

TRANSFORMING TOGETHER FOR A SUSTAINABLE TOMORROW

Sustainability Report 2024

 | 



KEY HIGHLIGHTS



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ABOUT THIS REPORT

Filtrona Group's ESG Report 2024 demonstrates Filtrona's unwavering commitment to sustainable, efficient, and socially responsible business practices. It serves as a vital communication platform, fostering meaningful engagement with stakeholders, including employees, customers, investors, regulatory bodies, suppliers, and the broader public.

This report outlines Filtrona's strategic roadmap for achieving its ESG goals and priorities, establishing clear metrics to monitor progress on its sustainability journey. By openly sharing its sustainability performance and strategy, the company, with its HQ in Singapore, strengthens processes for ensuring ESG compliance, encourages ongoing improvement, and enables better decision-making based on data.

Filtrona's legacy dates back to 1854, and since its incorporation, it has expanded into a global leader with operations spanning Europe, the Americas, and Asia. It acts as a catalyst for innovation, benchmarks advancements, strengthens accountability, and deepens stakeholder engagement — while embedding sustainability into the company's culture. Furthermore, it identifies risks and opportunities, bolstering Filtrona's competitiveness and long-term resilience. By fostering transparency and building stakeholder trust, the report enhances Filtrona's reputation, fortifies industry partnerships, amplifies its social impact, and attracts ESG-conscious investors. This report is fully aligned with Filtrona's overall business strategy. It contains the strategic directions and the company's sustainability performance.



Filtrona's Sustainability Journey

Filtrona aspires to lead its industry in sustainability, focusing on innovation, resource efficiency, and collaboration to achieve long-term environmental and social goals. The company is committed to embedding sustainability across its operations and value chain, ensuring lasting positive impact.



Innovation and Eco-Design

Filtrona leverages research and development to create innovative products and processes to minimise environmental impact. By integrating eco-design principles, the company develops solutions that meet customer needs while contributing to global sustainability efforts.



Resource Efficiency and Circular Economy

Reducing waste, conserving energy, and adopting circular economy principles are core priorities. Filtrona aims for Zero Waste To Landfill and has achieved this status since 2022. However, the company will continue to explore ways to improve the waste reuse and recycling rate as part of the circular economy strategy. By 2030, Filtrona aims to improve energy efficiency by 20%, optimising resources across its operations.



Carbon Neutrality and Net Zero Goals

Filtrona is committed to carbon neutrality for its operations (Scope 1 and 2) by 2040 and net zero emissions across its value chain by 2050. Achieving these ambitious goals requires investments in renewable energy, enhanced energy management systems, and operational efficiencies.



Community and Employee Engagement

Filtrona strengthens community partnerships and enhances employee engagement to align business growth with social responsibility. Employees play a crucial role in advancing sustainability initiatives through training, resources, and empowerment programmes, fostering a culture of sustainability within and beyond the workplace.



Collaboration for Systemic Change

Recognising the power of collective action, Filtrona actively collaborates with industry peers, NGOs, and government bodies to drive systemic change. By sharing knowledge, best practices, and resources, the company amplifies its impact and contributes to shaping a more sustainable industry.



Scope and Boundary of Reporting

The scope of this report includes all active Filtrona Group operation sites and offices, both company-owned and joint venture businesses. After Filtrona sold its Tapes business in July 2024, the company is fully focused on its filter products.

All information disclosed within this report covers our activities spanning from 1 January 2024 to 31 December 2024.



Supplier Collaboration

The company works closely with suppliers to uphold strict sustainability standards, ensuring ethical and environmentally responsible sourcing practices. By fostering accountability across its supply chain, Filtrona promotes sustainable business practices on a global scale.



Transparency and Reporting

Committed to clear and accountable reporting, Filtrona continually enhances its ESG disclosures, providing stakeholders with insights into sustainability goals, achievements, and challenges. Through ongoing engagement and feedback collection, the company refines its approach to improve long-term impact.



Leadership and Governance

Filtrona's leadership is fully aligned with its ESG commitments, providing accountability and credibility to its goals. The ESG committee plays a critical role in ensuring transparency and continuous improvement in the delivery of sustainability initiatives. A dedicated committee, composed of Executive and function lead members with expertise in sustainability, governance, and corporate strategy, reviews and endorses the ESG report. The review process ensures the data, methodologies, and narratives reflect accurate performance metrics and align with corporate values.

Adherence to Global Standards

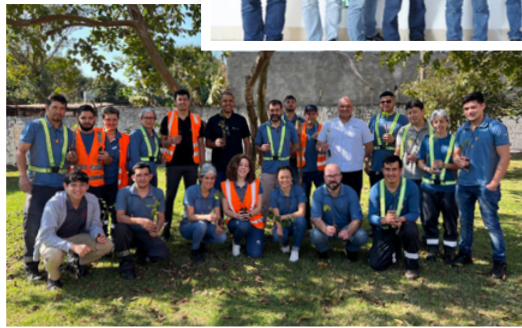
This report has been prepared in accordance with global standards, including the Global Reporting Initiative (GRI), Sustainable Development Goals (SDGs), European Sustainability Reporting Standards (ESRS), and ISO 14001 for environmental management. These alignments ensure that Filtrona adheres to the highest levels of sustainability reporting and accountability. To guarantee accuracy and reliability, the report has undergone external assurance by SGS, a world-renowned certification body. The assurance process adheres to the AA1000 Type II Moderate Assurance standard and incorporates oversight from Filtrona's ESG Committee, ensuring a rigorous and accountable reporting framework.



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KEY HIGHLIGHTS IN 2024

Environmental

Energy

Use of renewable energy: **35%**
Use of ISO standards: **ISO 50001**

GHG Emission

Scope 1 and 2 emissions reduction: **50%**

Waste Effluent

Zero Waste to Landfill for all sites: **100%**
Waste intensity: **43.58**
Total waste generated per production unit
Waste Recycling rate: **62%**
Sustainable products launched: **8 (Boreas range)**
New sustainable products TLA (specifications): **24%**

Water Consumption

Wastewater treated in compliance with environmental standards: **100%**

Biodiversity

% of Wood derived materials purchased from certified source (Tow, Plug wrap, and other packaging materials): **69%**
Mangrove tree plantations: **2424 trees planted in Thailand and Indonesia**
Filtrona Biodiversity and deforestation commitment policy are communicated to all wood derived materials suppliers: **100%**

Social

Workforce Diversity

Women representation in management roles: **28%**
Women representation in workforce: **26%**

Staff Training

Average hours of training per employee: **39 hours**

Employee benefit and remuneration

Pay above living wages average: **99%**

HSE Performance

Filtrona locations ISO14001 and ISO45001 certified: **100%**
Lost time incidents: **0**
Fatalities and high-consequence injuries: **0**
Minor workplace injuries: **6**
Total hours worked while ensuring a safe working environment: **4,553,215 hours**

Community Engagement

Residents positively impacted through education, infrastructure, healthcare, and vocational training: **2000+**
Students benefited from school infrastructure projects: **500+**
Unemployed youth received vocational training: **300+**
Bicycles donated under the Girls-on-Wheels Programme: **125**
Families supported through medical screening programmes: **1000+**
Operational sites engaged in local community initiatives: **100%**
CSR community engagement activities:
• India Rotary Partnership for education, health and wellness for community
• Greensboro Backpack Beginnings
• Thailand/Paraguay Tree Planting
• Thailand HIV patient centre donations
• Singapore elderly visits
• Surabaya - UN Habitat for Community health services facility construction

Governance

Supply Chain Management

Use of ISO 140001 and ISO 45001: **100%**

Corporate Governance

Governance body members trained in anti-corruption policies and procedures: **100%**
ESG performance monitoring: **monthly**

Anti-Corruption

Employees' access to confidential, non-retaliatory grievance mechanisms: **100%**
Employees completed Navex Code of Conduct video training and Micro Learning Courses: **90%**
Employees completed Anti-Trust & Competition Law Policy: **94%**
Employees received training in ethics and integrity compliance: **91%**
"New agents received communication on the Anti-Corruption and Bribery Policy and Ethics Code Policy": **3**
New customers received Ethics Code Policy and Anti-Corruption Procedures: **136**
New suppliers informed about the Suppliers Code of Conduct: **63**
New third parties vetted: **199**

Risk Management and Regulatory Compliance

Risk assessment reviews completed across all sites: **100%**
Notice of violation related to labour and human rights law: **0 (zero)**
Procurement and compliance teams trained on human rights policy: **100%**
Employees and supply chain workers have access to confidential, non-retaliatory grievance mechanisms: **100%**
High-risk suppliers comply with Filtrona's human rights standards: **100%**
Employees completed Annual Regulatory Compliance Quiz: **100%**
Employees completed Agency Compliance & Facilitation Payment Policies: **92%**
Number of substantiated complaints concerning human rights violations: **0**

IT Data Security

Employees completing training on data security: **76%**



KEY HIGHLIGHTS IN 2024

Environmental Highlights



Filtrona advanced its environmental initiatives in 2024, prioritising sustainability and responsible corporate practices. Key efforts include reducing its ecological footprint, improving energy efficiency, and promoting biodiversity across its global operations, alongside economic and social factors.

Solar Roof Projects (Surabaya, India, and Dubai)

- Installed solar panels at key facilities to harness renewable energy, reducing reliance on traditional energy sources and cutting greenhouse gas emissions.

Energy Efficiency Improvements (Bangkok Site)

- Upgraded equipment and optimised processes, leading to lower energy consumption and operational costs. This project advanced improvements in line with the company's overall sustainability goals.

Carbon Neutrality Goals (Scope 1 & 2 – Surabaya Facility)

- Implemented strategies to reduce direct emissions and energy-related emissions, positioning Surabaya as a benchmark facility for carbon neutrality.

Net Zero Decarbonisation Plan

- Developed a comprehensive strategy to lower emissions across all global operations, aligning efforts with global climate goals to position Filtrona as an industry leader in sustainability.

Zero Waste to Landfill

- Achieved zero waste to landfill across all facilities by implementing robust waste management practices.
- Focused on recycling and repurposing waste to support a circular economy.

Biomass Boilers (Budapest, Hungary)

- Installed biomass boilers to reduce dependence on fossil fuels and lower carbon emissions. The investment improved energy security and sustainability in Hungarian operations.

Single-Use Plastic Reduction Campaigns

- Launched global initiatives to cut plastic usage and promote sustainable alternatives.
- Encouraged employees and stakeholders to support plastic-free policies.

Biodiversity Considerations & Transition Plans

- Began integrating biodiversity assessments into business operations.
- Developing a biodiversity transition plan to mitigate operational impacts on ecosystems.





KEY HIGHLIGHTS IN 2024

Social Highlights



Filtrona advanced its social initiatives by strengthening labour rights, fostering diversity, and enhancing community engagement in 2024.

Global Labour & Human Rights Policies

- Launched a comprehensive policy to protect workers' rights.
- Strengthened diversity and inclusion measures.
- Ensured compliance with stringent European labour and human rights regulations.

Global Training Programme

- Introduced company-wide training initiatives to develop employee skills, focusing on technical expertise, ethics, and sustainability awareness.

Filtrona Core Values Campaign

- Employees were engaged through interactive initiatives promoting its core values of Safety, Respect, Trust, Commitment, Accountable, and Doing the Right Thing

Workplace Safety & Well-being

- Achieved zero Lost Time Incidents in 2024.
- Conducted quarterly safety campaigns and on-site health checkups in Bangkok, Indonesia, India, and Dubai.



Corporate Social Responsibility (CSR) Projects

- Launched community engagement programmes at various facilities fostering community engagement and support. Notably, Filtrona partnered with Rotary Club in India, and UN-Habitat in Indonesia to support local social initiatives.





KEY HIGHLIGHTS IN 2024

Governance Highlights



In 2024, Filtrona strengthened its governance framework, prioritising transparency, ethics, and proactive risk management. Through key initiatives, the company enhanced its accountability, fostered stakeholder trust, and continued to drive sustainable business practices.

NAVEX Ethics Portal Launch

- Introduced an anonymous ethics reporting platform to enhance transparency and accountability.

Code of Ethics Online Training Programme

- Implemented mandatory training for employees to ensure compliance with ethical business practices.

ESG Committee Routine Meetings

- Strengthened governance by regularly reviewing sustainability performance and integrating ESG into corporate strategy.

Risk Committee Establishment

- Formed a dedicated committee to identify, assess, and mitigate risks across its global operations.

Intellectual Property (IP) Policy & Digitised IP Management

- Launched a new IP policy to protect innovations and enhance digital management of intellectual assets.

Awards & Recognitions

EcoVadis Gold Medal

- Recognised for sustainability leadership across environmental, social, and ethical standards, positioning Filtrona among top global performers in sustainability.



Greensboro (US)

- Greensboro was recognised for Rising Environment Steward in the North Carolina Department of Environment Quality's Environmental Stewardship Initiatives (ESI). This level was reserved for organisations that demonstrated mature environment management system, progressive environment performance and commitment to the environmental goals

Green Industry Award (Surabaya, Indonesia)

- Received for sustainable industrial practices at the Surabaya facility. The award acknowledged efforts in reducing environmental impact and optimising resources.



Patrick Meredith – Global Strategy & Business Development Director



WHO WE ARE

Our Vision

We strive to transform and grow alongside our customers and partners, empowering them to achieve ambitious Environmental, Social, and Governance (ESG) targets.

Commitment to Sustainability

Our commitment to sustainability drives us to utilise environmentally-friendly materials, reduce and recycle our waste, and ensure our production sites operate efficiently. Wastage is greatly reduced as we implement the Filtrona Manufacturing Excellent Model and Sustainable Procurement Policy. All Filtrona manufacturing sites are certified for ISO 9001:2015 (Quality Management System), ISO14001:2015 (Environment Management System), and ISO45001:2018 (Occupational Health and Safety System), demonstrating our steadfast commitment to quality, safety, and sustainability in every aspect of our operations.

Core Values

The Filtrona Spirit

We foster a culture of trust and respect, creating excellence through teamwork.

We uphold integrity, taking responsibility for our actions and delivering on our promises. We are passionate and committed to striving for excellence in everything we do.

Our Mission

We are dedicated to being a responsible, customer-focused leader in innovation, delivering excellence in sustainable solutions for both today and tomorrow.

With over a century of combined experience in the design and manufacture of innovative specialty filters, we excel in developing products that meet the highest quality and environmental standards.

Innovation for Sustainability

Innovation is the cornerstone of our operations. Filtrona is committed to continuing its innovative development of more renewable, biodegradable, and environmentally sustainable products. Our ECO™ range, featuring plastic-free and biodegradable filters, exemplify our commitment to fostering a greener world.



WHAT WE DO

1.

With over **100 years of expertise in filter design and production**, we collaborate closely with customers to develop filters that meet their specific needs and enhance their brands.

2.

Our global network of manufacturing sites ensures efficient and cost-effective product delivery. **Filtrona operates 9 manufacturing facilities, 2 Innovation Centres, an accredited laboratory, and a Centre of Excellence dedicated to sustainability.** Our R&D teams work with top material suppliers, research institutions, and universities to drive innovation in filter technology.

3.

We conduct a wide range of scientific tests, **including ignition propensity, smoke analysis, tobacco testing, and GOTHIA TEK®.** Additionally, we **offer tailored product development and validation for various tobacco products, including cigarettes, e-cigarettes, oral tobacco, Roll-Your-Own (RYO), and Heated Tobacco Products (HTP).**

Filters

We are the only global and independent provider of specialty filter solutions and scientific services.

Scientific Services

Our scientific services offer commercial testing to support customers in meeting regulatory and product development requirements.





REFLECTIONS FROM OUR LEADERSHIP

Transform To Grow

Adaptation is the cornerstone of business growth. This enduring principle has guided Filtrona through more than a century of transformations. As we reflect on Filtrona's journey and look ahead to the future, one theme stands at the heart of our evolution—Transform to Grow. This guiding principle underscores everything we do: how we innovate, how we build sustainability into our operations, and how we invest in our people.

We are transforming—not just our business, but the way we engage with the world around us. As we grow and transform, we help our customers grow and evolve their products, driving sustainability through innovation. Our role is expanding, from being a purely business-to-business supplier to forming deeper, more strategic partnerships with our clients.

We believe growth is not just about revenue, it is about building a sustainable business model. Therefore, we are committed to developing not just sustainable products but also investing in our teams

and communities, ensuring that sustainability is deeply embedded in our daily operations — driving meaningful, lasting change at every level.

2024: A Year of Evolution

In 2024, Filtrona embraced transformation to fuel growth, making significant strides in sustainability, innovation, and responsible business practices. Our first Sustainability Report in 2024 laid the groundwork for integrating sustainability into every facet of our operations. Building on this, our inaugural ESG Report in 2025 provides a transparent and comprehensive account of our progress, challenges, and future goals.

As part of this evolution, we are strengthening our transparency and compliance by aligning with European Sustainability Reporting Standards (ESRS) and the Corporate Sustainability Due Diligence Directive (CSDDD). These efforts go beyond compliance—they embed sustainability into our daily operations, making progress measurable, impactful, and lasting.

Evolving standards demanded a fresh approach. That is why, we embraced double materiality assessments to evaluate not only how environmental and social factors affect our business but also how we impact them. This holistic approach has enabled us to align operational strategies with long-term environmental and social



objectives, balancing business growth with societal and environmental benefits.

Transformation begins with strategic planning and disciplined execution. A key milestone last year was the establishment of our ESG Committee, a cross-functional body dedicated to guiding our environmental, social, and governance strategies while ensuring strict monitoring of outcomes. This comprehensive governance approach played a pivotal role in driving significant progress in enhancing both our environmental and social impact, ensuring lasting value for our business and the communities we serve.

Driving Decarbonisation and Sustainable Innovation

At Filtrona, sustainability is not just a pledge—it is reflected in our actions. In 2024, we achieved a 50% reduction in Scope 1 and 2 emissions, marking a significant step toward our Net Zero goal by 2050.

To further drive sustainability across our supply chain, we introduced the Global Sustainable Procurement Policy, integrating environmental and social considerations into purchasing decisions. This initiative plays a crucial role in addressing



Scope 3 emissions, ensuring that our supply chain partners adopt more responsible and sustainable practices.

Innovation is central to Filtrona's transformation, driving sustainable solutions and reshaping industry benchmarks. Over the past year, we introduced groundbreaking products, replacing plastics with biodegradable and recyclable materials, significantly reducing global waste. The continuous growth of our ECO™ Range reflects our role in advancing circular economy principles. Several pilot programmes were conducted to test filter performance and biodegradability, ensuring regulatory compliance and customer expectations. The expansion of the Filtrona Innovation Centre in Surabaya has strengthened our research and development capabilities, reinforcing our commitment to sustainable product development.

Investing in People and Communities

Our people remain our greatest asset. They are the driving force behind all our initia-

tives and innovation projects. As we continue to create unique products, we invest in developing unique skills.

In 2024, our Filtrona Core Values initiative reinforced a corporate culture centred on innovation, diversity, equity, inclusion, sustainability, ethics, and employee engagement.

Recognising the importance of investing in people, we focused on talent management across geographic locations, internal job mobility and promotion. With the launch of the Global Training Programme and NAVEX Ethics Training, we are fostering a workplace culture rooted in continuous learning and ethical business conduct. Reinforcing ethical leadership, we have introduced the Filtrona Internal Control framework and updated our Code of Conduct and whistleblower protection policies to align with contemporary regulatory standards.

Workplace safety remains a top priority. Enhanced training programmes, revised safety protocols, and a reinforced safety culture have contributed to a record-low in-

cident rate last year, ensuring the well-being of our workforce.

Beyond our workforce, we are deeply engaged in community initiatives. Since 2017, our partnership with the Rotary Club in India has led to breast cancer screening for over 1,000 women and education support for more than 635 students. As we expand, we are working toward standardising our community investment efforts globally, ensuring that our growth positively impacts society.

Future Outlook: Growing to Lead

By 2050, we envision Filtrona as a company that has transformed—not just its products, but the industry itself. We aim to be a leader in sustainable filtration while exploring new industries and opportunities.

We will continue to make strategic decisions that reinforce our global presence, innovation capabilities, and commitment to responsible business practices. A key priority for 2025 is the establishment of Science-Based Targets (SBTs) aligned with the latest climate science. By committing to SBTi goals, Filtrona will set specific, measurable objectives to reduce greenhouse gas emissions across its operations and supply chain. This initiative strengthens our responsibility and dedication to global efforts in limiting temperature rise to 1.5°C above pre-industrial levels.

Reducing carbon emissions therefore remains a cornerstone of our sustainability strategy for 2025. We are strengthening supplier partnerships to reduce value chain emissions, improving wood material traceability, and expanding biodiversity management initiatives to meet

emerging global sustainability standards. Expanding stakeholder engagement will be crucial in achieving these objectives and to drive meaningful change.

Filtrona's journey is one of bold transformation and sustainable growth. We remain committed to making strategic decisions that reinforce our global presence, innovation capabilities, and responsible business practices. We thank our employees and stakeholders who continue to drive Filtrona forward. With their dedication and talent, we are confident in our ability to shape a sustainable, ethical, and high-performing business—one that transforms not only Filtrona but also the industry it serves.



Robert Pye – CEO

Sustainability

CREATING SUSTAINABLE VALUE

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OUR APPROACH TO SUSTAINABILITY

Sustainability at Filtrona is more than just compliance—it is a core strategic imperative embedded in every aspect of the company's specialty filter operations. As a leading player in the specialty products sector, Filtrona embraces its responsibility to minimise environmental impact, foster social responsibility, and uphold the highest ethical standards in its business conduct.



Hugo Azinheira –
Global Director, Innovation & Chair
of ESG Committee

Filtrona's commitment to sustainability extends from supply chain management to product development, guided by its **Vision 2030 ESG Strategy**. This robust framework has established specific, measurable targets across critical areas, including carbon emissions reduction, waste management, ethical sourcing, and community engagement. By integrating ESG principles into its operational practices, Filtrona enhances accountability, transparency, and operational efficiency while driving long-term value creation. This alignment ensures the company meets the growing expectations of customers, investors, and regulatory bodies who prioritise sustainability in their decision-making.

The Vision 2030 ESG Strategy positions Filtrona for long-term success cultivating a culture of continuous improvement, particularly in areas like energy efficiency and waste reduction through circular economy.

A critical component of this strategy is employee engagement. Filtrona invests in training programmes to educate employees about sustainability practices, emphasising their vital role in achieving the company's ESG goals. This approach ensures sustainability becomes a shared responsibility across the organisation.

Filtrona's sustainability efforts were honoured with the prestigious **Ecovadis Gold Medal**, signifying excellence in sustainability performance. This accolade places the company among the top tier of organisations and highlights Filtrona's comprehensive approach to ESG practices and its unwavering commitment to continuous improvement in environmental and social governance.

Filtrona remains committed to evolving its strategy and business model based on stakeholder feedback.





OUR APPROACH TO SUSTAINABILITY

Evolution of the Vision 2030 ESG Strategy

As Filtrona advances, sustainability remains a cornerstone of its business strategy. In the years ahead, the company will keep on addressing pressing sustainability challenges while seizing opportunities aligned with global trends and stakeholder expectations.

To address emerging sustainability challenges effectively, Filtrona will refine and evolve its Vision 2030 ESG strategy across several dimensions:

1. Enhanced Stakeholder Engagement



Filtrona recognises the importance of meaningful stakeholder engagement to understand diverse perspectives and address sustainability issues comprehensively. The company plans to establish regular dialogues with customers, suppliers, employees, and local communities. These interactions will guide decision-making and ensure that sustainability initiatives align with shared values and priorities.

2. Integration of ESG into Business Strategy



ESG considerations will remain central to Filtrona's business strategy, enabling the company to stay ahead of regulatory requirements while leveraging sustainability as a competitive advantage.

3. Adaptation to Regulatory Changes



As global sustainability regulations evolve, Filtrona will remain agile by continuously updating its policies and practices. The company views regulatory changes as opportunities for innovation, enabling the development of products that meet the highest sustainability standards and deliver long-term value.

4. Investment in Research and Development



To stay at the forefront of sustainability, Filtrona will increase investments in Research and Development. This focus will drive the exploration of innovative materials, technologies, and processes that enhance both product performance and environmental responsibility.

5. Transparency and Reporting



Filtrona is committed to maintaining transparency in its sustainability efforts. The company will enhance reporting mechanisms to provide stakeholders with clear insights into its progress, challenges, and achievements related to ESG goals. Regular updates and disclosures will reinforce accountability and strengthen trust with all stakeholders.





SUSTAINABILITY GOVERNANCE

Filtrona integrates ESG principles into its operations to align its business objectives with broader societal and environmental goals. By establishing a robust framework that embeds ESG considerations into decision-making and operational processes, the company ensures sustainability remains central to its strategy. This holistic approach fosters a culture of accountability, drives innovation, and reinforces the company's commitment to long-term sustainability across all areas of the organisation.

Overview of the Governance Structure

ESG Committee

At the core of Filtrona's sustainability governance framework is the ESG Committee, which drives sustainability initiatives and ensures accountability across the organisation. Comprised of representatives from various functions, the committee plays a pivotal role in embedding ESG criteria into the corporate strategy and aligning sustainability goals with the company's broader objectives. It leverages cross-functional expertise to monitor progress, review policies, and provide recommendations for continuous improvement in ESG practices.



2023-2024 ESG
committee members



SUSTAINABILITY GOVERNANCE

ESG Committee Responsibilities



Strategic Oversight

The committee sets measurable sustainability goals in line with the Vision 2030 framework and oversees their implementation.



Performance Monitoring

The committee reviews key performance indicators (KPIs), tracks progress against ESG goals, and identifies areas for improvement.



Stakeholder Engagement

The committee identifies key stakeholders, including investors, employees, customers, suppliers, regulators, NGOs, and local communities.

It prioritises stakeholders based on their influence and impact on ESG issues including monitoring their expectations, and oversees transparent communication channels



Training and Awareness

The committee promotes sustainability awareness by educating employees about ESG principles and fostering a culture of engagement and responsibility.



Policy Development

It formulates policies for environmental impact, social responsibility, and governance, covering areas such as sustainable procurement, waste management, energy efficiency, and community engagement.



Risk Management

It assesses and mitigates sustainability-related risks, including regulatory changes, environmental challenges, and social issues.



Reporting and Transparency

It oversees sustainability reporting, ensuring compliance with frameworks and guidelines, and transparently communicates progress to stakeholders.



Board of Directors

The Board provides ultimate oversight of Filtrona's sustainability efforts, setting the strategic direction and ensuring sustainability is embedded in the overall business strategy. The Board also reviews and approves objectives and monitors progress regularly.



Executive Leadership Team

This team oversees the implementation of the ESG strategy, ensuring that sustainability is integrated into daily operations and that adequate resources and policies are in place to achieve sustainability objectives.



SUSTAINABILITY GOVERNANCE

ESG Targets and KPIs Linked to Executive Remuneration at Filtrona

Filtrona emphasises sustainable growth both in terms of business longevity and environmental responsibility. Key ESG targets are defined and integrated into long-term strategic planning, with specific metrics monitored monthly.

As part of its sustainability governance framework, Filtrona has set long-term targets extending to 2040 and 2050, covering key areas such as:

- **Carbon emissions reduction**
- **Waste management and landfill reduction**
- **Energy efficiency and transition to renewable sources**
- **Supply chain sustainability, including social and environmental assessments of key suppliers**

Filtrona has established a structured monitoring and reporting process for ESG performance. The board of directors receives monthly ESG reports, ensuring top-level oversight and accountability.

The company's executive remuneration is partially linked to ESG KPIs, ensuring that the leadership is directly accountable for achieving sustainability goals.

Key ESG KPIs Linked to Executive Remuneration

Filtrona's executive remuneration is directly tied to the achievement of critical ESG targets across three key pillars:

Environmental Pillar

Carbon Emission Reduction –

Commitment to lowering greenhouse gas emissions.

Zero Waste to Landfill –

Ensuring responsible waste management and circular economy practices.

Social Pillar

Lost Time Incidents (LTI) –

A key metric measuring workplace safety and employee well-being.

Governance Pillar

Ecovadis Ratings –

Assessing corporate sustainability performance.

CDP Ratings –

Evaluating climate disclosure and environmental impact.

Monitoring, Accountability, and Performance Reporting

- ESG performance, particularly in the environmental and social categories, is reported monthly to the Board.
- These KPIs are continuously tracked, with all site General Managers held accountable for meeting targets.
- ESG performance forms a significant component of site-level bonus objectives, ensuring that sustainability remains a top business priority.



ENGAGING OUR STAKEHOLDERS

To effectively address emerging sustainability challenges and opportunities, Filtrona's Vision 2030 ESG Strategy recognises the importance of stakeholder input in addressing sustainability issues effectively.

The primary goals of stakeholder engagement are to inform strategic decision-making, foster collaboration, and build trust. By involving stakeholders, Filtrona can:

- Identify market risks and opportunities.
- Enhance its reputation and drive innovation.
- Adjust strategies based on diverse perspectives.

The outcomes of effective engagement include strategic adjustments, such as new filter technologies inspired by customer feedback or workplace improvements driven by employee insights. This approach ensures that stakeholder needs and expectations are central to Filtrona's ESG journey.

Key Stakeholders at Filtrona

The company uses a structured framework to manage stakeholder engagement effectively, including:



Regular Communication Channels:

Newsletters, digital forums, and updates.



Surveys and Feedback Mechanisms:

Tools to systematically gather stakeholder insights.



Collaborative Initiatives:

Joint projects that align with shared goals.





ENGAGING OUR STAKEHOLDERS

Key Stakeholders at Filtrona

Stakeholders impacted	Employees	Customers	Suppliers	Investors & shareholders	Regulatory bodies	Communities
Engagement platform	→ Regular Surveys → Performance Reviews → Team Meetings → Feedback Sessions → Quarterly Town Halls → Site-level activities e.g. Sports day, Family Day	→ Satisfaction Surveys → Service Interactions → Direct Communication	→ Meetings → Performance Assessments → Collaborative Projects → Sustainable Procurement Policy & Ethics Code → Supplier Engagement Programme → Supplier Visits	→ Exhibitions → Annual Meetings → Presentations → Financial Reporting	→ Permit / Reports → Consultations	Site-level CSR community engagement activities such as: → India Rotary Partnership for education, health and wellness for community → Greensboro Backpack Beginnings → Thailand/Paraguay Tree Planting → Thailand HIV patient centre donations → Singapore elderly visits → Surabaya - Habitat for Community health services facility construction
Issues & concerns	Impact on: ✓ Welfare ✓ Company Business ✓ Workplace Policies ✓ Training Programmes ✓ Career Development Opportunities ✓ Reputation	Impact on: ✓ Product Development ✓ Marketing Strategies ✓ Customer Loyalty Initiatives	Impact on: ✓ Procurement Strategies ✓ Supply Chain Efficiency ✓ Quality Assurance Processes ✓ Supply Chain Risk Management	Impact on: ✓ Strategic Priorities ✓ Capital Allocation Decisions	Impact on: ✓ Regulatory Compliance ✓ Development Initiatives ✓ Policies on How to Promote Sustainability and Corporate Responsibility	Impact on: ✓ Reputation ✓ Corporate Responsibility



DETERMINING MATERIALITY

Materiality assessments enable Filtrona to identify the ESG factors most relevant to its business operations, stakeholders, and long-term strategy. By determining materiality, Filtrona ensures transparency, providing clear insights into how it addresses critical issues. Determining materiality also reinforces accountability, aligns ESG priorities with strategic objectives, and supports performance benchmarking to drive continuous improvement.



Environment

Commitment to reduce our Environmental impact as part of our strategic business planning

- Responsible Waste Management
- Climate change actions
- Sustainable Product Portfolio
- Sustainable Procurement
- Biodiversity



Social

Protect our people, supporting community development and delivering a positive social impact

- Health, Safety and Well-being
- Community Engagement
- Diversity, Equity and Inclusion
- Employee Development



Governance

All activities are conducted in accordance with applicable legal and regulatory requirements and to the highest standards of ethical business conduct

- Business Ethics
- Regulatory Compliance & Transparency
- ESG Committee



- ✓ Enhanced Stakeholder Engagement
- ✓ Integration of ESG into business strategy
- ✓ Investment in Research and Development

- ✓ Adaptation to Regulatory Changes
- ✓ Transparency and Reporting



DETERMINING MATERIALITY

Double Materiality Assessment – Methodology

Filtrona has adopted the double materiality approach to gain a comprehensive understanding of its environmental impacts and business risks. This framework ensures that sustainability assessments consider both how sustainability issues affect the company's financial performance and how the company's operations impact the environment and society.

Aligned with the European Sustainability Reporting Standards (ESRS), the double materiality assessment is a fundamental methodology in sustainability reporting. It requires organisations to evaluate sustainability topics from two distinct but interconnected perspectives:

1. Financial Materiality

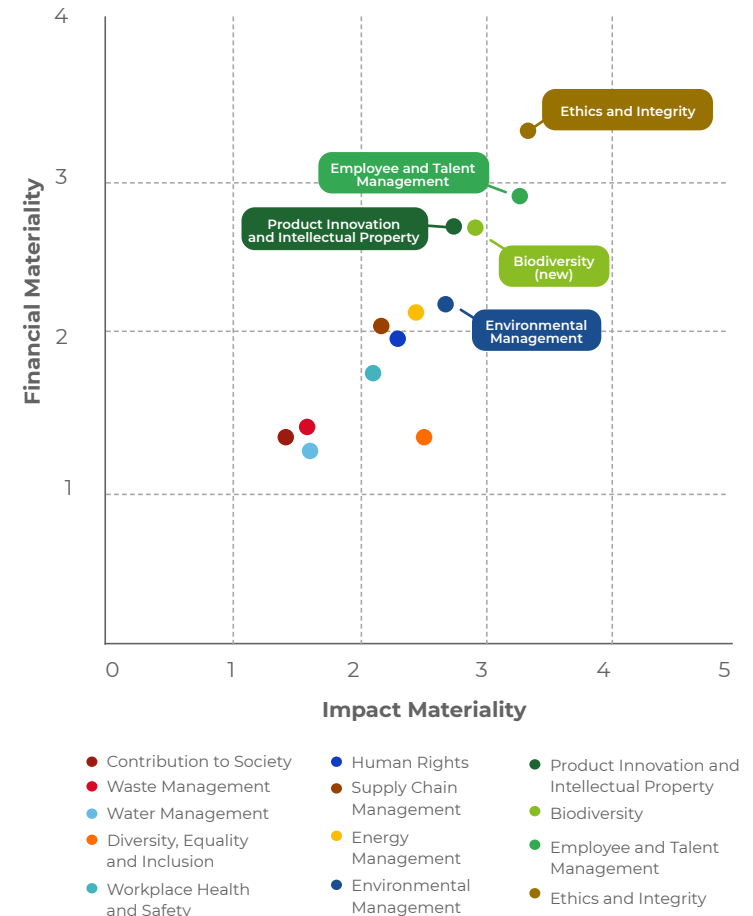


Assessing how sustainability topics influence the company's enterprise value, focusing on risks and opportunities relevant to investors and financial stakeholders.

2. Impact Materiality



Evaluating the company's actual or potential effects on people, the environment, and the economy, addressing concerns of a broader audience, including communities, employees, governments, and civil society.

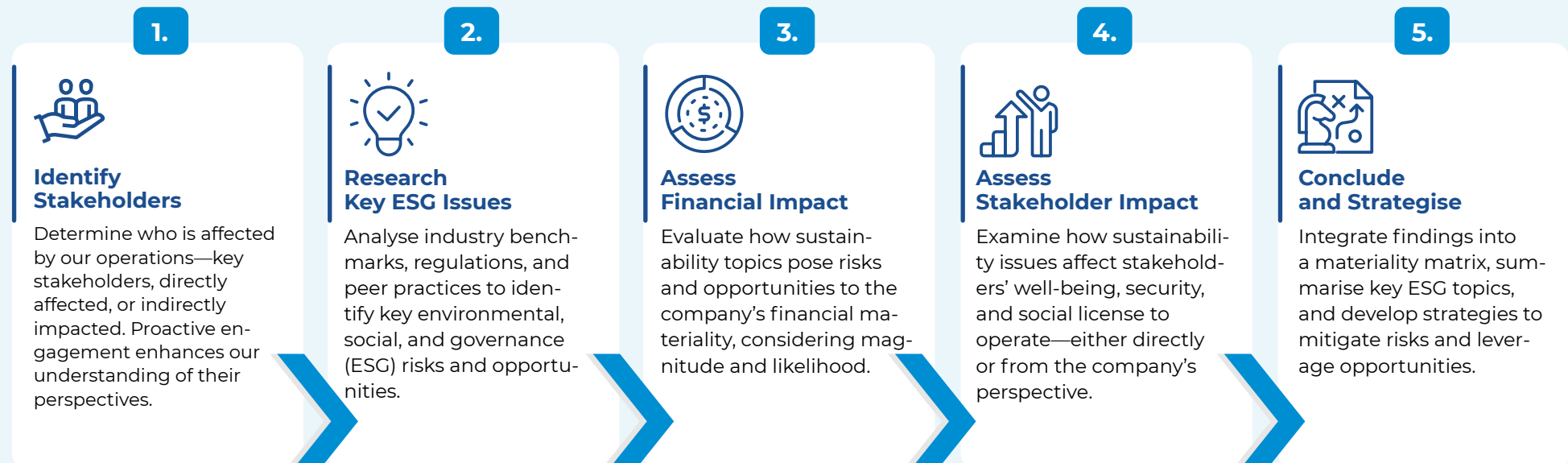




DETERMINING MATERIALITY

Our Double Materiality Assessment Process

Filtrona follows a structured methodology to ensure a comprehensive evaluation of sustainability impacts and risks:



By integrating double materiality into its sustainability strategy, Filtrona ensures a holistic approach to risk management, value creation, and responsible business practices, reinforcing its commitment to long-term sustainability and corporate accountability.



DETERMINING MATERIALITY

Key Material Impacts

In its double materiality assessment, Filtrona has identified the following key material impacts related to its operations:



Environmental Management



Employee & Talent Management



Waste Management



Diversity, Equality & Inclusion



Energy and Climate Change



Workplace Health & Safety



Biodiversity



Human Rights



Water Management



Contributions to Society



Supply Chain Management



Products innovation and Intellectual Property

By analysing these factors, Filtrona has been able to pinpoint business risks such as regulatory penalties, reputational damage, and operational disruptions due to environmental non-compliance. The assessment has also revealed opportunities for innovation and competitive advantage. For instance, by investing in sustainable product development and improving operational efficiencies, Filtrona can reduce costs while enhancing its market position. The shift towards environmentally friendly products aligns with growing consumer preferences and regulatory trends, thereby fostering long-term growth.





DETERMINING MATERIALITY

Key Risks Identified and Mitigated Through Company-Level Risk Assessment

Through its company-level risk assessment process, Filtrona has identified several risks associated with key material impact due to non-compliance:

Filtrona Double Materiality Risk Mapping

Impact

Supply Chain Management



Supply chain management is not only crucial for environmental and social sustainability but also holds significant financial implications for the cigarette filter industry.

Cost Reduction and Efficiency:

- Optimised procurement
- Inventory management
- Logistics optimisation

Risk Mitigation:

- Supply chain disruptions
- Quality control
- Regulatory compliance

Biodiversity



Filtrona's key raw materials, such as tows and plug wraps, are derived from wood-based sources. While we do not directly purchase wood pulp, our suppliers source it as a primary input for these materials.

Regulatory Risks:

- Increased compliance costs
- Regulatory violation

Supply Chain Disruptions:

- Resource scarcity
- Material traceability

Water Management



Water scarcity and pollution pose global challenges that impact businesses.

Operational Risks:

- Water scarcity
- Water quality issues
- Wastewater treatment costs

Environmental Management



Environmental management is vital for the cigarette filter industry, influencing financial performance, reputation, and sustainability.

Operational Risks:

- Environment regulation compliance risk
- Reputational risk
- Negative public perception
- Investor pressure

Relevant Issues/
Risk within
Filtrona



DETERMINING MATERIALITY

Key Risks Identified and Mitigated Through Company-Level Risk Assessment

Through its company-level risk assessment process, Filtrona has identified several risks associated with key material impact due to non-compliance:

Filtrona Double Materiality Risk Mapping

Impact	Filtrona Double Materiality Risk Mapping			
	Energy and Climate change	Employee Development and Talent Management	Diversity, Equality, and Inclusion	Workplace Health and Safety
Relevant Issues/ Risk within Filtrona	Effective energy management is crucial for the cigarette filter industry, affecting finances, reputation, and sustainability. Inefficiency raises costs, while regulations and fossil fuel reliance add financial risks. Increased Operational Costs: → Rising energy prices Regulatory Risks: → Carbon emissions regulations → Stricter energy efficiency standards	Employee training enhances skills, productivity, and innovation, while effective talent management reduces turnover and strengthens reputation. Neglecting development risks skill gaps, lower productivity, and legal penalties. Skill Gaps → Hinder innovation → Reduce productivity High Turnover → Increased recruitment and training costs → Decreased productivity → Loss of institutional knowledge Lack of Engagement → Negatively impact overall company culture	A lack of diversity limits innovation and adaptability, while an inclusive culture expands talent, improving decision-making and problem-solving. Legal Risks: → Discrimination lawsuits → Regulatory fines Reputational Risk: → Negative publicity → Investor backlash Talent Acquisition and Retention: → High turnover	Neglecting health and safety risks accidents, higher costs, legal issues, and lost productivity, while harming reputation and consumer trust. Legal and Cost Liability: → Fines, penalties, and even criminal charges → Increased insurance premium costs Operational Disruptions: → Disrupt production processes → Decreased productivity → Increased costs Employee Morale: → Higher turnover → Decreased morale



DETERMINING MATERIALITY

Key Risks Identified and Mitigated Through Company-Level Risk Assessment

Through its company-level risk assessment process, Filtrona has identified several risks associated with key material impact due to non-compliance:

Filtrona Double Materiality Risk Mapping

Impact

Relevant Issues/
Risk within
Filtrona

Human Rights



While there are no direct human rights abuses, the health impact of the industry presents both risks and opportunities.

Disrupt Production Processes:

- Decreased productivity
- Increased costs

Employee Morale:

- Higher turnover
- Decreased morale

Contribution to Society



Community engagement in the cigarette filter industry can enhance reputation but also carries risks.

Negative Public Perception

Regulatory Scrutiny

Social Activism:

- Negative social/media publication
- Boycott action

Ethics and Integrity



Ethical practices are vital for long-term success, helping mitigate risks in an industry with unique challenges.

- Reputational damage
- Customer backlash
- Misleading advertisement
- Corruption and bribery issue
- Tax breach issue
- Investor disengagement

Product Innovation and Intellectual Property



R&D drives innovation and market growth, but IP protection is crucial to prevent financial and reputational losses.

- Research and development costs
- Intellectual property infringement
- Product liability



DETERMINING MATERIALITY

Mitigation Strategies

Robust Compliance Framework

- ✓ Implement a robust compliance framework to ensure full adherence to all regulations and industry standards.

Monitoring and Reporting

- ✓ Track emissions, waste, and resource use through advanced monitoring systems.
- ✓ Conduct regular reporting to maintain transparency and accountability.

Audits and Assessments

- ✓ Conduct internal and external audits to identify compliance gaps and areas for improvement.

Investment in Research & Development

- ✓ Develop biodegradable alternatives to traditional plastics.
- ✓ Innovate eco-friendly products to align with sustainability goals.

Culture of Sustainability

- ✓ Implement training programmes and awareness campaigns to foster a mindset that is focused on sustainability.
- ✓ Cultivate a culture of compliance, responsibility, and innovation.

Stakeholder Engagement

- ✓ Maintain transparent communication with regulators, communities, and environmental organisations.
- ✓ Develop proactive recruitment strategies to attract diverse talent.
- ✓ Establish partnerships with educational institutions for internships and cooperative programmes.
- ✓ Invest in upskilling existing employees to fill critical roles.
- ✓ Conduct employee engagement surveys to assess and enhance workplace satisfaction.
- ✓ Strengthen onboarding and training programmes to support new employees effectively.

Continuous Improvement

- ✓ Adopt internationally recognised frameworks such as ISO14001, ISO45001, SA8000, ISO50001, ISO26000.
- ✓ Establish regular process reviews incorporating employee feedback for ongoing enhancements.

Compliance and Safety

- ✓ Maintain a robust compliance framework to meet all legal and ethical requirements.
- ✓ Ensure transparency in reporting on key compliance and diversity initiatives.
- ✓ Promote diversity, equity, and inclusion (DE&I) engagement initiatives with clear commitments.
- ✓ Conduct regular training and awareness programmes on compliance and workplace policies.
- ✓ Implement comprehensive health and safety protocols with frequent employee training.
- ✓ Foster a culture of safety awareness to minimise workplace risks.
- ✓ Conduct routine safety audits to identify and mitigate potential hazards.
- ✓ Provide ongoing compliance training related to DE&I and workplace regulations.



DETERMINING MATERIALITY

Highest Standards of Ethical Business Conduct



Patrick Meredith – Global Strategy & Business Development Director

A core pillar of Filtrona's sustainability commitment is its unwavering adherence to the highest standards of ethical business conduct. The company recognises that sustainable practices must be grounded in integrity, transparency, and respect for all stakeholders, including employees, customers, suppliers, and communities.

This dedication is reflected in Filtrona's corporate governance policies, which prioritise accountability and responsible decision-making. By actively engaging with stakeholders, the company ensures its sustainability efforts align with their values and expectations. Through fostering a culture of ethical conduct, Filtrona not only mitigates risks but also strengthens trust and credibility, enhancing its reputation in the marketplace.

Ethics Code Implementation

A significant milestone for the company was the quarterly compliance review of its Ethics Codes. The review process for each site is to ensure integrity and accountability at every level of the organisation. By fostering a culture of ethics, the company strengthens stakeholder trust and ensures compliance with regulatory requirements.



DETERMINING MATERIALITY

Environmental Impact Assessment (EIA) of Manufacturing Processes

Filtrona has a longstanding practice of conducting Environmental Impact Assessments (EIAs) to assess the potential environmental impacts of proposed manufacturing activities prior to implementation. These assessments play a critical role in ensuring that environmental considerations are fully integrated into the decision-making process, alongside economic and social factors.

1.



Scoping Phase

During the scoping phase, the key environmental issues that may arise from the manufacturing process are identified. This involves:

Stakeholder Consultation:

Engaging with stakeholders, including local communities, regulatory agencies, and environmental groups, to understand their concerns and expectations.

Defining Boundaries:

Determining the geographic and temporal boundaries of the assessment. This includes identifying affected ecosystems, communities, and resources.

Identifying Key Impacts:

Listing potential environmental impacts, such as air and water pollution, waste generation, habitat destruction, and resource depletion.

2.



Baseline Environmental Assessment

Before assessing potential impacts, a thorough understanding of the existing environmental conditions is established:

Data Collection:

Gathering data on the current state of air, water, soil, flora, and fauna in the area surrounding the manufacturing site.

Environmental Monitoring:

Conducting field surveys and monitoring to evaluate biodiversity, soil quality, water quality, and existing pollution levels.

3.



Impact Prediction

Once baseline conditions are established, the next step is to predict how the proposed manufacturing process will affect the environment:

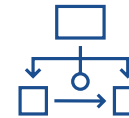
Modelling Techniques:

Utilising modelling tools to predict emissions, waste generation, and resource consumption. For example, air quality models can estimate the impact of emissions on local air quality.

Quantitative and Qualitative Assessment:

Evaluating impacts quantitatively (e.g., estimated increase in pollutant concentrations) and qualitatively (e.g., potential changes in community health).

4.



Impact Evaluation

In this stage, the significance of the predicted impacts is assessed:

Criteria for Assessment:

Establishing criteria for evaluating the significance of impacts, such as magnitude, duration, reversibility, and the vulnerability of affected environmental components.

Cumulative Impact Assessment:

Considering cumulative effects of the proposed project in conjunction with other existing or planned projects in the area.



DETERMINING MATERIALITY

Environmental Impact Assessment (EIA) of Manufacturing Processes

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5.



Mitigation Measures

Identifying mitigation measures to minimise or eliminate negative impacts is a critical step:

Preventive Strategies:

Proposing changes in the manufacturing process to reduce emissions, waste, and resource consumption. This may include adopting cleaner technologies or optimising production processes.

Compensatory Measures:

In cases where impacts are unavoidable, compensatory measures may be suggested, such as habitat restoration or investment in community environmental projects.

6.



Reporting

The findings from the EIA are compiled into a comprehensive report:

EIA Report:

The report includes an overview of the proposed project, baseline conditions, impact predictions, evaluation of significance, and recommended mitigation measures.

7.



Decision-Making and Monitoring

After the EIA process, the relevant authorities make decisions based on the report findings:

Approval or Denial:

Depending on the assessment, the project may be approved, denied, or approved with conditions.

Monitoring and Compliance:

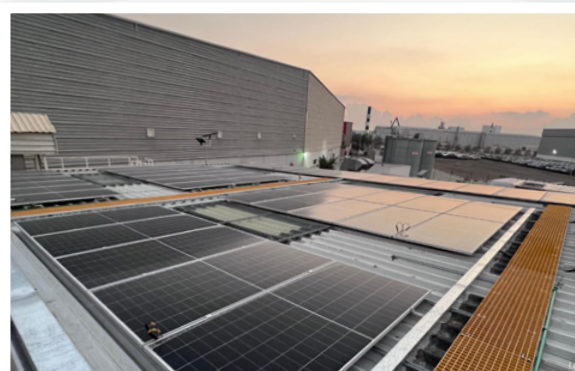
If approved, ongoing monitoring is often required to ensure compliance with environmental standards and effectiveness of mitigation measures. This may involve regular reporting and audits to assess environmental performance during manufacturing operations.



Environmental

CULTIVATING ENVIRONMENTAL STEWARDSHIP

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ENVIRONMENTAL MANAGEMENT

Environmental management drives compliance, cost efficiency, competitiveness, and risk mitigation for Filtrona. By integrating ESG principles and embedding compliance into its culture, the company strengthens sustainability leadership and resilience. As a speciality filter manufacturer, Filtrona actively reduces its environmental impact, knowing that a positive local footprint fuels both business success and reputation. In 2024, we halved Scope 1 & 2 carbon emissions and recorded zero environmental violations.

The company sets long-term goals, tracking carbon emissions and waste while engaging stakeholders to refine its strategy. Scenario analyses help identify and mitigate climate risks and opportunities in strategic planning.

Our Approach

Filtrona ensures regulatory compliance, sustainability, and continuous improvement through a structured EMS, clear policies, and defined responsibilities.

Please refer to the '*Our Material Impacts, Risks, and Opportunities*' section for detailed insights into this assessment.





ENVIRONMENTAL MANAGEMENT

Framework and Policies

Environmental Management System (EMS)

Filtrona has implemented an ISO 14001-certified EMS across all its sites. This system provides a structured framework for identifying environmental risks, setting objectives, and monitoring environmental performance.

Sustainability Policy

Filtrona has a formal Sustainability Policy that outlines its commitment to reducing environmental impact. This policy guides decision-making across all levels of the organisation and focuses on:

- Waste reduction strategies to minimise landfill contributions.
- Energy efficiency initiatives to lower emissions and operational costs.
- Resource conservation efforts to optimise material use.
- Responsible sourcing, ensuring that suppliers adhere to sustainable and ethical practices.

Regulatory Compliance

Filtrona adheres to laws governing emissions, waste management, and resource usage. Regular audits and assessments are conducted to ensure compliance, identify risks, and implement corrective actions.

Commitment to Continuous Improvement

Filtrona emphasises continuous improvement in its environmental management practices. This is achieved through:

- Regular evaluations of the EMS to identify areas for enhancement.
- Stakeholder feedback to align sustainability efforts with expectations - we actively engage with a wide range of stakeholders, including customers, suppliers, shareholders, our board, and other key parties. These feedback conversations are essential in shaping our sustainability strategy. The company consistently collaborates with stakeholders—such as customers, suppliers, shareholders, and regulators—to refine and enhance our approach to sustainability.
- Employee participation in sustainability programmes to drive engagement and accountability.

Sustainability Reporting

Filtrona ensures transparency and accountability by regularly reporting on its environmental performance and providing stakeholders with updates on progress, initiatives, and challenges. Sustainability on its governance is reinforced through monthly and quarterly reports to the Board and executive leadership, ensuring alignment with environmental goals and strategic decision-making.





ENVIRONMENTAL MANAGEMENT

Responsibilities

Filtrona's environmental management is a shared responsibility, with key departments playing distinct roles in implementing and overseeing sustainability initiatives:



HSE Department (Health, Safety, and Environment)

The HSE Department is responsible for developing and overseeing environmental initiatives. This includes conducting risk assessments, ensuring regulatory compliance, and leading the implementation of the EMS. The department also runs training programmes to educate employees on sustainable practices.

Operations Department

The Operations team integrates environmental management into daily business activities by optimising resource usage, reducing waste, and ensuring processes align with sustainability objectives. Their role is essential in embedding sustainable practices into core operations.

Human Resources Department

Human Resources supports environmental efforts by promoting a culture of sustainability through employee engagement. The department organises training programmes, encourages participation in environmental initiatives, and ensures workplace practices align with the company's sustainability goals.

Procurement Department

The Procurement team ensures that all sourcing decisions reflect Filtrona's sustainability and responsible sourcing commitments. By working with vendors who adhere to sustainable practices, they help reduce the company's environmental footprint across the supply chain.



ENVIRONMENTAL MANAGEMENT

Actions

In 2024, Filtrona advanced sustainable procurement by implementing a tiered supplier categorisation and an ESG survey to assess compliance and sustainability. These efforts support carbon footprint reduction, responsible sourcing, and long-term sustainability goals.

Enhancing Sustainable Procurement

Filtrona has adopted a tiered categorisation of its suppliers, allowing for a more strategic and tailored approach to sustainability oversight:

This categorisation system has enhanced risk management by allowing Filtrona to prioritise efforts where they have the most impact, strengthening environmental responsibility throughout its supply chain.

Tier 1 Suppliers:

The most critical partners with the highest impact on Filtrona's sustainability goals. These suppliers undergo rigorous assessments and regular engagement to ensure they meet Filtrona's environmental and ethical standards.

Tier 2 Suppliers:

Medium-sized suppliers play a crucial role in our operations. Although they present lower risks compared to Tier 1 suppliers, Filtrona is committed to fostering best practices by actively guiding and supporting them to enhance their sustainability performance.

Tier 3 Suppliers:

Smaller suppliers with less direct influence on overall sustainability performance. Filtrona focuses on raising awareness and encouraging these suppliers to adopt more sustainable practices.

Supplier ESG Survey Implementation

Filtrona conducted an ESG survey among its suppliers to evaluate sustainability practices and identify areas for improvement. The survey received an impressive 50% response rate, demonstrating strong engagement and a willingness to align with Filtrona's Supplier Code of Conduct.

Key outcomes of the ESG survey:

- **Gained valuable insights** into supplier sustainability strengths and weaknesses.
- **Enhanced risk management strategies** by identifying compliance gaps.
- **Informed future initiatives** to improve supplier environmental performance.

Compliance and Environmental Management

- **Zero environmental violations** were reported across 2023 and 2024.
- **100% of sites certified under ISO 14001/ ISO 45001** for environmental and occupational health and safety management.
- **100% risk assessment reviews** completed across all sites.

Sustainable Products & Materials

- **24% of Filtrona product TLA (codes)** are classified as sustainable in 2024 (up from 21% in 2022).
- **69% of wood derived direct materials** (tow, plug wrap, packaging materials) are from certified source in 2024 (SFI, PBN, PEFC, FSC certificates)



WASTE MANAGEMENT

Waste management is vital for Filtrona's sustainability, efficiency, and reputation. Proper waste handling ensures regulatory compliance, reduces environmental impact, and lowers costs through recycling. In 2024, we achieved Zero Waste to Landfill across all sites while enhancing waste intensity and increasing the recycling rate.

Our Approach

Filtrona adopts a comprehensive and sustainable approach to waste management, integrating resource efficiency and innovation across its operations.

Please refer to the '*Our Material Impacts, Risks, and Opportunities*' section for detailed insights into this assessment.





WASTE MANAGEMENT

Frameworks and Policies Governing Waste Management at Filtrona

ISO 14001:

Ensures systematic minimisation of environmental impact, including waste management.

Local Environmental Regulations:

Compliance with country-specific laws governing waste disposal, recycling targets, and emissions standards. Essential for legal and responsible operations across different regulatory environments.

Corporate Sustainability Policies:

Internal guidelines promoting waste reduction, recycling, and energy recovery. It encourages best practices across all Filtrona sites, fostering a culture of environmental responsibility.



Waste Management Strategy

Filtrona employs a structured and sustainable waste management strategy that focuses on minimising environmental impact, improving resource efficiency, and integrating circular economy principles across its operations. Key elements of this strategy include:

Biomass Boilers:

Facilities in Indonesia, Thailand, and Hungary use on-site biomass boilers that convert filter waste into renewable energy, reducing landfill disposal and supporting circular economy principles.

Zero Waste to Landfill Initiative:

A company-wide commitment to eliminating landfill waste through rigorous segregation, recycling, and energy recovery.

Waste Management Framework:

Includes waste audits, segregation, reduction, reuse, recycling partnerships, and safe disposal in compliance with local and international regulations.

Regulatory Compliance:

Adheres to **ISO 14001**, local environmental laws, and corporate sustainability policies to ensure responsible waste handling.



WASTE MANAGEMENT



Responsibilities

Environmental, Health, and Safety (EHS) Department

- ✓ Oversees the implementation of waste management practices across all operations.
- ✓ Ensures compliance with relevant environmental regulations and sustainability frameworks.
- ✓ Monitors waste generation, segregation, recycling, and disposal processes.
- ✓ Develops and enforces policies to enhance waste reduction and resource recovery.

Operation and Facilities Management

- ✓ Collaborates with the EHS department to optimise waste reduction initiatives.
- ✓ Identifies opportunities for material reuse and process improvements to minimise waste.
- ✓ Implements sustainable manufacturing practices that align with waste management goals.

Company-wide Responsibility

- ✓ Employees participate in waste segregation and recycling initiatives.
- ✓ Management supports sustainability efforts through policy development and investment in waste reduction technologies.
- ✓ Implements sustainable manufacturing practices that align with waste management goals.





WASTE MANAGEMENT

Actions

In 2024, Filtrona continued to advance its waste management initiatives, reinforcing its commitment to sustainability and operational excellence.



Biomass boiler at Filtrona Indonesia

Maintaining Zero Waste to Landfill

Filtrona sustained its **Zero Waste to Landfill** performance across all sites, ensuring that all waste is either recycled, reused, or converted into energy.

Waste intensity

(Total waste generated per production unit)
reduced from **45 (2023)**, 43.58 in 2024.

The recycling rate increased

from 50% (2023), to 62% (2024).

Strategic Waste Audits and Reduction Initiatives

- Initiated a waste audit plan to identify inefficiencies and improvement areas.
- Introduced alternative recycling projects to explore new waste recovery and reuse methods.



WASTE MANAGEMENT



Biomass boiler at Filtrona Hungary

Circular Waste Management

Filtrona's progress in 2024 showcases its leadership in sustainable waste management, proving that environmental responsibility can drive both innovation and economic benefits.

Project Ananke – Optimising Material Consumption

This project was launched to reduce waste generated from raw material consumption during production. It focuses on analysing workflows to identify waste minimisation opportunities and improve resource efficiency. The project also encourages a company-wide culture of continuous improvement in waste management.

New Biomass Boilers in Hungary

Filtrona installed biomass boilers in Hungary that convert production waste, particularly filter waste, into a renewable energy source. The boilers reduce Filtrona's reliance on natural gas, cutting waste disposal costs and greenhouse gas emissions.

Targets

Filtrona targets a **40% reduction in waste intensity by 2050**, with interim milestones of **20% by 2030** and **30% by 2040**, ensuring steady progress toward its sustainability goals.

Filtrona achieved a **62% recycling rate in 2024** and aims to increase it to **70% by 2040, and 90% by 2050**, reinforcing its commitment to sustainability and circular economy principles.



ENERGY MANAGEMENT

Energy management is vital for Filtrona to reduce costs, ensure compliance, enhance brand reputation, and drive sustainability. Efficient energy use boosts profitability, mitigates regulatory risks, and attracts eco-conscious stakeholders. Proactive engagement fosters innovation and resilience, while inaction threatens financial stability and competitiveness. Through biomass utilisation and solar energy projects, we are increasing renewable energy usage, enhancing recycling and reducing carbon emissions.

Our Approach

By integrating robust frameworks, targeted policies, and clear departmental responsibilities, Filtrona ensures a proactive, compliant, and sustainable approach to energy management.

Please refer to the '*Our Material Impacts, Risks, and Opportunities*' section for detailed insights into this assessment.

Frameworks and Standards

Filtrona follows internationally recognised frameworks to guide its energy and climate initiatives. These include:

- **ISO 14001:** Ensuring systematic environmental performance improvements.
- **Science-Based Targets Initiative (SBTi):** Aligning emission reduction targets with global climate science, with a commitment to submit targets in 2025.
- **Carbon Disclosure Project (CDP):** Enhancing transparency by disclosing environmental impact and benchmarking performance.



Solar roof at ITC Filtrona in India



ENERGY MANAGEMENT



Key Policies

1. Sustainability Policy

Outlines the company's overarching commitment to sustainability, including energy efficiency, waste reduction, and responsible sourcing

2. Energy Management Policy

Focuses on optimising energy use through energy audits, adoption of energy-efficient technologies, and transitioning to renewable energy.

3. Carbon Reduction Strategy

Sets specific goals for reducing greenhouse gas emissions, including interim milestones leading up to Science-Based Targets Initiative submission in 2025.

4. Regulatory Compliance Framework

Ensures adherence to local, national, and international regulations on emissions and energy consumption.



Responsibilities & Governance

Energy and climate management at Filtrona is a cross-functional effort involving multiple departments:

Sustainability Team – Develops and oversees sustainability policies, tracks Net Zero progress, and ensures alignment with best practices.

Operations Management – Implements energy-efficient manufacturing processes, conducts energy audits, and identifies areas for improvement.

Compliance & Risk Management – Ensures regulatory compliance, monitors environmental legislation, and helps the company adapt to new regulations.

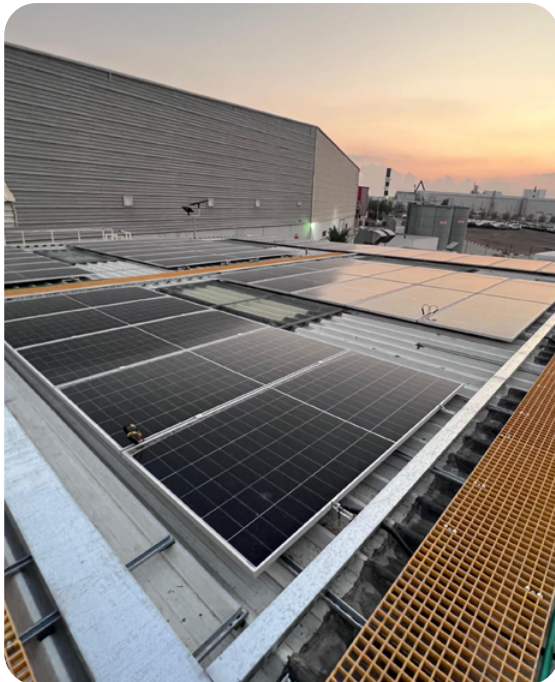
Stakeholder Engagement – Communicates Filtrona's sustainability progress to investors, customers, and local communities, fostering trust and transparency.



ENERGY MANAGEMENT

Actions

In 2024, Filtrona made significant strides in energy management, aligning its sustainability initiatives with its Net Zero commitment and the upcoming Science-Based Targets Initiative (SBTi) submission in 2025. The company focused on improving energy efficiency, expanding renewable energy projects, strengthening supply chain sustainability, and engaging employees in carbon reduction efforts.



Solar roof at Filtrona UAE

Advancing Decarbonisation Goals

Filtrona continued making progress towards its **SBTi-aligned Net Zero targets**, implementing clear and measurable emissions reduction strategies. The company also **strengthened engagement with major stakeholders**, including **Philip Morris International (PMI)** and **British American Tobacco (BAT)**, to develop customised decarbonisation plans. Additionally, Filtrona **collaborated with suppliers** to enhance supply chain sustainability and reduce environmental impact, ensuring a more responsible and eco-friendly production process.

Scope 1 & 2 carbon emissions saw a significant reduction of **50%** (from 2022 based year) in 2024, building on a 29% decrease in 2023.

Expansion of Renewable Energy Initiatives

Driven by large-scale solar and biomass energy projects across the company, along with increased procurement of renewable electricity, Filtrona made significant progress in renewable energy adoption, with usage rising from 8% in 2022 to 35% in 2024.

Surabaya Rooftop Solar Project (Indonesia):

Completed in May 2024, this 505 kWp installation generates **790 MWh annually**, covering **8.2%** of the site's energy needs and cutting CO₂ emissions by **632 tons per year**.

Filtrona Surabaya Carbon Neutrality:
Achieved carbon neutrality for Scope 1 & 2 emissions through:

- Solar energy integration.
- Compressed air system upgrades to reduce energy consumption.
- Energy-efficient lighting replacement.
- Green energy certificate purchases and participation in carbon offset programmes.
- Undergoing ISO 14068-1 carbon neutrality certification, expected by 2025.



ENERGY MANAGEMENT

Bangalore Solar Roof Extension (India)

Expanded the ITC Unit 2 solar installation, adding **123 kWp** capacity. Expected to generate **153,000 kWh/year**, reducing CO₂ emissions by **111 tons annually**.

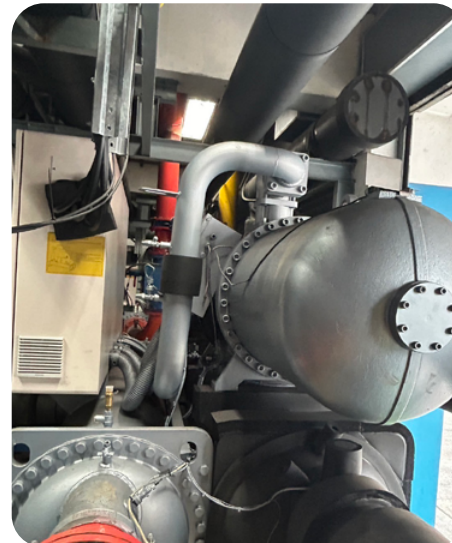
Filtrona Bangkok's 2024 Energy Efficiency Project

Filtrona Bangkok implemented a comprehensive energy efficiency project in 2024, combining technological upgrades, employee engagement, and international standards to cut carbon emissions and optimise energy use.

- Optimised energy-intensive systems by upgrading the compressed air system, replacing an outdated chiller, and conducting air leak inspections to reduce energy waste.
- Engaged employees through the "Treasure Hunt" energy awareness programme, encouraging energy-saving solutions.
- Enhanced energy monitoring via the Enercon project and ISO 50001 certification, ensuring systematic improvements.
- Integrated renewable energy with an existing solar roof, reducing reliance on fossil fuels.

Employee Engagement & Transparency

Filtrona enhanced employee education and engagement on energy efficiency by implementing targeted training and internal sustainability programmes. Additionally, the company maintained continuous **monitoring and transparent reporting on greenhouse gas emissions and decarbonisation progress, ensuring accountability and informed decision-making in its sustainability initiatives.**



New chiller installed at Filtrona Thailand



Solar roof installed at Filtrona Indonesia



ENERGY MANAGEMENT

Targets

Filtrona has set **clear and ambitious targets** to enhance resource efficiency and reduce emissions, aligning with its **SBTi commitment** and long-term sustainability goals.

Emission Reduction

- 50% reduction in greenhouse gas emissions (Scope 1 & 2) by 2030.
- 100% reduction (carbon neutrality) in Scope 1 & 2 emissions by 2040.
- Net Zero across the entire value chain by 2050.
- Use of renewable energy increased from 8% (2022) to 35% in 2024.
- Focus areas: energy-efficient technologies, renewable energy adoption, and process optimisation.

Energy Efficiency Targets

- 20% improvement in overall energy efficiency by 2025 (from 2022), guided by ISO 50001 Energy Management System.

Scope 3 Emissions (Value Chain Emissions)

- Net Zero by 2050 with a phased approach:
 - 10% reduction by 2030.
 - 30% reduction by 2040.
- Stronger engagement with **suppliers, logistics, and waste management partners** to reduce emissions across the value chain.

Carbon Neutrality Certification (PAS 2060/ISO 14068)

- Filtrona is committed to achieving carbon neutrality across its manufacturing sites:
 - 10% certified by 2025.
 - 50% certified by 2030.
 - 100% certified by 2040.





BIODIVERSITY

As a company specialising in filtration solutions, we depend on natural resources like wood pulp and paper, making healthy ecosystems critical to our supply chain. By integrating biodiversity considerations into our operations, we drive innovation, ensure regulatory compliance, and enhance corporate responsibility. In close collaboration with our suppliers, we prioritise sourcing only FSC or other equivalent certification, reinforcing our commitment to responsible forestry. Our dedication to biodiversity extends beyond procurement, as we actively engage in community initiatives such as tree plantation projects. Filtrona remains committed to sustainable practices that safeguard biodiversity, ensuring business continuity and a positive environmental impact.



Our Approach

Filtrona recognises biodiversity as a critical aspect of its sustainability strategy. The company acknowledges the potential impact of its operations on ecosystems and is committed to minimising these effects through responsible environmental management. By integrating biodiversity considerations into business processes, Filtrona aims to protect natural habitats, ensure regulatory compliance, and strengthen its corporate reputation.

Please refer to the '**Appendix**' section for detailed insights into this assessment.

Frameworks and Policy Standards

- To effectively manage biodiversity, Filtrona follows key international and national standards:
- **ISO 14001** – Filtrona adheres to this environmental management system (EMS) standard to identify, monitor, and minimise its environmental impact, including effects on biodiversity.
- **Sustainable Development Goals (SDGs)** – The company aligns its initiatives with the UN's Goal 15 to protect terrestrial ecosystems and promote sustainable land use.
- **Environmental Impact Assessments (EIAs)** – Before launching projects, Filtrona conducts EIAs to assess potential biodiversity risks, ensuring responsible decision-making and mitigation of negative impacts.



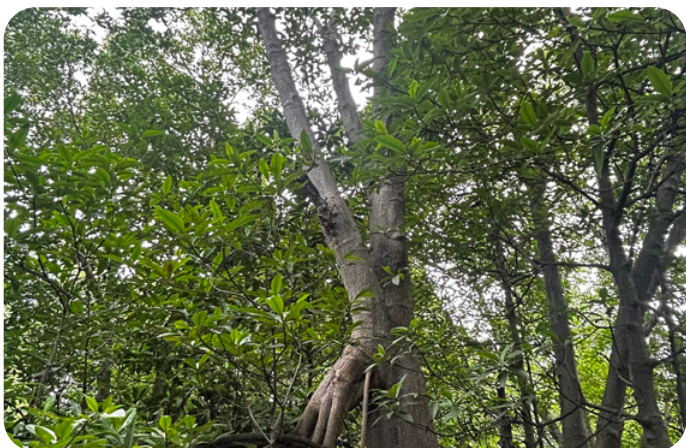
BIODIVERSITY

Responsibilities and Implementation

Managing biodiversity at Filtrona is a cross-departmental effort, with key roles assigned to:

ESG/ Procurement team – Oversees biodiversity policies, conducts impact assessments, ensures compliance, and engages with stakeholders to foster conservation efforts.

Innovation Centre – Develops sustainable products and processes that minimise ecological footprints, integrating biodiversity considerations into product design and development.



Actions

Filtrona's Biodiversity Action in 2024

As part of our commitment to sustainable sourcing and biodiversity conservation, Filtrona has taken significant steps in 2024 to ensure that all wood-derived materials, including Acetate Tow and Plug Wrap papers, originate from sustainable sources with no deforestation impact.

Sustainable Supply Chain Collaboration

To strengthen our environmental responsibility, we have collaborated with our suppliers to enforce stringent sustainability criteria. All suppliers must provide verifiable certification confirming that their materials comply with responsible forestry practices. For precise figures, please refer to the Sustainable Products & Materials section on page 37.

Certification and Compliance

Filtrona requires all suppliers of wood-derived materials to provide a valid reference number from globally recognised certification programmes, including:

- Forest Stewardship Council (FSC)
- Programme for the Endorsement of Forest Certification (PEFC)

Equivalent Sustainable Forestry Certifications

This initiative aligns with Filtrona's ESG goals, reinforcing our commitment to biodiversity conservation, responsible sourcing, and deforestation-free operations.



WATER MANAGEMENT

Water management is a fundamental pillar of sustainability, extending beyond direct consumption to impact supply chains, operational resilience, and corporate responsibility. As a leading manufacturer of filtration solutions, Filtrona recognises the critical role of efficient water management, particularly given the geographic diversity of its operations and the presence of some facilities in water-stressed regions. Filtrona complies with wastewater treatment standards across all its sites and achieves zero wastewater discharge, reinforcing its commitment to environmental stewardship. By prioritizing responsible water use, the company enhances resource efficiency, mitigates environmental risks, and strengthens its long-term business sustainability.

Our Approach

Filtrona is committed to responsible water stewardship, recognising the importance of effective water management even though its operations do not heavily depend on water. The company prioritises sustainable water use, ensuring minimal environmental impact while maintaining compliance with relevant regulations and standards.

Please refer to the '*Appendix*' section for detailed insights into this assessment.





WATER MANAGEMENT

Water Management Strategy

Filtrona's water management approach focuses on efficiency, conservation, and responsible wastewater handling, with key strategies including:

Minimising Water Consumption: The company implements water-efficient fixtures and practices to reduce domestic water use across its facilities.

Rainwater Harvesting: Where feasible, Filtrona promotes rainwater harvesting initiatives, such as in its ITC Filtrona India Unit 1 and 2, to supplement domestic water supply and reduce reliance on external sources.

Wastewater Treatment: While primarily used for domestic purposes, all wastewater is treated in compliance with environmental standards before discharge to prevent contamination.

Compliance with Policies and Standards

Filtrona ensures that its water management practices align with industry best practices and regulatory requirements by adhering to:

National Water Policies: The company complies with local and national regulations promoting sustainable water use and conservation.

ISO 14001 Certification: As part of its broader environmental management strategy, Filtrona follows ISO 14001 standards, emphasising continuous improvement in water efficiency and sustainability.

Local Environmental Regulations: Filtrona meets all applicable local water use and wastewater management regulations to maintain environmental integrity.

Monitoring and Reporting

To maintain effective water management, Filtrona implements robust monitoring and reporting mechanisms, including:

Water Usage Monitoring: Regular assessments track domestic water consumption, identifying trends and opportunities for further efficiency improvements.

Performance Indicators (KPIs): Filtrona sets measurable goals for water usage reduction and efficiency, ensuring accountability and continuous progress.

Community Engagement

Beyond internal operations, Filtrona actively promotes water conservation awareness within local communities. Through education and engagement initiatives, the company fosters a culture of responsible water management both within its facilities and in surrounding areas.



WATER MANAGEMENT

Actions

In 2024, Filtrona continued to advance its commitment to sustainable water management, with a key achievement being the successful maintenance of zero wastewater discharge at its ITC Filtrona India Unit 1 and 2 facilities. This long-standing initiative demonstrates the company's dedication to environmental stewardship and responsible resource management.

Zero Wastewater Discharge Success (at ITC Filtrona India)

- Filtrona sustained its zero-wastewater discharge initiative by effectively managing all water sources, ensuring no wastewater is released into the environment.
- The implementation of rainwater harvesting systems provided an alternative water source, reducing reliance on external supplies.
- Advanced reverse osmosis (RO) water treatment enabled the purification and reuse of water within operations.
- Treated wastewater was successfully repurposed for landscaping and biodiversity enhancement, reducing freshwater demand.

Sustained Monitoring and Compliance

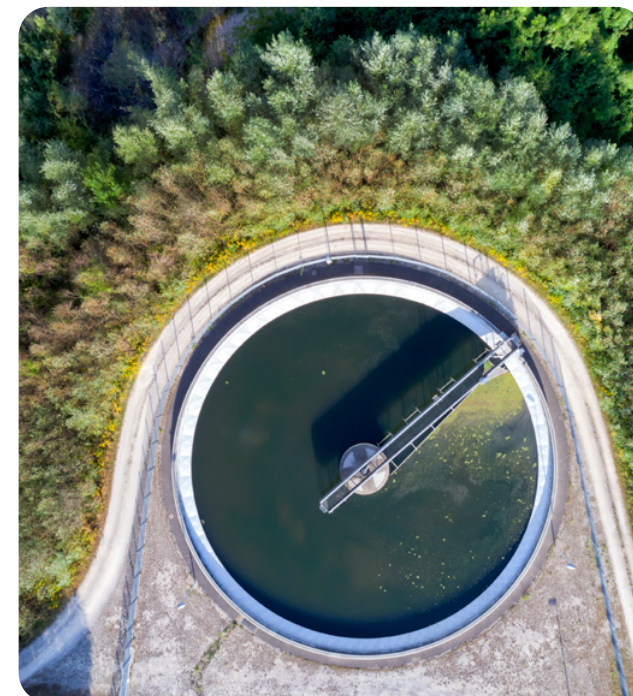
- Filtrona conducted regular audits and assessments to ensure continued compliance with environmental regulations.
- Continuous monitoring and maintenance of water treatment systems helped optimise efficiency and sustainability performance.

Integration with Broader Sustainability Goals

- Water management initiatives are being aligned with Filtrona's overall environmental strategy, contributing to carbon reduction and resource efficiency.
- Collaboration with industry experts and technology providers is being explored to drive further innovation in water conservation.

Strategic Future Plans for Expansion

- Scaling the zero-discharge model to additional Filtrona locations, with assessments already underway, to identify suitable sites.
- Enhancing water reuse in boilers and chillers through advanced water recovery and process optimisation.
- Investing in real-time monitoring to track water efficiency and identify further conservation opportunities.



Social

FOCUSING ON WHAT MATTERS

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EMPLOYEE & TALENT MANAGEMENT

Employee and Talent Management is a strategic priority for Filtrona, directly influencing productivity, innovation, and long-term success. By fostering a skilled and engaged workforce, Filtrona enhances creativity and competitiveness. A robust talent strategy attracts and retains top professionals, ensuring business continuity and reducing turnover costs. Filtrona actively enhances workforce skills through training programmes covering quality control, technical skills, sustainable practices, financial literacy, and mentorship. Leadership development and succession planning further secure future growth, positioning Filtrona as an employer of choice and driving both employee satisfaction and business performance.

Our Approach

Filtrona employs a structured approach to managing employees and talent through well-defined frameworks, policies, and standards. These mechanisms ensure that the workforce remains engaged, skilled, and aligned with business goals.

Please refer to the 'Our Material Impacts, Risks, and Opportunities' section for detailed insights to this assessment.

Frameworks

Talent Management Framework

- This framework covers the entire employee lifecycle, including recruitment, onboarding, training, development, performance management, succession planning, and engagement.
- Filtrona uses models like the Talent Management Maturity Model to assess current practices and identify areas for improvement.
- The goal is to create a structured process that aligns employee development with organisational needs.

Employee Engagement Framework

- Employee engagement is measured using the Gallup Q12 Employee Engagement Model, which identify key engagement drivers.
- Action plans derived from the survey is aimed to enhance the various dimensions of employee engagement, including job satisfaction, commitment, and overall morale, ultimately driving improvements and enhancing employee retention.
- It includes initiatives that promote employee development, leadership training initiatives, care and recognition for our employees.

Total no. of employees:



Total no. of male employees:



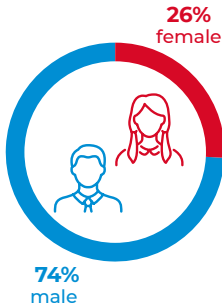
Total no. of female employees:





EMPLOYEE & TALENT MANAGEMENT

Gender diversity (in 2024)



Policies and Regulations

Human Resources Policies

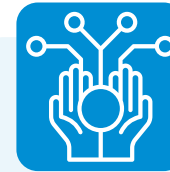
- Filtrona's HR policies govern recruitment, employee conduct, performance evaluations, and conflict resolution.
- Clear policies ensure consistency and fairness in how employees are managed and provide guidance on company expectations.

Compliance with Labour Laws

- Filtrona adheres to local, national, and international labour laws to maintain a fair and legally compliant work environment.
- This includes laws related to equal employment opportunities, workplace safety, and employee rights.
- These standards promote employee well-being and help mitigate workplace hazards.

Performance Management Standards

- Filtrona utilises performance evaluation criteria based on job levels, job roles, and organizational goals to set clear performance expectations. These standards help track employee contributions, enhance accountability, and align individual performance with business objectives.



Responsibilities

Human Resources Department

The Human Resources (HR) department is responsible for managing the employee lifecycle. This includes recruitment, employee relations, compensation, training, regulatory compliance, and workplace culture. The HR team adopts best practices in these areas to support the organization goals.

Leadership and Management Teams

Departmental managers and leadership teams share responsibility for fostering a positive work environment, mentoring employees, and supporting career growth. Managers act as the first point of contact for employee development and engagement.

Employee Involvement

Employees play an active role in shaping workplace policies through surveys, feedback sessions, and participation in decision-making. A collaborative culture encourages innovation and continuous improvement.



EMPLOYEE & TALENT MANAGEMENT

Actions

In 2024, Filtrona enhanced employee satisfaction through engagement initiatives, fair wages, and better policies. Career development and competitive pay improved retention, while leadership training strengthened the talent pipeline. Enhanced safety protocols ensured a secure workplace, and upskilling programmes boosted innovation and productivity, reinforcing a resilient and engaged workforce.



Strengthening Employment Policies

- **Enhanced Equal Opportunity Practices:** Reinforced its commitment to providing equal employment opportunities across all demographic groups, ensuring an inclusive and diverse workforce.
- **Improved Recruitment and Hiring Practices:** Increased transparency in job postings, emphasising skills and qualifications over personal characteristics, making hiring fairer and more inclusive.



Enhancing Wage Policies

- **Fair Compensation Reinforcement:** Conducted regular salary reviews to ensure wages remain competitive and aligned with industry standards and local living conditions, reducing turnover and enhancing job satisfaction.



Advancements in Working Time Policies

- **Expanded Flexible Working Arrangements:** Implemented remote work options and adjustable hours for employees in suitable positions, improving work-life balance.
- **Fairer Overtime Management:** Strengthened policies ensuring that extra work is fairly compensated and aligned with labour laws, helping employees maintain a healthy balance between professional and personal life.



Advancing Social Dialogue

- **Employee Engagement Initiatives:** Expanded engagement programmes, including more frequent employee surveys, town halls, and feedback mechanisms, allowing employees to voice concerns and ideas more effectively.
- **Strengthened Labour Relations:** Reinforced dialogues with employee representatives, ensuring better communication between management and employees and workforce satisfaction.



EMPLOYEE & TALENT MANAGEMENT



Strengthening Health & Safety Policies

- **Wellness Programme Expansion:** Introduced additional mental health resources, fitness initiatives, and stress management workshops to improve overall employee well-being.
- **Happy Workplace Programme - Bangkok:** Expanded fitness activities, financial literacy training, CSR projects, and mindfulness initiatives to promote physical and mental well-being.
- **Enhanced Employee Satisfaction & Work-Life Balance:** Aligning with global ESG workforce well-being standards.



Anti-Violence and Harassment Measures

- **Zero-Tolerance Policy Implementation:** Ensured strict enforcement of anti-harassment and anti-violence policies to maintain a safe workplace.
- **Stronger Reporting Mechanisms:** Established multiple confidential reporting channels (Ethics Portal) to encourage employees to report any incidents of violence or harassment.
- **Training and Awareness Campaigns:** Conducted regular workshops to educate employees on workplace harassment and their rights and responsibilities.



Addressing Workforce Material Impacts

- **Regular Assessments of Workforce Policies:** Introduced a more structured approach to monitoring and improving workforce policies based on real-time employee feedback.
- **Support Programmes Expansion:** Employee Assistance Programmes (EAPs) providing professional counselling and resources for employees facing workplace challenges.





EMPLOYEE & TALENT MANAGEMENT



Employee Development Programmes

Structured Onboarding and Orientation

- Implemented comprehensive onboarding programmes with structured training on company culture, policies, and safety.
- Introduced mentorship programmes pairing new hires with experienced employees for guidance.

Investment in Continuous Learning

- Skill Development Workshops: Expanded programmes focusing on technical skills, leadership, communication, and project management.
- Access to Online Learning Platforms: Provided more self-paced learning resources, allowing employees to upskill at their convenience.

Performance Management and Career Growth

- Regular Performance Reviews: Standardised the process of evaluating employees' progress, setting clear goals, and offering feedback.
- Personal Development Plans: Employees now co-develop career growth roadmaps with managers.

Career Development & Internal Mobility

- Encouraged Internal Promotions: Increased transparency around internal job postings to provide employees with more career mobility.





EMPLOYEE & TALENT MANAGEMENT



Filtrona's Global Training Programme

Standardised Training Modules

- Developed core competency training programmes in safety practices, quality control, and technical skills, accessible to employees globally.

E-Learning and Digital Resources

- Launched a Learning Management System (LMS) in Hungary, enabling employees to track their learning progress.
- Increased Virtual Training Sessions and Webinars, making expertise more accessible worldwide.

Health & Safety Training

- More rigorous safety compliance training, ensuring all employees are up to date on best practices.

Continuous Improvement in Training Programmes

- Implemented regular feedback mechanisms to assess training effectiveness and adjust programmes accordingly.



Cultural Development via Filtrona Core Values Programme

- Strengthened corporate values of Respect, Excellence, Commitment, Trust, Passion, Ethics, and Safety through employee engagement programmes and reinforcement in day-to-day business practices.
- Launched campaigns to reinforce workplace ethics and accountability, helping employees align with company values.





EMPLOYEE & TALENT MANAGEMENT

In 2024, Filtrona focused on talent retention, innovation, engagement, and workplace safety to drive growth and stability. Strengthening career development, compensation, and R&D helped mitigate turnover and stagnation risks. Leadership development and diversity enhanced decision-making and succession planning, while stricter safety compliance reduced legal risks. By aligning HR strategies with employee and investor needs, Filtrona reinforced a resilient, engaged, and future-ready workforce.

Targets

Filtrona has set clear targets to enhance employee engagement, diversity, training, and performance tracking to strengthen its workforce and drive long-term success. These key targets include:

1.

Employee Engagement and Satisfaction – Increase employee engagement scores by **2% over the next three years** through action plans based on feedback, improved communication, and recognition initiatives.

2.

Training and Development – Ensure each employee receives an average of at least **40 hours of professional development training per year** to enhance skills and career growth.

3.

Performance Metrics – Implement clear performance tracking systems to ensure accountability, transparency, and progress measurement in engagement, diversity, and training efforts.





DIVERSITY, EQUITY & INCLUSION

Diversity, equity, and inclusion (DE&I) are not just ethical responsibilities but essential drivers of innovation, employee engagement, and long-term success for businesses like Filtrona, operating in the specialised materials industry. A strong DE&I focus fosters a dynamic, inclusive workplace that enhances creativity, strengthens collaboration, and provides a competitive edge in an evolving market. This discussion highlights the significance of DE&I at Filtrona and examines the risks of neglecting these principles, both for the company and its stakeholders.



Our Approach

Filtrona's structured approach to DE&I—through strategic frameworks, robust policies, and shared responsibilities—demonstrates its commitment to creating a diverse, equitable, and inclusive workplace. By embedding DE&I into its corporate culture, the company fosters innovation, strengthens employee engagement, and secures a sustainable competitive advantage.

Please refer to the 'Our Material Impacts, Risks, and Opportunities' section for detailed insights to this assessment.



Guiding Principles

Filtrona employs well-structured DE&I guiding principles to ensure a systematic and measurable approach to diversity and inclusion. These guiding principles steer decision-making and implementation across the organization.

- 1. Diversity and Inclusion** – Ensures an equitable and inclusive workplace through structured diversity policies, employee resource groups, and targeted diversity training programmes.
- 2. Employee Engagement** – Utilises feedback mechanisms, employee resource groups (ERGs), and mentorship programmes to ensure all employees have equal opportunities to succeed.
- 3. Talent Management and Development** – Ensures career progression pathways, leadership training, and upskilling initiatives to support diverse talent in advancing within the company.



Left: Tue Saabye – Chief Financial Officer,
Right: Tamas Nyaka – General Manager Hungary



DIVERSITY, EQUITY & INCLUSION



Guidelines

Filtrona has integrated DE&I principles as part of the Global Labor and Human right policy, that promote fairness, inclusion, and equal opportunity across all levels of the organisation:

- 1. Equal Opportunity Employment** – Guarantees fair recruitment and hiring practices, ensuring that all candidates are assessed based on merit, not personal characteristics such as race, gender, age, or disability.
- 2. Inclusive Workplace** – Promotes a culture of respect and belonging by implementing anti-discrimination measures, workplace accommodations, and flexible work arrangements.
- 3. Diversity in Leadership** – Sets targets to increase representation of women and minority groups in leadership roles through targeted mentorship programmes and leadership training.
- 4. Anti-Harassment and Zero-Tolerance** – Enforces strict measures against discrimination, harassment, and bias, providing confidential reporting mechanisms for employees to voice concerns.
- 5. Pay Equity and Fair Compensation** – Ensures salary structures are free from bias and reflect industry standards, ensuring fairness across all employee demographics.



Responsibilities

Filtrona's DE&I strategy is a shared responsibility across various levels of leadership, ensuring company-wide commitment and execution:

- 1. Human Resources (HR) Department** – Oversees DE&I policies, recruitment processes, training programmes, and compliance with diversity regulations.
- 2. Executive Leadership Team** – Drives DE&I goals, sets measurable targets, and ensures diversity is embedded in business strategies.
- 3. Managers and Team Leaders** – Act as champions of inclusivity, fostering diverse teams, implementing fair practices, and ensuring a supportive work environment.
- 4. All Employees** – Are encouraged to embrace inclusivity, participate in DE&I initiatives, and contribute to a culture of respect and equity.





DIVERSITY, EQUITY & INCLUSION

Actions

In 2024, Filtrona made strides in diversity, equity, and inclusion (DE&I) through targeted initiatives designed to foster a more inclusive and equitable workplace. The company implemented key actions across recruitment, training, leadership development, and accountability frameworks to drive measurable progress.



Enhancing Equity Through Compensation and Work Arrangements

- Performed pay equity review, making salary adjustments where disparities were identified.
- Expanded flexible work arrangements, supporting employees with caregiving responsibilities and diverse personal needs.



Reinforcing Accountability and DE&I Metrics

- Tracked diversity metrics, focusing on gender representation and workforce inclusion.
- Established new feedback mechanisms, including employee surveys and focus groups, to ensure continuous improvement.



Increasing Female Representation and Leadership Growth

- Female representation reached 28% in management roles and 26% across the workforce.
- Introduced leadership development initiatives through tailored training, mentorship, and career progression opportunities.



DIVERSITY, EQUITY & INCLUSION

Targets

Filtrona has set clear DE&I targets to enhance workplace inclusivity, promote leadership diversity, and improve employee engagement. These key objectives include:

1.

Increased Female Representation

Filtrona aims to increase female representation from 26% to 30% within the next 3–5 years, and to 40% within 10 years. To achieve this, the company will implement targeted recruitment initiatives and retention strategies focused on attracting and developing female talent, particularly in leadership roles.

2.

Leadership Diversity Goals

At least 30% of leadership positions will be held by women within the same timeframe. This will be supported by mentorship and sponsorship programmes designed to provide professional development and advancement opportunities for female employees.

3.

Training and Development

Filtrona aims for 100% employee participation in DE&I training programmes by 2026. These programmes will focus on unconscious bias, inclusive leadership, and cultural competency to ensure that all employees understand and embrace DE&I principles.

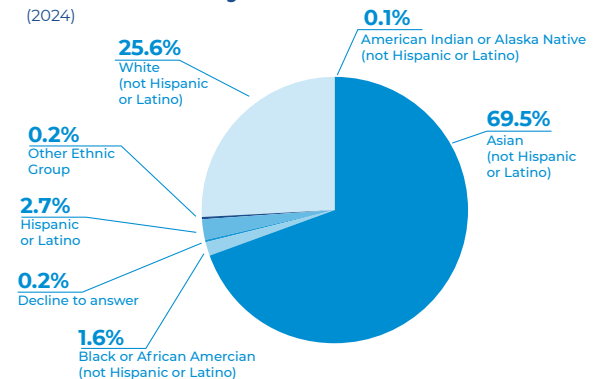
4.

Employee Engagement Metrics

The company targets a 2% improvement of overall employee satisfaction score in 2025 (from 2024). This will involve ongoing feedback collection, monitoring, and workplace adjustments to create a more inclusive and supportive work environment.

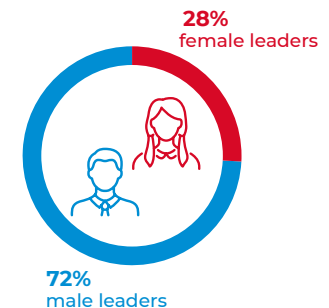
Ethnic diversity

(2024)



Gender diversity

(2024)





WORKPLACE HEALTH & SAFETY

Workplace Health and Safety (WHS) is essential for employee well-being, legal compliance, and business performance. A safe work environment boosts morale, reduces accidents, and increases productivity, especially in high-risk areas like manufacturing. Compliance with global safety regulations protects Filtrona from legal risks, while fewer workplace incidents lower costs and improve profitability. A strong safety record also enhances reputation and attracts top talent, making WHS a key factor in Filtrona's long-term success. Filtrona achieved zero lost-time incidents in 2024, recording only six minor workplace injuries. All locations are ISO 45001 certified.



Our Approach

Filtrona upholds WHS through structured frameworks, policies, and clearly defined responsibilities to ensure compliance, mitigate risks, and foster a strong safety culture. By integrating proactive risk management, regulatory adherence, and employee engagement, Filtrona creates a safe, compliant, and resilient work environment that prioritises employee well-being and operational efficiency.

Please refer to the 'Our Material Impacts, Risks, and Opportunities' section for detailed insights to this assessment.



WHS Frameworks

Filtrona follows a systematic approach to identify, assess, and mitigate workplace hazards through the following frameworks:

- **Occupational Health and Safety Management System (OHSMS):** Establishes structured processes to manage WHS risks and ensure regulatory compliance.
- **Risk Assessment and Management:** Conducts regular hazard assessments to develop risk mitigation strategies and implement safety measures.
- **Safety Culture Framework:** Encourages employee participation in safety initiatives, promoting accountability and open reporting of hazards without fear of reprisal.



WORKPLACE HEALTH & SAFETY



Policies and Standards

Filtrona enforces strict WHS policies to maintain a safe and compliant work environment:

- **Health and Safety Compliance:** Conducted regular risk assessments and strengthened workplace safety measures, including providing more extensive personal protective equipment (PPE) and safety training.
- **Health and Safety Standards:** Compliance with health and safety regulations, such as OSHA (Occupational Safety and Health Administration) standards in the U.S. or equivalent global regulations, ensures a safe workplace.
- **Health and Safety Policy:** Defines the company's commitment to WHS, outlining safe work practices, emergency procedures, and role-specific responsibilities.
- **Regulatory Compliance:** Adheres to local, national, and international health and safety laws, including OSHA standards and equivalent global regulations.
- **Incident Reporting and Investigation:** Implements a structured process for documenting, investigating, and addressing workplace incidents to prevent future occurrences.
- **Emergency Preparedness and Response:** Maintains comprehensive response plans for fires, chemical spills, and natural disasters, ensuring employees are trained for emergencies.

Filtrona aligns with ISO 45001, an international standard that enhances workplace safety and reduces WHS risks. Performance metrics such as incident rates, safety training completion, and safety engagement hours help measure the effectiveness of WHS initiatives.



Responsibilities

Workplace safety is a shared responsibility across different levels of the organisation:

- **Health and Safety Department:** Leads policy development, risk assessments, compliance monitoring, and incident investigations.
- **Human Resources (HR):** Integrates WHS training into employee onboarding and ongoing development programmes.
- **Management and Leadership:** Allocates resources for safety initiatives, sets performance targets, and embeds WHS into company culture.
- **Employees:** Participate in safety training, report hazards, and engage in safety programmes, fostering accountability and awareness.





WORKPLACE HEALTH & SAFETY

Actions

In 2024, Filtrona achieved zero high-consequence injuries (ie. Injuries resulting to days away from work), strengthened regulatory compliance, and enhanced safety culture. Through rigorous risk management and employee-driven safety programmes, the company maintained global WHS standards. This proactive approach ensures a safe, compliant, and resilient workplace for all employees.



Strengthening WHS Systems and Certification

Achieved ISO 45001 certification across all global locations, ensuring adherence to international safety standards.

Conducted regular risk assessments to identify and mitigate workplace hazards, with a strong focus on hand safety as a key risk area.



Zero High-Consequence Workplace Injuries (Zero Lost Time Injuries)

Reported zero fatalities and zero high-consequence work-related injuries throughout the year.

Recorded six minor workplace injuries (first aids treatment), mainly related to hand safety, without lost work time.

Maintained 4,553,215 total hours worked while ensuring a safe working environment.



Risk Mitigation and Preventive Measures

Machinery and Equipment Safety: Enhanced regular maintenance to prevent malfunctions and installed safety guards on high-risk machines.

Personal Protective Equipment (PPE): Reinforced the mandatory use of safety gloves to reduce hand-related injuries.

Training & Awareness Programmes: Conducted comprehensive WHS training covering safe machine operation, ergonomics, and hazard recognition.

Emergency Preparedness: Strengthened response plans for fire, chemical spills, and natural disasters, ensuring employees are well-trained and equipped.



WORKPLACE HEALTH & SAFETY



WHS Monitoring and Employee Engagement

Increased safety audits and inspections to proactively address potential hazards.

Expanded employee engagement in safety initiatives, encouraging participation in safety committees and feedback programmes.

Health & Safety committees established at all sites, ensuring workplace safety training, risk mitigation, and employee awareness.

Implemented a robust incident reporting and investigation system to track near misses, analyse trends, and enhance preventive measures.



Focus on Employee Well-Being and Compliance

Maintained a comprehensive Workplace Accident Policy, ensuring prompt incident reporting, thorough investigations, and corrective actions.

Promoted health and wellness programmes, including stress management, fitness initiatives, and mental health resources.





WORKPLACE HEALTH & SAFETY

Targets

Filtrona has set clear workplace health and safety (WHS) targets to enhance employee well-being, minimise risks, and improve operational efficiency. The primary objective is to achieve Zero Lost Time Incidents (LTIs) by implementing proactive safety measures and continuous improvement strategies.



1.

Zero Lost Time Incidents (LTIs)

Prevent injury-related work disruptions by ensuring a safe and hazard-free workplace.

2.

Incident Monitoring and Audits

Track progress by monitoring incident rates, conducting safety audits, and reviewing workplace hazards.

3.

Employee Safety Engagement

Actively involve employees in safety training, awareness programmes, and WHS initiatives.

4.

Continuous Improvement

Regularly review safety protocols, update training materials, and integrate employee feedback to strengthen safety measures.

5.

Adopt and integrate the 5S methodology

(Sort, Set in Order, Shine, Standardise, Sustain) across all facilities to reduce workplace hazards caused by disorganisation and clutter, increase efficiency in equipment and tool accessibility and maintain high standards for cleanliness and workspace arrangement.



HUMAN RIGHTS

Filtrona upholds human rights as a moral duty and business necessity, ensuring fair labour practices, safe workplaces, and ethical supply chains. This commitment enhances brand trust, mitigates legal risks, and strengthens employee engagement. By prioritising human rights, Filtrona protects its reputation, attracts responsible investors, and ensures long-term sustainability.



Our Approach

Filtrona integrates human rights management across its operations and supply chain through globally recognised frameworks, policies, and dedicated oversight departments. This ensures compliance with ethical and legal standards while fostering fair labour practices and safe working conditions.

Please refer to the 'Our Material Impacts, Risks, and Opportunities' section for detailed insights to this assessment.



Policies and Standards

- 1. United Nations Guiding Principles (UNGPs)** – Establishes global standards for preventing and addressing human rights risks in business activities.
- 2. International Labour Organisation (ILO) Standards** – Ensures compliance with labour rights conventions, focusing on eliminating forced labour, child labour, and workplace discrimination.
- 3. Filtrona Global Labour and Human Rights Policies** – Define Filtrona's commitment to ethical practices, including fair treatment, supplier audits, and community engagement.
- 4. Code of Conduct** – Outlines ethical behaviour standards for employees, management, and suppliers, integrating human rights into daily business practices.
- 5. Risk Assessment Frameworks** – Identifies potential human rights risks across operations and supply chains, prioritising areas for improvement and mitigation strategies.



HUMAN RIGHTS



Human Resources (HR)

- Oversees workplace policies, employee rights, recruitment, training, and compliance with labour laws.



Legal and Compliance

- Ensures adherence to human rights laws, monitors regulatory changes, and mitigates legal risks.



Supply Chain Management (SCM)

- Conducts supplier risk reviews and audits, assesses compliance with human rights standards, and enforces corrective actions.



Workplace Health and Safety (WHS)

- Ensures safe working conditions to protect employee well-being and uphold workplace rights.

Actions

In 2024, Filtrona reinforced its commitment to human rights with zero reported incidents of discrimination, human rights violations, or related fines and sanctions. The company maintained full compliance with global human rights frameworks, including the United Nations Guiding Principles (UNGPs), International Labour Organisation (ILO) standards, and OECD guidelines.





HUMAN RIGHTS



Zero Human Rights Violations

Filtrona maintained zero reported cases of discrimination, forced labour, child labour, or modern slavery across its operations and supply chains.

- Conducted comprehensive human rights risk review across all facilities and high-risk suppliers.
- Implemented corrective action plans for suppliers falling short of compliance requirements.



Strengthened Human Rights Due Diligence

Filtrona integrated human rights due diligence into corporate governance and supply chain management.

- Established a human rights impact assessment framework for new business partnerships. (Know Your Customers)
- Trained 100% of procurement and compliance teams on human rights policies and risk identification.
- Enhanced supplier vetting processes, applying stricter human rights compliance standards.



Enhanced Workforce Engagement and Protection

Filtrona improved employee engagement and workplace well-being, reinforcing fair labour practices and inclusivity.

- Conducted annual employee surveys, gathering feedback on labour rights concerns and working conditions.
- Expanded mental health and workplace safety programmes to support employee well-being.





HUMAN RIGHTS



Expansion of Grievance and Remedy Mechanisms

Filtrona ensured 100% of employees and supply chain workers had access to confidential, non-retaliatory grievance mechanisms.

- Established anonymous reporting channels in all operating regions and supplier networks.
- Investigated 100% of reported complaints within a defined resolution period.



Strengthened Supply Chain Integrity

Filtrona ensured 100% of high-risk suppliers complied with Filtrona's human rights standards.

- Conducted supplier risk review on which included any human rights risk e.g. fair wages, working hours, child labour, and workplace conditions (Know Your Suppliers process).
- Enforced supplier corrective action plans, with non-compliant suppliers facing contract review.



Transparent Reporting and Stakeholder Engagement

Filtrona increased human rights transparency and stakeholder collaboration through enhanced reporting and dialogue.

- Published an annual Human Rights Report detailing compliance efforts, challenges, and corrective actions.
- Expanded ethics training programme including human rights policy for employees, suppliers, and management teams.



HUMAN RIGHTS

Targets

Filtrona has set clear, measurable targets to strengthen its commitment to human rights and address key areas for improvement:

1.

Employee Satisfaction & Engagement

Improve employee satisfaction by at least 2% annually on work-place conditions and inclusivity.

2.

Training & Awareness

Provide 100% of employees with human rights and diversity training within 24 months.

3.

Living Wage Commitment

Ensure 100% of employees are paid above living wage averages in their respective countries.

4.

Transparency & Reporting

Publish an annual sustainability report including human rights progress.





CONTRIBUTIONS TO SOCIETY

Filtrona's societal contributions are both an ethical duty and a strategic advantage, strengthening brand reputation and business growth. By engaging in community initiatives, sustainability efforts, and social programmes, Filtrona builds trust and customer loyalty among socially conscious consumers. Additionally, a commitment to social responsibility enhances talent attraction and retention, as employees—especially younger generations—seek purpose-driven workplaces. A strong social impact fosters employee engagement, productivity, and long-term business success.



Our Approach

Filtrona integrates corporate social responsibility (CSR) through established frameworks, policies, and clear responsibilities, ensuring alignment with global sustainability and ethical standards.

Please refer to the 'Our Material Impacts, Risks, and Opportunities' section for detailed insights to this assessment.



Frameworks and Standards

CSR Frameworks: Filtrona aligns with Global Reporting Initiative (GRI) and UN Sustainable Development Goals (SDGs) to measure and report social and environmental performance.

ISO Standards: Compliance with ISO 26000 strengthens Filtrona's approach to accountability and transparency in CSR.



Policies

Corporate Community Engagement Policy: Defines Filtrona's commitment to sustainability, community initiatives, and ethical business practices.

Environmental Sustainability Policy: Focuses on waste management, resource conservation, and emission reduction to align with societal expectations.



CONTRIBUTIONS TO SOCIETY



Compliance and Regulations

Filtrona ensures adherence to local and international laws related to labour rights, environmental protection, and corporate responsibility, using regular audits to track compliance.



Stakeholder Engagement

Filtrona maintains open communication with employees, customers, suppliers, and communities, using surveys and feedback mechanisms to align CSR efforts with stakeholder expectations.

This structured approach ensures Filtrona's societal contributions enhance reputation, regulatory compliance, and long-term sustainability.



Responsibility and Accountability

CSR responsibilities are shared across departments:

- HSE Team – Oversees environmental initiatives.
- HR Department – Encourages employee participation in CSR programmes.
- Compliance & Legal Team – Ensures regulatory adherence and mitigates legal risks.





CONTRIBUTIONS TO SOCIETY

Actions

Filtrona's 2024 progress in social impact, sustainability, and workforce well-being reflects its commitment to ESG excellence and ethical business leadership. Through strategic initiatives, Filtrona continues to drive positive societal change, reinforcing its role as a responsible corporate citizen.

We estimate that approximately 1% of our net profit is allocated to community initiatives, and we have recently begun tracking this spending.

- **100% of operational sites engaged in local community initiatives**, ensuring alignment with local needs and sustainability objectives.



Major Initiatives & Milestones:

UN-Habitat for Humanity Partnership – Surabaya, Indonesia:

Established the Posyandu healthcare facility, providing essential medical care for pregnant women, toddlers, and elderly residents in Mondoluku Village.



India Rotary Club Partnership:

Supported initiatives in education, infrastructure, healthcare, and vocational training, positively impacting over 2,000 residents in underserved communities.

- **School infrastructure development**, benefiting **500+ students**.
- **Vocational training** for **300+ unemployed youth**, increasing job opportunities.
- **Girls-on-Wheels Programme** – Donated **125 bicycles** to promote education for young girls.
- **Medical screening programmes** for breast cancer and Type 1 diabetes, supporting 1,000+ families.

International Women's Day 2024 – Bangkok & Singapore:

Hosted women's empowerment and gender equality events, strengthening workplace inclusivity.

Happy Work Place programme – Bangkok

An initiative developed in collaboration with the Thai Health Promotion Foundation to enhance both physical and mental well-being in the workplace. This programme is designed to create a positive working environment where employees feel valued, engaged, and motivated.



CONTRIBUTIONS TO SOCIETY

Driving Environmental Sustainability & Climate Action

Mangrove Reforestation – Thailand:

Planted 400 mangrove trees in Bang Khun Thien, a coastal erosion-affected area, enhancing climate resilience and biodiversity.

→ **Indonesia: Planted 2024 mangrove trees in Ecowisata Mangrove Wonorejo in East Java** Vocational training for **300+ unemployed youth**, increasing job opportunities.

Commitment to Carbon Reduction & Biodiversity Conservation:

Implementing ongoing sustainability measures to meet ESG and regulatory standards. Filtrona intensified its environmental responsibility efforts, ensuring sustainable operations through Environmental Impact Assessments (EIAs) for all new facilities and initiatives to mitigate climate change and enhance biodiversity.





CONTRIBUTIONS TO SOCIETY

Targets

Filtrona has set clear, measurable targets to enhance its societal contributions, ensuring alignment with its strategic sustainability and social responsibility objectives:

1. Sustainability Goals

Reduce carbon emissions by 50% by 2030 and achieve Zero Waste to Landfill across all operational sites, reinforcing environmental responsibility.

2. Community Investment

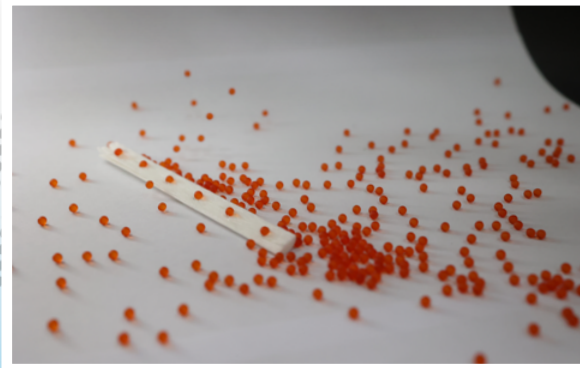
Dedicate **1% of annual profits to community development programmes and educational initiatives**, fostering local economic growth and social well-being.

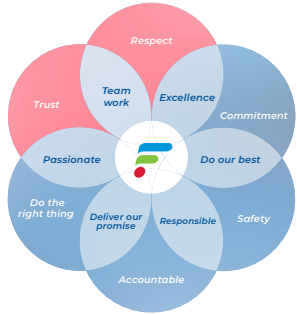


Governance

COMMITTED TO STRONG GOVERNANCE

Ethics & Integrity	81
Product Innovation & Intellectual Property	85
Supply Chain Management	90





ETHICS & INTEGRITY

Ethics and integrity are fundamental principles that guide decision-making, interactions, and business conduct at Filtrona. These values ensure fairness, respect, and accountability while shaping the company's identity, strengthening stakeholder relationships, and enhancing market position. Employees, customers, suppliers, and agents receive training or guidance on ethics and integrity compliance, reinforcing a culture of accountability and responsible business conduct. By embedding these principles into our culture, we foster trust, compliance, and long-term sustainability.



Our Approach

Ensuring ethics and integrity within an organisation like Filtrona is essential for fostering a culture of accountability and trust. This requires implementing frameworks, policies, and standards that guide behaviour across all levels. By adhering to these guidelines, Filtrona effectively upholds its commitment to ethical conduct, ensuring fair and responsible treatment of all stakeholders.

Please refer to the 'Appendix' section for detailed insights to this assessment.



Frameworks and Standards

Code of Conduct – Filtrona's Code of Conduct sets ethical principles for employees, management, and stakeholders. It covers expected behaviours, mechanisms for addressing violations, and key areas such as diversity, IT security, anti-corruption, data protection, and fair treatment. Employees undergo training to ensure compliance.

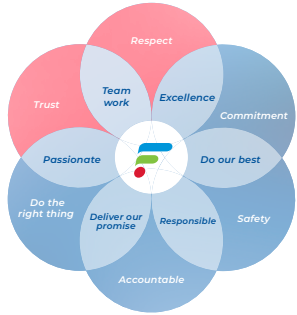
ISO Standards – Filtrona adheres to ISO standards like ISO 26000, which guides social responsibility. Compliance helps integrate ethical considerations into business operations, promoting sustainability and accountability.

Regulatory Compliance – Filtrona complies with local, national, and international regulations related to product safety, environmental protection, and labour practices. It follows guidelines from agencies like the EPA, OSHA, and OFAC, with regular audits ensuring adherence.

Sustainability Reporting – Filtrona engages in sustainability reporting frameworks like GRI and ESRS to disclose ethical practices transparently. These frameworks encourage accountability by reporting social, environmental, and economic impacts.



Angelika Nagy – Global Compliance and Risk manager



ETHICS & INTEGRITY

Shahid Ali –
Head of Legal,
Compliance and Risk



Filtrona's Ethics and Integrity Policies

1. Right to Speak Policy (Whistleblower Policy):

Filtrona has a robust whistleblower policy, including the 2024 Filtrona Ethics Point Portal, which offers free hotline numbers at every site and multilingual Ethics posters with hotline details and QR codes. The Whistle blowing report can be done anonymously and treated as confidential. This policy encourages employees to report unethical behaviour without fear of retaliation. It outlines the reporting process and ensures whistleblowers are protected, with concerns being addressed promptly and appropriately.

2. Anti-Corruption and Bribery Policy:

Filtrona has implemented a clear anti-corruption policy that prohibits its bribery and unethical practices. The policy defines acceptable and unacceptable behaviours and includes employee training to ensure compliance.

3. Conflict of Interest Policy:

Filtrona's conflict of interest policy ensures employees disclose any personal interests that may conflict with their company responsibilities. This policy helps maintain transparency and integrity in decision-making processes.



Departments and Individuals Responsible for Ethics and Integrity at Filtrona

1. Head of Legal, Compliance and Risk

Ensures the company adheres to legal, regulatory, and ethical standards. They manage legal risks, enforce compliance policies, oversee investigations, provide training, and liaise with regulators. They also handle contracts, third-party due diligence, and crisis management while advising senior leadership on legal and compliance matters.

2. Ethics and Compliance Manager:

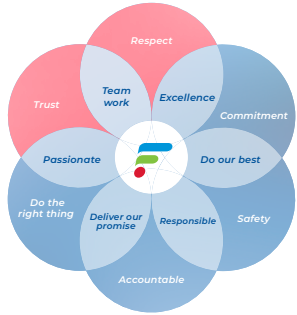
Filtrona has appointed an Ethics and Compliance manager to oversee the implementation of ethical policies and frameworks. This role is essential in monitoring compliance, providing training, and addressing ethical concerns within the organisation.

3. Human Resources (HR) Department:

The HR department ensures ethics and integrity are integrated into key processes such as recruitment, training, and employee evaluations. HR also plays a role in training locally the "Code of Conducts" and "Micro Learnings" to those employees who do not have company's email address, to ensure employees understand their ethical responsibilities. Employee Onboarding package is done in local language which includes 1. Ethics Code, 2. Right to speak, 3. Compliance Framework and 4. Anti-Bribery Corruption policies.

4. Executive Leadership:

Senior management is responsible for demonstrating a commitment to ethics and integrity by setting an example and incorporating these values into the company's strategic goals. Leadership plays a crucial role in shaping the organisational culture and fostering accountability.



ETHICS & INTEGRITY

Actions

In 2024, Filtrona strengthened its commitment to ethics and integrity by expanding compliance training, governance structures, and supplier monitoring. The company introduced the Ethics Point Portal, Ethics Posters in different languages, and mandatory annual ethics training covering anti-corruption, anti-bribery, trade restrictions, and regulatory compliance, ensuring that ethical standards are upheld across all levels. Additionally, Filtrona launched a Business Code of Ethics awareness campaign, reinforcing best practices among employees. Governance improvements included the full integration of the Compliance & Risk Committee and the Legal, Compliance, Risk & Governance (LCRG) function into Filtrona's corporate framework.

To enhance supplier accountability, the company expanded its KYC (Know Your Customer), KYS (Know Your Suppliers), and KYA (Know Your Agent) compliance programmes, strengthening risk assessment procedures for third-party partners. Compared to 2023, where the focus was on revising the Business Code of Ethics and strengthening whistleblower policies, 2024 saw the formalisation of the supplier code of conduct and the expansion of ethics training to all employees, reinforcing a culture of transparency and integrity.

1.

Governance Body Training and Compliance

- 100% of the 26 governance body members (ELT, ESG Committee, Compliance & Risk Committee) were trained in anti-corruption policies and procedures.

2.

Filtrona provided **Navex Code of Conduct video training** and **Micro Learning Courses** to all employees, including those **administrative, management, and supervisory staff**, reinforcing ethical business practices across the organisation.

- **92% of employees completed**

- **Code of Conduct video training**, covering:

- | | | |
|-------------------------|---------------------------------|---------------------|
| - Anti-Bribery | - Conflict of Interest | - Make a Commitment |
| - Anti-Money Laundering | - Data Privacy | |
| - Competition Law | - Diversity, Equity & Inclusion | |

- **Micro Learning Courses** covering:

- | | | |
|---------------------------------|------------------------|--|
| - Antitrust and Competition Law | - Conflict of Interest | - Whistleblowing Reporting & Retaliation |
| - Bribery and Corruption | - Code of Conduct | |

Additionally, under Navex Compliance Training, employees completed:

- **Annual Regulatory Compliance Quiz - 2023: 486 employees (100%)**
- **Agency Compliance & Facilitation Payment Policies: 573 employees (90%)**
- **Anti-Trust & Competition Law Policy: 537 employees (94%)**

Overall, 92% of all employees received training in ethics and integrity compliance, reinforcing Filtrona's commitment to ethical business practices and regulatory adherence.



ETHICS & INTEGRITY

3.

Anti-Corruption Policies for Business Partners

- 3 new agents received communication on the Anti-Corruption and Bribery Policy and Ethics Code Policy.
- 136 new customers received Ethics Code Policy and Anti-Corruption Procedures.
- 63 new suppliers were informed about the Suppliers Code of Conduct, including anti-bribery measures.

4.

Due Diligence on Third Parties

- 114 new third parties in Asia (India, Indonesia, Thailand, Singapore) were vetted.
- 48 new third parties in Hungary, UK, UAE underwent due diligence.
- 37 new third parties in the Americas (USA, Paraguay, Brazil) were screened and approved.

5.

Mandatory Ethics Onboarding

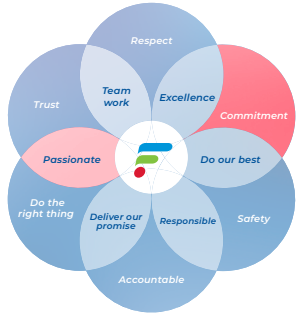
- All new employees must complete Ethics Code and Anti-Bribery & Corruption training.
- Policies are accessible in English and local language on Filtrona's SharePoint and included in onboarding materials.
 1. Ethics Code
 2. Right to speak,
 3. Compliance Framework and
 4. Anti-Bribery Corruption policies



Targets

1. Ethics Training Participation – Filtrona aims to achieve 100% employee participation in annual ethics training, fostering a strong culture of integrity across the organisation.
2. Zero Non-Compliance Incidents – The company has set a target of zero incidents of non-compliance with ethical standards, ensuring adherence to its corporate values and policies.





PRODUCT INNOVATION & INTELLECTUAL PROPERTY

Product innovation enables Filtrona to stay competitive by developing high-performance, sustainable products that meet evolving customer and regulatory demands. It drives revenue growth, enhances market differentiation, and strengthens customer loyalty. In 2024, Filtrona filed 9 new patents, reinforcing its commitment to innovation and technological advancement. Intellectual property protection secures these innovations, deterring imitation and preserving long-term market leadership. Prioritising both innovation and IP protection secures Filtrona's growth, profitability, and industry reputation.



Our Approach

Please refer to the '[Our Material Impacts, Risks, and Opportunities](#)' section for detailed insights to this assessment.

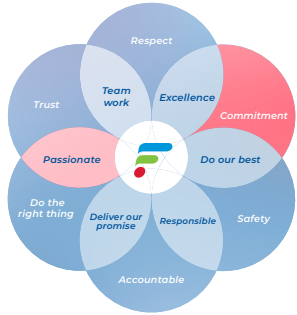


Framework & Standards

Filtrona employs a structured framework to drive responsible innovation, safeguard intellectual assets, and sustain industry leadership. This approach ensures a competitive edge and long-term sustainability in managing product innovations and intellectual property (IP).

This approach includes:

- 1. Innovation Management Framework** – A structured process for developing new products, covering idea generation, feasibility analysis, development, testing, and commercialisation to align innovations with market needs and company goals.
- 2. Intellectual Property (IP) Management System** – A system to identify, document, and secure intellectual property rights, including patents, trademarks, copyrights, know-how and trade secrets along with procedures for monitoring and enforcing IP rights.
- 3. Compliance with Industry Standards** – Adherence to ISO 9001 (quality management) and ISO 14001 (environmental management) ensures that innovations meet quality, sustainability, and regulatory requirements, enhancing their marketability.
- 4. Regulatory Compliance** – Compliance with local and international regulations governing product safety, environmental impact, and fair competition, ensuring that all innovations meet safety and ethical standards across Filtrona's global sites.



PRODUCT INNOVATION & INTELLECTUAL PROPERTY



Policies

Filtrona's policies on product innovation and intellectual property ensure structured development, protection, and collaboration across teams. By establishing clear guidelines for R&D, IP management, and confidentiality, Filtrona safeguards its innovations, strengthens its competitive edge, and aligns new developments with business objectives.

1. Product Development Policy – Establishes processes, responsibilities, and evaluation criteria for new product ideas. It encourages cross-functional collaboration between R&D, marketing, and production teams to ensure innovation aligns with business goals.

2. Intellectual Property (IP) Policy – Defines how Filtrona identifies, protects, and manages its intellectual property. It includes procedures for filing patents, registering trademarks, and employee responsibilities in safeguarding IP assets.

3. Research & Development (R&D) Policy – Ensures efficient resource allocation for innovation projects. It provides guidelines for project selection, funding, and collaboration with external research institutions and partners.

4. Confidentiality & Non-Disclosure Agreements (NDAs) – Protect sensitive innovation-related information by implementing NDAs for employees, partners, and collaborators. These agreements help safeguard trade secrets and proprietary data.



Responsibilities

- **Innovation Centres (Indonesia and China)** – Lead product innovation efforts, conduct market research, develop new products, and collaborate with other departments to bring innovations to market.

- **IP/Legal team** – Oversees IP management, including identifying potential IP, filing patents, managing trademarks. Ensures compliance with IP laws and regulations, reviews contracts and monitoring infringement issues, handles IP-related disputes, and provides guidance on legal risks in product innovation.

- **Innovation Committee** – A cross-functional team with representatives from R&D, marketing, legal, and finance, responsible for strategic decision-making and fostering collaboration in product innovation and IP management.

- **Executive Leadership** – Provides support and prioritisation for innovation and IP management by allocating resources, providing training, and fostering a culture of innovation within the company.





PRODUCT INNOVATION & INTELLECTUAL PROPERTY

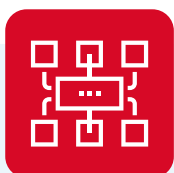


Our Progress

Filtrona has filed 9 new patents and successfully launched a digitised IP management programme

We have introduced eco-friendly filter products using sustainable materials, reducing plastic waste and emissions while maintaining quality and performance:

- **Mono Filters:** Plastic-free, single-use filters.
- **Active Dual Filters:** Dual-layer design with up to 4x lower carbon footprint.
- **Flavour Capsulated Filters:** Innovative plastic-free flavour infusion.
- **Tube Dual Filters:** High-performance, plastic-free, low-carbon
- **Sustainable products** make up 24% of Filtrona's portfolio.



Targets

1. **Innovation Pipeline** – Filtrona aims to develop and launch new products annually, ensuring that each aligns with sustainability criteria and emerging market demands.
2. **Patents and IP Portfolio Growth** – The company targets six new patent filings per year, strengthening intellectual property protection and expanding its innovation portfolio.
3. **Sustainability Goals** – By 2030, 25% of new products should be environmentally-friendly or meet sustainability certifications, to achieve 100% sustainability compliance by 2050.





PRODUCT INNOVATION & INTELLECTUAL PROPERTY

Filtrona's Commitment to Product Innovation and Intellectual Property in Reduced-Risk Products (RRPs)

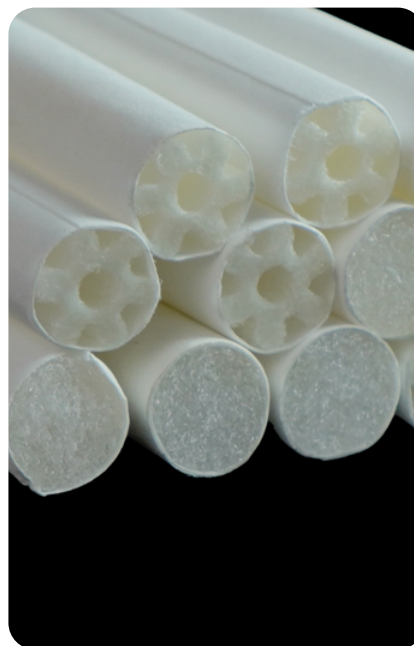
As part of its Environmental, Social, and Governance (ESG) strategy, Filtrona is actively leading the development of Reduced-Risk Products (RRPs), aligning with global sustainability goals and supporting key customer aspirations, including Industry's vision for a smoke-free world. By leveraging cutting-edge innovation and protecting intellectual property, Filtrona is steering the tobacco and nicotine industry toward a more sustainable future.

Driving Sustainability through Product Innovation

Filtrona has played a pivotal role in the evolution of harm reduction technologies, incorporating science-backed advancements to lower the health impact of traditional tobacco products. The company's expertise in heated tobacco products (HTPs) and sustainable filter solutions continues to power next-generation alternatives.

Key innovations include:

- BOREAS Sideflow and CoolBridge Filters – Designed to enhance user experience in heated tobacco systems, improving aerosol dynamics.
- Sustainable HTP Filters – Development of bio-based materials reducing environmental impact.
- ISO 17025-Certified Testing – Ensuring product quality and scientific validation through rigorous, standardised procedures.





PRODUCT INNOVATION & INTELLECTUAL PROPERTY

Intellectual Property and Industry Leadership

Filtrona has built an in-house ecosystem to drive RRP advancements, combining IP management, scientific expertise, and rapid prototyping. The company's long history of filter innovations—from its early collaborations with industry pioneers, the first heated tobacco concept—supports its ongoing global leadership in RRP development.

By fostering strategic partnerships with internationally recognized laboratories and industry experts, Filtrona remains at the forefront of innovation, regulatory compliance, and market demands.

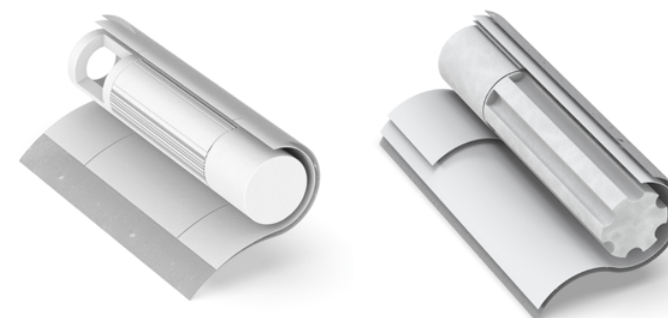
Aligning with Customer Aspirations

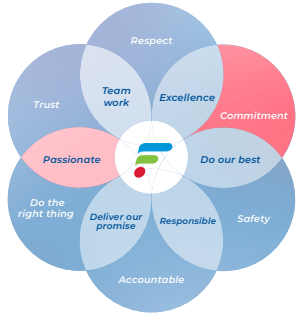
Filtrona's commitment to RRPs aligns with Industry's goal for a smoke-free future and reflects the broader shift in the industry toward harm reduction. Through scientifically validated, user-friendly products, Filtrona supports regulatory objectives and enhances the tobacco sector's sustainability profile.

Shaping the Future of Sustainable Filters Alternatives

- **Environmental Responsibility:** Using renewable, biodegradable, and recyclable materials to minimize waste and carbon emissions.
- **Social Impact:** Offering filters alternatives to safer conventional cigarettes, contributing to public health improvements.
- **Governance & Compliance:** Adhering to global ESG frameworks such as CDP and Ecovadis, ensuring transparency and ethical operations.

Filtrona's ongoing investments in research, collaboration, and innovative technology position it as a leader in RRPs. By intertwining innovation, sustainability, and intellectual property protection, Filtrona supports regulatory goals, addresses consumer needs, and paves the way toward a truly smoke-free future.





SUPPLY CHAIN MANAGEMENT

Filtrona recognises supply chain management (SCM) as a critical driver of operational success, ensuring efficiency, cost-effectiveness, and reliability across its global operations. As a leader in the filtration and specialty products industry, Filtrona prioritises SCM to streamline production, maintain quality standards, and meet customer demands efficiently. Supplier assessments are performed on a regular basis to ensure compliance with quality, ethical, and sustainability standards. Effective SCM enables the company to reduce risks, optimise resource allocation, and enhance sustainability, ultimately reinforcing its competitive advantage and long-term growth.



Our Approach

Filtrona takes a structured approach to supply chain management, ensuring efficiency and compliance within the filtration and specialty products industry. This involves adhering to established frameworks, policies, regulations, and industry standards while clearly defining departmental responsibilities to optimise operations. The following outlines how Filtrona manages and strengthens its supply chain practices to support business resilience and sustainability.

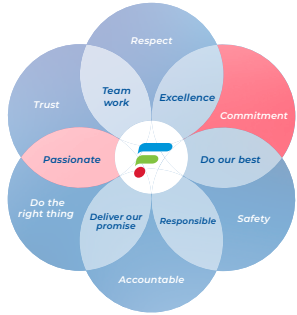
Please refer to the 'Our Material Impacts, Risks, and Opportunities' section for detailed insights to this assessment.



Framework and standards

Filtrona applies a structured framework for supply chain management (SCM) to ensure efficiency, compliance, and sustainability within the filtration and specialty products industry. This approach is guided by several key frameworks and standards:

- 1. Regulatory Compliance** – Filtrona adheres to local and international regulations governing supply chain operations, including product safety, environmental sustainability, fair labour practices, and trade compliance.
- 2. Industry Standards** – The company follows ISO 9001 for quality management, ISO45001 for Occupational Health and Safety Management and ISO 14001 for environmental management, ensuring that supply chain processes meet high-quality standards and align with sustainability goals.
- 3. Ethical Sourcing and Suppliers Code of Conduct** – Filtrona enforces a supplier code of conduct, promoting ethical sourcing, responsible procurement, and fair labour practices across its global supply chain.
- 4. Risk Management Framework** – The company integrates risk assessment and mitigation strategies to address potential supply chain disruptions, ensuring resilience and continuity in operations.
- 5. Sustainability and ESG Commitments** – Filtrona aligns its supply chain strategies with Environmental, Social, and Governance (ESG) frameworks, focusing on resource efficiency, carbon footprint reduction, and sustainable sourcing.



SUPPLY CHAIN MANAGEMENT



Departments Responsible for Supply Chain Management at Filtrona

Cross-functional collaboration ensures that Filtrona's supply chain remains efficient, compliant, and aligned with sustainability goals.

1. Supply Chain and Procurement Department – Oversees all aspects of Sustainable Procurement, logistics, inventory management, and Supplier Relationship Management. Ensures that materials are sourced cost-effectively, in time, complaint and meet quality standards.

2. Quality Assurance Department – Conducts supplier audits and quality checks to ensure all materials meet internal and external compliance standards, maintaining high-quality supply chain operations.

3. HSE (Health, Safety, and Environment) Department – Focuses on integrating sustainability within the supply chain, working closely with SCM to reduce environmental impact and enhance social responsibility.

4. Legal and Compliance Team – Ensures compliance with regulatory and industry standards, monitors changes in safety and environmental regulations, and supports the supply chain in navigating compliance requirements.

5. Operations and Production Team – Aligns production schedules with material availability, providing feedback on supplier performance and material quality to support effective procurement decisions.



Soon Kit Hooi –
ERP Programme Director
& Global Procurement
Director

Actions

Compared to 2023, where the focus was primarily on waste minimisation and supplier engagement, 2024 marked a shift toward structured supplier governance, with newly implemented policies emphasising procurement sustainability and compliance oversight.

In 2024, Filtrona strengthened supplier governance, expanded supply chain monitoring, improved sustainability performance, and optimised procurement efficiency. These initiatives enhanced operational resilience while reducing environmental impact.

Filtrona has established Scope 3 emission data collection protocols as part of its sustainability commitments. The company is working to extend product carbon footprint analysis and improve lifecycle tracking of emissions across its supply chain. We use digital dashboards for environmental and safety data tracking.



SUPPLY CHAIN MANAGEMENT

Filtrona has made significant progress in supply chain management in 2024, with key achievements including:

1.



Supplier Management & Procurement

- Strengthened Supplier Code of Conduct & Compliance – Filtrona enforces strict environmental and social compliance among suppliers.
- Local Sourcing Expansion – Increased local supplier engagement for logistics and raw materials to enhance sustainability.
- Regular Supplier Assessments – Supplier evaluations are conducted monthly, quarterly, yearly, depending on their spend and key criteria for improvement
- End-to-End Traceability – Filtrona ensures full product traceability, adhering to ISO 9001 standards.

2.



Digitalisation & Supply Chain Automation

- ERP System Implementation – Filtrona is developing a new ERP system to optimise procurement and inventory management.
- Environmental & Safety Digital Dashboards – Digital tools introduced to monitor compliance and operational risks.
- Filtrona's operations leverage a real-time production monitoring dashboard that collects and analyses data directly from each machine station. This system enhances operational efficiency, reduces resource waste, and supports data-driven decision-making, aligning with the company's commitment to sustainability and responsible manufacturing practices.

3.



Sustainability in Supply Chain

- Solar Energy Expansion – Solar panels installed in India, UAE, Thailand and Indonesia, with plans for further rollout.
- Single-Use Plastic Elimination – Filtrona launched internal campaigns to phase out single-use plastics in supply chain operations.
- Zero Waste to Landfill (ZWTL) Maintained – All manufacturing sites continue to operate with no landfill waste.
- Waste Repurposing – Compact waste processing machines and Biomass boilers installed to convert production waste into reusable energy.
- Water Reuse Initiatives – Implemented a wastewater recycling system in India to reduce water waste.
- Scope 3 emission data collection protocols - Filtrona is extending product carbon footprint analysis and improving lifecycle tracking of emissions across its supply chain.
- Started sustainable sourcing of wood and paper materials (from internationally certified sustainable wood sources.) to ensure zero deforestation.

4.



Risk Management & Supply Chain Resilience

- Enhanced Risk Assessment for Supplier Disruptions – Focused on supplier diversification and operational contingency planning.
- Energy Efficiency Upgrades – New auto-switching machinery helps reduce energy consumption across operations.





SUPPLY CHAIN MANAGEMENT



Targets

Filtrona has set ambitious targets to enhance supply chain governance, digital transformation, sustainability, and risk management. The company is focused on supplier compliance, operational efficiency, and environmental sustainability, ensuring long-term resilience and responsible sourcing. Key targets include:

These targets reflect Filtrona's commitment to building a resilient, efficient, and sustainable supply chain, ensuring long-term business success and environmental responsibility.



Supply Chain Governance & Compliance

- 100% Supplier Compliance – Ensure all suppliers adhere to the Supplier Code of Conduct, with a strong focus on ethical sourcing and sustainability.
- Regular Supplier performance review – Conduct performance review and audits on a quarterly, monthly, or yearly basis, depending on supplier importance.
- Increased Local Sourcing – Expand local procurement to reduce logistics costs and minimise environmental impact.



Sustainability & Resource Efficiency

- Expand Renewable Energy Use – Continue solar panel installations beyond current sites in India, Dubai, and Surabaya.
- Eliminate Single-Use Plastics – Remove non-recyclable plastics from operations sites and offices.
- 50% Carbon Reduction(scope 1 and 2) by 2030 – Accelerate efforts to cut carbon emissions, surpassing the initial 25% reduction goal for 2025.
- Water Reuse Expansion – Scale wastewater recycling programmes, particularly in facilities in water-stressed countries such as India and Thailand.
- Zero Deforestation - By 2030, we pledge to procure 100% of our key materials from internationally certified sustainable wood sources.



Digital Transformation & Operational Efficiency

- ERP System Implementation by 2025 –Launch a Pilot Enterprise Resource Planning (ERP) system to optimise inventory management, procurement efficiency, and supplier tracking.
- Manufacturing Monitoring System (MMS) Rollout – Deploy real-time supply chain monitoring tools to enhance visibility and operational efficiency.
- Enhanced Digital Dashboards – Strengthen supplier compliance tracking and environmental performance monitoring.



Supply Chain Resilience & Risk Management

- Increase Supplier Diversification – Reduce reliance on single-source suppliers for key raw materials.
- Optimise Energy Efficiency in Production – Implement auto-switching machinery to reduce energy consumption.
- Improve Disaster Recovery Planning – Strengthen business continuity strategies to mitigate supply chain disruptions.

APPENDIX

CULTIVATING ENVIRONMENTAL STEWARDSHIP

Impact factor	Risks	Opportunities	Mitigation strategies	Mapping to our Material Topics
Regulatory Compliance	- Disruption to supply chain. - Loss of market share. - Stricter regulations may lead to fines and sanctions. - Reputational damage. - Stricter energy and emissions regulations require continuous adaptation. - Stricter biodiversity regulations could increase compliance costs. - Growing water regulations require proactive water resource management to ensure compliance. - Increased legal scrutiny, fines, and mandatory restrictions on water use. - Non-compliance with water regulations could result in legal penalties and operational restrictions.	- Competitive advantage through early adaptation. - Proactive compliance can ensure smooth operations and avoid penalties. - Proactive compliance strengthens corporate reputation and reduces financial risks. - Early adoption of new standards and policies positions the company as a leader in sustainability.	- Invested in R&D to enhance product lines, focusing on sustainable materials that comply with EU regulations. - Robust compliance framework: continuous monitoring of regulatory changes: Monitor regulatory changes, implement ISO 50001, and ensure compliance through regular assessment. - Proactive engagement with policymakers to influence future legislation. - Culture of sustainability. - Establish compliance frameworks, integrate sustainability into corporate strategy, and conduct regular policy reviews. - Ensure full compliance with local and international water regulations.	- Environmental Management - Waste Management - Energy Management - Biodiversity - Water Management
Increased Costs	- Inefficient waste management increases disposal costs and lost revenue. - High energy consumption in manufacturing leads to increased costs and inefficiencies. - Fluctuating energy prices increase operational costs. - Limited water availability may drive up procurement and transportation costs, reducing profitability. - Failure to recover resources can lead to inefficiencies and higher costs.	- Process optimisation can reduce costs and improve efficiency. - Identifying high-energy-consuming processes allows targeted energy-saving measures. - Investing in energy efficiency and renewable energy reduces long-term dependency on fluctuating prices. - Rising water costs affecting profitability and long-term financial planning. - Recycling and reusing materials can improve efficiency and reduce costs.	- Implement best practices and invest in waste management technologies. - Conduct energy audits, optimise manufacturing processes, and invest in energy-efficient technology. - Secure long-term energy contracts, diversify energy sources, and invest in renewables. - Invest in water-saving technologies and optimise water use in operations. - Enhance recycling and material recovery programmes.	- Waste Management - Energy Management - Water Management
Reputation	- Failure to meet stakeholder expectations can damage corporate reputation. - Failure to meet sustainability expectations may lead to loss of customers and investor confidence. - Not meeting sustainability commitments can harm brand reputation.	- Sustainable practices can enhance brand reputation and customer loyalty. - Enhancing sustainability efforts can attract environmentally conscious investors and customers.	- Adopt and communicate sustainable waste management initiatives. - Engage stakeholders proactively, communicate sustainability progress, and align with industry best practices. - Regularly report on sustainability achievements and engage in transparent communication with stakeholders.	- Waste Management - Energy Management - Biodiversity

Positive impact
 Negative impact

APPENDIX

CULTIVATING ENVIRONMENTAL STEWARDSHIP

Impact factor	Risks	Opportunities	Mitigation strategies	Mapping to our Material Topics
	- Increased consumer and stakeholder demand for sustainability. - Failure to manage water effectively could damage the company's reputation and stakeholder trust. - Commitment to biodiversity strengthens brand reputation and corporate responsibility. - Stakeholders, including investors and customers, increasingly value corporate water stewardship. - Loss of investor confidence, customer trust, and stakeholder disengagement.	- Transparent sustainability efforts can build brand trust and customer loyalty. - Proactively addressing biodiversity concerns can enhance market positioning and consumer trust. - Stronger brand differentiation through sustainability commitments.	- Integrate biodiversity into corporate sustainability commitments and reporting. - Enhance transparency through water management reporting and stakeholder communication. - Embed biodiversity into CSR strategies to strengthen public and investor confidence. - Integrate water management into Filtrona's broader sustainability and CSR initiatives.	
Supply Chain Management	- Collaborating with suppliers on water management strengthens supply chain resilience. - Unreliable suppliers due to poor water management practices, affecting material availability. - Supply shortages impacting production and product quality. - Unsustainable sourcing could lead to reputational and regulatory risks. - Regulatory fines, supply chain disruptions, loss of certifications.	Developing a responsible sourcing strategy can mitigate risk and attract sustainability-conscious investors.	- Work with suppliers to improve water sustainability across the supply chain. - Engage suppliers to adopt responsible water management practices. - Assess supply chain vulnerabilities; engage in responsible procurement practices.	Water management Biodiversity
Operational Management	- Optimising water use lowers operational costs and improves resource efficiency. - Wasted resources leading to inefficiencies and higher operational expenses. - Unexpected downtime due to water shortages disrupting manufacturing and logistics. - Water scarcity could lead to facility shutdowns, production delays, and increased costs. - Facilities in water-stressed regions (e.g., Bangalore, Bangkok) face operational risks due to water scarcity. - Unstable operations in water-scarce regions, affecting business continuity.		- Implement real-time water usage monitoring and efficiency programme. - Develop water conservation programmes and alternative sourcing strategies. - Implement localised water management plans in water-stressed areas.	Water Management

APPENDIX

FOCUSING ON WHAT MATTERS

Impact factor	Risks	Opportunities	Mitigation strategies	Mapping to our Material Topics
Talent Management	- High turnover rates increase recruitment costs. - Limited skilled talent reduces competitiveness and innovation. - Frequent departures increase operational costs and disrupt workflow. - Employee retention reduces hiring costs and enhances stability. - Unprepared leadership succession can disrupt business continuity. - Lack of innovation leads to stagnation and competitive disadvantage. - Engaged employees drive innovation and competitiveness. - Low morale leads to disengagement, lower productivity, and higher absenteeism. - High engagement enhances productivity and job satisfaction. - Poor workforce management affects customers, investors, and company reputation. - Inclusive hiring practices attract top talent, improving workforce quality and competitiveness. - Decreased productivity due to poor working conditions. - Enhances workforce satisfaction and efficiency. - Increases employee engagement and retention by fostering a socially responsible culture. - Failure to address social contributions may result in high turnover rates and difficulties in hiring skilled professionals.	- Strong employer branding attracts skilled professionals. - Implement strong career growth opportunities. - Strategic hiring and upskilling create a skilled workforce. - Enhance employee experience to increase retention. - Develop internal leadership programmes. - Encourage creative problem-solving through innovation programmes. - Strengthen employee engagement through feedback mechanisms. - Improve workforce planning to align with stakeholder expectations. - Improve hiring strategies by partnering with organisations promoting diversity. - Boosting efficiency through better work conditions. - Attracting top talent by promoting a purpose-driven work environment.	- Competitive compensation and benefits programmes. - Enhance recruitment and talent pipeline strategies. - Create a supportive work environment with career growth paths. - Develop internal leadership programmes. - Regular training and upskilling initiatives. - Increase employee feedback channels and engagement programmes. - Align HR practices with investor and customer expectations. - Adopt inclusive recruitment policies and blind hiring practices. - Well-being programmes and better working conditions. - Implementing strong employee value propositions that align with social impact goals.	- Employee and Talent Management - Diversity, Equity & Inclusion - Human Rights - Contribution to Society
Workplace Health and Safety	- Workplace safety incidents result in legal and reputational risks. - Unsafe work conditions impact productivity and legal standing. - Cuts, lacerations, and crush injuries from machinery and equipment. - Serious injuries or fatalities due to lack of machine guarding. - Accidents caused by uncontrolled release of hazardous energy. - Failure to promote safety culture can lead to increased workplace incidents.	- Establish a safety-first culture and continuous training. - Implementing hand safety programmes to reduce injuries. - Enhancing safety mechanisms on machinery to improve compliance. - Improving lockout/tagout procedures to prevent accidents. - Encouraging employee engagement in safety programmes to foster a proactive safety culture.	- Regular safety audits, compliance checks, and employee training. - Quarterly safety campaigns focusing on hand protection. - Regular inspections and machine guarding enhancements. - Strict lockout/tagout (LOTO) procedures and safety training. - Regular safety walks, behaviour-based safety observations, and continuous training.	- Workplace, Health and Safety - Employee and Talent Management

 Positive impact
  Negative impact

APPENDIX

FOCUSING ON WHAT MATTERS

Impact factor	Risks	Opportunities	Mitigation strategies	Mapping to our Material Topics
Corporate Reputation	- Negative employee experiences can damage employer brand. - Positive employer reputation attracts top talent. - Commitment to DEI enhances credibility and strengthens brand loyalty. - Loss of investor and consumer confidence due to poor DEI performance. - Strong DEI commitment improves employer brand and strengthens customer trust. - Negative public perception and weakened stakeholder trust. - Negative publicity from human rights violations. - Loss of customer trust due to unethical practices. - Strengthens brand reputation and consumer trust through ethical business practices. - Lack of social responsibility can lead to consumer distrust and decreased brand loyalty.	- Leverage positive employee experiences in employer branding. - Strengthen brand reputation by transparently reporting DEI progress. - Actively communicate DEI commitments to reinforce corporate responsibility. - Attracting socially responsible investors - Increased consumer loyalty and competitive advantage in socially conscious markets. - Increased consumer loyalty and competitive advantage in socially conscious markets.	- Monitor and address employee concerns through surveys. - Regularly communicate DEI commitments and track progress publicly. - Engage with stakeholders to showcase commitment to DEI. - Transparent CSR reporting and stakeholder engagement. - Active participation in CSR initiatives, community programmes, and transparent sustainability reporting. - Active participation in CSR initiatives, community programmes, and transparent sustainability reporting.	- Contribution to Society - Employee and Talent Management - Diversity, Equity and Inclusion - Human Rights
Diversity and Inclusion	- Lack of diversity results in weaker decision-making and limited perspectives. - Diverse teams improve decision-making and problem-solving. - Diverse teams drive innovation, challenge conventional thinking, and enhance creativity. - Lack of diversity in leadership roles. - Limited career growth opportunities for women. - A diverse workforce provides insights into different markets, increasing customer reach.	- Enhance inclusion through mentorship and targeted recruitment. - Encourage diverse thinking through inclusive innovation programmes. - Increasing diversity in leadership roles. - Expand global reach by aligning workforce diversity with customer demographics.	- Implement structured D&I initiatives and employee resource groups. - Invest in diverse talent development programmes and innovation initiatives. - Diversity programmes, mentorship, and inclusive hiring. - Develop culturally aware marketing and customer service strategies.	- Employee and Talent Management - Diversity, Equity and Inclusion
Ethical Labour Practices	- Fosters trust and loyalty. - Employee dissatisfaction from excessive workload. - Supply chain risks from forced or child labour. - Reputational damage from unethical suppliers.	- Enhancing corporate social responsibility. - Implementing flexible work arrangements. - Ensures ethical sourcing and sustainability.	- Regular human rights training and ethical policies. - Monitoring working hours and enforcing breaks. - Supplier audits and corrective action plans.	Human Rights

● Positive impact
 ● Negative impact

APPENDIX

FOCUSING ON WHAT MATTERS

Impact factor	Risks	Opportunities	Mitigation strategies	Mapping to our Material Topics
Legal and Compliance	● Proactively addressing DEI reduces legal risks and ensures compliance with workplace regulations. ● Non-compliance with DEI regulations exposes the company to financial and legal risks. ● Compliance with diversity regulations mitigates legal risks and prevents discrimination lawsuits. ● Legal fines and sanctions due to non-compliance. ● Reduces legal risks and enhances compliance.	• Implement diversity training and inclusive workplace policies to ensure compliance. • Establish clear policies to ensure compliance and mitigate legal risks. • Proactive risk mitigation.	• Conduct regular audits and provide training on workplace equity. • Ensure adherence to local and international diversity regulations. • Regular audits and compliance monitoring. • Legal team oversight and compliance assessments.	Diversity, Equity and Inclusion Human Rights

APPENDIX

COMMITTED TO STRONG GOVERNANCE

Theme	Impact to Filtrona's operation	Potential Impact or Risk	Opportunity	Our Mitigation Strategy	Mapping to our Material Topics
Building Trust with Stakeholders	Building trust with stakeholders enhances credibility, transparency, and accountability, fostering stronger relationships, investor confidence, and long-term support for the organisation's goals and governance practices.	● Loss of stakeholder confidence. ● Damage of public perception. ● Weak supplier relationships impacting supply chain stability. ● Failure to meet ESG investor standards. ● Brand Image Deterioration. ● Loss of social license to operate. ● Loss of employee, investor, and supplier confidence.	• Stronger Stakeholder Relationships. • Positive media coverage and credibility. • Build long-term, resilient partnerships with key stakeholders. • Access to responsible investors. • Rebuilding Brand Credibility. • Community Engagement programmes. • Engage stakeholders to rebuild trust.	• Transparent communication & ethical policies. • Strengthen supplier contract management and vetting. • Align ESG data disclosures with GRI, SASB, CSRD, CDP and Ecovadis Standards. • Publish a comprehensive ESG report to communicate sustainability efforts and performance. • Corporate social responsibility initiatives. • Enhance transparency and stakeholder communication. • Meeting sustainability and ESG benchmarks.	- Ethics and Integrity - Supply Chain Management - Product innovation & Intellectual Property
Regulatory Compliance	Regulatory compliance and risk management ensure adherence to laws, mitigating legal risks, avoiding penalties, enhancing stakeholder trust, and strengthening long-term business resilience and governance.	● Non-compliance penalties. ● Failure to meet sustainability standards leading to penalties. ● Not meeting sustainability regulations. ● Legal action and fines. ● Non-compliance with environmental and IP laws. ● Failure to comply with safety and environmental regulations.	• Smooth operations, fewer legal risks. • Enhance ESG compliance and adopt sustainable sourcing. • Enhance reputation with eco-friendly products. • Enhancing governance practices. • Develop compliance-focused innovation strategies. • Establish proactive compliance monitoring frameworks.	• Regular compliance audits & legal monitoring. • Implement strict sustainability and compliance measures. • Ensure sustainability compliance and innovation. • Strengthening regulatory frameworks. • Implement strict compliance audits. • Ensure compliance audits and regular legal assessments.	- Ethics and Integrity - Supply chain management - Product innovation & Intellectual Property
Business Performance & Growth	Improved business performance and sustainable growth enhance profitability, operational efficiency, and long-term resilience, driven by strong governance, innovation, and responsible stakeholder engagement.	● Lower productivity if ethics are not followed. ● Short term focus prioritised over long term integrity. ● Slow innovation and leading to revenue decline. ● Higher operational expenses due to inefficiencies. ● Inability to adapt to long-term market changes. ● Legal fines and settlements. ● Declining market share and sales. ● Excessive inventory, rushed orders and high logistics costs.	• Higher innovation, talent attraction. • Resilience and long-term market success. • Expand revenue through innovative solutions. • Streamline operations to lower costs and enhance profitability. • Strengthening compliance frameworks. • Secure long term market leadership. • Enhance financial stability with new offerings. • Implement lean processes to control and reduce expenses.	• Embedding ethics in business strategy • Long-term ethical goal setting • Regularly invest in product development • Adopt lean manufacturing and inventory optimisation • Legal reviews and proactive compliance • Diversify product offerings to minimise risks • Set long term innovation goals and benchmarks • Improve supply chain visibility and cost-tracking tools	- Ethics and Integrity - Product innovation & Intellectual Property - Supply chain management

● Positive impact ● Negative impact

APPENDIX

COMMITTED TO STRONG GOVERNANCE

Theme	Impact to Filtrona's operation	Potential Impact or Risk	Opportunity	Our Mitigation Strategy	Mapping to our Material Topics
Relationship with Suppliers	Strengthening supplier relationships ensures ethical sourcing, operational resilience, and supply chain transparency, reducing risks, enhancing trust, and supporting long-term business sustainability.	● Risk of unethical suppliers. ● Unethical sourcing practices. ● Missed revenue from potential partnerships. ● Political instability, natural disasters, or supplier failures.	• More reliable and ethical supplier networks. • Ethical sourcing initiatives. • Create new revenue streams through licensing and partnerships. • Develop contingency plans for unforeseen disruptions.	• Supplier code of conduct & audits. • Ethical procurement policies. • Create licensing and partnership agreements. • Diversify suppliers and implement risk assessment tools.	- Ethics and Integrity - Product Innovation and Intellectual Property
Business Ethics	Upholding ethical standards fosters trust, enhances corporate reputation, ensures regulatory compliance, and mitigates risks, contributing to long-term business sustainability and stakeholder confidence.	● Bribery cases, fraud exposure.	• Stronger anti-corruption safeguards.	• Anti-corruption training and whistleblower programmes.	Ethics and Integrity
Employee Well-being	Prioritising employee well-being enhances productivity, retention, and morale, fostering a positive workplace culture, reducing turnover, and supporting long-term business success.	● High turnover, disengagement. ● Lack of safety protocols leading to workplace injuries.	• Better workforce satisfaction and retention. • Improve workplace safety standards and training programmes.	• Employee ethics training and well-being programmes. • Provide comprehensive worker training and protective measures.	Ethics and Integrity
Product Innovation	Driving innovation enhances product quality, meets evolving consumer demands, strengthens market position, and fosters long-term business growth and differentiation.	● Losing differentiation and customer preference. ● Competitors copying innovations. ● Weak brand perception due to lack of innovation. ● Competitors introducing superior products. ● Unauthorised use of Filtrona's IP. ● Lack of R&D leading to obsolescence. ● Defective materials affecting product reliability. ● Inability to keep up with market trends and demands.	• Develop unique, high-performance products. • Strengthen legal protections and IP rights. • Attract more customers and investors. • Invest in R&D to stay ahead of competitors. • Implement stronger patent protections. • Foster a culture of continuous innovation. • Strengthen supplier partnerships to ensure high. • Leverage suppliers for co-development of new products.	• Develop high-value, differentiated products. • Strengthen patent filings and IP security. • Enhance brand positioning through innovation. • Prioritise R&D investment and market analysis. • Strengthen legal frameworks and monitoring. • Encourage continuous employee-led innovation. • Conduct strict supplier evaluations and quality audits. • Collaborate with suppliers to foster innovation agility.	Product Innovation and Intellectual Property

● Positive impact ● Negative impact

APPENDIX

COMMITTED TO STRONG GOVERNANCE

Theme	Impact to Filtrona's operation	Potential Impact or Risk	Opportunity	Our Mitigation Strategy	Mapping to our Material Topics
Market and Economy	Economic shifts and market trends impact business stability, growth opportunities, and financial performance, requiring strategic adaptability and resilient governance to mitigate risks.	● Rapid shifts in technology and customer demand. ● Limited ability to scale operations in new markets.	• Leverage market research to anticipate changes. • Expand supply chain networks to new regions and industries.	• Monitor market trends and customer needs. • Develop logistics infrastructure to support market entry.	Product Innovation and Intellectual Property
Product & Service Quality	Maintaining high-quality standards enhances customer satisfaction, brand reputation, and compliance, reducing risks, strengthening market position, and driving long-term business success.	● Delays or stock shortages reducing customer trust. ● Material defects leading to recalls and reputational damage. ● Late deliveries, inconsistent quality, and lost sales.	• Optimise logistics for timely deliveries and customer retention. • Conduct rigorous supplier audits to prevent quality issues. • Enhance logistics tracking to meet customer expectations.	• Enhance distribution networks and demand forecasting. • Enforce supplier quality standards and continuous monitoring. • Optimise supply chain planning and delivery schedules.	Product Innovation and Intellectual Property

APPENDIX

PERFORMANCE DATA TABLE

Disclosure	Unit of measurement	FY2022	FY2023	FY2024	Page
Energy & Climate					
Total use of renewable energy	percentage	5	33	35	44
On-Site Renewable Energy Generated	Total Energy Use (KWh)	0	562,381.00	1,923,222.60	
Purchased Electricity (RECs) - renewable (hydro, geothermal, wind, solar)	Total Energy Use (KWh)	2,838,985.4	17,906,936.00	15,281,667.00	
GHG emission					
Scope 1 and 2 emissions reduction (from base year 2022)	percentage	0	44	50	11.44
Scope 1 and 2 emissions	Metric Tons CO ₂ Equivalents	24,309.45	13,565.40	11,940.27	
Scope 1 emission	Metric Tons CO ₂ Equivalents	3,168.68	2,666.19	2,276.04	
Industrial Gases Process/Fugitive Emissions (Scope 1)	Metric Tons CO ₂ Equivalents	133.79	404.46	255.61	
Fuel Consumption - Mobile Combustion (Scope 1)	Metric Tons CO ₂ Equivalents	228.09	129.41	122.21	
Fuel Consumption - Stationary Combustion (Scope 1)	Metric Tons CO ₂ Equivalents	2,806.8	2,132.32	1,898.22	
Scope 2 emissions (Purchased Electricity (Non renewable))	Metric Tons CO ₂ Equivalents	21,140.77	10,899.21	9,664.23	
Scope 3 (Total)	Metric Tons CO ₂ Equivalents	226,017.59	348,377.48	333,088.47	
Upstream Emissions (1-8)	Metric Tons CO ₂ Equivalents	196,214.40	314,080.24	302,260.71	
1. Purchased Goods and Services	Metric Tons CO ₂ Equivalents	0	302,502	289,933.79	
2. Capital goods	Metric Tons CO ₂ Equivalents	na	76.98	305.01	
3. Fuel- and Energy-Related Activities (Not in Scope 1 or 2)	Metric Tons CO ₂ Equivalents	5,272.80	4,125.26	3,545.65	
4. Upstream Transportation and Distribution	Metric Tons CO ₂ Equivalents	NA	4,902.62	4,421.29	
5. Waste Generated in Operations	Metric Tons CO ₂ Equivalents	591.4	1,017.09	1,659.35	
6. Business Travel	Metric Tons CO ₂ Equivalents	NA	380.15	621.08	
7. Employee Commuting	Metric Tons CO ₂ Equivalents	NA	1,006.9	1,375.11	

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PERFORMANCE DATA TABLE

Disclosure	Unit of measurement	FY2022	FY2023	FY2024	Page
8. Upstream Leased Assets	Metric Tons CO ₂ Equivalents	NA	68.73	399.43	
Down Stream Emissions (9-15)	Metric Tons CO ₂ Equivalents	NA	34,297.24	30,827.75	
9. Downstream Transportation and Distribution	Metric Tons CO ₂ Equivalents	NA	4,079.75	3,931.14	
10. Processing of Sold Products (not applicable)	Metric Tons CO ₂ Equivalents	NA	NA	NA	
11. Use of Sold Products (Not applicable for Filtrona)	Metric Tons CO ₂ Equivalents	NA	NA	NA	
12. End-of-Life Treatment of Sold Products	Metric Tons CO ₂ Equivalents	22,509.31	30,217.49	26,896.61	
13. Downstream Leased Assets (not applicable)	Metric Tons CO ₂ Equivalents	NA	NA	NA	
14. Franchises (Not applicable for Filtrona)	Metric Tons CO ₂ Equivalents	NA	NA	NA	
15. Investments (Not applicable for Filtrona)	Metric Tons CO ₂ Equivalents	NA	NA	NA	
Water Consumption					
Wastewater treated in compliance with environmental standards	percentage	100	100	100	50
Wastewater discharge	Cubic metres	26,833.88	67,129.63	71,403.73	51
Waste wate recycle/reused	Cubic metres	2,712	2,712	2,712	
Total volume of water used	Cubic metres	75,150.13	84,074.59	88,767.39	
Environment Management					
Environmental violations	Number	0	0	0	36
Sustainable products launched annually	Number	NA	6	9	86
New sustainable products TLA	percentage	NA	24	24	6, 36, 86
Water consumption					
Wastewater treated in compliance with environmental standards	percentage	100	100	100	50
Wastewater discharge	Cubic metres	26,833.88	67,129.63	71,403.73	51

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PERFORMANCE DATA TABLE

Disclosure	Unit of measurement	FY2022	FY2023	FY2024	Page
Waste water recycle/reused	Cubic metres	2,712	2,712	2,712	
Total volume of water used	Cubic metres	75,150.13	84,074.59	88,767.39	
Waste and effluent					
Waste to Landfill %	percentage	5	0	0	3, 6, 38, 40
Total waste	Metric Tons	4,373.35	4,697.12	3,911.83	
Total recyclable wastes	Metric Tons	2,327.82	2,638.30	2,431.11	
Total Solid Waste	Metric Tons	2,010.87	1,843.51	1,431.34	
Total Liquid waste	Metric Tons	219.87	338.06	1,150.8	
Waste intensity	Total waste generated per production unit	56	45	43.58	40
Recycling rate (%)	percentage	53	56	62	40
Biodiversity					
Purchased certified wood derived materials (FSC, SFI, PBN, PEFC)	percentage	NA	NA	69	36
Mangrove tree plantations	Number	NA	NA	"400 trees planted in Thailand 2,024 trees planted in Indonesia"	77
Suppliers communicated for the Biodiversity and No Deforestation commitment	percentage	NA	NA	100	48
Supply Chain Management					
Supplier Performance review and assessment	frequency	NA	NA	quarterly, monthly, half-yearly, or yearly depending on supplier category	93
% Suppliers communicated Suppliers Code of Conducts	percentage	NA	NA	100	36

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PERFORMANCE DATA TABLE

Disclosure	Unit of measurement	FY2023	FY2024	Page
Workforce diversity				
Number of female employees in the workplace	Number	473	424	62
Number of male employees in the workplace	Number	1,346	1,219	62
Total number of employees				
Female representation in workforce (% women employee)	percentage	26	26	62
Women representation in management roles (grade 4 and above)	percentage	26	28	62
Males in grade 4 and above	Number	125	117	
Females in grade 4 and above	Number	45	45	
Gender pay gaps	percentage	7.4	-14	
Staff training				
Average hours of training per employee	Number	36	39	58
Average hours of HSE training and engagement	per person/ person/year	26	32	65
Employee benefit and remuneration				
Pay above living wages average	percentage	99	99	62
Employee engagement				
Employee Satisfaction scores (from survey)	score	NA	3.82	55
Community engagement				
Net profit allocated to community initiatives	percentage	1	1	76
Residents positively impacted through education, infrastructure, healthcare, and vocational training	Number	NA	2000+	76

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PERFORMANCE DATA TABLE

Disclosure	Unit of measurement	FY2023	FY2024	Page
Students benefited from school infrastructure projects	Number	NA	500+	76
Unemployed youth received vocational training	Number	NA	300+	76
Bicycles donated under the Girls-on-Wheels Program	Number	NA	125	76
Families supported through medical screening programmes	Number	NA	1000+	76
Operational sites engaged in local community initiatives	percentage	100	100	76
CSR community engagement activities	instances	India Rotary Partnership program for education and community health. Indonesia -Donation for Gaza conflict and Elders Employee Scholarship program for employees' children across multiple sites (Indonesia, Thailand, India)	India Rotary Partnership for education, health and wellness for community Greensboro Backpack Beginnings Thailand/ Paraguay Tree Planting Thailand HIV patient centre donations Singapore Elderly Visits Surabaya - UN Habitat Community Centre Construction	7, 20, 76
HSE Performance				
Filtrona locations ISO45001 and ISO14001 certified	percentage	100	100	9, 36, 65, 66
Total recordable cases	Number	4	1	
Lost time incidents	Number	2	0	7, 66
Lost time days	Number	7	0	
LTI Rate	per 200,000 hours worked	0,1	0	
Fatalities and high-consequence injuries	Number	0	0	66
First Aid Cases	Number	7	6	66
Near misses	Number	3	3	
Hours worked	Number	4 003 677	4 553 215	66

APPENDIX

PERFORMANCE DATA TABLE

Disclosure	Unit of measurement	FY2023	FY2024	Page
Corporate Governance				
Governance body members trained in anti-corruption policies and procedures	percentage	100	100	82
ESG performance monitoring	frequency	monthly	monthly	18
Risk management and regulatory compliance				
Risk assessment reviews completed across all sites	percentage	100	100	36
Notice of violation related to labour and human rights law	percentage	0	0	71
Procurement and compliance teams trained on human rights policies	percentage	100	100	72
Employees & supply chain workers have access to confidential, non-retaliatory grievance mechanisms	percentage	100	100	72
High-risk suppliers comply with Filtrona's human rights standards	percentage	100	100	72
Employees completed Annual Regulatory Compliance Quiz	percentage	NA	100	82
Employees completed Agency Compliance & Facilitation Payment Policies	percentage	NA	91	82
Number of substantiated complaints concerning human rights violations	Number	0	0	71
Anti-Corruption				
Employees' access to confidential, non-retaliatory grievance mechanisms	percentage	100	100	72
"Employees trained for ethics and integrity compliance (i.e. CoE, Whistleblowing, ABC, AML, COI, Data Protection/Retention & ACL) "	percentage	97	92	
Employees trained for law & regulatory compliance (i.e. Sanctions & Export Control etc.)	percentage	97	100	
Employees completed Navex Code of Conduct video training and Micro Learning Courses	percentage	NA	90	82
Employees completed Anti-Trust & Competition Law Policy	percentage	97	94	82

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PERFORMANCE DATA TABLE

Disclosure	Unit of measurement	FY2023	FY2024	Page
Employees received training in ethics and integrity compliance	percentage	92	91	82
Number of substantiated complaints concerning human rights violations	Number	0	0	71
"New agents receiving communication on the Anti-Corruption and Bribery Policy and Ethics Code Policy"	Number	NA	3	83
New customers receiving Ethics Code Policy and Anti-Corruption Procedures	Number	52	136	83
New suppliers were informed about the Suppliers Code of Conduct	Number	56	63	83
New third parties vetted	Number	NA	199	83
IT Data security and privacy				
Employees completing training on IT data security	percentage	NA	76	82

APPENDIX

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT CONTENT

Global Compact Principle	Page Reference
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	69
Principle 2: Make sure that they are not complicit in human rights abuses	69
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	55
Principle 4: The elimination of all forms of forced and compulsory labour	69, 71
Principle 5: The effective abolition of child labour	69, 71
Principle 6: The elimination of discrimination in respect of employment and occupation	61, 69, 71
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges	18
Principle 8: Undertake initiatives to promote greater environmental responsibility	19
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	10, 28, 44, 45, 51
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	80-83

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GRI-ESRS INTEROPERABILITY INDEX

Statement of use Filtrona Group has reported with reference to the GRI Standards for the period of 1 January 2024 to 31 December 2024.

GRI 1 used GRI 1: Foundation 2021

ESRS used ESRS 1, ESRS 2 - General Disclosures and the nine topical standards which are material to Filtrona Group and which have guided the preparation of our sustainability report.

Applicable GRI Sector Standard(s) Not applicable

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	PAGE REFERENCE
GRI 2: General Disclosures 2021	2-1 Organisational details	See requirements of Directive 2013/34/EU	3, 10-11
	2-2 Entities included in the organization's sustainability reporting	ESRS 1 5.1; ESRS 2 BP-1 §5 (a) and (b) i	4
	2-3 Reporting period, frequency and contact point (2-3-a and 2-3-b)	ESRS 1 §73	4
	2-5 External assurance	See external assurance requirements of Directive (EU) 2022/2464	Pending to be added
	2-6 Activities, value chain and other business relationships	ESRS 2 SBM-1 §40 (a) i to (a) ii, (b) to (c), §42 (c)	3, 10-11
	2-7 Employees	ESRS 2 SBM-1 §40 (a) iii; ESRS S1 S1-6 §50 (a) to (b) and (d) to (e), §51 to §52	104
	2-9 Governance structure and composition (2-9-a [for public-interest entities only], 2-9-b, 2-9-c-i, c-ii, c-v to c-viii)	ESRS 2 GOV-1 §21, §22 (a), §23; ESRS G1 §5 (b) See also corporate governance statement requirements of Directive 2013/34/EU for public-interest entities	17-18
	2-10 Nomination and selection of the highest governance body	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.	17-18
	2-12 Role of the highest governance body in overseeing the management of impacts	ESRS 2 GOV-1 §22 (c); GOV-2 §26 (a) to (b); SBM-2 §45 (d); ESRS G1 §5 (a)	18
	2-13 Delegation of responsibility for managing impacts	ESRS 2 GOV-1 §22 (c) i and ii; GOV-2 §26 (a); ESRS G1 G1-3 §18 (c)	18
	2-14 Role of the highest governance body in sustainability reporting	ESRS 2 GOV-1 §AR 3 (a) ii and iv; IRO-1 §53 (d)	18

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GRI-ESRS INTEROPERABILITY INDEX

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	PAGE REFERENCE
	2-15 Conflicts of interest	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.	81-83
	2-16 Communication of critical concerns	ESRS 2 GOV-2 §26 (a); ESRS G1 G1-1 AR 1 (a); G1-3 §18 (c)	82
	2-18 Evaluation of the performance of the highest governance body	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.	19
	2-19 Remuneration policies (2-19-a [for listed undertakings only] and 2-19-b)	ESRS 2 GOV-3 §29 (a) to (c); ESRS E1 §13 See also remuneration report requirements of Directive (EU) 2017/828 for listed undertakings	19
	2-22 Statement on sustainable development strategy	ESRS 2 SBM-1 §40 (g)	15-16
	2-23 Policy commitments (2-23-a-i and a-iv; 2-23-b, 2-23-d, 2-23-e, 2-23-f)	ESRS 2 GOV-4; MDR-P §65 (b) to (c) and (f); ESRS S1 S1-1 §19 to §21, §24 (c) and §AR 14; ESRS S2 S2-1 §16 to §17, §19, and §AR 16; ESRS S3 S3-1 §14, §16 to §17 and §AR 11; ESRS S4 S4-1 §15 to §17, and §AR 13; ESRS G1 G1-1 §7 and §AR 1 (b)	8-9, 35, 44, 48, 56-57, 62, 66, 70, 75, 82, 86, 90
	2-24 Embedding policy commitments	ESRS 2 GOV-2 §26 (b); MDR-P §65 (c); ESRS S1 S1-4 §AR 35; ESRS S2 S2-4 §AR 30; ESRS S3 S3-4 §AR 27; ESRS S4 S4-4 §AR 27; ESRS G1 G1-1 §9 and §10 (g)	8-9, 35, 44, 48, 56-57, 62, 66, 70, 75, 82, 86, 90
	2-25 Processes to remediate negative impacts	ESRS S1 S1-1 §20 (c), §AR 17 (g); S1-3 §32 (a), (b) and (e), §AR 31; ESRS S2 S2-1 §17 (c); S2-3 §27 (a), (b) and (e), §AR 26; S2-4 §33 (c); ESRS S3 S3-1 §16 (c); S3-3 §27 (a), (b) and (e), §AR 23; S3-4 §33 (c); ESRS S4 S4-1 §16 (c); S4-3 §25 (a), (b) and (e), §AR 23; S4-4 §32 (c)	92-99
	2-26 Mechanisms for seeking advice and raising concerns	ESRS S1 S1-3 §AR 32 (d); ESRS S2 S2-3 §AR 27 (d); ESRS S3 S3-3 §AR 24 (d); ESRS S4 S4-3 §AR 24 (d); ESRS G1 G1-1 §10 (a); G1-3 §18 (a)	Pending to be added
	2-27 Compliance with laws and regulations	ESRS 2 SMB-3 §48 (d); ESRS E2 E2-4 §AR 25 (b); ESRS S1 S1-17 §103 (c) to (d) and §104 (b); ESRS G1 G1-4 §24 (a)	8, 9, 70
	2-28 Membership associations	'Political engagement' is a sustainability matter for G1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	4
	2-29 Approach to stakeholder engagement	ESRS 2 SMB-2 §45 (a) i to (a) iv; ESRS S1 S1-1 §20 (b); S1-2 §27 (e) and §28; ESRS S2 S2-1 §17 (b); S2-2 §22 (e) and §23; ESRS S3 S3-1 §16 (b); S3-2 §21 (d) and §22; ESRS S4 S4-1 §16 (b); S4-2 §20 (d) and §21	20-21
	2-30 Collective bargaining agreements	ESRS S1 S1-8 §60 (a) and §61	56

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GRI-ESRS INTEROPERABILITY INDEX

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	PAGE REFERENCE
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESRS 2 BP-1 §AR 1 (a); IRO-1 §53 (b) ii to (b) iv	22-32
	3-2 List of material topics	ESRS 2 SBM-3 §48 (a) and (g); BP-2 §17 (a)	26-28
	3-3 Management of material topics	ESRS 2 SBM-1 §40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P §62, §65 (a); MDR-A §62, §68 (a) and (d); MDR-M §72, §75; MDR-T §72, §80 (b) and (j), §81 (a) to (b); BP-2 §17 (b) to (e); ESRS S1 S1-2 §27; S1-4 §39 and AR 40 (a); S1-5 §47 (b) to (c); ESRS S2 S2-2 §22; S2-4 §33, §AR 33 and §AR 36 (a); S2-5 §42 (b) to (c); ESRS S3 S3-2 §21; S3-4 §33, §AR 31, §AR 34 (a); S3-5 §42 (b) to (c); ESRS S4 S4-2 §20, S4-4 §31, §AR 30, and §AR 33 (a); S4-5 §41 (b) to (c)	15-16
Material Topic: Biodiversity			
GRI 101: Biodiversity 2014 (GRI 101: Biodiversity 2024 will supersede GRI 304: Biodiversity 2016 on 1 January 2026)	3-3 Management of material topics	ESRS E4 E4-1 §AR 1 (b) and (d); E4-2 §22, §23 (a) and (b), E4-3 §27, §28 (a), §AR 19, §AR 20 (a); E4-4 §31	48
	101-1 Policies to halt and reverse biodiversity loss	ESRS 2 SBM-1 §40 (e); MDR-P §65 (b); ESRS E4 E4-1 §15, §AR 1 (a) and (i); E4-2 §22, §23 (a), (b), (d) and (e), §24 (a); E4-4 §31, §32 (b)	48-49
	101-2 Management of biodiversity impacts (101-2-a; 101-2-c-i, ii and iii; 101-2-f)	ESRS E2 E2-2 §19; ESRS E3 E3-2 §17, §18; ESRS E4 IRO-1 §17 (e) (iii), §19 (b); E4-1 §AR 1 (b), (d) and (g); E4-2 §23 (f), §AR 16; E4-3 §27, §28 (a), (b), (b) (i) and (iii) and (c), §AR 19, §AR 20 (a) and (f); ESRS S3 S3-4 §32, §35, §AR 29, §AR 31	49
Material Topic: Supply Chain Management			
GRI 204: Procurement Practices 2016	3-3 Management of material topics	ESRS E5 §AR 7 (a); E5-1 §14; E5-2 §19; E5-3 §23	34, 38
	301-1 Materials used by weight or volume	ESRS E5 E5-4 §31 (a) and (b)	
	301-2 Recycled input materials used	ESRS E5 E5-4 §31 (c)	37, 103
	306-1 Waste generation and significant waste-related impacts	ESRS 2 SBM-3 §48 (a), (c) ii and iv; ESRS E5 §AR 7 (f); E5-4 §30	94-95
	306-2 Management of significant waste-related impacts (306-2-a and c)	ESRS E5 E5-2 §19 and §20 (e) and (f); E5-5 §40 and §AR 33 (c)	38-42, 94-95
	306-3 Waste generated	ESRS E5 E5-5 §37 (a), §38 to §40	103
	306-4 Waste diverted from disposal (306-4-a, b, c, e)	ESRS E5 E5-5 §37 (b), §38 and §40	103
	306-5 Waste directed to disposal (306-5-a, b, c, e)	ESRS E5 E5-5 §37 (c), §38 and §40	103

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GRI-ESRS INTEROPERABILITY INDEX

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	PAGE REFERENCE
Material Topic: Energy and Climate Change			
GRI 302: Energy 2016 (GRI 101: Biodiversity 2024 will supersede GRI 304: Biodiversity 2016 on 1 January 2026)	3-3 Management of material topics	ESRS E1 E1-2 §24 and §25 (c) to (d); E1-3 §28; E1-4 §32, §33 and §34 (b); E1-7 §56 §58 (a); §59 (a); §61 (a) and (c); §AR 61; §AR 62 (b); ESRS E2 §AR 9 (b); E2-1 §14; E2-2 §18 and §19; E2-3 §22	43
	302-1 Energy consumption within the organisation (302-1-a, b, c, e and g)"	ESRS E1 E1-5 §37; §38	102
	302-4 Reduction of energy consumption	'Energy' is a sustainability matter for E1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/ or as an Entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	45-47
	302-5 Reductions in energy requirements of products and services	'Energy' is a sustainability matter for E1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/ or as an Entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	45-47
	305-1 Direct (Scope 1) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (a); §46; §48 (a); §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; AR §43 (c) to (d)	102
	305-2 Energy indirect (Scope 2) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (b); §46; §49; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; §AR 45 (a), (c), (d), and (f)	102
	305-3 Other indirect (Scope 3) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (c); §51; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 46 (a) (i) to (k)	102
	305-5 Reduction of GHG emissions (305-5-a, c, d and 2.9.5)	ESRS E1 E1-3 §29 (b); E1-4 §34 (a) to (c); §AR 25 (b) and (c); E1-7 §56 (b)	102
Material Topic: Water Management			
GRI 303: Water and Effluents 2018	3-3 Management of material topics	ESRS E2 §AR 9 (b); E2-1 §14; E2-2 §18 and §19; E2-3 §22; ESRS E3 E3-1 §11; E3-2 §17; E3-3 §22	50
	303-1 Interactions with water as a shared resource	ESRS 2 SBM-3 §48 (c) i and (c) iv; MDR-T §80 (f); ESRS E3 §8 (a) and (b); §AR 15 (a); E3-2 §17, §AR 20; E3-3 §24 and §25	50-52
	303-2 Management of water discharge-related impacts (303-2-iv)	ESRS E2 E2-3 §24 (a)	50-52
	303-4 Water discharge (303-4-a)	ESRS E3 E3-4 §AR 32	102
	303-5 Water consumption	ESRS E3 E3-4 §28 (a), (b), (d) and (e)	102

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GRI-ESRS INTEROPERABILITY INDEX

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	PAGE REFERENCE
Material Topic: Diversity, Equality and Inclusion			
GRI 401: Employment 2016	3-3 Management of material topics	ESRS S1 S1-1 §19; §20 (c); S1-2 §27; S1-4 §37 to §39; §AR 33; §AR 40 (a); S1-5 §46; §47 (b) and (c); S1-17 §104 (a); ESRS S2 §11 (c); S2-1 §16; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §41, §42 (b) and (c)	54
Material Topic: Workplace Health and Safety			
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	ESRS S1 S1-1 §19; §20 (c); S1-2 §27; S1-4 §37 to §39; §AR 33; §AR 40 (a); S1-5 §46; §47 (b) and (c); S1-17 §104 (a); ESRS S2 §11 (c); S2-1 §16; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §41, §42 (b) and (c)	65
	403-1 Occupational health and safety management system (403-1-a)	ESRS S1 S1-1 §23	65
	403-2 Hazard identification, risk assessment, and incident investigation (403-2-b)	ESRS S1 S1-3 §32 (b) and §33	65
	403-3 Occupational health services	ESRS S1 S1-1 §AR 17 (d)	66
	403-4 Worker participation, consultation, and communication on occupational health and safety	'Health and safety' and 'Training and skills development' are sustainability matters for S1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	66
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health	'Social protection' is a sustainability matter for S1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	66
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESRS S2 S2-4 §32 (a)	96
	403-8 Workers covered by an occupational health and safety management system (403-8-a and b)	ESRS S1 S1-14 §88 (a); §90	65
	403-9 Work-related injuries (403-9-a-i, a-iii, b-i, b-iii, c-iii, d, e)	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (c); §AR 82	67
	403-10 Work-related ill health (403-10-a-i, a-ii, b-i, b-ii, c-iii)	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (d); §89; §AR 82	67

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GRI-ESRS INTEROPERABILITY INDEX

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	PAGE REFERENCE
Material Topic: Diversity, Equality and Inclusion			
GRI 404: Training and Education 2016	3-3 Management of material topics	ESRS S1 S1-1 §19; §20 (c); S1-2 §27; S1-4 §37 to §39; §AR 33; §AR 40 (a); S1-5 §46; §47 (b) and (c); S1-17 §104 (a); S1 §24 (a) ESRS S2 §11 (c); S2-1 §16; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §41, §42 (b) and (c)	54, 61
	404-1 Average hours of training per year per employee	ESRS S1 S1-13 §83 (b) and §84	104
	404-2 Programmes for upgrading employee skills and transition assistance programmes (404-2-a)"	ESRS S1 S1-1 §AR 17 (h)	57
	404-3 Percentage of employees receiving regular performance and career development reviews	ESRS S1 S1-13 §83 (a) and §84	57
	405-1 Diversity of governance bodies and employees (405-1-a-i and iii, 405-1-b)	ESRS 2 GOV-1 §21 (d); ESRS S1 S1-6 §50 (a); S1-9 §66 (a) to (b); S1-12 §79	104
GRI 406: Non-discrimination 2016	3-3 Management of material topics	ESRS S1 S1-1 §19; §20 (c); §24 (a) and (d); S1-2 §27; S1-4 §37 to §39; §AR 33; §AR 40 (a); S1-5 §46; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §16; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §41, §42 (b) and (c); ESRS S4 §10 (b); S4-1 §15; §16 (c); S4-2 §20; S4-4 §31; §32 (a) and (b); §35; §AR 30; §AR 33 (a); S4-5 §41; §41 (b) and (c)	70
	406-1 Incidents of discrimination and corrective actions taken	ESRS S1 S1-17 §103 (a), §AR 103	72
Material Topic: Human Rights			
GRI 408: Child Labour 2016	3-3 Management of material topics	ESRS S1 S1-1 §19; §20 (c); §22; S1-2 §27; S1-4 §37 to §39; §AR 33; §AR 40 (a); S1-5 §46; §47 (b) and (c); S1-17 §104 (a); ESRS S2 §11 (c); S2-1 §16; §17 (c); §18; S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §41, §42 (b) and (c)	70
	408-1 Operations and suppliers at significant risk for incidents of child labour (408-1-a-i, b, c)	ESRS S1 §14 (g); S1-1 §22 ESRS S2 §11 (b); S2-1 §18	72
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	ESRS S1 §14 (f); S1-1 §22 ESRS S2 §11 (b); S2-1 §18	72
Material Topic: Contribution to Society			
GRI 413: Local Communities 2016	3-3 Management of material topics	ESRS S3 §9 (b); S3-1 §14 and §16 (c); S3-2 §21; S3-4 §32 (a) to (d), §33 (a) and (b), §35, 36; §AR 31, §AR 34 (a); S3-5 §41, §43	75
	413-1 Operations with local community engagement, impact assessments, and development programmes	ESRS S3 S3-2 §22; S3-3 §27 (b); S3-4 §AR 34 (c)	77-78, 104-105

APPENDIX

EXTERNAL ASSURANCE STATEMENT



ASSURANCE STATEMENT

SGS (THAILAND) LIMITED'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE FILTRONA LIMITED'S SUSTAINABILITY REPORTING FOR 2024

NATURE OF THE ASSURANCE/VERIFICATION

SGS (Thailand) Limited (hereinafter referred to as SGS) was commissioned by FILTRONA LIMITED (hereinafter referred to as FILTRONA) to conduct an independent assurance of the Sustainability Report (hereinafter referred to as the Report) for 2024.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all FILTRONA's Stakeholders/specified stakeholders.

RESPONSIBILITIES

The sustainability information in the Report and its presentation are the responsibility of the directors or governing body and the management of FILTRONA. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP, 2018). Assurance has been conducted at a moderate level of scrutiny.

SCOPE OF ASSURANCE

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options

1	AA1000 Accountability Principles (2018)
3	GRI (With Reference to)

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

FILTRONA's Sustainability Report are adequately in line with the Sustainability Reporting Standard and fulfills all the required content and quality criteria for the selected environmental and social indicators listed as below;

- Environmental dimension performance indicators expressed numerically or in descriptive text
 - GRI 302-1 Energy consumption within organization
 - GRI 303-3 Water withdrawal
 - GRI 303-4 Water discharge
 - GRI 303-5 Water consumption

- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-3 Other indirect (Scope 3) GHG emission
- GRI 305-5 Reduction of GHG emissions
- GRI 306-3 Waste generated
- GRI 306-4 Waste diverted from disposal
- GRI 306-5 Waste directed to disposal
- b) Social dimension performance indicators expressed numerically or in descriptive text
 - GRI 403-9 Work-related injuries

- evaluation of content veracity of the sustainability performance information in relation to the determined material topics at a moderate level of scrutiny for FILTRONA and applicable aspect boundaries outside of the organization covered by this report; and
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018);

ASSURANCE METHODOLOGY

The assurance comprised a combination of desktop research, interviews with relevant employees (including on-site and remote); documentation and record review and validation with external bodies and/or stakeholders where relevant.

- FILTRONA's management interviews with key personnel, including members of the Corporate Sustainability team responsible for performance in the areas within scope. In addition, interviews were held with data owners and managers responsible for internal data collection and reporting databases
- Document review of relevant systems, policies, and procedures where available.
- Understanding, analysing and sample testing the key data collection, aggregation, validation and reporting systems, processes, procedures, and controls.
- Evidence presented at FILTRONA's Bangkok office was systematically sampled to verify the reliability of the selected environmental and social indicators. The scope of the sampling was directly aligned with the applied level of assurance, ensuring a robust evaluation process.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. Note here any other specific limitations for the assurance engagement and actions taken to mitigate those limitation.

INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from FILTRONA, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors and sustainability professionals specializing in the Environmental, Social and Governance (ESG) and carbon fields.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 Accountability Principles (2018).

We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

FILTRONA has demonstrated a strong commitment to stakeholder inclusivity by actively identifying and engaging a wide range of stakeholders including employees, suppliers, customers, communities, and regulators. Engagement methods such as internal surveys, supplier ESG assessments, grievance mechanisms, team meetings, and community-based CSR initiatives reflect the company's dedication to ensuring that stakeholder views are integrated into strategic planning and sustainability decision-making.

MATERIALITY

FILTRONA applies a formal, structured process to determine its material sustainability issues, using a double materiality approach that aligns with the European Sustainability Reporting Standards (ESRS). This approach evaluates both financial and impact materiality, helping to prioritize ESG topics based on stakeholder relevance and business risk.

RESPONSIVENESS

The report provides good evidence that Filtrona takes a responsive approach to stakeholder concerns by incorporating feedback into its strategy, operations, and reporting.

IMPACT

FILTRONA has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, FILTRONA's Sustainability Report of 2024, is reporting with reference to the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to FILTRONA's contributions to sustainability development.

Signed:

For and on behalf of SGS (Thailand) Limited

Montree Tangtermakul
General Manager

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TRANSFORMING TOGETHER FOR A SUSTAINABLE TOMORROW

Sustainability Report 2024

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