

# Strategy

Our strategy of Innovation, Growth and Efficiency captures the opportunities that come from making sustainability improvements.

## Innovation



We focus our capabilities on finding unique solutions to emerging sustainability challenges. For example, our organoclay-based gels improve the water resistance of consumer sunscreens, increasing their effectiveness and ensuring they stay longer on the skin.

## Growth



Many of our products are well established in end-use applications that already improve sustainability outcomes, and we aim to increase our participation in these applications further. Examples are the development of antiperspirant actives with a lower carbon footprint and our additives for paints with low VOC.

## Efficiency



Our products help customers do more with fewer resources, such as additives that help adhesives instantly grip heavy ceramic tiles without slipping, saving end-users materials, time and money. Efficiency is also a foundational requirement for sustainable improvement in our own operations and supply chain.

To respond to the sustainability drivers in the markets we serve, we focus on a three-pillar framework: environment, people and responsible business.

## Environment

### Reducing GHG emissions

**Driver:** Climate change

Our focus is on lowering GHG emissions throughout the value chain.

In March 2025, our proposed SBT was validated by the SBTi.

We work to increase our resilience to various risks climate change brings.

**Example:** Our site in Sotkamo, Finland, has electrified their last significant fossil-fuel process, resulting in a 99% reduction in combined Scope 1 and 2 (market-based) emissions since 2019.

We expanded our use of product LCA and product carbon footprints to better take opportunities at customers with our sustainable innovations.

### Becoming more natural

**Driver:** Resource efficiency and lowering environmental impacts

We work to increase our use of natural, renewable and recycled raw materials.

Nature supplies many of our raw materials, so we focus on reducing our environmental impacts.

We aim for a more circular and efficient use of resources in our own operations, for customers and for end-users.

**Example:** Our biobased defoamers replace fossil-derived chemicals and offer better performance.

We introduced aluminium metal from factory wastes in our antiperspirant actives, replacing virgin metal.

### Improving product safety

**Driver:** Products that have lower health risks

We work to find ways to lower the hazards associated with the use of our products, including substitution with lower-risk materials.

We can also help our customers formulate new products with less risk for end-users.

**Example:** We have developed SUPREAD™ 3410, a new wetting agent for water-based coatings that minimises troublesome foaming while helping formulators lower VOCs and PFAS-containing additives.

Our natural hectorite clay can be used to replace synthetic ingredients in skin care products.

## People

We are reliant on our greatest asset, our people. We have a particularly strong focus on employee safety and engagement and ensuring a diverse, inclusive culture.

**Example:** Continued focus on our TogetherSAFE employee safety programme has brought steady improvements in our total recordable injuries rate.

We continue to improve our senior leader gender diversity.

## Responsible business

We conduct ourselves with integrity, giving transparency to stakeholders, sourcing responsibly, and engaging our value chains to better address our material topics.

**Example:** Continuously improving our screening systems for customers and suppliers to better manage risks.

Improving our cyber security processes to better secure our data systems.

## Our 2030 environmental targets

We met one of four 2030 environmental targets (GHG intensity) in 2024 (2023: two). Our environmental performance in 2024 was impacted by increased production volumes and an unfavourable product mix, with relatively higher volumes of products that utilise more resources during manufacturing (such as fuel for high temperature drying).

### Science-based target (SBT)

In December 2024, our Board approved a SBT proposal covering the reduction of our Scope 1 and Scope 2 (market) GHG emissions and reductions from our most significant Scope 3 emission categories. Our proposal was validated by the Science Based Target initiative (“SBTi”) in March 2025. We will communicate our SBT in more detail later in 2025.

### 2030 targets<sup>1</sup>

# 25%

combined Scope 1 and 2 (market-based) emissions

# 20%

energy from fuels

# 10%

water withdrawn

# 10%

waste sent to third parties

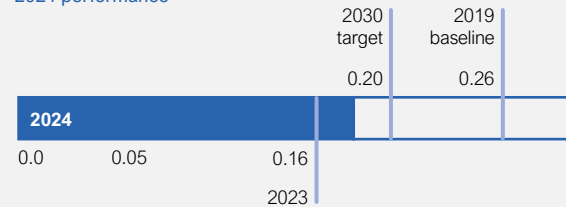
<sup>1</sup> All targets are reductions per tonne of production with a 2019 baseline.

## Progress against our 2030 environmental intensity targets

### GHG intensity (tCO<sub>2</sub>e/t)

# 0.18

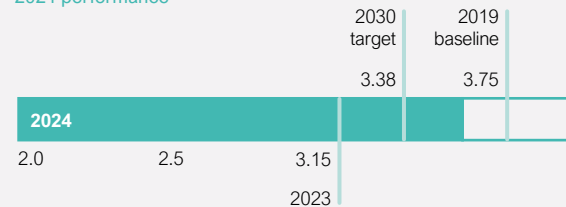
2024 performance



### Water withdrawal intensity (m<sup>3</sup>/t)

# 3.59

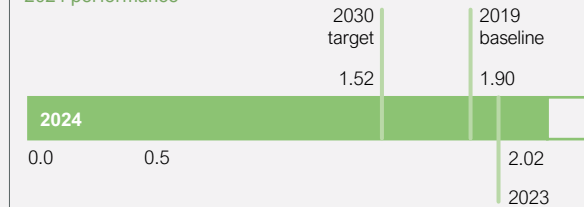
2024 performance



### Energy from fuels intensity (GJ/t)

# 2.23

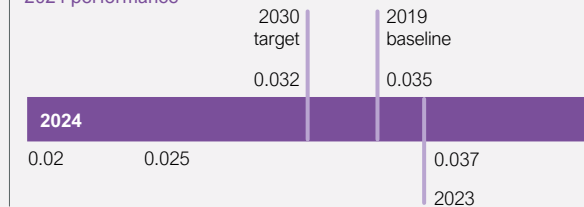
2024 performance



### Waste generated intensity (t/t)

# 0.044

2024 performance



### Third-party ESG ratings

We believe that transparency on risks, actions and data is crucial to demonstrating sustainability improvements and we support various external rating agencies in their assessment of our performance. Our CDP disclosure is available on our website. In 2024, we again achieved EcoVadis Gold, putting us in the top 5% of companies rated by EcoVadis. Our ratings from Sustainalytics, MSCI and FTSE4Good were unchanged from 2023.



Climate  
C

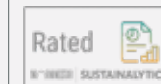
Water  
C



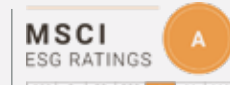
Gold



Scan the QR code above for more information.



Medium risk



MSCI ESG RATINGS



FTSE4Good

Constituent member

# Environment

**Lowering negative impacts on the environment is a critical part of a sustainable society. At Elementis, we are committed to playing our part to ensure a sustainable future for people and the planet.**

We aim to minimise the impact we have on the environment in our operations and our entire value chain.

We aim to achieve this by minimising GHG emissions, reducing pollution of air, water and soil, and ensuring resources are used as efficiently as possible. We also seek to mitigate risks and take opportunities arising from climate change and concerns around pollution and resource consumption. We expect our suppliers to have the same approach, and we work with them to find ways to deliver better products for our customers.

## 2024 Environment highlights

Combined Scope 1 and 2 market-based emission (kt CO<sub>2</sub>e)

**77**

(2019 baseline: 158)

Water withdrawn (million m<sup>3</sup>)

**1.57**

(2019 baseline: 2.25)

Purchased electricity from renewable or low carbon sources (%)

**77**

(2019 baseline: 0)

### Third-party verification

We commissioned TÜV SÜD, an experienced and independent verification body, to verify our 2023 data for Scope 1, Scope 2 location and market based, Scope 3, energy consumption, water withdrawal and waste generation. GHG emissions were verified regarding compliance with the ISO 14064-1:2018 standard using a reasonable level of verification. TÜV SÜD's full verification statement is available on our website.

Hectorite clay at our mine in California, USA.

## Climate

Climate change drives our actions to reduce emissions from our operations and supply chains, and to improve the environmental footprint of our products with innovative designs. We also work to make our value chains more resilient and agile to minimise disruption from the uncertain localised effects of climate change. Our ambition is to reach Net Zero by 2050 at the latest.

### Governance

The Board oversees our climate-related strategy and reviews progress against our climate targets with quarterly written updates. We do see a medium-term path for us to reduce Scope 1, 2 and 3 emissions in line with the Paris climate agreement. In December 2024, our Board approved submission of our SBT proposal to the SBTi for their validation.

The Audit Committee has oversight of our climate-related risks and opportunities process and disclosure recommendations through management-prepared materials.

Our CEO has ultimate accountability for our strategic response to climate-related risks and opportunities. For more detail about our approach to climate and sustainability governance, see page 31.

### Climate transition strategy

Our priority is to minimise emissions as much as possible, before using sequestration offsets for remaining hard-to-abate emissions. Our SBT proposal covered the reduction of our Scope 1 and Scope 2 (market) GHG emissions and reductions from our most significant Scope 3 emission categories. It was validated by SBTi in March 2025. We will communicate more details about our SBT later in the year.

### Scope 1 reduction

98% of our Scope 1 emissions are associated with production facilities. Each facility has developed a high-level 10-year plan identifying individual projects that could be executed to partially or fully decarbonise a specific process or equipment. These projects include energy-efficiency improvements, such as heat recirculation, electrification of fuel-burning equipment and processes, and limited use of renewable fuels (such as hydrogen and biofuel). We have already successfully electrified a large fossil-fuel-based process at our site in Sotkamo, Finland (see box, page 36).

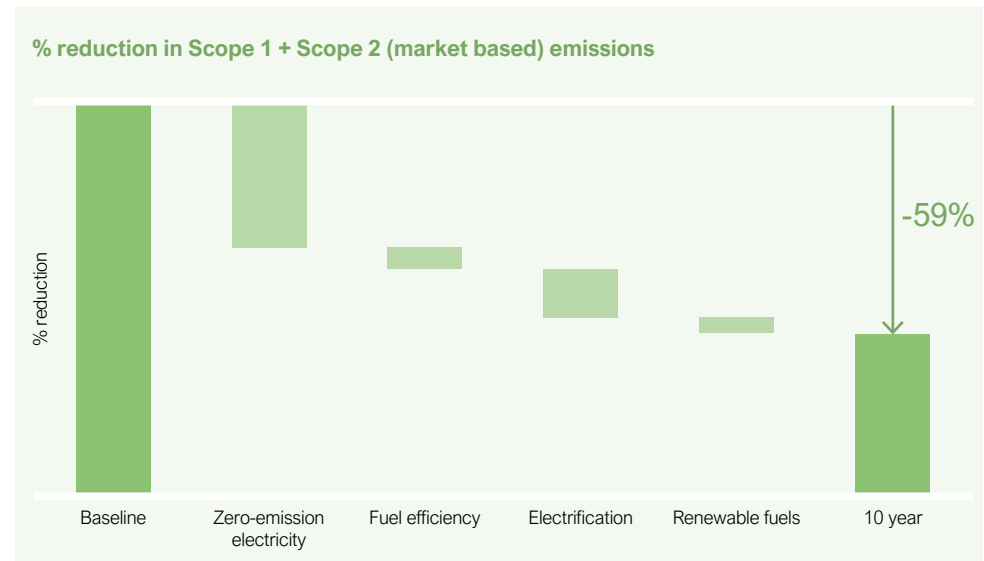
### Scope 2 reduction

We plan to maximise certified zero-emission electricity purchases. This is especially important given that we think electrification of fossil-fuel-based processes is our largest opportunity for Scope 1 reductions. Electricity markets in China and Taiwan are currently the most challenging for us to access high-quality zero-emission electricity. We are investigating power purchase agreement options for our India facility.

### Scope 3 reduction

Our plans to reduce Scope 3 emissions include increasing the use of scrap and recycled materials (especially aluminium metal we use to make our antiperspirants), increasing our use of bioderived chemicals instead of petrochemicals, further optimising our transport networks, and minimising/repurposing our waste. We also plan to increase our engagement with key suppliers to collaborate on ways to reduce emissions from specific supply chains. This includes utilising supplier-specific product carbon footprint data for the goods and services we purchase. We are also dependent on the general decarbonisation of certain industry sectors.

An illustrative representation of our potential Scope 1 and 2 pathway based on our 10-year site decarbonisation plans is shown in the figure below:



Our hectorite mine is located in the Mojave desert.

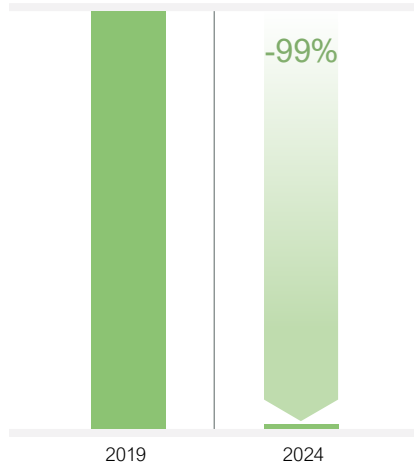
### Site decarbonisation

At Sotkamo, Finland, we upgraded our last major fossil fuel process so that it can operate either on LPG or electricity – the site has purchased low-carbon (nuclear) electricity since 2021. In 2024, we have been able to operate this process predominantly on electricity, while in 2023 LPG was predominantly used. The site achieved a 99% reduction in Scope 1 + 2 (market-based) emissions in 2024, versus our 2019 baseline.

28,991

fewer tonnes of CO<sub>2</sub>e emissions (Scope 1+2 market-based) vs 2019

Sotkamo site  
Scope 1 + Scope 2 decarbonisation



Our emission reduction plans are also dependent on production volumes and mix. Volume sensitivity can be minimised by focusing on solutions which create large reductions in emissions. Mix effects can be minimised by focusing efforts on the products and value chains in our business strategy that have the highest volumes and growth.

Beyond our SBT and heading towards Net Zero emissions, we recognise that to decarbonise more of our own high-temperature processes – and those at our suppliers – our transition is increasingly dependent on commercialisation of new technologies, such as heat batteries, renewable fuels and carbon sequestration. These must also be coupled with robust emission attribute certificate schemes. We would need such technologies and schemes to be in place in order to meet the emissions reductions required for a science-based Net Zero target under the SBTi framework.

Because these technologies and certificates are not yet mature, we take a pragmatic position, where our SBT drives our medium-term actions to lower emissions in line with the Paris agreement, while allowing time for new technologies outside our control to develop further. We follow technology evolution via various forums and industry networks. We expect our Net Zero ambition to cover Scope 1 and 2, and we leave open the possibility of including Scope 3 as our approach and global markets mature.

### Climate scenarios

To help us with our climate planning, we conducted an annual climate scenario analysis. We use climate scenarios defined by the Network for Greening the Financial Systems (“NGFS”). NGFS is internationally recognised for its work to advance climate science and contributes to the Intergovernmental Panel on Climate Change’s (“IPCC”) work. NGFS has defined seven future scenarios that explore possible economic and financial impacts of climate change.

We selected three of these scenarios for analysis – Net Zero 2050 (“NZ”), Delayed Transition (“DT”) and Current Policies (“CP”). NZ and CP represent very clear outer boundaries of climate futures, allowing us to clearly differentiate how we consider risks. We expect DT to be a more likely description of the future than NZ or CP. These scenarios are summarised in the table below. We used the November 2024 NGFS update in our scenario analysis.

We annually review our material climate risks with internal functional leaders, informed by the different climate scenarios. This allows us to identify new or obsolete risks. It also allows us to create a comprehensive picture of potential climate-related risks and opportunities in each scenario, and the dynamics over three time horizons: short term (2025-2027, our three-year business plan period); medium term (2028-2035, covering our SBT time-frame); long term (beyond 2035, reaching our 2050 Net Zero ambition). With the functional leaders, we also assess the impact of these nine risks over these time horizons in each of the three climate scenarios using our enterprise risk scoring framework. In previous years we also estimated likelihood, but believe this judgement is of little added value when using defined scenarios.

#### NGFS scenario descriptions

Characteristic	Net Zero 2050	Delayed Transition	Current Policies
<b>Summary</b>	Limits global warming to 1.5°C through stringent climate policies and innovation, reaching Net Zero CO <sub>2</sub> emissions around 2050.	Global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C. Negative emissions are limited.	Only currently implemented policies are preserved, leading to higher physical risks.
<b>Policy ambition</b>	1.4°C	1.6°C	3°C+
<b>Policy reaction</b>	Immediate and smooth	Delayed	None
<b>Technology change</b>	Fast	Slow then fast	Slow
<b>Carbon sequestration</b>	Medium then high use	Low then medium use	Low use
<b>Regional policy variation</b>	Medium	High	Low

## Material climate-related risks (☹) and opportunity areas (😊) for our business

- ☹ Carbon pricing
- 😊 Investor demands ☹
- 😊 Energy prices ☹
- 😊 Customer demands ☹
- 😊 Raw material supply/prices
- 😊 Water scarcity
- 😊 Consumer trends ☹
- 😊 Access to renewable electricity
- 😊 Extreme weather events

We initially assess climate risks through a global perspective before bringing in sector-specific or geographically local considerations as necessary. Why they are important to us, our risk assessment score and our strategy to mitigate them are described in this section. These impacts should not be considered as forecasts – we use these calculations to understand a range of potential futures and use them to inform our strategy and tolerance to different climate risks.

Overall, our short- and medium-term planning includes actions to ensure we take climate-related opportunities and manage risks, including in:

- 😊 Marketing, to allow early identification of customer and consumer trends and opportunities
- 😊 Our innovation pipeline and supply chain management to deliver new products with both improved performance and sustainability impacts
- 😊 Operational activities, such as energy-efficiency and decarbonisation projects

Based on this assessment, we believe our strategy is fundamentally resilient to market dynamics in different climate scenarios (including a 1.5°C Net Zero scenario), and other risks over the short, medium, and long term, and provides a solid foundation to capitalise on climate-related opportunities.

### Risk management

Our climate risk management approach is incorporated into our enterprise risk management framework (detailed on pages 65), and all nine climate-related risks identified through the climate scenario analysis (described above) are included in our Group risk register. Some of these climate risks (for example, extreme weather events) also contribute to other principal risks.

The Audit Committee and Board have oversight of our climate risk and internal controls through management-prepared materials.

To ensure we do not over- or under-emphasise climate-related risks in relation to other enterprise risks, we use the same risk scoring framework as for our enterprise risks. We annually reassess our climate-related risk scores under each scenario and timeframe with our functional leaders. Risk mitigations are monitored by the ELT and delivered by ESC-coordinated working teams or directly by functional teams.

### Metrics and targets

We have a range of established metrics and environmental targets that we use to address our climate-related risks and opportunities. The table on page 40 shows which of these metrics and targets are relevant for each of our climate-related risks.

Progress against our climate and environmental targets makes up part of the performance-related remuneration of our CEO and CFO.

Risk type: **Transition**

### Carbon pricing

#### Potential impacts

The carbon pricing risk is highest in the NZ and DT scenarios, before dropping in the long term. This reflects our underlying assumption that we will pursue decarbonisation in line with our SBT.

For each scenario, using the average carbon pricing from the three models in NGFS and multiplying it with our assumed emissions gives us a theoretical cost of carbon.

Assuming we decarbonise in line with our SBT, this gives a highest theoretical annual cost of \$19 million around 2030 under the NZ scenario, and decreasing in later years

If we do not decarbonise at all and a global carbon price is introduced, under the NZ scenario the annual cost could potentially reach \$31 million by 2030 and \$49 million by 2040, demonstrating the importance of decarbonisation to mitigate this risk.

#### Strategic mitigations

- 😊 A validated SBT supports our continued Scope 1 and 2 emission reductions
- 😊 Continue energy-efficiency and decarbonisation projects
- 😊 Increase low-carbon electricity purchases
- 😊 CAPEX investments include assessment of sustainability impacts
- 😊 Product pricing adjustments

Scenario	Impact score <sup>1</sup> in horizon		
	Short	Medium	Long
CP	●	●	●
NZ	●	●	●
DT	●	●	●

### Raw material supply/prices

#### Potential impacts

Key raw materials have lower availability or higher prices due to climate-related disruptions in the supply chain (for example, production interruption or logistics challenges). This could damage our ability to fulfil orders, potentially lowering revenues or increasing our cost base.

#### Strategic mitigations

- 😊 Qualification of multiple suppliers
- 😊 Inventory management
- 😊 Encourage climate resilience actions at key suppliers

Scenario	Impact score <sup>1</sup> in horizon		
	Short	Medium	Long
CP	●	●	●
NZ	●	●	●
DT	●	●	●

● High impact   ● Medium impact   ● Low impact

1 Impact scores are estimated using the same criteria as defined in our corporate risk process.

Risk type: **Transition**

### Customer demands

**Potential impacts**

As part of their own climate response and to lower their own Scope 3 emissions, our customers preferentially source products with lower climate impacts than we offer, resulting in lower revenues.

We are asked about our climate strategy and product carbon footprint by customers spanning all sectors and geographies that we serve. Therefore, we see opportunities for lower-impact products from both our current portfolio and innovation pipeline, regardless of the scenario.

Conversely, not meeting customer expectations, even in the short-term for all scenarios, brings a high risk of limiting our business.

**Strategic mitigations**

- Climate and sustainability benefits described in our product marketing
- New product innovations
- Our validated SBT and helps us reduce GHG emissions across all emission Scopes
- Increase coverage of product LCA

Scenario	Impact score <sup>1</sup> in horizon		
	Short	Medium	Long
CP	●	●	●
NZ	●	●	●
DT	●	●	●

### Access to renewable electricity

**Potential impacts**

Access to renewable/low-carbon electricity is a crucial lever for us to make progress on our emission reduction plans in the near term.

If demand outstrips supply, we may find it too costly to use renewable electricity, impacting our competitiveness.

- Assess opportunities to build additional capacity exclusively for our use
- Purchase a mix of renewable and nuclear emission certificates to secure low-carbon electricity at a balanced price

Scenario	Impact score <sup>1</sup> in horizon		
	Short	Medium	Long
CP	●	●	●
NZ	●	●	●
DT	●	●	●

**Strategic mitigations**

- Investigate renewable/low-carbon electricity supplies with multi-year contracts

● High impact   ● Medium impact   ● Low impact

1 Impact scores are estimated using the same criteria as defined in our corporate risk process.

### Consumer trends

**Potential impacts**

Consumers change buying habits to lower-consumption or to lower-climate-impact products than we offer, resulting in lower revenues.

Technology or regulatory developments may dramatically alter the consumer market for certain end-use applications of our products.

We have potential medium- and long-term exposure to reduced fossil fuel demand in the NZ and DT scenarios. For example, demand for our organoclay additives for fossil fuel drilling applications could slow if extraction drops over time, and demand for our talc additives used in combustion engine pollution control ceramics could drop as new vehicle fleets become increasingly electrified. In 2024, revenue from our products directly related to fossil fuel demand comprised 7% of our revenues (2023: 7%). The NZ scenario has the largest potential impact on these revenues, with a 60% drop in primary energy demand from fossil fuels by 2040.

**Strategic mitigations**

- Innovate to ensure we are well positioned to address new market trends
- Increase our high naturally-derived content in products
- Ensure sustainable practices through the supply chain
- Maintain our portfolio diversity
- Monitor revenues that are directly dependent on fossil fuel consumption
- In the short term, our growth platforms target \$75 million above-market revenue growth and do not include organoclay additives for drilling applications. Thus, we consider that the medium- and long-term market opportunities we could access with our portfolio would more than compensate for the market risks we identified during a low-carbon transition

Scenario	Impact score <sup>1</sup> in horizon		
	Short	Medium	Long
CP	●	●	●
NZ	●	●	●
DT	●	●	●

Risk type: **Transition**

### Investor demands

**Potential impacts**

As part of their own climate response and portfolio management, our investors place capital in companies with better sustainability and climate credentials, increasing our cost of capital or potentially limiting our capability to invest in the business. Conversely, if we are better than other companies for climate and sustainability, we may attract more investment and a lower cost of capital.

**Strategic mitigations**

- Clearly describe how our business strategy supports climate mitigation and brings commercial opportunities
- Clear disclosure of our climate strategy, metrics and progress
- Progress on our SBT and strategies to achieve our Net Zero ambition
- Engage with third-party rating agencies to ensure we are fairly assessed on ESG

Scenario	Impact score <sup>1</sup> in horizon		
	Short	Medium	Long
CP	●	●	●
NZ	●	●	●
DT	●	●	●

### Energy prices

**Potential impacts**

A high energy price causes significant increase in operating costs, making us uncompetitive.

Energy prices increase in all scenarios, with gas becoming relatively more expensive compared with electricity in the long term (especially in DT and NZ scenarios).

NGFS NZ scenario has the highest gas and electricity prices. In this scenario, if by 2035 we electrify 50% of our natural gas consumption and it is twice as energy efficient, operating energy costs are 4% higher compared to remaining with the same energy mix as in 2024. If electrification is three times as efficient, energy costs are 2% cheaper by 2035.

**Strategic mitigations**

- Energy purchase strategy that balances spot, hedged and contracted purchases
- Management of energy supplier contracts
- Increased electrification to minimise exposure to gas and liquid fuels
- Energy-efficiency projects

Scenario	Impact score <sup>1</sup> in horizon		
	Short	Medium	Long
CP	●	●	●
NZ	●	●	●
DT	●	●	●

● High impact ● Medium impact ● Low impact

1 Impact scores are estimated using the same criteria as defined in our corporate risk process.

Risk type: **Physical**

### Water scarcity

**Potential impacts**

Our sites are disrupted by lack of access to clean fresh water for manufacturing product.

We assess each of our sites for physical risks, in discussion with local site leaders. Our sites in high water stress locations are already designed with this risk in mind. Due to this built-in resilience, there is low additional impact (medium under the CP and DT scenarios in the long term).

**Strategic mitigations**

- Projects to minimise water withdrawal and improve water and effluent management
- Some sites have access to their own borehole for water supplies

Scenario	Impact score <sup>1</sup> in horizon		
	Short	Medium	Long
CP	●	●	●
NZ	●	●	●
DT	●	●	●

### Extreme weather events

**Potential impacts**

Our sites are disrupted due to weather-related factors, leading to delayed order fulfilment and potentially lower revenues, while increasing our cost base for repairs/prevention.

We assess each of our sites for extreme weather risks in discussion with local site leaders. Risks already exist due to specific locations and sites are already designed with these risks in mind. Due to this built-in resilience, there is low additional impact (medium under the CP and DT scenarios in the long term).

**Strategic mitigations**

- Continuous assessment of maintenance and investment in extreme weather adaptations at sites
- Supply chain and inventory management to cover shorter-duration disruptions

Scenario	Impact score <sup>1</sup> in horizon		
	Short	Medium	Long
CP	●	●	●
NZ	●	●	●
DT	●	●	●



## Climate-related targets and metrics

Climate-related risk	2030 intensity target				Business metric		
	Scope 1 and 2 GHG emissions	Energy from fuels	Water withdrawn	Waste sent to third parties	Renewable & low carbon electricity	Natural content of products	New products launched
Carbon pricing	●	●			●		
Customer demands	●	●	●	●	●	●	●
Consumer trends	●		●	●	●	●	●
Investor demands	●		●		●		●
Raw material supply/prices				●		●	
Access to renewable electricity	●	●			●		
Energy prices		●			●		
Water scarcity			●				●
Extreme weather events	●		●				
Related emission scope	1, 2	1	3	3	2	3	3
Additional information	Page 196	Page 197	Page 198	Page 198	Page 197	Page 15	Page 15

## GHG emissions

Our priority is to reduce absolute levels of emissions – which is better for the planet and all our stakeholders – and this is a focus of our climate strategy to be Net Zero by 2050. Our newly validated SBT helps keep our focus on emission reductions over the medium term. Our GHG emissions footprint is detailed on pages 41 and 196-197.

Overall, our combined Scope 1 and Scope 2 (market-based) emissions increased by 18% vs 2023. This year-on-year change was driven by a) 5% higher overall production volume; b) a product mix that contained relative greater high-emission-intensity products; and c) more antiperspirant production volume transferring from the USA to India. These macro dynamics more than offset gains made by from energy-efficiency and decarbonisation.

We saw a 17% increase in Scope 1 emissions vs 2023, driven by increased use of natural gas used for drying many of our products.

This more than offset emission improvements we made, such as from replacing LPG with electricity in Sotkamo, Finland, and electrification of some propane-fuelled fork-lift trucks.

There was no change in which sites purchased zero-emission electricity in 2024. Renewable and low-carbon (nuclear) electricity made up 77% of our total purchased electricity during 2024 (2023: 77%). We continue to assess opportunities to increase our purchase of low-carbon electricity.

Versus 2023, our Scope 2 (market-based) emissions increased by 20% (location-based increased by 10%), driven by a higher production activity overall, including at our Taloja, India, site, which uses relatively high-emission grid electricity.

Our target is to reduce our combined Scope 1 and Scope 2 (market-based) emissions per tonne of production by 25% by 2030, from a 2019 baseline (2030 target: 0.20). Our intensity increased to 0.18 tCO<sub>2</sub>e/tonne production (2023: 0.16). Nevertheless, we met our 2030 GHG intensity target for the fourth year in succession.

Our total 2024 Scope 3 emissions were calculated to be 1% lower compared with 2023, driven by lower emissions from Category 1 (purchased goods and services), and especially of our single largest contributor, aluminium ingots with 76,075 tonnes CO<sub>2</sub>e (2023: 94,387) – our work to introduce waste aluminium can help lower these emissions. Category 4 (upstream transport and distribution) increased due to higher activity and more granular data treatment for multi-modal journeys.

In preparation for our SBT submission, we estimated Scope 3 Category 10 (use of sold products) – this contributed 37,436 tonnes CO<sub>2</sub>e to our footprint for 2024 (2023: 36,699). In prior years, we had taken the World Business Council for Sustainable Development (“WBCSD”) guidance for chemicals companies that we could exclude it from our footprint.

Methodologies for the other Scope 3 categories were unchanged from 2023 – our methodology document is available on the Sustainability section of our website, and a summary can be found on page 195.

## Energy

We recognise that responsible usage of energy (whatever the source) reduces demands on resources and infrastructure and helps lower our costs and emissions. Our 2030 target aims to reduce our energy use from fuels per tonne of production by 20%, from a 2019 baseline (target: 1.52). In 2024, 92% of our energy from fuels came from natural gas (2023: 84%).

In 2024, sites continued to improve energy efficiency, for example:

- Our site in Anji, China, enhanced their filtration system to result in product with a lower moisture content and thus lowering energy needed for drying.
- We refurbished a steam boiler from our closed Middletown, US, site for use in nearby Huguenot, US. The refurbished boiler is smaller capacity than the one in Huguenot, and can be used when Huguenot production demand for steam is lower, saving energy.
- Each of our US sites worked with EnergyStar to conduct an energy ‘treasure hunt’ and identify new opportunities for improvement.

In total in 2024, we spent \$309,000 of CAPEX on energy-efficiency projects (2023: \$386,000).

Our total energy usage was 14% higher in 2024 compared with 2023, primarily due to an increase in production volumes and a product mix that required higher manufacturing energy. These effects were larger than the impact of our energy-efficiency projects. Our energy from fuels intensity increased by 11% for the same reasons.

Examples of how we plan to improve energy efficiency further in 2025 include an upgrade to a heat exchanger on a large dryer flue in Livingston, UK.

Additional detail on quantified energy data can be found on pages 41 and 197.

# GHG emissions and energy

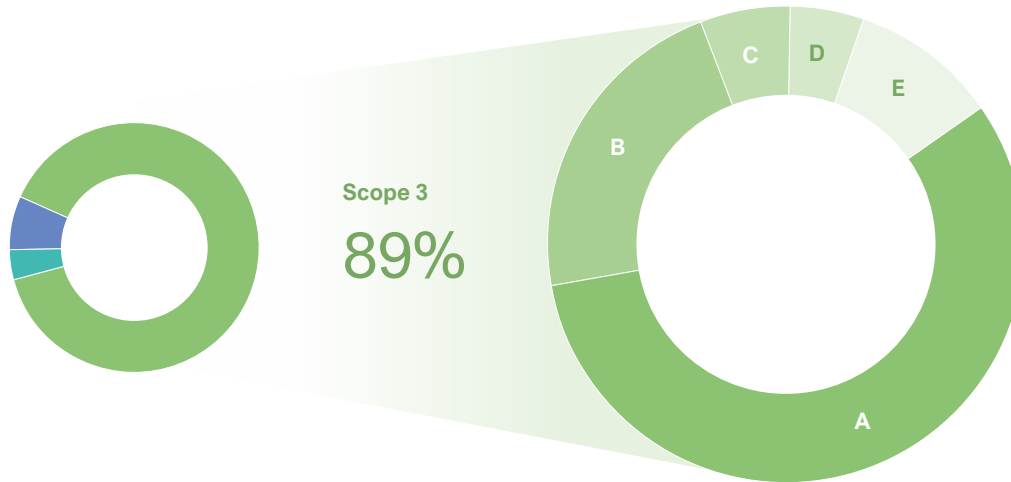
## 2024 GHG emissions by Scope<sup>1</sup>

Scope 1

7%

Scope 2  
(market-based)

4%



### Scope 3 categories

A. Purchased goods and services	57%
B. Upstream transport and distribution	22%
C. Processing of sold products	6%
D. End of life treatments of sold products	5%
E. Remaining Scope 3 categories	10%

**Total Scope 3** 599,233 tonnes CO<sub>2</sub>e

### Scope 1 and 2 (GHG location-based)

000 tonnes CO<sub>2</sub>e

2019	58.5	64.5	122.9
2020	49.1	60.5	109.6
2021	49.1	53.4	102.5
2022	47.7	43.0	90.6
2023	41.9	44.6	86.5
2024	48.9	48.9	97.8

● Scope 1 ● Scope 2

**Total**

### Scope 1 and 2 (GHG market-based)

000 tonnes CO<sub>2</sub>e

2019	58.5	100.0	158.4
2020	49.1	94.3	143.4
2021	49.1	26.2	75.2
2022	47.7	19.4	67.1
2023	41.9	23.4	65.3
2024	48.9	28.0	76.9

● Scope 1 ● Scope 2

**Total**

### Energy use

GWh

2019	318.3	280.1	598.4
2020	264.6	252.7	517.3
2021	266.2	252.2	518.4
2022	259.5	221.2	480.7
2023	233.3	197.1	430.5
2024	270.7	221.8	492.6

● Energy from fuels ● Purchased energy

**Total**

1 For more detailed information, please see pages 196 and 197.

## Water

We see water as a precious natural resource, and we continue to work to mitigate our water use, risks and impacts. We use water as a solvent in our processes, as a heat carrier (steam) and as a coolant. Some of the products we sell are dissolved or suspended in water. We have introduced dry additives, for example powder NiSATS, as an alternative product design with less water consumption and less water transportation.

Our target is to reduce water withdrawal per tonne of production by 10% by 2030, from a 2019 baseline (2030 target: 3.38). Our Water Stewardship Policy is available on our website. We also consider climate-related water risks at our sites. We publicly report our water performance through CDP, achieving a C rating in 2024 (2023: B).

Overall, our water withdrawal per tonne of production increased by 14% compared with 2023, primarily due to increased volumes of product that need higher water use in the manufacturing process, relative to more water-efficient products in our portfolio.

We have worked to increase efficiency of water use across our manufacturing sites. For example, our site in Amsterdam, Netherlands, limited excess water addition in a specific manufacturing process, lowering the amount of water used and also saving energy in the subsequent drying step.

We use the World Resources Institute (“WRI”) Aqueduct tool to help us understand water risks. Four sites (our manufacturing site and mine in Newberry Springs, US, and manufacturing sites in Songjiang and Anji, China) are classed in this tool as having a high baseline water stress. Our water withdrawal intensity in those areas was 4.9 m<sup>3</sup> per tonne produced in 2024 (2023: 6.1 m<sup>3</sup> per tonne produced), primarily due to improved water efficiencies at our sites in China.

Our water discharge is significantly higher than withdrawals, primarily due to groundwater and rainwater management at our mines in Finland. For the rest of our sites, discharge is generally lower than withdrawal due to process water being lost to evaporation as we dry our products, and sometimes shipped as part of a product.

Additional detail on quantified water data can be found on page 198.

## Pollution

We seek to minimise the impact of pollution from our operations. To minimise pollution, we focus on operating our manufacturing processes at high efficiency and recycling process water where possible. Our remaining emissions to water and air are strictly controlled in line with local regulations and our operating permits. Internal measurement and external monitoring are deployed to ensure compliance.

At most of our manufacturing plants, contaminant loads in our wastewater are low enough to only require zero or minimal on-site treatment before being discharged to third parties. At our mines in Finland, we discharge water directly back into the environment, so we conduct more substantial wastewater treatment to reduce heavy metals that are leached from the mined rock. Emissions to water were 0.8 tonnes in 2024 (2023: undisclosed), with the main contributor being organic carbon (0.5 tonnes).

We control the emission to air of dust and gaseous pollutants in compliance with our local operating permits, using a variety of scrubber and abatement technologies. Total air emissions in 2024 were 135 tonnes (2023: 108 tonnes), of which the largest contributor is non-methane VOCs (70.4 tonnes).

The breakdown of water and air pollutants is detailed on page 198.

## Closed sites

We manage environmental risks at our site in Eaglescliffe, UK, which was closed in 2009. In 2024 we agreed a sale of the site – see page 27 for more information.

In 2024, we closed our Middletown site in the US. After production ceased at the end of June, we worked to decommission the site, repurpose assets when possible, and ensure the site is safe – see page 27 for more information.

## Waste

We recognise how valuable resources are and we aim to use them as efficiently as possible to support a more circular economy. We run our processes to maximise yields from each batch while maintaining quality, and to find ways to sell any byproducts generated rather than disposing of them as waste. Our target is to reduce the waste (including hazardous waste) we send for third-party treatment per tonne of production by 10% by 2030, from a 2019 baseline (2030 target: 0.032). We have included the category ‘waste generated in operations’ in the Scope 3 part of our science-based target.

Our waste per tonne of production increased by 18% in 2024. In 2024, 58% of our total waste sent offsite for third-party treatments was landfilled (2023: 50%), the majority of this being waste from clay processing. 7% of waste was incinerated and 4% was recycled, and 30% reused. 8% of our waste was classified as hazardous (2023: 8%).

Some activities we have undertaken to reduce waste include working with the Scottish Environment Protection Agency to reclassify waste clay residues from Livingston, UK as a product suitable for agricultural soil enhancement.

Additional detail on quantified waste data can be found on page 198.

## Product LCA

Measuring the carbon and environmental footprint of our products is important to engage customers and communicate impacts of our new product innovations. We have continued to expand the portfolio coverage of our product life cycle analyses. We build our LCAs according to ISO14040/14044 with output results using the EF 3.1 Life Cycle Impact Assessment (“LCIA”) method. Our LCAs now cover strategically important additives made in our Livingston, UK, facility that contain our unique hectorite clay, and to a range of our antiperspirant ingredients.

In addition to quantifying the carbon and environmental footprint of a product, these LCAs help us communicate improved impacts of our product innovations to customers. For example, the antiperspirant LCA enables us to quantify the environmental benefits of utilising waste aluminium as an input material, supporting our collaborative work with customers to introduce the product.



Our antiperspirants made with waste aluminium have a lower cradle-to-gate carbon footprint.

### Responsible mining

We operate mines in Finland and California, US, that give us direct access to key mineral resources incorporated into our products. We work to protect the environment and biodiversity, reducing or avoiding our impact on sensitive species, habitats and ecosystems. Our biodiversity statement is available on our website. We engage openly and constructively with local communities, seek continuous improvements in our practices, and work to minimise negative impacts of our operations.

Overburden, tailings and ore beneficiation residues remain in tailing storage facilities on our mine sites. Some of these materials are sold as products, and there is further potential for valorisation in the future.

#### Finland

We operate four active open cast mines for high-purity talc minerals. Our talc mines are members of the Finnish Network for Sustainable Mining, which aims to advance responsible mining practices, and we are committed to the Finnish Towards Sustainable Mining Standard.

We continuously monitor environmental impacts with our own laboratories or qualified third parties, including the quality of groundwater and surface water. We reuse the water from our tailings storage facility in our ore processing, minimising freshwater withdrawal and resulting in a water recycling rate of over 95%. As we mine, we pump out accumulating groundwater and rainwater, treating it before discharge. As we process the talc ore, we produce nickel concentrate and magnesite sand as by-products, which are utilised in on-site infrastructure or sold externally. We also use rocks in road construction on site.

The land area of these sites is 1,792 hectares (no change from 2023). Our land management and remediation plans include consideration of landscape value when designing landfill areas.

There are no endangered species identified in our mining areas in Finland. The impact of our mining activities on biodiversity is monitored in compliance with local operating permits and regulations.

Our permits are susceptible to challenges from environmental lobbyists and, where this occurs, we work constructively with the permitting authorities and follow legal due process to defend our rights.

#### California, US

We operate one open cast mine in California for hectorite clay mineral. The land area of this site is 223 hectares (no physical change from 2023, but restated based on more accurate information). By design and geological location, no stormwater leaves the site. Occasionally, rainwater in active mining areas is pumped to other parts of the property to evaporate while allowing mining to continue. Water from an on-site owned well is used for dust control, to remain in compliance with the reclamation plan and regional California Air Quality Management District requirements.

All mined material is segregated such that further uses can be found for it in future (e.g. in agriculture, highway construction or landfill liners). We sell a small amount of rock as storm erosion protection and clay for agriculture amendments and residential pond liners.

Our mine is within the habitat range of the Mojave Desert tortoise, which is on the International Union for Conservation of Nature ("IUCN") red list as critically endangered. We have an approved barrier fence surrounding the site to prevent tortoises entering the site. Should a tortoise be found inside the fence, we work with a trained biologist to return the animal safely to its natural habitat.



### Biodiversity in Brazil

In addition to operating our mines sensitively to minimise biodiversity impacts, other sites play their part in supporting nature. For example, our site in Palmital, Brazil, is a total of 14.8 hectares. Of this, 1.15 hectares is given over to native trees, as required by local regulations. An additional 9 hectares of our site is leased out for use as a banana plantation.



Our Talc mine and processing plant in Sotkamo, Finland.



Our hectorite mine in California, USA.

# People

## At Elementis, our people are the key ingredients of our success.

As vital members of local teams and a dynamic, global and inclusive company, employees play a pivotal role in bringing our purpose to life – delivering unique chemistry and sustainable solutions.

Our values define our culture and guide our journey. Everything starts with Safety; it is a way of life, showcasing our unwavering commitment to our workforce's wellbeing. Our ambition is demonstrated in our passion for excellence and our drive to create solutions that deliver value for our customers. Respect is woven into all interactions, whether with colleagues, customers, communities or the environment. Teamwork is the foundation of our success, creating an environment where collective efforts result in exceptional achievements.

### 2024 People Highlights

Total recordable injury rate vs 2023

# -45%

(2023: 0.33 / 2024: 0.18)

Women in senior leadership positions

# 42%

FTSE Women Leaders Review ranking

# 28th

(2023: 49th)

Gallup engagement mean score

# 3.91

(out of 5)

Employee survey participation rate

# 86%

Hours spent in LinkedIn Learning

# 1,653



Employees inspect equipment at our Songjiang, China facility.

## Health and safety

Everything starts with Safety – it is the foundation of how we work and a value we live by every day. Our focus is on keeping our employees safe, protecting people, and operating responsibly. Accountability for health and safety is held by our Chief Executive Officer (“CEO”), supported by the Senior Vice President Global Supply Chain and Manufacturing, and the Global Director for Health, Safety and Environment (“HSE”). Our Board receives a detailed update on our health and safety performance at each meeting and the ELT receives monthly updates as part of the Group’s overall performance assessment.

Our health and safety strategic plan reflects how we turn strategy into action. Our objective is to deliver excellence in HSE performance and drive continuous improvement through ongoing investment in our people, management systems and facilities. A copy of our HSE Policy is available on our website.

We operate a comprehensive management system that supports our values and the delivery of our health and safety programme, TogetherSAFE. We continuously enhance and refine key parts to ensure its ongoing effectiveness. This year, we expanded our development of a global HSE framework and publication of HSE standards in line with the International Organization for Standardization (“ISO”) standards. We continued our safety leadership certification programme for new site management, certifying five new leaders on performance, compliance and risk management. Additionally, we awarded our fourth annual CEO TogetherSAFE Award to our Songjiang site for their ‘We are all Safety Champions’ programme, which exemplifies the TogetherSAFE principles and ensures everyone at every level is helping to improve safety by making it a regular part of daily discussions, plans and tasks.

In April, we held our fourth annual Global Health, Safety and Environmental Week, bringing all our sites together to celebrate and nurture our safety culture. This year, the week was expanded to highlight all three pillars of HSE: Health, Safety and Environment. Speakers covered topics on safety leadership, mindfulness and the impacts of climate change on health and safety. To further enhance employee engagement, train-the-trainer sessions were held, and interactive games were specially designed for the event.

Organisational roles, responsibilities and mechanisms for communicating information and managing data to support the measurement and tracking of HSE incidents are operated under our global HSE Leadership Council. The Council meets monthly and comprises functional and business segment representatives who spearhead the HSE management system across the organisation. All sites’ local management systems are based on Plan, Do, Check, Act principles to ensure sufficient control and drive continuous performance improvement. Each manufacturing site operates a Safety Committee covering matters that impact employee health and safety, performance, incidents and concerns. All suggestions are tracked as corrective and preventative actions.

To ensure compliance with our safe work procedures and legislative requirements, employees receive training tailored to their specific job requirements and required level of competence. Training is delivered both in-person and virtually, with each site maintaining a training plan. Safety-critical training and competencies are clearly identified and kept up to date.

Our corporate HSE team conducts regular audits to assess adherence to national and local regulations, completing four audits (five in 2023) of our manufacturing sites.

## Health and safety performance

Our total recordable injury and illness rate was 0.18, compared with 0.33 in 2023. There were two employee recordable injuries (2023: four) and two lost time accidents (“LTAs”) (2023: four). Data from the last three years indicates that most employee recordable injuries resulted from ‘caught-between’ or contact accidents (40%), slips, trips and falls on the same level (20%), and sprains/strains (20%). Key improvement opportunities identified from these incidents are risk assessment of tasks before work commences, overseeing work during operations, safe lifting practices, early reporting of symptoms, and adherence to procedures and rules. No fatalities were reported in 2024 (2023: zero).

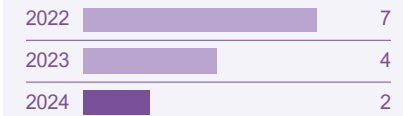
### Process safety

Process safety management ensures that systems and procedures are implemented to prevent and control hazards associated with toxic releases, fires, explosions, uncontrolled reactions and energy releases that could lead to catastrophic incidents.

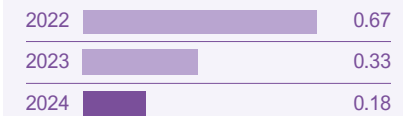
In 2023, we formalised a process safety management standard to guide our plants in managing risk according to regulatory requirements and best practices. As part of this, we increased training in process safety events (“PSE”), hazard analysis and defined competency requirements. Additionally, a process safety improvement plan for high-risk processes was executed. Phase 2 of the plan included the remainder of sites identified as high hazard, prioritised based on overall risk (severity and frequency). Key actions included completion of associated process hazard analysis (“PHA”), management of risks raised in PHAs and identification of deficiencies in the maintenance of safety-critical equipment. Phase 2 will continue into 2025, with the goal of achieving 100% PHA completion for medium and low prioritised sites by 2025.

### 2024 health and safety highlights

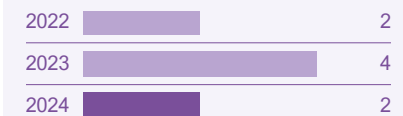
#### Total recordable injuries



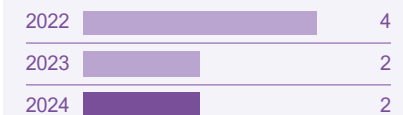
#### Total recordable injuries rate



#### Total lost time injuries



#### Contractor recordable injuries



#### Total PSE Tier 1 and 2



2022 data excludes divested sites.

In 2024, several of our sites celebrated extended periods of safe operation.

# 90%

of sites with zero injuries for >1 year

# 70%

of sites with zero injuries for >3 years

The following sites celebrated significant milestones without an employee recordable injury, showing strong employee engagement in driving continuous improvements in safety culture and taking responsibility for their own and others' safety:

Katwijk  
**13** years

Milwaukee  
**12** years

Livingston  
**7** years

Newberry mine  
**9** years



**TogetherSAFE.**

A PSE is an unplanned incident or accident that occurs during the operation of a chemical or industrial plant where a hazardous material is used or processed. Two Tier 1 and Tier 2 PSEs occurred in 2024 (2023: two). Comprehensive root cause analyses were conducted for both incidents. The Tier 1 incident resulted in a fire at one of our manufacturing facilities. There were no injuries; however, there was damage to equipment and facilities, leading to a loss of production. Corrective and preventative actions were identified and are currently being implemented. The Tier 2 incident resulted in a contained release of a chemical above threshold quantities, with corrective actions including overfill protection, advanced instrumentation and automation, and operator training.

In 2024, we recorded zero Tier 2 environmental incidents (2023: seven). Significant changes requirements were implemented in 2024 as part of a seven-step environmental improvement plan, including enhanced design standards, critical equipment maintenance, chemical transfer checklists, process oversight and high-level alarms.

### Contractor safety

All new contractors receive HSE orientation prior to commencement of work to understand their on-site responsibilities and to ensure compliance with our safe work procedures. Each site conducts specific contractor orientation that covers life-saving rules, safe work permits, emergency procedures and incident reporting.

Contractors deemed as high risk are vetted by reviewing the suitability of their programmes and training, and their organisation for regulatory violations. Contractor recordable injuries remained the same at two in 2024 (2023: two). Follow-up actions from these incidents included: Elementis participation in weekly and monthly safety meetings, improved job planning and reviews of hours worked, increased oversight of subcontractors, retraining on safe work

permits and contractor orientation, and regular meetings with third-party senior management to track progress.

### Focus for 2025

In 2025, we will continue the implementation of global HSE standards and frameworks across our operations and develop meaningful KPIs to support the rollout. We will heighten engagement by leveraging the success of initiatives such as the TogetherSAFE CEO Award, the Global HSE Week, and continue our focus on environmental compliance. Additionally, we will continue to sustain process safety management ("PSM") performance and track compliance through the establishment of a PSM network and global PSM dashboard. To reduce associated injury risks, we will continue efforts to improve risk assessments for fire and explosion hazards, focus on chemical transfer and handling tasks, and conduct regular maintenance of critical equipment at all manufacturing sites. We will support the training and development of new HSE leaders and continue to promote stop-work authority and near-miss reporting.



**TogetherSAFE means considering how every decision and action affects others, first and always. It is an extension of our value of Safety, guiding our behaviours at home and at work; it follows our products into the marketplace and helps protect our facilities, environment and communities."**

**Jacqueline Robertson**  
Director, Global HSE

## Employee wellbeing and mindfulness

At Elementis, employee wellbeing is essential not only for mental and emotional health but also for supporting a strong safety culture by encouraging employees to stay present and focused on their tasks and surroundings. We recognise that a healthy and engaged workforce is vital to sustainable success, particularly during times of organisational change. In 2024, we conducted a mindfulness and wellbeing campaign to highlight the importance of staying focused and mindful. Monthly topics, materials and webinars were made available on the intranet to all employees.

The campaign aimed to:



- Promote stress reduction and mindfulness to enhance mental and emotional wellbeing



- Address the risks posed by distractions, emphasising the importance of attentiveness to tasks and surroundings



- Reinforce the need to balance adaptability with safety standards to maintain both physical and mental wellbeing



- Encourage teamwork and collective responsibility to create a safe and supportive environment during periods of change

## Our people

In 2024, we continued to strengthen our workplace by fostering collaboration, providing meaningful growth opportunities and recognising every contribution. Our employee value proposition – Connect. Grow. Make an Impact – reflects what matters most to our people and guides how we create a positive employee experience.

### Our policies and practices

Our HR policies demonstrate how we put our values in practice. They reinforce our commitment to providing equal employment opportunities, striving to ensure that the work environment is free of harassment and bullying and that everyone is treated with dignity and respect. Our policies are available to all employees via the company intranet and local HR.

Although the Company has fewer than 250 employees in the UK and is therefore not required to report under the UK gender pay gap regulations, the Group conducts a global gender pay review every two years. The most recent review was presented to the Remuneration Committee in December 2024 and continued to show that, on average, female employees are paid slightly more than male employees. A further review will take place in 2026. At the same time, we also undertake a global review using our job architecture framework to ensure gender pay equity across Elementis.

We are committed to providing fair, market-competitive pay and benefits to attract, engage and motivate employees at all levels. We aim to pay fully competent individuals who consistently meet performance expectations at competitive market levels. We review benchmark salary increase data on an annual basis and complete a full survey every three years to ensure we maintain this position.

We are accredited by the UK Living Wage Foundation in recognition of our pay commitment to direct and third-party employees at all UK locations.

We provide a variety of leave programmes to support employees through life events, including family leave to care for sick family members, paternity and maternity leave, and bereavement leave. Leave entitlements vary greatly across countries, but the offerings are all in line with or above market norms.

In addition, each country offers multiple forms of personal and family support which aim to enhance work-life balance and increase overall wellbeing. These include child education and childcare support, meal allowances or vouchers, on-site canteens, transport assistance, and gifts for holidays and life events.

Of our employee population, 7.5% are union members and 20.4% are subject to collective bargaining agreements (data excludes Ludwigshafen, Germany, where we have no right to this information).

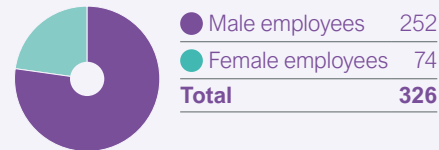
Voluntary attrition increased to 9.3% (2023: 7.0% excluding Chromium).

Metric	2024
Union membership	7.5%
Collective bargaining agreement	20.4%
Voluntary attrition	9.3%

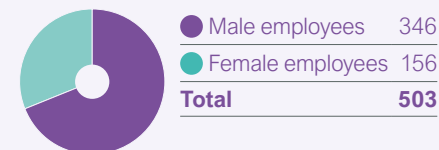
### Employee headcount by gender and region

Effective as of 31/12/2024

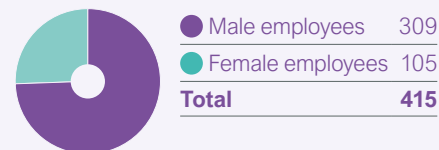
#### Americas



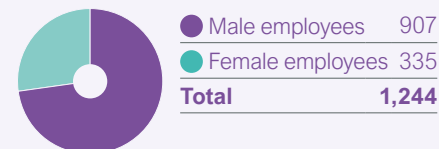
#### Europe<sup>1</sup>



#### Asia<sup>1</sup>



#### Global



<sup>1</sup> One employee chose not to disclose.

## Benefits and rewards

Our total rewards package extends beyond competitive compensation and benefits. It encompasses a safe and healthy work environment, a commitment to work-life balance, meaningful recognition, and continuous learning and development. Guided by our global principles, benefit programmes vary by country as government mandates, cultural factors and market norms shape local programme design and employee expectations. These local offerings are well aligned to and within the scope of our global principles.

All countries provide some form of retirement scheme, ranging from the employee-invested 401(k) plan in the US to wholly state-provided and cash lump sums upon retirement. In countries where state programmes are at a basic level, the Company offers private plans in addition to mandatory contributions.

Employees in all countries have access to a government health plan, to which the Company contributes, and/or a company-sponsored plan. Employees in India, the US and Brazil are provided with company-sponsored healthcare plans as there is no national healthcare system or the coverage is limited. In the UK and Germany, the Company offers supplemental health insurance in addition to mandatory contributions to national programmes. The offering of a supplemental plan in the UK is above market norms, as private medical schemes are becoming more popular but are still not universally offered by employers. Our new site in Portugal is set up on the same basis, aligned to our global principles.



% female	2024	2023	2022	2021	2020
Senior leaders <sup>1</sup>	42	37	35	31	30
<b>Total employees</b>	<b>27</b>	27	24	24	24

1 ELT and direct reports, excluding administrative personnel. Numbers do not include Ludwigshafen.

% ethnically diverse (US only)	2024	2023	2022	2021	2020
<b>Total</b>	<b>29</b>	26	26	22	21

### A diverse and inclusive environment

Elementis strives to create a culture where all employees feel safe, respected, valued and empowered to contribute their ideas and perspectives. We recognise that the diversity of our people and the inclusive nature of our culture are intrinsic to better business decisions and fundamental to the success of our strategy.

Throughout the year, the Board received updates on Diversity, Equity and Inclusion (“DE&I”) matters and has performed in line with the Board Diversity Policy and objectives. As of 5 March 2025, our Board composition stood at 40% female, with two Directors from ethnic minority backgrounds and one of the four senior Board positions occupied by a female. In January and February 2024, our Board gender composition was 37.5% female, as our Board succession process for Steve Good was concluding. In March 2024, we were pleased to appoint Maria Ciliberti and Heejae Chae to the Board, and in April 2024, Steve Good stepped down from the Board as a result of planned Board succession and having served nine years on the Board. The result of these changes was that as of March 2024, our Board gender composition was 40%, and as of April 2024, this increased to 44% and remained at 44% for the rest of 2024. By the end of October 2024, we reached our goal of >40% female members of the combined Executive Team and Director Reports\*. This surpassed the requirements of the Women FTSE Leaders and the Parker review.

\* Using FTSE Women Leaders definition.

In 2024, we ascended from 49th to 28th place in the FTSE Women Leaders Review. Additionally, we are ranked 2nd within the Chemical sector.

Our DE&I Leadership Council, created in 2020, is co-chaired by the CEO and Chief Human Resources Officer and is represented by senior leaders who have a passion for DE&I. During 2024, the Council reorganised its membership with newly appointed Regional and Programme (e.g. Women in Leadership) Champions. This has shifted the focus to regionally relevant strategies coupled with global initiatives. This drives greater relevance locally and accountability within the local organisation. The Council continues to deliver against its roadmap, with initiatives centred around knowledge and culture, processes and policies, and communications and reporting.

Our Culture of Inclusion Index, introduced in 2023, has steadily increased across recent surveys and currently stands at a 3.96 mean score out of 5.0 (2023: 3.86), reflecting the positive impact of our DE&I efforts on our workplace culture.

Our ongoing gender diversity strategy continues to result in a greater proportion of females in senior positions, up to 42% in 2024 (from 37% in 2023). We align with the FTSE Women Leaders definition of senior positions: that is, our ELT and direct reports excluding administrative roles. Across the whole employee population, gender diversity remained steady at 27% (2023: 27%).

Ethnic diversity in the US has increased since last year to 29% (2023 and 2022: 26%) and increased by 8 percentage points since 2020. We continue to ensure diverse candidate pools

### Our engagement surveys are conducted biannually



participation rates in September



overall grand mean score



our employees agree/strongly agree that their team “has made progress on the goals set during the action planning sessions after the last employee engagement survey”

and interviewing panels and have made progress in our journey to voluntarily collect ethnic diversity data. We expect our diverse talent to be reflected within our Board and leadership teams. Elementis is an equal opportunities employer and welcomes applications for employment from all backgrounds. We provide facilities, equipment and training to support all employees. Should an employee become disabled during their employment, efforts would be made to retain them in their current role or to explore redeployment opportunities in the Group. In 2024, we continued to ensure our Facility Access Programme removed physical barriers in our sites.

### Employee-led initiatives foster DE&I

In 2024, our Women in Leadership group conducted global and local initiatives to support and empower women across the organisation. Highlights included a Global Women’s Day campaign with worldwide participation, demonstrating the Group’s commitment to fostering an inclusive and supportive culture, and a Wellbeing Month featuring a motivational speaker, local community events and digital resources. The Group also strengthened its local presence through increased engagement, broadening its impact across locations. These initiatives reinforced the Group’s role as a platform for support, dialogue and meaningful connection.

### Listening to our colleagues: engagement survey

Elementis is committed to improving employee engagement throughout the business. Our engagement survey enables our people to provide feedback on what they need to thrive and succeed at work. We use this feedback, along with external trend analysis, to make data-driven decisions that improve employee engagement and overall company performance.

Since 2023, we have been using Gallup, the leading provider of insights into employee engagement. Our engagement surveys are

conducted biannually, with surveys held on a fixed schedule in March and September, regardless of business circumstances. In 2024, we achieved participation rates of 83% in March and 86% in September, demonstrating a strong culture of feedback. Overall, our grand mean score in the 12 key areas (also known as 'Gallup Q12') increased by 0.05 compared with 2023, reaching 3.91 out of 5. While our ambition remains to reach the 75th percentile of companies by 2025, we recognise this goal requires sustained commitment and focus. We are currently at the 42nd percentile and we remain dedicated to making meaningful progress, confident that continuous collective efforts and collaboration will drive sustainable improvements.

The survey results serve as a foundation for managers to initiate meaningful discussions with their teams. These discussions involve recognising and celebrating successful practices, as well as adapting strategies to enhance engagement where necessary. In the September 2024 survey, 65% of participants agreed/strongly agreed with "My team has made progress on the goals set during our action planning sessions after the last Employee Engagement Survey."

We disseminate survey highlights globally, fostering a culture of transparency and shared understanding across the organisation. To further support this culture, we regularly embed engagement themes into key communications, and we launched a Best Practice Series, enabling managers to share successful strategies and learn from one another.

### Supporting the wellbeing of our people

We continue to highlight the importance of wellbeing and mental health, recognising their vital role in fostering a supportive and productive workplace and enhancing the overall quality of life of our people. In 2024, we extended our employee assistance programme to all the countries where we have operations, offering

counselling, legal and financial consultation, and crisis intervention services to all our employees and their families at no cost.

We are committed to accommodating flexible work arrangements, including working from home, flexible work schedules and part-time work, as long as the role allows. We promote meaningful and open conversations about what works best to balance individual needs and deliver against goals and business requirements. In addition, we actively promote resilience and mental health through initiatives such as intranet articles and a monthly mindfulness series, supporting daily wellbeing and fostering conversations around work-life balance.

### Continuous learning and development

We encourage our people to develop their expertise and expand their skills so that we can all confidently create value in everything we do. We embed learning and development in our core processes via Performance Management and Talent & Succession. These processes ensure a fair and consistent approach to assess individual learning and development needs, setting clear goals and creating opportunities for professional growth.

Through live (virtual and in-person) workshops and via our online platform, we provide training supporting our key priorities. All employees have unlimited access to LinkedIn Learning, enabling them to choose e-learning courses that suit their personal learning needs. In 2024, employees logged over 1,653 hours on LinkedIn Learning, with 67% of employees actively using the platform.

We recognise the importance of developing internal talent, as well as attracting talent from outside the organisation, to provide our employees with the skills they need to succeed in the future.

## Supporting our communities

Supporting our communities is an integral part of living our values and fostering positive change where we live and work. We offer our employees paid time off to volunteer and encourage team-based volunteering activities. A few examples of activities carried out in 2024 include:

- As part of Global HSE Week, our Hsinchu site organised a series of safety activities to strengthen employees' safety awareness and behaviour. Linked to these, employees organised a beach clean-up, collecting plastic bottles for recycling to support environmental preservation
- Employees from our Anji site marked International Children's Day by volunteering at Anji County Star Education School, engaging children with disabilities in interactive games that fostered confidence and teamwork. Employees from multiple departments participated, offering encouragement and support through activities that brought joy and strengthened a sense of inclusion
- On 20 December, employees from our Milwaukee team volunteered with Habitat for Humanity, successfully completing flooring installation in two houses under construction. The initiative not only contributed to the community but also fostered team spirit among participants
- In August, administrative staff from our Taiwan site volunteered at a commencement ceremony for a care home for disabled children in the Miaoli County, providing essential support such as wheelchair assistance, feeding and personal care



## Managing and supporting performance

Our performance management process at Elementis aligns individual and business goals to drive organisational success. We stimulate a culture of performance and employee development, connecting different HR processes to ensure a fair and consistent approach.

The performance management process begins with goal setting, where employees are asked to set goals that contribute to the key priorities of Elementis. We use the mid-year review to assess progress, review actions and adjust goals as needed. During the year-end review, employees and managers evaluate their performance and managers assign a performance rating. The ratings are calibrated across teams to ensure fairness. The final performance rating is connected to a salary increase and bonus. All employees who join before October participate in the performance management process for that year.

## Supporting leaders through change

To support new employees and new teams created through these changes, we have invested in onboarding, knowledge transfer and highly effective teams (“HET”) training for newly formed teams. The HET programme involved sessions with global leadership teams from HR, Finance, IT, Manufacturing and Supply Chain, with regional programmes for Commercial and Operations in Asia. This utilised Clifton Strengths, with the ELT also undertaking a team assessment. We will continue to review support for our people managers, leaders and teams throughout 2025 leveraging the HET training and Clifton Strengths.

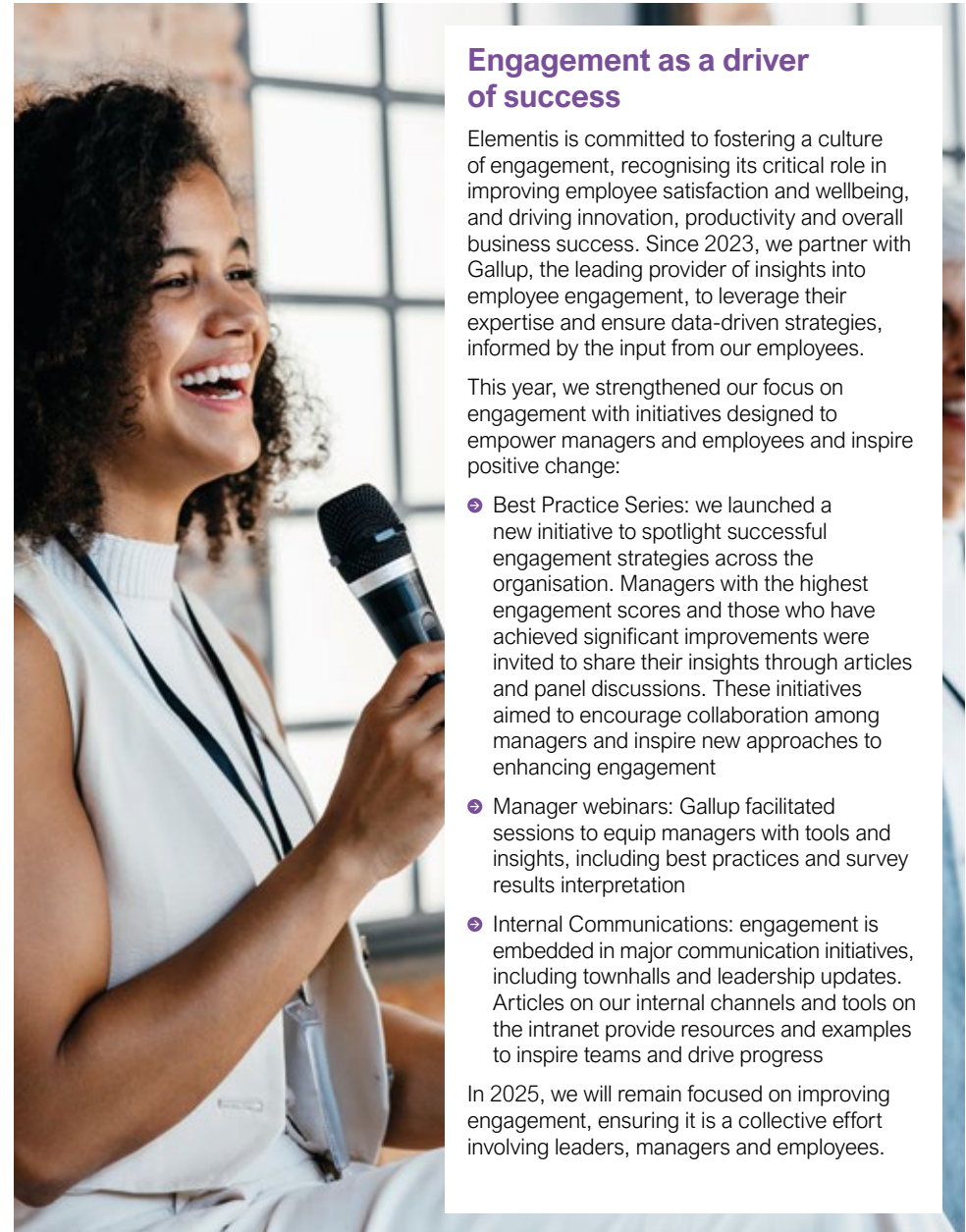


## Fit for the Future

In 2023, Elementis announced a series of proposed changes to the organisation and our ways of working to make Elementis Fit for the Future. These changes started in Q3 2023, with the majority completed in 2024. The Fit for the Future programme will conclude in 2025. Changes included a simpler and more efficient organisational structure based around our three regions; the opening of an R&D unit and global centre of excellence in Porto, Portugal; and the outsourcing of several financial processes. As a result of the proposed changes, around 200 roles were impacted globally and the Cologne site, in Germany, closed.

The programme has delivered the expected financial benefits, while improving overall employee engagement and with no significant impact on voluntary attrition. We now have a new community of over 100 employees based in Porto.

Both those leaving and joining played a huge part in this success, demonstrating how living our values every day continues to deliver our business goals.



## Engagement as a driver of success

Elementis is committed to fostering a culture of engagement, recognising its critical role in improving employee satisfaction and wellbeing, and driving innovation, productivity and overall business success. Since 2023, we partner with Gallup, the leading provider of insights into employee engagement, to leverage their expertise and ensure data-driven strategies, informed by the input from our employees.

This year, we strengthened our focus on engagement with initiatives designed to empower managers and employees and inspire positive change:

- Best Practice Series: we launched a new initiative to spotlight successful engagement strategies across the organisation. Managers with the highest engagement scores and those who have achieved significant improvements were invited to share their insights through articles and panel discussions. These initiatives aimed to encourage collaboration among managers and inspire new approaches to enhancing engagement
- Manager webinars: Gallup facilitated sessions to equip managers with tools and insights, including best practices and survey results interpretation
- Internal Communications: engagement is embedded in major communication initiatives, including townhalls and leadership updates. Articles on our internal channels and tools on the intranet provide resources and examples to inspire teams and drive progress

In 2025, we will remain focused on improving engagement, ensuring it is a collective effort involving leaders, managers and employees.

## Responsible business

We are committed to ensuring that ‘Integrity is our Specialty’ by conducting business fairly and ethically. Our Code of Conduct and Ethics (“Code”) forms the cornerstone of our ethics and compliance programme.

Our Code helps us communicate our commitment to responsible business and promotes a culture of complying with the law and doing business ethically. It is available on our intranet and website in seven languages. It provides the framework for:

- Fostering a visible and accessible culture of ethics and compliance for all employees and third parties doing business with Elementis
- Providing training, information and guidance on key compliance areas
- Guaranteeing that all concerns are addressed appropriately
- Ensuring ethical and compliance matters are considered and weighted appropriately in all of Elementis’ business decisions

### Human rights

Our approach to upholding human rights is guided by international conventions and standards, including the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. We prohibit the use of child and forced labour throughout our supply chain. We are committed to the principles of freedom of association, equality of treatment and non-discrimination.

### 2024 Responsible business highlights

Speak Up reports made in the year

**23**  
(2023: 17)

Revenue from natural and naturally-derived products (ISO16128)

**69%**  
(2023: 68%)



Our natural additives bring performance and sustainability benefits to skincare products.

## Ethics and Compliance

The Ethics and Compliance Council (“ECC”) continued to hold quarterly meetings throughout 2024. The ECC comprises the Group General Counsel & Chief Compliance Officer (Chair), the Head of Compliance, the executive leaders from each business segment and function, and Internal Audit. The ECC reports to the CEO after each meeting and to the Board twice a year. Its purpose is to uphold and oversee an ethics and compliance culture at Elementis and to ensure the Code, and related Elementis policies and standards, are effectively communicated and implemented. During 2024, matters considered by the ECC included:

- Approval of plans for the second annual Ethics & Compliance Week
- Management of trade sanctions risk
- Approval of the new Land Rights Policy
- Review of in-person onboarding training for new colleagues in Porto, Portugal
- Approval of new conflicts of interest reporting methodology
- Updates to the Code of Conduct

## Risk assessment

We continue to actively monitor our compliance risks. This includes reviewing internal data from the compliance programme as well as external information on new laws, enforcement proceedings, corruption risks and benchmark data.

## Key topics in 2024

### Strengthening third-party risk management

Third-party risk management remained a cornerstone of our compliance strategy. In 2024, we onboarded 398 third parties (with annual spend in excess of \$25,000) across Asia (54%), Europe (22%) and the Americas (21%), implementing rigorous due diligence processes to ensure ethical and compliant partnerships.

Of the third parties screened, high-risk entities represented less than 2%, medium-risk 26%, and low-risk 72%.

The primary risks identified were regulatory compliance, geopolitical instability, financial risks and jurisdiction-specific concerns. To mitigate these risks, we implemented several key strategies:

- World-Check® One screening and adverse media monitoring
- Sanctions assurance letters and enhanced contractual safeguards
- Tailored compliance guidance for managing supplier and distributor risks

These results highlight the robust capabilities of our screening systems in mitigating potential risks and upholding trust within our supply chain. This progress reinforces our commitment to maintaining accountability and transparency in all regions.

### Introducing the annual declaration of conflicts of interest

In Q4 2024, we launched the annual declaration of conflicts of interest process as a significant step towards fostering transparency and ethical decision-making. This initiative requires employees and stakeholders to disclose potential conflicts, ensuring alignment with our organisational standards. By embedding accountability at every level, this declaration builds trust and reinforces our collective commitment to upholding the highest standards of integrity.

### Advancing policy commitments

Key policy updates in 2024 included the launch of our Human Rights Statement, underscoring our dedication to promoting ethical practices and protecting human rights globally. These efforts reflect our leadership in advancing sustainability and responsibility in business practices.

We continue to communicate and integrate longstanding policies like the Anti-Corruption Policy and Business Partner Code of Conduct through internal channels, training programmes and onboarding processes. These policies are also actively promoted by our virtual onboarding team, which includes members from Compliance, Sustainability, and regional Procurement Heads, ensuring alignment with third-party management practices and organisational values.

### Preparing for enhanced Code of Conduct

Significant updates to our Code of Conduct were finalised in 2024. These revisions emphasise collective bargaining rights and expanded human rights commitments. These updates set new benchmarks for employee engagement and compliance with the topic.

### Continued focus on trade sanctions

Trade sanctions continued to be a critical area of focus, requiring careful management to ensure adherence to global regulations. Our ethical stance led us to continue cessation of direct trade with Russia and Belarus in response to the ongoing conflict in Ukraine.

We identified the UAE as a potential hub for goods being routed to Russia under third-party arrangements. To address this, we implemented rigorous monitoring of customer requests from this region, ensuring adherence to international sanctions frameworks. We continued with our regular training sessions for employees on the latest trade sanctions regulations, enhancing their awareness and understanding of the evolving landscape. We also strengthened our due diligence processes for high-risk transactions and regions.

## Ethics & Compliance Week 2024

Our second annual Ethics & Compliance Week, held in May 2024, focused on the theme ‘Ethics Matters’. The event brought together employees globally to explore key ethics and compliance topics and celebrate the integral role each individual plays in upholding our values.

Throughout the week, a series of virtual global events provided valuable insights into key topics and reinforcing our commitment to ethical practices:

- Cartels & Competition in Asia Pacific: Highlighted regulatory risks and compliance strategies
- Interactive Case Study on Anti-Bribery and Corruption: Provided practical scenarios for understanding complex compliance issues
- Speak Up and Psychological Safety: Emphasised creating a safe environment for raising concerns
- Keynote – Inspire Greatness: Explored how ethical leadership fosters engagement and excellence
- Ethics & Sustainability: Examined the connection between sustainability and our ethical commitments

Local champions played a pivotal role in bringing the Ethics & Compliance Week 2024 to life. Activities included celebratory events, interactive training sessions, quizzes and team-building exercises, which were tailored to engage participants and reinforce key compliance messages. These efforts ensured high levels of participation and positive feedback from employees, fostering a sense of community and shared commitment to ethical practices.

## Our Speak Up culture

Speak Up was a core theme during Ethics & Compliance Week 2024, where it became the centrepiece of our efforts to foster a culture of openness and trust. This initiative was bolstered by multiple dedicated training sessions, with one standout session becoming one of the most attended events of the week. The high level of participation underscored the critical role of creating an inclusive and supportive environment for raising concerns.

We value open and honest communication, and encourage employees and third parties to speak up about any concern as it arises, to their manager, HR, other Elementis function (such as HSE or Finance), or Legal & Compliance. Where an individual does not feel able to raise the matter with anyone at Elementis, it can be raised confidentially and anonymously (where local law permits) to a reporting service hosted independently of Elementis, IntegrityCounts, which is available 24 hours a day, 7 days a week, in multiple languages. These Speak Up channels are publicised in various ways, including in our Code, on our intranet, on the training portal and on posters at sites.

All reports are reviewed and appropriate action taken, which may include investigation at the direction of the Group General Counsel & Chief Compliance Officer. We ensure that all necessary steps are taken based on the outcome of the investigation, following our internal investigations procedures, including provision of regular updates to the reporter.

We have a clear stance on non-retaliation and are committed to protecting from retaliation any employee who reports a violation in good faith, even if the report is not substantiated in an investigation.

In 2024, a total of 23 Speak Up cases were reported, with 87% initiated by employees.

This increase reflects the work we have done on improving our Speak Up culture, bringing our Speak Up rate to the benchmark level for a company of our size. No issues which were material in the context of the Group were reported to the helpline or via other means during the year. Additionally, there were no confirmed incidents of corruption or bribery, underscoring the effectiveness of our compliance programme in mitigating such risks.

## Our training programme

In 2024, we delivered over 2,111 hours of compliance training through LRN, our online learning platform, reaching 1,023 unique learners with 2,227 course completions. Complementing this, we conducted several in-person training sessions, focusing on practical, real-world scenarios. These sessions equipped employees with the necessary knowledge and tools to identify and mitigate risks effectively.

The training programmes covered diverse curriculum risk areas, including anti-bribery and corruption, anti-money laundering, market conduct and organisational ethics. Most employees in at-risk functions completed these programmes, which featured highly tailored content designed to address the specific risks faced by these roles.

Learner participation spanned global regions, demonstrating the broad reach of our compliance training. This combination of virtual and in-person training further strengthened our compliance culture and actively engaged employees across all levels.

In 2025, we will further expand our training initiatives by conducting sessions specifically tailored for plant workers to address operational risks. These sessions aim to ensure full alignment with Elementis' compliance standards and enhance safety practices across our sites.

## Data privacy

We remain committed to ensuring the security and confidentiality of our data. In line with our commitment to strengthening governance and compliance in the areas of cyber and data protection, we established a new Cyber, Data Protection and Information Governance Steering Committee to oversee and enhance our approach to cybersecurity, data protection and information governance as a more integrated, cross-functional oversight model.

In 2024, we launched a new Global IT Policy and information security training. We remain committed to the security of our network and systems and continue to run regular simulated phishing campaigns to raise employee awareness of cyber security threats. In 2024, we partnered with a new provider of targeted phishing simulations and security awareness training and expect to further increase the frequency of our internal phishing campaigns throughout 2025.

We continue to encourage the timely, open and transparent reporting of actual and potential incidents concerning personal data and information security, and have dealt with the following reports during 2024:

### Cause of report

<p><b>Loss or theft of data/device</b> 4 Reports</p> <p><b>Disclosed in error</b> 3 Reports</p> <p><b>Technical/procedural failure</b> 9 Reports</p>	<p><b>Cyber</b> 12 Reports</p> <p><b>Third party</b> 4 Reports (Cyber: 2, Technical/procedural failure: 2)</p> <p><b>Other</b> 1 Report</p>
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## Responsible sourcing

We operate a complex, international supply chain of 500+ suppliers for our direct materials, and thousands more for indirect procurement.

Our Business Partner Code of Conduct and due diligence screening system illustrate how we are committed to improving supply chain transparency, improving how we assess and manage sustainability risks in the supply chain, and partnering with suppliers who share our commitments.

We conducted site visits to numerous key suppliers in 2024 to better understand their operating environment and potential risk areas. We continue to perform thorough paper and online checks on our high-risk area and related vendors, with a particular focus on organic tin and silicon metal suppliers. We have assessed 12 critical vendors, including verifying the origin of their raw materials to ensure they did not come from high-risk areas. During these assessments, we found no indications of child or forced labour. Additionally, we reviewed written information and documentation on each supplier's policies regarding human rights and the non-use of child labour to ensure they align with our standards.

To help us systematically integrate supplier sustainability risk analysis into our business systems, in 2024 we expanded our relationship with EcoVadis to obtain sustainability profiles based on country and industry-specific risks across four themes: Environmental, Labor and Human Rights, Ethics, and Sustainable Procurement. As we integrate this information into our business systems, we can better perform analyses for impacts, risks and opportunities in our supply chains. We also invited our suppliers to undertake a sustainability assessment, corroborated with documentation, on the platform, which involves a questionnaire customised by industry, size and country of operations. At the end of 2024, 50 partners had a valid scorecard.

We support the use of certified sustainable palm oil and derivatives. Our Livingston, UK, site purchases palm oil derivatives for use in certain products. The site is third-party-certified to the Roundtable on Sustainable Palm Oil Mass Balance Supply Chain Model.



### Enabling halogen-free fire retardant additives in plastics

We introduced CHARGUARD™, a range of organoclay-based fire retardant synergists for use by plastic compounding companies supplying both consumer and industrial applications.

Thermoplastic materials can contain halogenated fire retardant additives and per- and polyfluoroalkyl substances (“PFAS”) synergists. With rising concerns about the environmental and health impacts of these chemicals, the demand for safer alternatives has grown.

With favourable rheological properties and a delaminated platelet structure, our CHARGUARD™ fire retardant synergists are designed to enhance anti-drip and char formation properties of non-halogenated fire retardants.

### Product stewardship

We are committed to a safer future, minimising product and chemical-related hazards to people or the environment by design where possible, and throughout product manufacture, use, disposal and recycling. We are active members of EUROTALC, which is the Association for European Talc Producers and the European Bentonite Association. These are both sections of the IMA Europe.

Our global Product Stewardship organisation monitors local and regional regulations for impacts to our products and supply chain and ensures our products are compliant with current regulations. There are Product Stewardship team members in Asia, Europe and North America. A member of the ELT oversees the Group and provides the consistency and strategy needed to ensure harmonised approaches to global customers while ensuring local regulatory compliance. The Product Stewardship organisation reports to the R&D organisation.

Our Product Stewardship team is actively involved with our Sales and Marketing, R&D, and Supply Chain organisation. When a new product is conceptualised, Product Stewardship is engaged from the beginning to ensure the materials, processes and sales are compliant with appropriate regulations. If they are not, we manage the registration process so that the product can be safely sold and used as intended. These registrations are regularly reviewed against sales.

We track Substances of Very High Concern (“SVHC”), taking proactive action to eliminate these substances whenever it is technically feasible and when required by customers. SVHC and other chemicals of concern are brought to the attention of the Supply Chain and Product Development teams so they can either avoid them or minimise their impacts.

We use a software system to ensure that our safety data sheets (“SDS”) and product labelling comply with current regulations in the region where the product is sold. Commercial SDS for our products are available on our website in English and in local languages and can be downloaded in the country format as needed.

Elementis seeks to avoid animal testing whenever possible. If we are required by regulation to do so (for example, under European Union (“EU”) Registration, Evaluation, Authorisation and Restriction of Chemicals (“REACH”) requirements), we engage third parties to conduct the tests in the least impactful way possible. Our Animal Testing Policy is available on our website.

### Tax transparency

On an annual basis, we develop and publish our tax strategy. This statement is approved by the Board and is available on the Company’s website. We aim for proactive and transparent relationships with relevant tax authorities to facilitate meeting our statutory and legislative obligations.

### Increasing biobased content of paints

We have launched a range of biobased non-ionic associative thickeners as an alternative to petrochemical-derived versions.

These rheology additives have a high naturally-derived content, with over 90% biobased carbon. They are VOC-free, and free from potentially aquatotoxic alkylphenol ethoxylates (“APEO”). They give a good balance of leveling and sag resistance in interior and exterior decorative water-based paints.

