the pricing scheme is used for investment decisions and therefore it neither covers nor directly relate to actual emissions during 2025.

Internal carbon pricing

Type	Prices applied (€ / tCO2eq)	Perimeter description
CapEx shadow price	120	Scope 1
CapEx shadow price	120	Scope 2
CapEx shadow price	25	Scope 3

ESRS E2 Pollution

IRO-1 Description of processes to identify and assess material pollution-related impacts, risks and opportunities

As part of DVG’s latest DMA, the actual and potential pollution-related impacts, risks, and opportunities across the company’s own operations and its upstream and downstream value chain were systematically identified and assessed. The assessment followed the first three phases of the LEAP (Locate, Evaluate, Assess, and Prepare) approach and was aligned with international due diligence principles such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

The process began with a comprehensive mapping of DVG’s value chain, covering upstream suppliers, four production sites in Europe, Asia, and North America, and downstream distribution and end-use. This mapping covered actual and potential impacts from production processes, chemical handling, emissions to air and water, waste management, and downstream product use. Financial materiality was evaluated to determine operational and regulatory pollution-related risks and opportunities that could affect DVG’s strategy and business model. Stakeholder insights were gathered from internal experts and functional leads in areas such as Sustainability, Environmental Health & Safety (EHS), Regulatory Affairs, Procurement, and Operations. The outcome of the process confirmed that pollution of air, water, and soil, substances of concern, and substances of very high concern, and microplastics are material topics for DVG.

The associated material impacts, risks and opportunities are presented in the table on the right.

ESRS SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topical standard	Description of material impact, risk or opportunity (IRO)	IRO type	Location in the value chain			Expected time horizon
			Upstream	Own operations	Downstream	
E2 Pollution	Market opportunity through safer chemical alternatives DVG supports the phase-out of substances of very high concern (SVHC) by offering sustainable alternatives, enhancing customer safety and enabling compliance with stricter regulations. This creates growth opportunities in markets prioritising safer and greener solutions.	Opportunity	●	●	●	All time horizons
E2 Pollution	Pollution across DVG’s value chain activities DVG’s operations and value chain contribute to environmental pollution through multiple pathways. Air pollutants such as VOCs, NOx, SOx, and particulate matter are emitted during production processes, energy use, and transportation, leading to smog formation, acidification, and ecosystem degradation. Water pollution arises from chemical spills, hazardous substances in wastewater, and airborne emissions causing eutrophication and acidification of water bodies. Soil contamination risks stem from waste management practices and the presence of substances of concern in upstream activities, own operations, and products.	Actual negative impact	●	●	●	All time horizons
E2 Pollution	Downstream pollution from product use and disposal The further use and disposal of DVG’s products can contribute to environmental pollution across water, soil, and ecosystems. Applications involving silicones may lead to water contamination, while engine fluids can result in soil pollution. Certain downstream uses, such as single-use plastics and coatings containing PTFE, pose risks of microplastic generation and wastewater contamination when not properly recycled.	Potential negative impact		●	●	All time horizons

E2-1 Policies related to pollution

At the highest level, the **PETRONAS Code of Conduct and Business Ethics** sets overarching principles of integrity and responsible business conduct, requiring compliance with environmental laws and commitment to sustainable development throughout the value chain. PETRONAS Group Board of Directors is accountable for implementation of the policy.

DVG manages pollution risks through its QESH Policy, which applies to all operations and employees across the DVG Group. The policy commits to preventing pollution and to eliminate hazards and reduce health and safety risks that could affect employees, customers, suppliers, and communities. Pollution prevention is embedded in daily operations through training and information programmes. At site level, the policy is implemented through ISO 14001-certified environmental management systems and adapted to local legislation. Emergency preparedness is addressed through contingency plans and stakeholder notification protocols. The most senior accountable level for implementation is DVG's CEO, supported by the global QESH manager and local QESH employees.

E2-2 Actions and resources related to pollution

Managing substances of concern and preventing pollution of air, water, and soil are critical for compliance and stakeholder trust. DVG's business model depends on safe chemical handling and regulatory adherence, including REACH compliance. This reduces reputational and legal risks and supports market access, while creating opportunities for innovation in safer formulations.

DVG's actions to manage pollution risks are primarily embedded in its sustainability roadmap and local site-level initiatives. These include compliance with REACH and other chemical safety regulations, strict controls on incoming goods, labeling, and transport instructions to minimise environmental and health risks. Sites implement monitoring and third-party verification of emissions where required by permits, such as VOC and particulate measurements, although DVG's operations generally have low emissions well below regulatory thresholds. Emergency response plans and risk assessments are regularly updated, and employees are engaged in incident investigations to strengthen preventive measures.

E2-3 Targets related to pollution

Currently, DVG does not have global quantitative targets for pollution reduction beyond compliance obligations. Local sites may set targets to meet permit requirements for air, water, and soil emissions. Pollution-related targets at global level are voluntary, except where overarching EU legislation applies.

E2-4 Pollution of air, water and soil

DVG has the information to meet this reporting requirement however it is not ready for reporting this year. Reporting processes are being developed to ensure full ESRS-compliant by FY2027.

E2-5 Substances of concern and substances of very high concern

DVG recognises the importance of managing substances of concern and substances of very high concern (SVHC) in line with regulatory requirements and its sustainability ambitions. The company complies with the EU REACH Regulation (EC 1907/2006) and maintains product stewardship processes to ensure safe use of chemicals throughout the value chain, all DVG relevant substances are registered at the European Chemical Association (ECHA). The product stewardship process ensures that all DVG products are accompanied with appropriate safety data sheets that provide detailed information about the product and how to use the product safely throughout the value chain. For those of our current products that have a hazard classification further communication is provided.

DVG has set clear targets to eliminate chemicals of concern from consumer and professional markets by 2030 and to ensure that all newly developed products are safe and sustainable by design. These targets are aligned with the EU Chemicals Strategy for Sustainability and support the transition toward safer and more circular solutions.

At present, DVG does not report quantitative data on the total volume of substances of concern or SVHC used or placed on the market. The company is developing systems to enable portfolio screening against the REACH Candidate List and other relevant frameworks, with the aim of providing detailed metrics in future reporting periods.

Ongoing efforts include systematic portfolio reviews, substitution planning, and collaboration with customers to phase out hazardous substances where feasible. Progress toward these objectives is monitored through internal governance.

ESRS E3 Water and marine resources

IRO-1 Description of processes to identify and assess material water and marine resources-related impacts, risks and opportunities

As a part of the DMA, DVG applied a structured process to identify and assess water-related impacts, risks and opportunities across its own operations and value chain. Using the first three phases of the LEAP approach (Locate, Evaluate, Assess), DVG mapped water dependencies at all production sites, including those in regions exposed to water stress, and evaluated withdrawals, consumption and discharges against local conditions and regulatory frameworks. Included in this process was a water-stress assessment with the support of the Aqueduct Water Risk Atlas.

Stakeholder input was integrated through interviews and workshops, ensuring that issues such as water scarcity, effluent quality and compliance obligations were addressed. The outcome confirmed that water consumption, withdrawals and discharges are material topics for DVG, while marine resources were assessed but not deemed material. All DVG’s production processes use water to some extent: as a solvent for chemical reactions, as a carrier for products, as a heat-transfer medium or for cooling. As access to drinking-quality water and water fit for food production is scarce in many parts of the world, Perstorp addresses water as a part of its overall Zero Negative Impact ambition.

These findings are embedded in DVG’s sustainability strategy and governance, reflected in the 2030 target to reduce freshwater withdrawal by 25 per cent compared to 2019 for sites located in high water stress areas.

ESRS SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topical standard	Description of material impact, risk or opportunity (IRO)	IRO type	Location in the value chain			Expected time horizon
			Upstream	Own operations	Downstream	
E3 Water and marine resources	Water consumption impacts across the value chain DVG’s own operations require significant water consumption for raw material processing and production steps, creating potential risks of groundwater and surface water pollution if wastewater is not properly managed. Upstream activities, including the production and refining of fossil fuels used in DVG’s processes (e.g., natural gas, oil, and coal), also involve substantial water use, amplifying environmental pressures in water-stressed regions.	Actual negative impact	●	●	●	All time horizons
E3 Water and marine resources	Negative impacts related to water use and water discharges in operations DVG’s production processes rely on municipal water, including during dry periods, and significant volumes are used for cooling and other operational needs. Sites are also located in areas with high water stress, increasing vulnerability to resource scarcity. Wastewater returned from operations may contain chemical substances, and the release of cooling water can pollute groundwater and surface water sources if not properly treated.	Actual negative impact		●		All time horizons
E3 Water and marine resources	Marine resource impact from offshore oil and gas extraction DVG’s feedstock supply chain includes derivatives from oil and gas, which are often sourced through offshore drilling. These activities can negatively impact marine ecosystems by disrupting habitats, contributing to pollution, and threatening biodiversity.	Potential negative impact	●			All time horizons

E3-1 Policies related to water and marine resources

DVG manages water and marine resources through a hierarchy of policies that embed responsible water stewardship into governance and operations. At the highest level, the **PETRONAS Code of Conduct and Business Ethics** establishes overarching principles of integrity and sustainable development, requiring compliance with environmental laws and responsible resource management throughout the value chain. Accountability for implementation rests with the PETRONAS Group Board of Directors.

Due to the fact that DVG's site locations are in water-stress regions and the nature of chemical processes, water consumption and wastewater management have been identified as material topics. DVG's commitment to environmental stewardship is embedded in its QESH Policy, which mandates compliance with all legal requirements and continuous improvement in environmental performance. The policy emphasizes conservation of natural resources, and optimization of water use, alongside the principles of reduce–reuse–recycle. These commitments are implemented through ISO 14001-certified environmental management systems at site level and supported by training, monitoring, and emergency preparedness measures.

The most senior accountable level for implementation is DVG's CEO, supported by the global QESH manager and local QESH employees.

E3-2 Actions and resources related to water and marine resources

DVG addresses water consumption and wastewater management through operational roadmaps and investments in water treatment systems, including measures to increase internal recycling and improve process efficiency. Monitoring systems and contingency plans are in place to prevent accidental discharges, and employees are trained to follow best practices for water stewardship.

E3-3 Targets related to water and marine resources

DVG's water-related targets are designed to reduce freshwater withdrawal in areas of high water stress and ensure responsible water management across all production sites. Operations in high-water stress areas was identified through a water-stress assessment with the support of the Aqueduct Water Risk Atlas. These targets are aligned with the company's ambition to have Zero Negative Impact and its commitment to minimising environmental impacts.

- **25 per cent absolute reduction in freshwater withdrawal for sites located in high water stress areas**

By 2030, DVG aims to achieve a 25 per cent absolute reduction in freshwater withdrawal compared to the 2019 baseline for sites located in high water stress areas. This target applies to all such production sites globally. The reduction roadmap includes site-specific projects and performance reviews to monitor progress.

The target applies to all DVGs operations worldwide and covers water withdrawals.

E3-4 Water consumption

DVG primarily sources water from its own on-site extraction points, including surface water and groundwater, in compliance with site-specific environmental permits and applicable legislation.

Withdrawals are monitored through flow meters installed at each production site. Water obtained from municipal supply is tracked either via on-site flow meters or indirectly through supplier invoices based on their measurements.

DVG maintains detailed records of water consumption at sites and have set reduction target for locations in high water stress areas. Changes in water storage are not consolidated at the corporate level but are monitored locally where relevant. Reporting is carried out by each site individually, following internal instructions to document the basis of measurement. While DVG does not currently aggregate the proportion of data obtained from direct

measurement, sampling and extrapolation, or best estimates at group level, sites are required to keep written documentation of their measurement approach to ensure transparency and traceability.

Information on DVG's water consumption performance is presented in the table.

Water consumption

Metric	Amount (m ³)			Intensity (Litre of water/tonnes of products sold)		
	2023	2024	2025	2023	2024	2025
Freshwater withdrawal	20,235	19,252	21,574	0.34	0.30	0.34
Freshwater withdrawal in high water stress areas	10,087	10,220	11,581			
Total water consumption	15,943	17,286	19,430	0.27	0.27	0.31
Total water consumption in water risk areas	10,087	10,220	11,581			

Water intensity per net revenue

Metric	Amount (m ³)	Net revenue (MEUR)	Water intensity (m ³ per MEUR)
Total water consumption in own operations	19,430	202	96

Water Effluents

To prevent contamination of soil, surface water and groundwater, each site identifies, documents and monitors the effluents arising out of its activities. Effluents are either routed to waste water treatment, using methods and

procedures prescribed by local law and approved by relevant authorities, or managed as waste through an authorized waste contractor.

Organic Pollution Before Treatment

Metric	Absolute (tonnes)			Intensity (kg / tonnes product sold)		
	2023	2024	2025	2023	2024	2025
Chemical Oxygen Demand (COD)*	0	0	11	0	0	0.2

*COD is measured in the flow into the wastewater treatment plant. Wastewater treatment reduces the COD with over 90% and the treated water is sent to recipients. COD is either measured directly or calculated through conversion of the Total Organic Compound (TOC) value. Using TOC analysis instead of COD is preferable, as COD testing requires mercury-based reagents, which poses environmental and health risks.

ESRS E5 Resource use and circular economy

IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

As part of DVG’s latest DMA, the actual and potential impacts, risks, and opportunities related to resource use and circular economy across the company’s own operations and its upstream and downstream value chain were systematically identified and assessed. The assessment followed the first three phases of the LEAP approach (Locate, Evaluate, and Assess) and was aligned with international due diligence principles such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

The process began with a comprehensive mapping of DVG’s value chain, covering upstream suppliers, production sites, and downstream distribution and end-use. This mapping covered actual and potential impacts from sourcing of raw materials, production processes, waste management, and downstream product use. Financial materiality was evaluated to determine operational and regulatory risks and opportunities related to resource use and circular economy that could affect DVG’s strategy and business model. Stakeholder insights were gathered from internal experts and functional leads in areas such as Sustainability, Environment, Health & Safety, Regulatory Affairs, Procurement, and Operations.

The outcome of the process confirmed that resource inflows (including resource use), resource outflows related to products and services, and waste are material topics for DVG.

The associated material impacts, risks and opportunities are presented in the table to the right.

ESRS SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topical standard	Description of material impact, risk or opportunity (IRO)	IRO type	Location in the value chain			Expected time horizon
			Upstream	Own operations	Downstream	
E5 Resource use and circular economy	Limited circularity due to high use of virgin feedstock DVG relies heavily on virgin raw materials for its production processes, with limited integration of recycled or renewable inputs. This practice negatively impacts circularity by increasing resource extraction, waste generation, and dependency on non-renewable resources.	Actual negative impact	●			All time horizons
E5 Resource use and circular economy	Challenges in end-of-life recycling and risk of environmental leakage Many DVG end-products are difficult to design for disassembly and recycling, which limits circularity and increases the likelihood of improper disposal. As a result, products may end up in water bodies, natural environments, or come into contact with humans, posing risks to ecosystems and health.	Actual negative impact			●	All time horizons
E5 Resource use and circular economy	Circular packaging systems and reuse partnerships Most of DVG’s packaging materials, such as drums, pallets, and intermediate bulk containers (IBCs), are part of a circular product system. DVG collaborates with partners to clean and refurbish these items, enabling multiple reuse cycles and reducing waste generation.	Actual positive impact	●	●	●	All time horizons
E5 Resource use and circular economy	Hazardous waste risks from operational spillage Spillage of chemicals and hazardous waste during DVG’s operations can lead to environmental contamination, posing risks to soil, water, and human health.	Potential negative impact		●		Short term
E5 Resource use and circular economy	Environmental and social risks from inadequate waste management In certain geographies where DVG operates or sources materials, waste management infrastructure and practices may be insufficient. This can lead to improper disposal of hazardous and non-hazardous waste, causing soil and water contamination, harming ecosystems, and posing health risks to local communities.	Actual negative impact	●	●	●	All time horizons

E5-1 Policies related to resource use and circular economy

Resource use and circular economy is governed at the highest level by the **PETRONAS Code of Conduct and Business Ethics**. The code of conduct sets overarching principles of integrity and responsible business conduct, requiring compliance with environmental laws and commitment to sustainable development throughout the value chain. The PETRONAS Group Board of Directors is accountable for its implementation.

DVG manages impacts, risks and opportunities related to resource use and circular economy through its QESH policy. It sets out commitments to environmental protection by preventing pollution, conserving natural resources, reducing materials wastage, promoting reduce, reuse, and recycle and optimisation of energy usage throughout the business. The policy is implemented through ISO 14001-certified environmental management systems at site level and adapted to local legislation. The most senior accountable level for implementation is DVG's CEO, supported by the global QESH manager and local QESH employees.

E5-2 Actions and resources related to resource use and circular economy

Waste and resource management are material due to the company's dependency on virgin feedstock, and risks related to challenges to recycling and waste management. DVG addresses these risks through operational roadmaps and investments in waste management processes, including measures to increase internal recycling, reuse and repurposing of materials and improve process and resource efficiency.

Resource efficiency and circularity are integral to DVG's sustainability strategy. The company is transitioning to renewable and recycled feedstocks and improving waste management practices to minimise environmental impact and reduce dependency on virgin fossil resources. Innovation plays a key role, with products such as Viscotech® Upcycled supporting circularity and enabling customers to lower their footprint. Operational roadmaps include projects to optimise resource flows, enhance waste segregation, and increase recovery rates.

E5-3 Targets related to resource use and circular economy

Efficient resource management reduces operational risks, ensures compliance, and strengthens stakeholder trust. These measures align with DVG's strategic pillar of Transform, supporting its transition plan and long-term ambition to embed sustainability into products and operations. By combining operational improvements with product innovation, DVG creates business opportunities while contributing to environmental goals.

DVG has set voluntary targets related to waste and scope 3 that relate to circular design. This is done by enabling the shift to using recycled raw materials for its production.

The first waste target is a 20 per cent reduction by 2030 and a 40-60 per cent reduction by 2035 of waste to disposal intensity (calculated as per cent total waste to disposal / tonne product). The targets purpose is to increase recycling of waste (reduce waste to disposal such as combustion or landfill) compared 1.7 per cent calculated for the 2019 base year.

The second waste target is a 20 per cent reduction by 2030 and a 40-60 per cent reduction by 2035 of waste to landfill intensity (calculated as per cent total waste to landfill / tonne product). The purpose of the second target (waste to landfill intensity) is to reduce landfilling of waste which is lowest in the waste hierarchy. This is compared to the 2019 base year in which waste to landfill intensity was calculated as 0.9 per cent.

Targets on increased recycling and reducing waste diverted to landfill enables a move in the waste hierarchy and relates directly to hierarchy levels of disposal to recovery by reducing landfill and disposal/recovery to recycling.

Target progress is tracked through internal KPIs and are reported annually.

E5-4 Resource inflows

DVG has the information to meet this reporting requirement however it is not ready for reporting this year. Reporting processes are being developed to ensure full ESRS-compliant disclosure on resource inflows by FY2027.

E5-5 Resource outflows

Throughout DVG's operations, waste is managed in compliance with national legislation and categorised into relevant streams based on composition and emission properties. All waste is physically separated into categories such as glass, metals, electronics, and asphalt. For sustainability reporting purposes, the mixed materials category is used for streams that do not fit standard categories to ensure full reporting coverage. All waste volumes are measured upon collection and disposal methods communicated by waste collectors are recorded in DVG's reporting system.

Improvements in ESRS-aligned data to be reported is being developed and expected to be in place in FY2027. DVG does not yet report the quantitative breakdown of waste for site-level or segment-level. Likewise, reporting processes and data collection on resource outflows in regard to product durability, reparability, and rates of recyclable content in products are being developed.

Waste	Total amount of waste (tonnes)			Hazardous waste (tonnes)			Non-hazardous waste (tonnes)			Total amount of waste (kg waste / tonnes product sold)			Hazardous waste (kg waste / tonnes product sold)			Non-hazardous waste (kg waste / tonnes product sold)		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Total waste generated	792	845	886	420	464	448	372	381	438	13.2	13.2	13.9	7	7.3	7.1	6.2	6	6.9
Total waste diverted from disposal	294	415	293	171	280	153	122	136	139	4.9	6.5	4.6	2.8	4.4	2.4	2	2.1	2.2
Total waste directed to disposal	498	430	593	249	184	295	249	245	299	8.3	6.7	9.3	4.1	2.9	4.6	4.1	3.8	4.7
Percentage Non-Recycled Waste [%]	63%	51%	67%	59%	40%	66%	67%	64%	68%									
Total waste diverted from disposal (by recovery operations)	294	415	293	171	280	153	122	136	139	4.9	6.5	4.6	2.8	4.4	2.4	2	2.1	2.2
Preparation for Reuse	57	71	0	0	0	0	57	71	0	1	1.1	0	0	0	0	1	1.1	0
Recycling	236	344	293	171	280	153	65	65	139	3.9	5.4	4.6	2.8	4.4	2.4	1.1	1	2.2
Other Recovery Operations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0	0	0
Total weight of waste directed to disposal (by disposal operations)	498	430	593	249	184	295	249	245	299	8.3	6.7	9.3	4.1	2.9	4.6	4.1	3.8	4.7
Incineration with Energy Recovery	233	160	214	109	44	47	124	116	167	3.9	2.5	3.4	1.8	0.7	0.7	2.1	1.8	2.6
Incineration without Energy Recovery	60	72	138	60	72	138	0	0	0	1	1.1	2.2	1	1.1	2.2	0	0	0
Landfill	181	176	212	55	48	80	126	129	132	3	2.8	3.3	0.9	0.7	1.3	2.1	2	2.1
Other Disposal Operations	24	21	30	24	21	30	0	0	0	0.4	0.3	0.5	0.4	0.3	0.5	0	0	0

Social information

ESRS S1 Own workforce

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

DVG's recognizes that its workforce is a critical enabler of its overall strategy and that social impacts, risks, and opportunities related to employees directly influence operational resilience and long-term value creation. The company identified several topics related to Own workforce as material through its DMA, specifically working conditions. Working in a chemical company like DVG is linked to potential negative impacts on health and safety. DVG therefore recognizes the importance of being able to offer attractive and safe working conditions to ensure talent retention and attraction. Based on the topics, DVG has identified several impacts, risks and opportunities that are presented in the table to the right.

ESRS SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topical standard	Description of material impact, risk or opportunity (IRO)	IRO type	Location in the value chain			Expected time horizon
			Upstream	Own operations	Downstream	
S1 Own workforce	Health and safety risks for workers handling chemicals and high-pressure processes DVG's production activities involve handling chemicals, exposure to fumes, and operating processes under high temperatures and pressures. These conditions pose significant health and safety risks to workers, including potential chronic illnesses, disabilities, and, in extreme cases, loss of life.	Potential negative impact		●		All time horizons
S1 Own workforce	Work-life balance risks from excessive working hours Workers in DVG's production sites and support functions may face extended working hours, which can negatively impact their work-life balance and their right to rest and free time. Prolonged overtime can lead to stress, fatigue, and reduced well-being, increasing the risk of health issues and lower productivity.	Actual negative impact		●		All time horizons
S1 Own workforce	Human rights policy implementation across operations and value chain DVG enforces a global Human Rights Policy that applies to its own operations and requires upstream partners to formally endorse and comply with its principles. This policy aims to safeguard fundamental rights, prevent exploitation, and ensure ethical practices throughout the value chain.	Potential positive impact	●	●	●	All time horizons

S1-1 Policies related to own workforce

DVG adheres to the PETRONAS Code of Conduct and Business Ethics, which sets out principles and commitments for ethical conduct, anti-corruption, human rights, workplace discrimination and fair business practices. It sets out a commitment to respecting human rights across all operations which applies to employees, third parties working for or on behalf of PETRONAS, and anyone on its premises. The policy prohibits the use of child labour, requiring compliance with minimum legal working age in all operating countries. It also forbids involvement in human trafficking or modern slavery, including any form of forced, bonded, or involuntary labour. DVG follows up human rights related questions through employee surveys, trade union dialogue, and supplier risk management process, including labour rights and related topics. Remediation of human rights impacts stemming from DVG's activities takes place according to local laws and regulations.

The Code of Conduct enforces a zero-tolerance policy for unlawful workplace discrimination. All employees and third parties must comply with local anti-discrimination laws. The company does not discriminate in employment or hiring based on race, ethnicity, colour, age, gender, gender identity or expression, sexual orientation, political beliefs, citizenship, national origin, religion, disability, parental status, economic/class status, or any characteristic unrelated to merit or job requirements.

The CoBE applies to all DVG employees and business partners and is publically available on the PETRONAS website. DVG ensures local implementation through mandatory training, regular communication, and compliance monitoring through the anonymous whistleblowing mechanism, dialogue with local trade unions and the bi-monthly employee pulse survey. Representatives from HR and Legal are responsible for handling reports through the whistleblowing channel, for which reception is confirmed within seven days and response delivered to the submitter within three months.

DVG is committed to respecting internationally recognised human rights and ensuring safe, fair, and inclusive working conditions across its operations and value chain. This commitment is formalised in DVG's **Human Rights Policy**, which aligns with the International Bill of Human Rights, ILO Core Conventions, UN Guiding Principles on Business and Human Rights (UNGPs), and OECD Guidelines. The policy prohibits discrimination, child labour, modern slavery, and human trafficking, and mandates a risk-based approach to human rights due diligence. It also ensures access to grievance mechanisms that are confidential, fair, and non-retaliatory. Governance and oversight of human rights compliance rest with DVG's leadership team and Board of Directors.

DVG's QESH framework complements these commitments by embedding occupational health and safety standards into all operations. The company adheres to national working conditions legislation and applies ergonomic and health guidelines for both on-site and remote work environments. Policies such as the **Working from Home Policy** ensure compliance with occupational health regulations, ergonomic standards, and the Working Hours Act, while providing employees with necessary equipment and guidance for safe home offices. DVG also promotes social responsibility beyond its operations through initiatives such as the Volunteering Leave Policy, which encourages employees to contribute to community well-being. The most senior accountable level for implementation is DVG's CEO, supported by the global QESH manager and local QESH employees.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Perspectives of own workforce inform DVG's decisions or activities aimed at managing actual and potential impacts through engagement with the workforce and their representatives directly via the bi-monthly employee pulse survey and indirectly through engagement with local trade unions. The employee representatives are engaged with the company on a regular basis and in significant changes or negotiations. HR and management have operational responsibility for ensuring that engagement happens and that results inform the undertaking's approach. They review survey insights and union feedback systematically and incorporate it into policy updates, workplace improvements, and negotiation outcomes.

To create and maintain mutual involvement between the organisation and the employees, engagement also takes place through the Works Council. It represents and promotes employees interests by influencing organisational policymaking. All rights and obligations are described in the Works Council Act (WOR). The elected members meet, consult with and report to, both constituents and DVG leadership regularly.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

To implement the commitments set out in the policies, the following key actions are implemented:

- **Human Rights:** Integration of human rights principles into supplier engagement and contractual requirements, through the Code of Conduct (CoBE) (see S1-1 for further details) which applies to employees and contractors. The CoBE sets out commitments to ethical conduct, anti-corruption, human rights, workplace discrimination and fair business practices across all operations. It applies to employees, third parties working for or on behalf of the company, and anyone on its premises.
- **Health and Safety:** Continuous monitoring of workplace conditions to ensure compliance with safety standards. Employees receive training on health and safety regulations and are encouraged to report any work-related complaints promptly.
- **Work Flexibility:** Structured remote work arrangements with clear eligibility criteria, responsibilities, and compliance checks to maintain productivity and well-being.
- **Community Engagement:** Volunteering programmes that allow employees to dedicate time to social initiatives, reinforcing DVG's commitment to societal impact.

Grievance mechanisms are accessible to all stakeholders, ensuring timely resolution of concerns related to human rights or workplace conditions.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

DVG has set a target related to own workforce of an index of 67 within all teams in the bi-monthly employee pulse survey. In 2025, the index was 73. Progress in relation to this target is reported to the leadership team on a regular basis, and followed up with the respective teams in the organisation.

DVG engages directly and indirectly with its own workforce and their representatives in relation to target setting. This engagement is accomplished through the bi-monthly employee pulse survey and through engagement with local trade unions. In terms of tracking performance against the targets, engagement takes place through updates to and dialogue with local union representatives and internal communication in relation to e.g. the yearly bonus results. Identification of lessons learned and the identification of improvements as a result of DVG's performance is done on a case basis and through lessons learned workshops and surveys.

Targets related to own workforce

	Target	2025
Employee Pulse Survey	67	73

S1-6 Characteristics of the undertaking's employees

Methodologies and assumptions

Number of employees are reported in head count and at the end at the reporting period. These include only employees hired by DVG. Permanent employees include both part-time and full-time employees. Employees who have left the company include all types of departures where the permanent employment has ended. The data has been extracted from DVG's global HR system and reflect the company on a global level.

Employee Head Count by Gender

Gender	Head count		Per cent, %	
	2024	2025	2024	2025
Female	128	130	33.5	33.3
Male	254	258	66.5	66.2
Other	0	1	0	0.3
Not reported	0	1	0	0.3
Total	382	390	100	100

Employee head count by contract type and gender – 2025

Contract type	Female	Male	Other*	Not disclosed	Total
Number of employees	130	258	1	1	390
Number of permanent employees	121	239	1	1	362
Number of temporary employees	9	19	0	0	28

*Gender as specified by the employees themselves.

General Employee Indicators

	2024	2025
Employee turnover, %	12	9
Number of employees who have left the company	50	38

S1-7 Characteristics of non-employees in the undertaking's own workforce

Methodologies and assumptions

DVG reports the number of non-employees in head count and at the end of the reporting period. The types of non-employees included are agency consultants engaged to provide personnel support, interim consultants contracted for short-term assignments or specialised expertise, and other external service providers, such as consultants with whom the company has established support agreements or framework contracts for the continuous delivery of defined services.

Number of Non-Employees	2024	2025
Total number of non-employees in company's workforce	50	37
Number of non-employees in own workforce – self-employed people	0	0
Number of non-employees in own workforce – people provided by undertakings primarily engaged in employment activities	50	37

S1-9 Diversity metrics

DVG defines top management as being the DVG leadership team.

Gender Distribution in Top Management

Gender	Number		Per cent, %	
	2024	2025	2024	2025
Female	2	0	15	0
Male	11	5	85	100
Other / Not reported	0	0	0	0
Total	13	5	100	100

Age Distribution of Employees

Age	Number		Per cent, %	
	2024	2025	2024	2025
Under 30 years	53	49	14	13
30–50 years	195	196	51	50
Over 50 years	134	145	35	37
Total	382	390	100	100

S1-10 Adequate wages

All DVG employees are paid an adequate wage, in line with national legislation or applicable benchmarks.

S1-11 Social protection

All DVG employees are covered by social protection in line with national laws and legislation as well as collective bargaining agreements. Depending on which country the employees are based in, this may include coverage of loss of income due to sickness, unemployment, employment injury and acquired disability, parental leave or retirement.

S1-13 Training and skills development metrics

Performance and career development		
Employees that participated in regular performance and career development reviews	2024	2025
Employees, %	100	100
Women, %	100	100
Men, %	100	100
Other, %	N/A	100
Number of performance reviews per employee	1	1
Number of reviews in proportion to the agreed number of reviews by the management	1	1

Training, Learning & Development Indicators		
Metric	2024	2025
Average number of training hours per employee	13	9
Percentage of employees who received skills-related training, %	35	32
Percentage of the total workforce that has taken the Code of Conduct training, %	43	22
Percentage of employees trained on business ethics, %	54	18

S1-14 Health and safety metrics

General health & safety metrics	2023	2024	2025	Process Safety Events (PSEs)						
The percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines, reported by head count basis	66	66	100	Number			Rate*			
				2023	2024	2025	2023	2024	2025	
				Tier 1	0	0	0	0	0	0
				Tier 2	0	0	0	0	0	0
% of all operational sites for which an employee health & safety risk assessment has been conducted.	100	100	100	* Number of incidents × 200,000 / number of hours worked.						

Occupational Injuries	Employees			Contractors			Total Own Workforce		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Fatalities	0	0	0	0	0	0	0	0	0
Number of Lost Workday Cases (LWC)	0	0	1	0	1	0	0	1	1
LTIF*	0	0	1.6	0	15.8	0	0	1.4	1.4
Total Lost Days	0	0	66	0	0	0	0	0	66
Number of Recordable Injuries**	0	0	1	0	1	0	0	1	1
TRCF***	0	0	1.6	0	15.8	0	0	1.4	1.4

* LTIF = Number of LTI × 1,000,000 / number of hours worked. LTI = Lost Time Injury. An injury sustained by a worker that resulted in Fatality, Permanent Total Disability (PTD), Permanent Partial Disability (PPD) and Lost Workday Case (LWC).

** Occupational accidents resulting in fatality, lost time, restricted work or medical treatment as defined by the Occupational Safety & Health Administration (OSHA) under the United States Department of Labor.

*** Number of recordable injuries × 1,000,000 / number of hours worked.

S1-17 Incidents, complaints and severe human rights impacts

Discrimination incidents			
Metric	2023	2024	2025
Total number of incidents of discrimination	0	0	0
Number of complaints filed through channels for people in own workforce to raise concerns	0	0	0
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0	0	0
Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed	0	0	0

Human rights incidents			
Metric	2023	2024	2025
The number of severe human rights incidents connected to the undertaking's workforce	0	0	0
Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	0	0	0
Amount of fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	0	0	0

Governance information

ESRS G1 Business conduct

G1-1 Business conduct policies and corporate culture

DVG’s approach to business conduct is anchored in PETRONAS Code of Conduct and Business Ethics (CoBE) and supporting policies, including the Human Rights Policy and QESH framework. These policies commit DVG to ethical, transparent, and responsible business practices across all operations and value chains. DVG adheres to international standards such as the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Responsible Business Conduct. The policies prohibit corruption, bribery, and unethical behaviour, and require compliance with all applicable laws and regulations in the jurisdictions where DVG operates. All employees must know and follow the PETRONAS Code of Conduct and Business Ethics, including taking mandatory trainings in it. Governance oversight rests with DVG’s leadership team and Board of Directors, ensuring accountability for ethical conduct and sustainability commitments.

ESRS SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topical standard	Description of material impact, risk or opportunity (IRO)	IRO type	Location in the value chain			Expected time horizon
			Upstream	Own operations	Downstream	
G1 Business Conduct	Potential animal testing in downstream applications Certain downstream uses of DVG products, particularly in the personal care sector outside Europe, may involve animal testing due to local regulatory requirements or market practices. This creates ethical concerns and reputational risks, as well as potential misalignment with global sustainability and cruelty-free standards.	Potential negative impact			●	All time horizons
G1 Business Conduct	Potential corruption and bribery in business practices Inefficient implementation of DVG’s anti-corruption and bribery policies can lead to unethical practices by DVG or its business partners. Such activities may result in regulatory non-compliance, and contribute to inequality and social divides in affected regions.	Potential negative impact	●	●	●	All time horizons
G1 Business Conduct	Risk of corruption and bribery leading to social and financial harm Weak implementation of DVG’s anti-corruption and bribery policies can result in unethical practices by DVG or its business partners. Such activities may foster inequality and social divides, while also exposing DVG to reputational damage, regulatory penalties, and potential loss of sales.	Risk	●	●	●	All time horizons

G1-3 Prevention and detection of corruption and bribery

DVG implements its business conduct commitments through a combination of governance structures, training, and monitoring mechanisms:

- **Compliance framework:** Integration of CoBE principles into employment contracts and supplier agreements.
- **Training and awareness:** Regular employee training on ethical standards, anti-bribery measures, and compliance requirements.
- **Grievance mechanisms:** Accessible, confidential, and non-retaliatory channels for reporting concerns related to ethics, human rights, or workplace conduct.
- **Risk-based due diligence:** Assessment of business partners and suppliers to identify and mitigate risks related to corruption, human rights, and environmental compliance.
- **Monitoring and audits:** Internal audits and periodic reviews to ensure adherence to policies and regulatory requirements.

These actions are complemented by clear escalation procedures and remediation processes for any identified breaches.

DVG aims to maintain zero tolerance for corruption and bribery and ensure full compliance with its Code of Conduct across all operations and business relationships. Progress is monitored through compliance audits, training completion rates, and grievance resolution metrics.

Training related to prevention and detection of corruption and bribery – Year 2025

	At-risk functions, managers, and AMSB*	Other own workers
Training coverage		
Total people	14	376
Total people receiving training	12	239
Delivery method and duration		
Classroom training (hours)	–	–
Computer-based training (hours)	1 hour	1 hour
Voluntary computer-based training (hours)	–	–
Frequency		
How often training is required	Bi-annually	Bi-annually
Topics covered		
Knowledge of Anti-Bribery & Corruption Policy & Manual	X	X
Guidance concerning on how to deal with improper solicitation	X	X
Guidance concerning on how to deal with bribery	X	X
Guidance concerning on how to deal with other corrupt activities and issues that may arise in the course of business	X	X

*Administrative, management, and supervisory bodies.

G1-4 Incidents of corruption or bribery

DVG has not been convicted or fined for violation of anti-corruption and anti-bribery laws during 2025. Any breaches in procedures and standards of anti-corruption and bribery are addressed following the processes set out in the CoBE (see G1-1).

Anti-corruption and anti-bribery

Metric	2023	2024	2025
Number of convictions for violation of anti-corruption and anti-bribery laws	0	0	0
Confirmed incidents of corruption and action taken	0	0	0
Amount of fines for violation of anti-corruption and anti-bribery laws	0	0	0

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G1 Business conduct

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Appendix

Other sustainability information

Contributing to the UN Sustainable Development Goals (SDGs)

DVG supports the UN 2030 Agenda and contributes to the Sustainable Development Goals through the long-term ambition of **Zero Negative Impact** which is executed through the strategy **Transform, Enable and Care**. In line with ESRS/CSRD, the company considers both **impact materiality** (effects on people and the environment) and **financial materiality** (risks and opportunities for the business), integrating SDG relevance into its transition plan, operational roadmaps, and value chain due diligence.

Based on the DMA and DVG's role as a specialty chemicals provider, the most significant contributions relate to **SDG 3, 6, 7, 12, and 13**:

- SDG 12 – Responsible consumption and production**
 DVG enables responsible consumption by expanding **Pro-Environment products**, increasing the use of renewable and recycled feedstocks, and reducing dependency on virgin fossil materials across its silicones and lubricant additives portfolio. Efforts to enhance durability, recyclability, and efficient resource use support customers' circularity objectives, while internal circular packaging systems and waste reduction roadmaps strengthen DVG's own circular economy performance.
- SDG 13 – Climate action**
 The company contributes to climate change mitigation through its **scope 1, 2 and 3 transition plan**, which includes energy efficiency, electrification, fossil free electricity, and renewable raw material integration. DVG has already reached zero scope 1 and 2 emissions at its

Echt site and continues to implement roadmaps toward the science aligned 2030 targets. Downstream, DVG's materials support lower carbon technologies, improved energy efficiency, and longer product lifetimes.

- SDG 7 – Affordable and clean energy**
 DVG's transformation includes a **full shift to fossil free electricity by 2030**, electrification of boilers, and continuous optimisation of energy use. Many DVG products, including silicone technologies and lubricant additives, enable reduced energy consumption in automotive, industrial, and manufacturing applications, supporting energy efficiency improvements across global value chains.
- SDG 6 – Clean water and sanitation**
 With operations in water stress regions, water stewardship is a material issue. DVG reduces water risk through efficient water use, increased recycling, improved treatment systems, and strengthened controls for preventing wastewater and cooling water pollution. These actions align with ESRS E3 requirements and contribute to responsible water management within and beyond its operations.
- SDG 3 – Good health and well-being**
 Under its **Care** pillar, DVG implements stringent QESH and human rights policies, ensuring safe working conditions, preventing exposure to hazardous substances, and promoting responsible chemical management across the value chain. Products such as advanced silicones and lubricant additives help improve safety, durability, and performance in applications that

protect human health. DVG's commitment to ethical business conduct, product stewardship, and safer formulations further supports SDG 3.

Through these commitments and actions, DVG contributes to a more sustainable specialty chemicals industry, supporting customers' transition pathways while embedding ESRS aligned sustainability governance and long-term environmental stewardship into its own operations.

Additional Disclosures

These are additional indicators that DVG discloses that does not fall under any of the ESRS standards.

Environmental Indicators	2023	2024	2025
Percentage of employees trained on environmental issues, %	100	100	100
Percentage of operational sites assessed on environmental risks, %	100	100	100
Percentage of operational sites with ISO 14001 environmental certification, %	100	100	100

Social Indicators	2024	2025
Percentage of the total workforce across all locations represented in formal joint management-worker health & safety committees.	0	0
Percentage of the total workforce across all locations who are covered by formal collective agreements concerning working conditions.	8	8
Percentage of the total workforce across all locations who are covered by formally-elected employee representatives.	40	40
Percentage of operational sites with a labor and human rights certification, %		

Whistleblowing	2023	2024	2025
Number of reports related to whistleblower procedure	0	0	1

Data Privacy & Information Security	2023	2024	2025
Number of confirmed information security incidents	0	0	0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

Signing of the report

Echt, 2026-02-18

Ralph Pinckaers
Member of the Management Board

Paul Taylor
Member of the Management Board

Nik Amri Bin Nik Mohamed
Member of the Management Board

Hans Sheres
Member of the Management Board

Shahrom Muhammad Bin Yusof
Member of the Management Board

Assurance

Auditor's limited assurance report on Da Vinci Group B.V's sustainability KPIs

To Da Vinci Group B.V, corporate identity number 62888315

Conclusion

We have been appointed by the Management Board of Da Vinci Group B.V to conduct a limited assurance engagement of selected sustainability KPIs, in accordance with PETRONAS Groups requirements consisting of climate disclosures relating to (the "sustainability KPIs") of Da Vinci Group B.V for the financial year 2025.

- GHG Emissions – Scope 1
- GHG Emissions – Scope 2, Location Based
- GHG Emissions – Scope 2, Market Based
- Total energy consumption
- Chemical Oxygen Demand (COD)
- Freshwater withdrawal
- Lost Time Injury Frequency (LTIF)
- Fatalities
- Number Tier 1 Process Safety Event

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability KPIs is not, in all material respects, prepared in accordance with the applicable parts of Global Reporting Initiative (GRI), Bursa, American Petroleum Institute (API), and the greenhouse gas calculation standards issued by the GHG Protocol (Greenhouse Gas Protocol), and PETRONAS Groups requirements well as the company's own accounting and calculation principles.

Basis for conclusion

We have conducted the limited assurance engagement in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. Our responsibility under this standard is further described in the section Auditor's responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Management Board

The Management Board are responsible for the preparation of the sustainability KPIs in accordance with the applicable criteria, as described on page 70 of the sustainability report. The applicable criteria consist of the relevant parts of Global Reporting Initiative (GRI), Bursa, American Petroleum Institute (API), the greenhouse gas calculation standards issued by the GHG Protocol (Greenhouse Gas Protocol), and PETRONAS Groups requirements as well as the company's own accounting and calculation principles. This responsibility also includes such internal control as the Management Board determine is necessary to enable the preparation of sustainability KPIs that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the sustainability KPIs based on our review. The limited assurance engagement has been conducted in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform our procedures to obtain limited assurance that

the sustainability KPIs is prepared in accordance with the criteria described in the section Responsibilities of the Management Board.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. 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. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Da Vinci Group B.V in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance engagement involves performing procedures to obtain evidence to support the sustainability KPIs. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability KPIs, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Management

Board prepares the sustainability KPIs, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability KPIs, performing analytical review, and conducting other review procedures.

The limited assurance procedures have covered the following:

- GHG Emissions – Scope 1
- GHG Emissions – Scope 2, Location Based
- GHG Emissions – Scope 2, Market Based
- Total energy consumption
- Chemical Oxygen Demand (COD)
- Freshwater withdrawal
- Lost Time Injury Frequency (LTIF)
- Fatalities
- Number Tier 1 Process Safety Event

Our limited assurance is based on the criteria selected by the Management Board, as defined above.

The limited assurance procedures primarily include:

- Inquiry
- Test of Details, sampling and verification of supporting documentation
- Analytical Procedures

Stockholm 18 February 2026

KPMG AB

Jonas Nihlberg
Authorized Public Accountant

KPMG AB

Torbjörn Westman
Expert Member of FAR