



ADVANCING SUSTAINABILITY PERFORMANCE

*Delivering Progress,
Creating Long-Term Value*



SUSTAINABILITY REPORT 2025

WHAT'S INSIDE

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BASIS OF THIS REPORT



*Filtrona Group Holding Limited ("Filtrona" or "Company") demonstrates its unwavering commitment to clear, transparent, and accountable sustainability reporting with the publication of its third **Annual Sustainability Report 2025 (SR2025)** on 29 April 2025. It serves as a vital communication platform, fostering meaningful engagement with key stakeholders, including employees, customers, investors, regulatory bodies, suppliers, and the broader public.*

This report outlines Filtrona's strategic roadmap for achieving its environmental, social, and governance (ESG) goals and priorities, and establishes clear metrics to monitor progress along its sustainability journey. The scope of this report includes all active Filtrona Group operating sites and offices, encompassing both company-owned and joint-venture businesses. This includes nine manufacturing sites, two Innovation Centres, an accredited laboratory, and a Centre of Excellence. With over 100 years of expertise in filter design and production, Filtrona works closely with customers to develop tailored filtration solutions that enhance product performance and brand value.

Reporting Scope and Boundaries

All information disclosed in this report covers the reporting period from 1 January 2025 to 31 December 2025. Filtrona continually enhances its ESG disclosures to provide stakeholders with transparent insights into its sustainability goals, performance, achievements, and challenges. Through ongoing stakeholder engagement and feedback, the Group continues to refine its approach to maximise long-term positive impact.

Restatements of Information

Restatements were made for selected 2024 figures and are explained in the methodology section.

Reporting Standards

This report has been prepared with reference to the Global Reporting Initiative (GRI) Universal Standards 2021 and relevant GRI Topic-Specific Standards and is informed by the United Nations Sustainable Development Goals (SDGs), UN Global Compact (UNGC) Ten Principles and ISO 14001 for environmental management. It is intended to be read in conjunction with Filtrona's webpage, which includes previous years' sustainability reports and additional corporate sustainability information and annexes, to support a comprehensive understanding of the Company's sustainability efforts.

BASIS OF THIS REPORT

Forward-Looking Statements

This report includes forward-looking statements based on current expectations and assumptions. Actual results may differ materially due to risks, uncertainties, and external factors. Filtrona undertakes no obligation to update such statements except as required by applicable laws or regulations.

External Assurance

To enhance the accuracy and reliability of the information disclosed, this report has undergone external assurance by SGS, a world-renowned certification body. The assurance engagement was conducted in accordance with the AA1000 Type II Moderate Assurance standard and included oversight by Filtrona's ESG Committee, supporting a robust and accountable reporting framework. The assurance covers selected ESG indicators and processes, as defined within the assurance scope, and is intended to enhance the credibility and reliability of disclosed information.

Board Approval

The Board of Directors recognises the importance of sustainability in supporting Filtrona's long-term performance, resilience, and value creation. While the day-to-day management of sustainability matters is delegated to senior management, the Board retains oversight of material sustainability-related risks and opportunities that may affect the Company's strategy and financial performance.

The Board has reviewed and approved the contents of this report, including Filtrona's sustainability

strategy, governance framework, key priorities, and reported progress. This review was informed by inputs from senior management and the Executive ESG Committee, providing assurance that the information presented is balanced, accurate, and aligned with Filtrona's business strategy and risk management processes.

By endorsing this report, the Board reaffirms its commitment to transparency, accountability, and responsible business conduct, and supports the credibility of Filtrona's sustainability disclosures.

Reporting Suite

Previous Sustainability Reports are available on Filtrona's corporate website at filtrona.com/esg/.



Please contact:

Contact No.: +65 6258 0918

Email: filtersenquiry@filtrona.com

Address: 36 Robinson Road, #17-01 City House, Singapore 068877





WE ARE FILTRONA

KEY HIGHLIGHTS IN 2025

Environmental



51% reduction in Scope 1 & 2 GHG emissions vs 2022 baseline in line with Science Based Targets initiative (SBTi)-validated targets



Filtrona's near-term and long term greenhouse gas reduction targets have been validated by the Science Based Targets initiative (SBTi).



Zero waste to landfill achieved at all sites (excluding regulated hazardous waste streams, where applicable)



Climate transition plan maintained and embedded into operations



24% of product portfolio derived from sustainable or plastic-free solutions (based on internal product classification criteria)



88% of wood-based materials sourced from certified or controlled sources (e.g. FSC, PEFC or equivalent)

Social



~5,000 people supported through long-term community programmes in India (2017-2025)



Site-level community engagement delivered across all operating regions



1 lost time injury recorded; no fatalities or permanent disability



29% female representation in leadership / management roles



95% of employees completed ethics & compliance training



Average 36 hours of training per employee per year

Governance



Executive ESG Committee and cross-functional ESG Working Committee established



100% of employees covered by ISO 45001 ISO 45001-certified occupational health & safety management system



ESG data governance framework strengthened to improve data quality, consistency, and reporting processes



No substantiated incidents of corruption, discrimination, or human rights violations identified during the reporting period (based on internal reporting and investigation procedures)



Responsible sourcing standards applied to key suppliers through a risk-based due diligence approach

All KPIs are reported on an absolute basis unless otherwise stated and cover operational sites under Filtrona's control. Definitions and methodologies are described in the relevant sections of this report.

AWARDS & RECOGNITIONS

Filtrona has been recognised through a range of international, regional, and site-level awards for science-based climate targets, strong ESG performance ratings, workplace health and safety excellence, responsible employment practices, and impactful community healthcare initiatives:

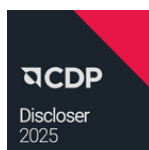
Science Based Targets initiative (SBTi)

Filtrona's near-term emissions reduction targets approved by the Science Based Targets initiative.



EcoVadis Gold Medal

Awarded EcoVadis Gold status, placing Filtrona among the **top 5% of companies globally** assessed for sustainability performance.



CDP Climate, Forests and Water Security

Achieved a **BBB-rating** from CDP across Climate Change, Forests, and Water Security disclosures.



ISO14068-1 certification

Surabaya site achieved ISO14068-1 Carbon Neutrality certification for Scope 1 and 2.

Rotary India National CSR Award 2025 - Healthcare (Large Category)

Recognised for the "Niramai" community outreach programme, providing complimentary, advanced non-invasive breast cancer screening for rural women in Karnataka, South India.

Thailand Social Security Office Recognition

Filtrona Thailand received an **honorary plaque** from the Social Security Office in Thailand for exemplary performance in reducing work-related injuries.



National Responsible Employer Award - Hungary

Filtrona Hungary was recognised by the **Hungarian Ministry of Finance** as a **National Responsible Employer** for safe, fair, and supportive employment practices.

Top Employers Certification

Filtrona's **Singapore and Indonesia sites** were certified as **Top Employers** by the **Top Employers Institute**, recognising excellence in people practices and workplace standards.



Further details on these recognitions, along with additional awards and certifications, are available on the Company's website:

filtrona.com/who-we-are/#Awards-n-Recognition

WHO WE ARE



We are the world's largest manufacturer of specialty filters, driving innovation and sustainability through creative thinking and strategic collaboration.

Founded in 1854, Filtrona has grown into a global leader, with operations spanning Europe, the Americas, and Asia. With a rich heritage spanning more than 160 years, our company is a global leader in filtration and related scientific services, committed to helping partners transform and grow.

Further information about Filtrona's business, history, and capabilities is available on the Company's website:

filtrona.com/our-history

Our Vision

As a global market leader, our vision is to support our partners to transform and grow.



Our Mission

To be a responsible, customer-focused innovation leader, delivering high-quality and sustainable filter solutions. Leveraging over a century of expertise, advanced manufacturing and scientific services, we support our customers in meeting regulatory requirements and driving long-term value, enabling a sustainable future.



Our Values - The Filtrona Spirit

We trust and respect one another, we create excellence through teamwork. We do the right thing, we are accountable for our actions and deliver what we promise.

We are passionate and committed to do our best to become the best.

The Filtrona Spirit reflects the core values that guide how we collaborate, make decisions, and deliver on our commitments to customers, communities, and each other.



Learn more about our vision, mission and purpose by watching our corporate video at: filtrona.com/who-we-are

WHAT WE DO



Filtrona develops advanced filtration and material technologies and delivers independent laboratory and scientific services, including analytical testing, product validation, and regulatory support for nicotine delivery and other technical applications.

Filtrona operates across Singapore, Hungary, India, the United Arab Emirates, Indonesia, Thailand, China, Paraguay, and the United States, and is committed to developing plastic-free, biodegradable, and environmentally sustainable products.

Further information is available on Filtrona's website:

filtrona.com/filters

filtrona.com/scientific-services

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.



OUR ROLE IN TRANSITIONING TOBACCO ECOSYSTEM



Filtrona operates within a sector undergoing significant transformation, driven by evolving regulatory expectations, increased scrutiny of environmental impacts, and changing societal perspectives. Concerns related to plastic waste, product lifecycle emissions, and extended producer responsibility are reshaping the expectations placed on tobacco-related products and their components.

As a global supplier of filtration solutions, our role is to support this transition responsibly. While we do not manufacture tobacco products, we recognise that the materials and technologies we provide form part of a broader value chain with environmental and social implications. We therefore focus on enabling lower-impact alternatives through material innovation, product design, and collaboration with customers.

Sustainability is integral to our business strategy, driving both positive environmental outcomes and long-term commercial resilience. Our ESG strategy is designed to support regulatory readiness, supply chain resilience, and lower lifecycle impact for our customers, while maintaining product performance, quality, and commercial viability.

Our approach is centred on three priorities:



Reducing environmental impact by developing plastic-free and lower-carbon filtration materials and improving lifecycle performance



Supporting regulatory readiness, by aligning product development with emerging requirements such as the EU Single Use Plastics Directive and Extended Producer Responsibility schemes



Driving value chain engagement, by working closely with customers and suppliers to advance more sustainable solutions at scale

We acknowledge that transitioning to more sustainable filtration solutions does not fully address broader challenges such as product-related litter. However, it represents a meaningful step in reducing environmental impact and supporting the industry's gradual shift toward lower-impact products.

Through innovation, transparency, and collaboration, Filtrona aims to play a constructive role in enabling this transition while maintaining high standards of responsibility, compliance, and performance across our operations.

In FY2025, 24% of our product portfolio comprised sustainable or plastic-free solutions, with SBTi-validated targets to reduce value chain emissions by 63% by 2035.

REFLECTIONS FROM OUR LEADERSHIP



Dear Valued Stakeholders,

This report marks Filtrona's third year of reporting on progress in ESG performance and reflects the continued evolution of our sustainability journey. Following last year's focus on Transform to Grow, we have moved decisively from defining ambition to delivering results. Over recent years, we established strong foundations by setting our ESG strategy, defining targets, strengthening governance, and embedding sustainability into core business thinking. In 2025, this has enabled a clear shift in focus from strategy to execution.

The theme of this year's report, "Advancing Sustainable Performance," captures this transition. It reflects our focus on consistent execution, discipline, and measurable outcomes, ensuring sustainability is a core driver of commercial, operational, and environmental performance.

Governance:

Enabling Consistent Execution

Strong governance underpins our ability to translate sustainability ambition into consistent business performance. In 2025, as ESG expectations increased across customers, regulators, and stakeholders, leadership faced the challenge of moving decisively from strategy and commitments to effective execution across a global footprint, while maintaining cost discipline and operational focus.

To address this, Filtrona strengthened ESG oversight and accountability through the establishment of an Executive ESG Committee, supported by a cross-functional ESG Working Committee. This governance structure improved prioritisation, coordination, and escalation of ESG risks and opportunities, strengthening alignment between sustainability priorities, business strategy, capital allocation, and operational delivery.



Alongside governance enhancements, leadership addressed the need to strengthen ESG data quality, consistency, and reporting readiness, in response to increasing regulatory and customer requirements. Processes were standardised and ownership for data collection and validation clarified across sites and functions, enhancing transparency, decision-making, and confidence in reported performance.

Throughout the year, ESG initiatives were deliberately prioritised based on their contribution to risk management, operational efficiency, regulatory compliance, and long-term value creation. This ensured sustainability supported our corporate strategy—strengthening resilience, protecting performance, and reinforcing customer trust—rather than competing with commercial objectives.

Environmental Performance:

Advancing Climate Action

In a landmark step for Filtrona's climate journey, our greenhouse gas reduction targets were validated by a globally recognised standard for credible, science-aligned decarbonisation, the [Science Based Targets initiative \(SBTi\)](#). This milestone reinforces our long-term ambition and commitment to meaningful climate action. Building on this, we progressed the development of a structured Climate Transition Plan, translating our climate goals into a clear pathway for implementation and alignment with business planning and operations.

Significant operational progress was delivered, with Filtrona achieving a 51% absolute reduction in Scope 1 and Scope 2 greenhouse gas emissions versus the 2022 baseline, driven by increased renewable

energy use, energy-efficiency initiatives, and process optimisation across sites. We have further refined Scope 1 and Scope 2 emissions data management, including improved tracking of fugitive emissions and clearer treatment of biogenic emissions, strengthening data quality, consistency, and reporting robustness.

Beyond emissions, Filtrona maintained zero waste to landfill across operations, strengthened energy management through efficiency programmes and expanded use of lower-carbon energy sources, and continued responsible water stewardship, including zero wastewater discharge at its India sites. Progress was also made in sustainable product design, with 24% of total product specification comprising sustainable or plastic-free solutions, supporting customer transition objectives.

Social Performance:

People, Partnerships, and Value Creation

Progress in 2025 was underpinned by continued investment in people and safety, recognising that a skilled, engaged, and protected workforce is fun-

damental to long-term performance and resilience. Leadership maintained a strong focus on employee wellbeing and workplace health and safety, supported by training, engagement, and clear site-level accountability, reinforcing a proactive safety culture across operations.

Alongside this, Filtrona delivered ESG awareness and capability-building activities across functions and sites, strengthening understanding of ESG responsibilities and supporting consistent execution of our strategy. Investment in people also extended to fostering inclusion, ethical conduct, and leadership accountability, supporting a respectful and supportive workplace culture.

In 2025, we further strengthened supplier engagement and risk-based assessments, incorporating ESG criteria more consistently across the supply chain. This improved visibility of social and ESG-related risks, clarified expectations for suppliers and reinforced responsible sourcing and supply chain resilience. At the same time, Filtrona continued to deepen strategic customer partnerships, with increased emphasis on transparency, collaboration, and long-term value creation aligned with evolving sustainability and regulatory expectations.

While meaningful progress has been achieved, we recognise that delivering our ESG ambitions presents ongoing challenges. The transition to lower-impact materials and reduced value chain emissions is inherently complex, requiring alignment across customers, suppliers, and evolving regulatory frameworks. In particular, Scope 3 emissions, which are largely driven by purchased materials and product design, remain dependent on broader industry collaboration and the availability of scalable alternatives. In addition, increasing regulatory expectations, including those related to product sustainability, circularity, and environmental impact, continue to evolve across key markets, requiring agility and ongoing adaptation. We also acknowledge that, while our efforts

contribute to reducing environmental impact, they do not fully address wider systemic challenges such as product-related litter. These factors reinforce the importance of maintaining a disciplined, transparent, and collaborative approach as we continue to advance our sustainability performance.

Looking Ahead

Filtrona will intensify delivery of its Vision 2030 ESG Strategy as a business transition strategy, strengthening execution, and accelerating measurable impact.

We will advance implementation of our Climate Transition Plan and validated science-based targets, committing to a 58% absolute reduction in Scope 1 and 2 emissions by 2030, net-zero Scope 1 and 2 by 2040, and net-zero value chain emissions by 2050. This includes scaling renewable electricity toward 100% by 2040, further improving energy efficiency, and strengthening supplier engagement to reduce Scope 3 emissions.

We will continue expanding lower-impact filtration solutions, increasing the share of plastic-free and biodegradable products within our portfolio while supporting customers' regulatory readiness and reducing lifecycle environmental impact. Across our value chain, we will reinforce responsible sourcing standards, deepen biodiversity-related oversight, and further embed environmental and social criteria into procurement and supplier engagement.

At the same time, we will strengthen workforce capability, leadership accountability, ethical standards, and structured ESG governance to ensure sustainability remains fully integrated into strategy, capital allocation, and risk management.

Robert Pye
CEO, Filtrona Group





OUR APPROACH TO SUSTAINABILITY

OUR APPROACH TO SUSTAINABILITY

Filtrona embeds sustainability into how the business is planned, managed, and operated—linking governance, data, people, and operational execution to drive continuous ESG performance improvement.

Filtrona integrates sustainability into the way the business is planned, managed, and executed by linking governance, data, people, and operational performance to drive continuous ESG improvement. ESG considerations are embedded in business planning, operational reviews, and enterprise risk management alongside financial and operational criteria. Sustainability functions as a core decision-making lens, supported by strengthened governance structures, clear accountability at both corporate and site levels, and systematic use of ESG data, stakeholder insights, and regulatory developments to shape priorities and actions.

Strong cross-functional collaboration across ESG, Operations, Procurement, Quality, and Finance ensures that environmental, social, and governance factors are consistently translated into practical initiatives and day-to-day operational behaviours. Ongoing

employee engagement, targeted capability-building, and active leadership involvement reinforce the effective implementation of ESG priorities across Filtrona's global operations.

Vision 2030 ESG Strategy

Filtrona's ESG strategy is a forward-looking transition strategy designed to support long-term growth, resilience, and market relevance. Anchored in our corporate vision to support partners to transform and grow, it integrates sustainability directly into business strategy, operations, innovation, and governance. The strategy focuses on enabling our customers' transition to lower-impact tobacco products, strengthening our license to operate, and reducing environmental and social risks across the value chain.

Guided by our Vision 2030 operating principles, Filtrona embeds ESG considerations into decision-making, invests in sustainable materials and innovation, proactively adapts to regulatory and market developments, strengthens stakeholder engagement, and maintains transparent reporting to demonstrate progress and accountability.



OUR APPROACH TO SUSTAINABILITY

KEY ESG GOALS

Our Key ESG Goals translate our strategy into measurable commitments. Built around long-term targets extending to 2040 and 2050, these goals provide a clear direction, support accountability, and guide our progress toward sustainable growth and industry leadership.

Environmental



Responsible Waste Management
Zero Waste

To Landfill at all sites are achieved

- Lower energy consumption
- All manufacturing sites to be carbon neutral by 2040

Net Zero Emission by 2050



Sustainable
Plastic-free Products by 2050

25% by 2030 | **50%** by 2040 | **100%** by 2050



Goal:
Responsible Supply Chain

100% wood certified material purchase by 2030- Tow, Plugwraps and Packagings

Social

We protect our people, support community development and deliver a positive social impact.



Zero Injuries
and Lost-Time Incidents (LTIs)

- Uphold labour and human rights policies



40% Female Representation
in management roles by 2040



CSR Activities

- Across all sites

Governance

Our sustainability efforts are guided by a clear structure, involving senior management and all business areas.



100% employees trained for ethics and compliance



Regulatory Compliance
ESG Committee to oversee progress

100% KYC & KYS*

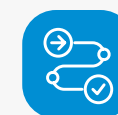
- Annual Compulsory Basic Compliance Training

*KYC: Know Your Customer Compliance
*KYS: Know Your Supplier Compliance

Vision 2030 ESG Roadmap



Just say Foundations



Execution



Value creation

This roadmap illustrates how Filtrona plans to progress towards its Vision 2030 ESG ambitions by embedding ESG into core business decision-making, operational execution, and customer value creation.

Short-term:
Strengthening foundations

Key focus areas:

- Mature ESG governance and escalation
- Improve data quality, controls, and reporting readiness
- Embed ESG into risk management and business planning
- Build organisational capability and ownership

OUR APPROACH TO SUSTAINABILITY

ESG Policies and Frameworks in Place

Filtrona's ESG governance framework is supported by a set of policies and standards that guide responsible business conduct and the consistent management of environmental, social, and governance matters across the organisation.



Further details on Filtrona's ethics, compliance, and anti-corruption framework are provided in the Ethics and Governance section (pages 53-54)



Vision 2030 ESG Strategy provides the overarching framework guiding Filtrona's long-term ESG priorities, objectives, and ambitions.



Code of Conduct establishes expectations for ethical behaviour, integrity, compliance, and responsible business practices for employees and business partners.



Anti-Bribery and Corruption Policy sets out requirements relating to bribery, facilitation payments, conflicts of interest, and ethical conduct. Filtrona maintains a zero-tolerance approach to bribery and corruption, supported by its Code of Ethics and Anti-Corruption Policy. Employees are required to complete ethics and compliance training, and concerns can be raised through formal reporting channels, including confidential whistleblowing mechanisms. All reported cases are reviewed and investigated in accordance with internal procedures.



Conflict of Interests
Filtrona maintains procedures to identify and manage conflicts of interest. Employees and Board members are

required to declare potential conflicts, which are reviewed and addressed in accordance with the Company's Code of Ethics.



Speak-Up / Whistleblowing Policy enables confidential reporting of concerns and provides protections against retaliation.



Human Rights and Labour Standards Policy outlines Filtrona's expectations regarding labour practices, human rights and working conditions across its operations and value chain.



Supplier Code of Conduct and Responsible Sourcing Standards define ESG expectations for suppliers, including ethical conduct, labour standards, health and safety, and environmental practices.



Health, Safety and Environment (HSE) policies support safe operations and effective environmental management across Filtrona's sites.



Data Protection and Information Security policies support the responsible handling, protection, and security of data and information.

OUR APPROACH TO SUSTAINABILITY

Key Developments in 2025

- Sustainability governance was strengthened through the enhanced ESG governance structure, including the establishment of an Executive ESG Committee and an ESG Working Committee.
- ESG policies and standards were further reviewed and reinforced to support consistent implementation across global operations.
- Alignment between ESG policies, enterprise risk management, and operational processes was strengthened.
- Supplier-related ESG requirements continued to be refined, supporting responsible sourcing and supply chain risk management.
- Core ESG policies, including the Code of Conduct, remained publicly accessible via Filtrona's corporate website, with additional internal policies communicated to employees and relevant business partners.

Mid-term: [Embed & Execute](#)

Key focus areas:



Further integrate ESG considerations into strategic planning, operational decision-making, and value chain engagement



Strengthen the role of ESG in supporting business resilience, growth, and customer trust



Enhance environmental and social performance through consistent operational execution



Further embed ESG considerations into enterprise risk management and internal controls



Support long-term value creation for the business and its stakeholders



Advance sustainability-driven innovation and product development



Drive operational efficiency and cost optimisation through sustainability initiatives



Strengthen talent engagement, capability-building, and leadership accountability



Enhance the quality, consistency, and transparency of ESG performance and disclosures

SUSTAINABILITY GOVERNANCE

1.

Board of Directors



- Ultimate oversight of Filtrona's sustainability efforts
- Setting strategic direction for sustainability
- Ensuring sustainability is embedded in overall business strategy
- Reviewing and approving sustainability objectives
- Regular monitoring of progress

The Board collectively possesses expertise across industry, finance, risk management, and sustainability, supported by regular management updates on ESG-related topics.

The effectiveness of the Board is reviewed periodically through internal evaluation processes covering governance practices and oversight of key risks, including ESG matters.

2.

Executive ESG Committee



- Senior Management / Executives
- Strategic direction
- ESG risk & opportunity oversight
- Alignment with business strategy & capital allocation
- Regular reporting to the Board of Directors

3.

ESG Working Committee



- Cross-functional implementation team
- ESG execution & coordination
- Performance tracking & data consolidation
- Reporting & issue escalation

4.

Business Functions & Sites



- Operations, Procurement, HR, Quality, Finance, HSE, etc.
- Day-to-day ESG implementation
- Site-level actions & controls
- Local risk identification & mitigation

ESG risks and opportunities are monitored through enterprise risk management and escalated as appropriate through this governance structure.

SUSTAINABILITY GOVERNANCE

Governance Level	Body / Role	Key Responsibilities	Reporting Line
1. Oversight	Board of Directors	- Ultimate oversight of sustainability and ESG matters - Review ESG strategy, material risks and opportunities - Monitor progress against Vision 2030 priorities - Consider ESG matters in long-term value creation and risk oversight	Receives regular ESG updates and escalations from the Executive ESG Committee
2. Strategic Oversight & Decision-Making	Executive ESG Committee (Senior Management / Executives)	- Provide strategic direction for ESG priorities, policies, and the Vision 2030 ESG Strategy - Oversee ESG risks, opportunities, performance, and related disclosures - Ensure alignment between ESG objectives, business strategy, capital allocation, and operations - Escalate material ESG matters and risks to the Board	Reports to the Board of Directors
3. Coordination & Execution	ESG Working Committee (Cross-functional team)	- Coordinate implementation of ESG initiatives across the organisation - Track ESG performance and KPIs - Support data collection, reporting, and issue identification - Provide insights and recommendations to senior management	Reports to the Executive ESG Committee
4. Implementation	Business Functions & Sites (Operations, Procurement, HR, Quality, Finance, HSE, etc.)	- Implement ESG actions within functional and site responsibilities - Embed ESG requirements into day-to-day operations and processes - Identify, manage, and escalate site-level ESG risks and issues - Deliver local actions aligned with group strategy and regulatory requirements	Reports through management to the ESG Working Committee

ESG Committee Members

The ESG Committee is comprised of senior leaders representing key functions across the business. The cross-functional composition ensures ESG considerations are addressed holistically across Filtrona's operations and value chain. Sustainability considerations are integrated into business planning, capital investment decisions, and operational performance management, supporting long-term value creation and risk management.

The ESG Committee, chaired at senior executive levels, ensures that sustainability priorities are aligned with capital allocation, risk management, and long-term value creation.

ESG Committee Members in 2025

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Executive Director, Global Operations
- Executive Director, Global Strategy & Business Development
- Executive Director, Global Human Resources
- Executive Director, Global Research & Innovation
- Senior Manager, Global Procurement
- Senior Manager, Global HSE
- Manager, Global Compliance and Risk
- Global Director - Tax
- Global Director - Manufacturing Excellence
- Manager, ESG

Please refer to [Our Policies](#) section on Filtrona's website for further details on ESG-related policies.

ENGAGING OUR STAKEHOLDERS

Filtrona engages with key stakeholders to inform decision-making, strengthen trust, and align sustainability priorities with business strategy, risk management, and long-term value creation.

Stakeholder Engagement Process

Supporting ESG decision-making and materiality assessment

1.



Identify:

identify relevant stakeholder groups based on ESG priorities, risks, and opportunities.

2.



Engage:

engage stakeholders through regular, risk-based, and ad-hoc interactions to gather input on ESG topics.

3.



Assess:

analyse stakeholder insights to assess impacts on ESG priorities, risks, and opportunities.

4.



Act:

integrate stakeholder feedback into ESG decisions, actions, and continuous improvement.



Stakeholder engagement is conducted through a combination of regular, risk-based, and ad-hoc interactions, with engagement frequency tailored to the nature of the stakeholder relationship and the relevance of ESG topics.

ENGAGING OUR STAKEHOLDERS

Stakeholder Group	 Board of Directors	 Executive Leadership Team (ELT)	 Executive ESG Committee	 ESG Working Committee	 Business Functions & Sites
Key concerns	→ ESG oversight → Strategy review, risk escalation → Performance monitoring	→ ESG performance oversight → KPIs, risk management → Operational alignment	→ ESG priorities → Risks and opportunities → Alignment with strategy and capital allocation	→ ESG implementation, coordination → Data consolidation → Reporting	→ Day-to-day ESG implementation, monitoring, → site-level risk identification
Mode of Engagement	Board meetings, ESG updates, escalation of material issues	Monthly performance dashboards, management reviews	Committee meetings, performance reviews, issue escalation	Cross-functional coordination, progress reviews, issue escalation	Operational reporting, dashboards, management reviews
Frequency	Monthly/Quarterly	Monthly	Regular / Quarterly	Ongoing / Regular	Ongoing / Monthly
Material Matters	→ ESG governance and oversight → Business ethics and compliance → Risk management → Long-term value creation → Strategy integration	→ ESG strategy execution → Climate and environmental performance → Health and safety → Enterprise risk management → Ethical conduct	→ ESG governance → ESG risk and opportunity management → Regulatory compliance → Integration of ESG into strategy and capital allocation	→ ESG implementation → Data quality and reporting → Policy execution → Environmental performance → Social standards	→ Energy and emissions management → Waste and resource efficiency → Occupational health and safety → Labour practices → Operational compliance
Our Response	✓ Provides oversight of ESG strategy, risks, and performance through regular Board reviews and escalation of material ESG matters, supporting effective governance and long-term value creation.	✓ Monitors ESG performance through monthly dashboards and reviews, ensuring alignment between ESG objectives, operational delivery, and enterprise risk management.	✓ Reviews ESG priorities, risks, and opportunities, supports alignment with business strategy and capital allocation, and escalates material ESG matters as appropriate.	✓ Reviews ESG priorities, risks, and opportunities, supports alignment with business strategy and capital allocation, and escalates material ESG matters as appropriate.	✓ Implements ESG actions in day-to-day operations, monitors site-level performance and risks, and reports progress through operational reviews.

ENGAGING OUR STAKEHOLDERS

Stakeholder Group	 Employees (general)	 Employees (training & compliance)	 Health & Safety engagement	 Suppliers (key suppliers)	 Suppliers (general)
Key concerns	→ ESG awareness → Ethical conduct → Speak-Up mechanisms	→ Ethics → Compliance → ESG capability-building	→ Workplace safety → Risk reduction → Behavioural safety	→ Responsible sourcing → ESG performance → Supply chain risk management	→ Communication of ESG expectations and standards
Mode of Engagement	Policies, internal communications, Speak-Up channels	Mandatory training, refresher courses	Training, safety programmes, performance reviews	Supplier assessments, performance reviews, engagement	Supplier Code of Conduct, contractual requirements
Frequency	Ongoing / As needed	Annually and as required	Ongoing / Regular	As required / risk-based	Quarterly
Material Matters	→ Labour practices and working conditions → Health and safety → Diversity, equity and inclusion → Ethics and Speak-Up culture	→ Business ethics → Compliance → Human rights → Data protection and information security	→ Occupational health and safety → Employee wellbeing → Safe working environments	→ Responsible sourcing → Human rights and labour standards in the supply chain → Environmental impact of materials → Ethical conduct	→ Supplier ethics and compliance → Labour standards → Health and safety → Environmental practices
Our Response	✓ Communicates ESG policies and expectations, promotes ethical conduct, and provides access to confidential Speak-Up mechanisms.	✓ Delivers mandatory ethics, compliance, and ESG training, including refresher programmes, to support responsible conduct and regulatory compliance.	✓ Implements health and safety programmes, training, and monitoring to reduce workplace risks and support employee wellbeing.	✓ Engages key suppliers through ESG assessments and performance reviews to promote responsible sourcing and manage supply chain risks.	✓ Communicates ESG expectations through the Supplier Code of Conduct and contractual requirements, engaging suppliers as needed to support compliance.

ENGAGING OUR STAKEHOLDERS

Stakeholder Group	 Customers	 Regulators	 Shareholders / Owners	 Local Communities (site-level)	 Whistleblowers / Speak-Up users
Key concerns	→ ESG collaboration → Product sustainability → Regulatory alignment	→ Legal and regulatory compliance	→ Strategy → ESG progress → Governance oversight	→ Community engagement → Local impacts	→ Reporting of concern → Ethical issues
Mode of Engagement	Ongoing dialogue, partnership engagement	Regulatory reporting, direct engagement	Board-level reporting, governance discussions	Site-level engagement and initiatives	Confidential Speak-Up / whistleblowing mechanisms
Frequency	Ongoing / As required	As required	Regular / Periodic	As required / Ongoing	As needed (continuous availability)
Material Matters	→ Product sustainability and innovation → Environmental impact → Regulatory compliance → Responsible business conduct	→ Legal and regulatory compliance; → Environmental protection → Labour and human rights standards → Data protection	→ ESG governance → Risk management → Long-term financial and non-financial performance → Transparency and disclosures	→ Health and safety impacts → Environmental impacts (energy, waste, emissions) → Employment and local economic contribution	→ Business ethics → Compliance → Human rights → Governance integrity
Our Response	✓ Engages customers through ongoing dialogue and partnerships to support product sustainability, regulatory alignment, and responsible business practices.	✓ Monitors regulatory developments, ensures compliance with applicable laws, and engages with regulators as required.	✓ Provides regular updates on ESG strategy, performance, and risks through Board-level reporting to support informed oversight.	✓ Engages with local communities to understand and manage site-level impacts and supports health, safety, and environmental management practices.	✓ Maintains confidential Speak-Up mechanisms, investigates concerns raised, and takes appropriate action while protecting against retaliation.

DETERMINING MATERIALITY

Filtrona's approach to determining material matters remains unchanged from the prior reporting period. The Company continues to apply the double materiality methodology introduced in its previous Sustainability Report, assessing sustainability topics from both an impact materiality and a financial materiality perspective.

Under this approach, Filtrona evaluates:

- how its activities and value chain impact the environment and society; and
- how sustainability-related risks and opportunities may affect the Company's financial performance, cash flows, cost structure, and long-term resilience.

No changes were made during the reporting year to the methodology, scope, stakeholder groups considered, or assessment boundaries. As described in the previous reporting period, Filtrona applied a double materiality approach to identify and prioritise material sustainability topics.

This approach considered both the impacts of Filtrona's activities on the environment and society, and the potential effects of sustainability-related risks and opportunities on the Company's business and financial performance. The assessment was informed by internal analysis and management input, with material topics reviewed and validated through internal governance processes.



Financial Materiality

Financial materiality considerations were deliberated during the reporting period through internal management discussions, drawing on past assessments and relevant business developments. Through this internal review, we were able to identify a subset of material ESG topics that are considered to have the greatest financial relevance to the business

These topics continue to be considered particularly relevant to business resilience, operational continuity, regulatory exposure, and long-term value creation.

The ESG topics assessed as having the greatest potential impact on financial performance include:

- energy use and climate transition;
- supply chain resilience and responsible sourcing;
- regulatory compliance and ESG-related legislation;
- health, safety, and operational integrity;
- product quality, innovation, and compliance; and
- ethics, integrity, and governance.

These topics inform Filtrona's governance, risk management, strategic planning and capital allocation decisions, and are monitored through established management and reporting processes.



SUSTAINABLE PRODUCT TRANSITION

WHY IT MATTERS

Driving lower-impact product solutions in filtration



A key environmental priority for Filtrona relates to the materials used in cigarette filters. As purchased raw materials account for a significant proportion of lifecycle and Scope 3 emissions, material selection plays a critical role in overall environmental performance. Transitioning to lower-impact filtration materials therefore represents one of the most effective long-term levers available to reduce product carbon footprint and support Filtrona's decarbonisation pathway.

The regulatory landscape has accelerated this transition. The EU Single Use Plastics Directive (Directive (EU) 2019/904), plastic labelling requirements, and Extended Producer Responsibility (EPR) schemes are reshaping expectations for filtration products. At the same time, scrutiny of litter and carbon footprint performance has intensified across the value chain.

In this context, Filtrona is advancing its Sustainable Product Transition to support customers with lower-impact filtration solutions that are commercially viable, technically robust, and better aligned with emerging regulatory requirements.

Managing the sustainable products transition

Our approach is built around three practical objectives:



Supporting customers' regulatory readiness



Reducing dependence on conventional cellulose acetate



Lowering lifecycle environmental impact, including Scope 3 emissions

This diversified approach allows Filtrona to respond flexibly to customer needs, regulatory developments and material availability constraints.

This transition is complex and occurs within a broader value chain. While alternative materials can reduce environmental impact, they do not fully address wider challenges such as product-related litter. Filtrona therefore focuses on delivering measurable improvements while continuing to support long-term industry transition.

As part of this transition, Filtrona is also strengthening its approach to chemical compliance and material safety. This includes monitoring emerging regulatory developments related to substances such as per- and polyfluoroalkyl substances (PFAS), which are receiving increasing global attention. While PFAS are not intentionally used in Filtrona's core filtration materials, ongoing supplier engagement, material assessments, and testing capabilities support the identification and management of potential risks. These efforts form part of a broader commitment to developing lower-impact, compliant, and future-ready product solutions.

INNOVATION AND PRODUCT DEVELOPMENT

Driving lower-impact product solutions in filtration

Innovation and Product Development

Since filters are a component within a finished consumer product, innovation cannot be implemented by Filtrona alone. Sustainable product development requires technical collaboration, qualification testing and customer acceptance, making it a long-term operational and environmental priority.

Environmental benefits are assessed based on material composition and product design characteristics. While full lifecycle assessments are not yet available for all product categories, the Company continues to enhance its approach to evaluating product-level environmental impacts.

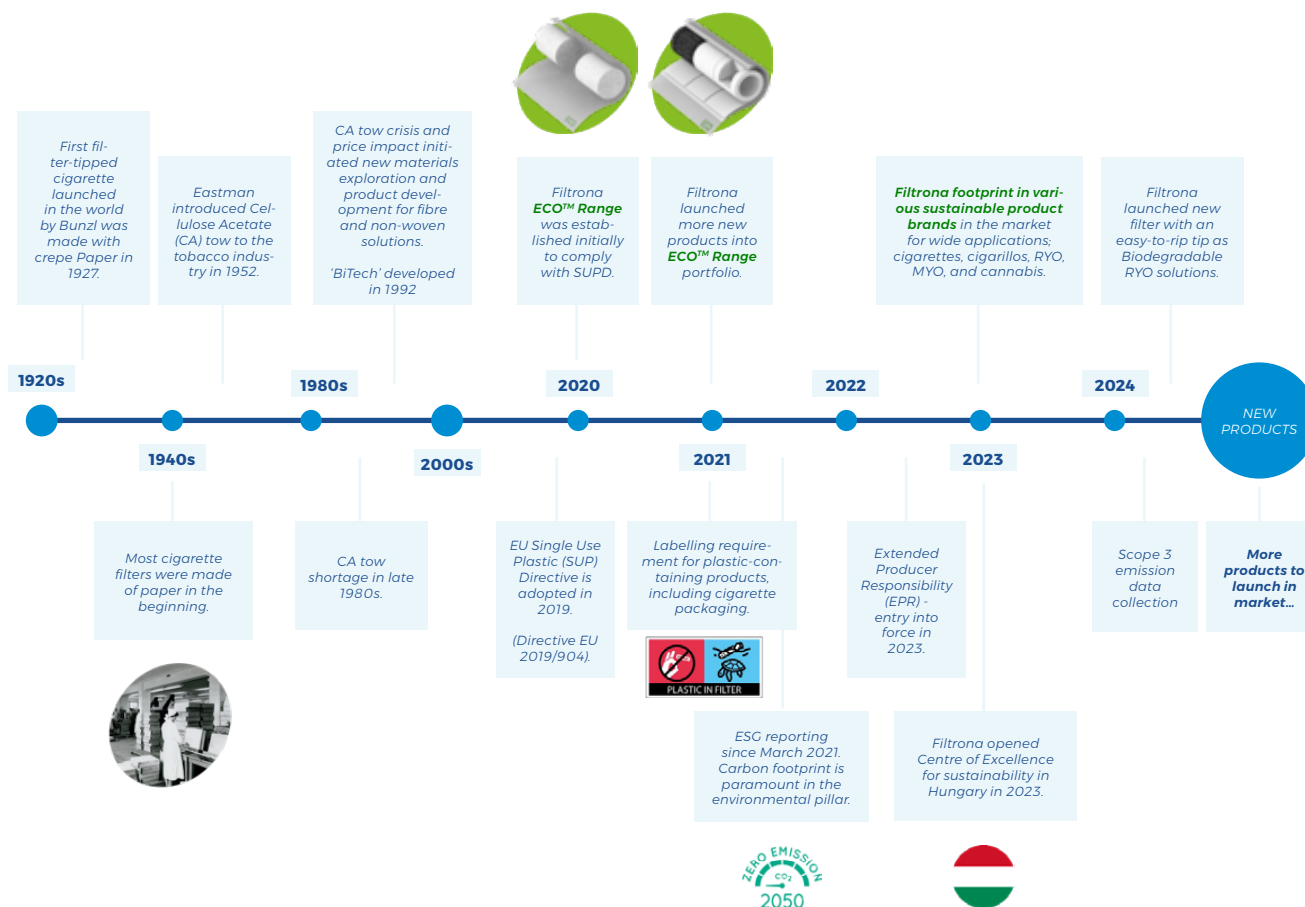
The pace of transition is influenced by factors outside Filtrona's direct control, including customer reformulation timelines, evolving regulatory frameworks (including EPR schemes), consumer acceptance, availability of alternative materials at industrial scale.

As a result, the transition is expected to occur progressively over time. New solutions are developed through a staged process – from proof of concept to laboratory validation, pilot production and customer trials – before commercial introduction.

Supported by ESG reporting since 2021 and the establishment of a Sustainability Centre of Excellence in 2023, Filtrona coordinates material evaluation, testing, customer development and customer commercialisation to ensure alignment with regulatory, environmental and performance requirements.

Filtrona's long history of material innovation reflects the industry's ongoing evolution—from early paper-based filters to cellulose acetate, and now toward lower-impact alternatives.

Filtrona has a long history with non-woven filters



THE ECO™ RANGE

Driving lower-impact product solutions in filtration

The ECO™ Range

Filtrona is progressively transitioning its portfolio toward lower-impact filtration materials through its ECO™ range, the company's comprehensive sustainable filtration range.

The ECO™ range is built around three core value propositions:

- Plastic-free and biodegradable solutions
- Customisable product design to meet customer requirements
- Lower lifecycle carbon impact

These solutions have been commercialised across cigarettes, cigarillos and roll-your-own products in multiple geographic markets. Adoption varies by region and product segment.

Looking Forward

Filtrona will continue expanding the ECO™ Range and increasing the share of sustainable filtration solutions within its product mix.

The Sustainable Products Transition remains a central component of Filtrona's environmental strategy and contributes directly to its long-term decarbonisation pathway.

Environmental performance improvements, including reduced carbon

footprint, are based on internal lifecycle assessments and may vary depending on product configuration, material selection, and usage conditions.

Role of FIC and Scientific Services

The development of Filtrona's ECO™ Range is supported by the Filtrona Innovation Centre (FIC) and our Scientific Services capabilities, which play a critical role in accelerating material innovation and ensuring product performance. FIC leads the evaluation and development of alternative filtration materials, combining material science expertise with process innovation to translate concepts into scalable solutions.

This is complemented by our Scientific Services, which provide analytical testing, product validation, and testing to address regulatory requirements. FIC and Scientific Services ensure that new ECO™ Range solutions meet regulatory standards, required technical, and quality while supporting customers throughout product qualification and commercialisation.

Together, these capabilities enable Filtrona to deliver robust, science-based solutions that support the transition toward lower-impact filtration products.

Plastic-free⁽¹⁾ and Biodegradable⁽²⁾



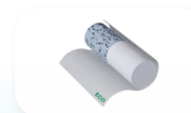
Infused™

Customised additive solution and application to fit customer brief



ECO™ Sensation

Streamline single pass process for capsule insertion



ECO™ Active

Activated carbon loading on demand

Lower lifecycle carbon impact



ECO™ Flute

Customised unique visual, coloured inner wrap or outer plug wrap, flute-bar configuration



ECO™ Airlaid+

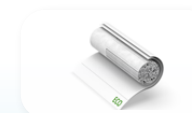
Reduced pressure drop variance of Airlaid's non-woven material by special processing



ECO™ Tube

Sustainable hollow tube filter

Customisable design



ECO™ Bridge

Very low pressure drop and retention to obtain targeted smoke delivery, available with High and Low Density



ECO™ Cavitec

Additional sensory benefit with Carbon in Cavity technology



Easy to rip filter tip

A series of filter tips are wrapped in perforated paper designed for ease of use by "ripping" the filter tip



LOW CARBON & CIRCULAR OPERATIONS

FROM CONTROL TO TRANSFORMATION



Over the past three years, Filtrona has moved beyond managing environmental impacts to actively transforming the way we operate.

What began as structured environmental management is now embedded in how we design processes, invest capital, operate sites, and engage suppliers.

By 2025, this transformation is visible in measurable progress:



-30%
energy use vs 2022
baseline



0%
waste to landfill



-51%
Scope 1 & 2 emissions



Zero
wastewater discharge
at India sites



37%
renewable electricity

All KPIs are reported on an absolute basis unless otherwise stated and cover all operational sites under Filtrona's control.

ENVIRONMENTAL MANAGEMENT

Building the Foundation

Environmental management is central to Filtrona's long-term resilience, operational performance, and licence to operate. Closely linked to cost efficiency, regulatory compliance, customer expectations, and reputation, it is embedded within governance, risk management, and operational leadership.

Through its double materiality framework, Filtrona identifies and manages key environmental and climate-related risks, including regulatory non-compliance, reputational exposure, energy price volatility, and evolving carbon regulations. At the same time, environmental management creates strategic opportunities through sustainable product innovation, operational efficiency, cost reduction, and strengthened competitive positioning.

To address these risks and opportunities, Filtrona has implemented a structured climate transition approach underpinned by its approved Climate Transition Plan. The Plan sets out how the Company will achieve its science-based greenhouse gas reduction targets across Scope 1, Scope 2, and Scope 3, while supporting long-term growth, competitiveness, and operational resilience.

It includes a Carbon Reduction Strategy, expansion of renewable electricity procurement, continuous energy efficiency improvements, and decarbonisation measures across operations and the value chain. The transition pathway is informed by scenario modelling and decarbonisation analysis to assess feasibility, risk exposure, and resilience under different energy and regulatory scenarios, and is anchored in

near- and long-term net-zero targets validated by the Science Based Targets initiative (SBTi), confirming alignment with recognised scientific criteria and recommendations.

In addition to transition risks, Filtrona monitors physical climate risks, including extreme weather events and water-related stress, integrating adaptation considerations into site-level risk assessments and resilience planning. The Climate Transition Plan is reviewed annually and updated as data quality improves, regulatory expectations evolve, and supplier transformation progresses.

This strategic direction is supported by a clearly defined governance and execution framework that translates environmental priorities into operational practice.



Environmental Governance and Oversight

Filtrona's environmental strategy and priorities are aligned with its Vision 2030 ESG Strategy, which provides the overarching framework for integrating sustainability into long-term business planning.

Within this framework, environmental management establishes clear governance, defined accountability, and structured oversight to ensure consistent execution across sites. This approach is underpinned by ISO 14001-certified environmental management systems implemented at site level, providing a disciplined structure for regulatory compliance, performance monitoring, and continuous improvement.

Compliance with environmental laws and permits is monitored through site-level implementation of the Company's environmental management system, supported by internal controls and periodic reviews. Performance is tracked through defined environmental KPIs, including emissions, energy intensity, waste diversion, and renewable energy uptake, enabling consistent oversight and year-on-year improvement.

Clear accountability exists at every level: the Board and Executive Leadership oversee climate and environmental risk, the ESG Committee coordinates strategy and progress, operations leadership owns implementation, and site teams execute and monitor performance.

ENVIRONMENTAL MANAGEMENT

Role / Function	Key Environmental Responsibilities
Board / Shareholder oversight (via management reporting)	Oversight of environmental and climate-related risks and performance through management reporting
Executive Leadership Team (ELT)	Overall accountability for environmental performance; integration of environmental considerations into strategy, investment, and operational priorities
Executive ESG Committee	Executive oversight of environmental strategy, performance, and risks; escalation of material issues
ESG Committee (Working Committee)	Cross-functional coordination of environmental initiatives, data collection, and progress tracking
Operations Director / Regional Operations Leadership	Oversight of environmental management systems and compliance across operations
Site Managers / Plant Leadership	Implementation of environmental procedures, regulatory compliance, and site-level monitoring
HSE / Environmental Management Teams	Development of environmental procedures and controls; performance monitoring and technical support
Risk Management / Compliance Function	Integration of environmental and climate risks into enterprise risk management
Procurement / Supply Chain Management	Application of environmental criteria in supplier assessment and engagement
Employees and Contractors	Compliance with environmental procedures and participation in awareness and reporting

For further information on Filtrona's sustainability approach and ESG governance framework, please refer to the Company's ESG disclosures available at

www.filtrona.com/esg

ENVIRONMENTAL MANAGEMENT

Our progress and achievements: *From targets to action*

During the reporting period, Filtrona continued to strengthen its environmental management framework across governance, operations, and data management.

Rather than expanding governance structures, 2025 focused on strengthening execution—improving data quality, reinforcing internal controls, and embedding climate considerations into capital allocation, procurement strategy, and investment decision-making processes.

In 2025, we formally adopted a Climate Transition Plan, creating a structured pathway to deliver the Company's approved science-based greenhouse gas reduction targets across Scope 1, Scope 2, and Scope 3 emissions.

For Scope 1 and Scope 2 emissions, the transition pathway prioritises renewable electricity procurement, continued energy efficiency improvements, transition to lower global warming potential refrigerants, and avoidance of structural emissions growth.

For Scope 3 emissions — primarily concentrated in purchased goods and services — the plan emphasises supplier engagement, material innovation, product design optimisation, and broader value-chain collaboration, recognising emissions reduction as a shared responsibility.

SBTi Near-term and Long-term targets

Near-term

Filtrona Group commits to reduce absolute scope 1 and 2 GHG emissions **58.0%** by 2030 from a 2022 base year.* Filtrona Group also commits to reduce absolute scope 3 GHG emissions **63.0%** by 2035 from a 2023 base year.

Long-term

Filtrona Group commits to reduce absolute scope 1 and 2 GHG emissions **95.0%** by 2040 from a 2022 base year.* Filtrona Group also commits to reduce absolute scope 3 GHG emissions **90.0%** by 2050 from a 2023 base year.



Going Forward: *Disciplined execution and integration*

The next phase of Filtrona's environmental journey focuses on disciplined execution and deeper integration with core business processes. Priorities include further standardising management systems, strengthening data quality and controls, and systematically linking decarbonisation initiatives to capital allocation and procurement decisions. Marginal abatement cost analysis will be used to prioritise high-impact, economically viable actions, while expanded supplier engagement will accelerate progress on Scope 3 emissions.

Environmental management is evolving from framework-building to scalable implementation — embedding sustainability into operational excellence programmes, site-level performance management, and day-to-day decision-making. Through a continuous improvement approach, Filtrona aims to ensure that environmental performance advances in step with business growth and long-term resilience.

WASTE MANAGEMENT

Moving towards circularity

As a manufacturing business, Filtrona generates hazardous and non-hazardous waste streams that must be managed responsibly to minimise environmental impacts, reduce disposal risks, support resource efficiency, and meet growing stakeholder expectations around sustainable and circular operations.

Waste management is embedded within site-level environmental management systems covering

- identification,
- segregation,
- handling,
- storage,
- recycling,
- recovery,
- and compliant disposal in line with regulatory requirements.

Responsibilities are clearly defined and supported by approved, licensed contractors, with contractual controls and periodic reviews to ensure waste is managed in accordance with legal and environmental standards.

Filtrona applies the waste hierarchy, prioritising

- prevention,
- reduction,
- reuse,
- and recycling

before disposal.

Waste prevention is supported through process optimisation and material efficiency initiatives aimed at reducing filter tow losses, off-specification products, packaging waste, and production scrap. Recycling and recovery programmes are implemented across sites to increase diversion from disposal, and the company maintains a zero waste to landfill approach across its operations.



WASTE MANAGEMENT

Moving towards circularity

Our progress and achievements – Improving waste intensity

Waste management has evolved from compliance to performance optimisation, with greater focus on prevention, diversion, and resource efficiency.

Importantly, from 2023 onwards:

No waste was sent to landfill.

1. Waste intensity improved by 23%



Waste intensity (kg/ million rods) improved by 23% between 2022 and 2025, reflecting efficiency gains relative to production.

2. Recycling rate → 53%



The recycling rate reached 53%, with over half of total waste diverted from disposal.

Non-hazardous waste represents the vast majority of total waste generated (*approximately 98%*) and is primarily composed of paper, plastic, wood, and production scrap. Hazardous waste accounts for a small proportion and is managed through approved recycling and controlled treatment routes. Where disposal is required, waste is directed to regulated recovery or incineration processes, avoiding landfill and supporting circular economy principles.

2025 Waste Data

Total wastes	4,435.04 tons
Total Recycled wastes	2,438.09 tons
Total landfill wastes	0 tons
Total non-hazardous wastes	4,334.76
Total hazardous wastes	100.29 tons



Going Forward

Scaling circular waste practices

Going forward, Filtrona will focus on reducing waste at source through continued process optimisation and material efficiency initiatives. Efforts will also concentrate on improving segregation practices at site level to enhance recovery quality, while driving greater consistency in recycling performance across all operations to ensure uniform standards and sustained progress.

ENERGY MANAGEMENT

Efficiency first

Energy efficiency has been the single largest driver of emissions reduction across Filtrona's operations. Total energy consumption declined significantly compared with the 2022 baseline, primarily due to improvements in direct energy use (Scope 1 and 2). Operational optimisation, equipment upgrades, enhanced energy monitoring, and targeted site-level initiatives delivered measurable efficiency gains while supporting cost control and reduced exposure to energy price volatility.

Alongside efficiency improvements, the adoption of renewable electricity accelerated.



Increased on-site generation and renewable procurement

agreements raised the renewable share of electricity to **37%** in 2025,

supporting decarbonisation objectives and strengthening long-term energy resilience.

Energy management is embedded into core business processes rather than treated as a standalone initiative.

It informs

- capital allocation decisions,
- equipment design and upgrade programmes,
- operational performance reviews,
- and climate risk assessments.

ISO 50001-aligned energy management systems at selected sites provide a structured framework for performance monitoring, target setting, and continual improvement.

Filtrona does not currently apply an internal carbon price. Instead, energy and emissions considerations are directly integrated into business planning and investment decision-making to ensure that decarbonisation actions remain economically viable and operationally scalable.

Energy consumption 2025

Total Energy consumption	42,852,760.68 kwh
Total Non renewal energy consumption	26,952,512.77 kwh
Total Renewal Energy	15,900,247.91 kwh
Total Energy consumption per million rods	560.9



ENERGY MANAGEMENT

Efficiency first

Our Progress and Achievements

Cutting emissions, scaling renewables

1. Energy consumption down 29.9%

Most of this reduction since 2022 was driven by improvements in **Scope 1 energy use**, which accounted for approximately **88.3% of the total reduction**, demonstrating effective management of direct energy consumption.

2. Renewable energy → 37%

The use of renewable energy soared **from 5% to 37%** from 2022 to 2025.

3. Scope 1 & 2 emissions: -51%

Market-based **Scope 1 and Scope 2 emissions** were reduced by **51% by 2025 compared to the 2022 baseline**, driven by lower absolute energy consumption and a growing share of renewable energy. GHG emissions intensity improved accordingly over the reporting period.

In November 2025, Filtrona's near-term and net-zero greenhouse gas reduction targets were validated by the Science Based Targets initiative (SBTi).

4. Scope 3 emissions: 1% below 2023

Scope 3 emissions remain the largest component of Filtrona's greenhouse gas footprint. For the period 2023 to 2025, total Scope 3 emissions decreased by approximately 6% from 2023 to 2024, before increasing by around 5% in 2025. Overall, Scope 3 emissions in 2025 remained

around 1% lower than in 2023, reflecting changes in purchased goods, logistics, and other value-chain activities. Filtrona reports Scope 3 emissions in accordance with the GHG Protocol, covering key upstream and downstream categories relevant to its operations.

The Company is progressively strengthening supplier engagement and data collection processes to improve visibility and management of value chain emissions.

5. Internal carbon pricing

Filtrona does not currently apply an internal carbon price. Climate- and energy-related considerations are addressed through energy efficiency initiatives, emissions monitoring, and integration into broader risk management and strategic planning processes.

Carbon emission 2025

Total Carbon emission	355,260.88 tons CO ₂ eq
Total Scope 1 emission	699.57 tons CO ₂ eq
Total Scope 2 emission	11,042.35 tons CO ₂ eq
Total Scope 3 emission	343,518.96 tons CO ₂ eq
Total Biogenic carbon emission	546.55 tons CO ₂ eq
Total Emission (tons CO ₂) per million rods (included scope 3 emissions)	4.52
Total GHG intensity per net revenue	0.63 kg/USD

Going Forward

Tackling value-chain emissions

Building on its 2025 Climate Transition Plan, Filtrona will drive energy efficiency, expand renewable electricity, and deepen supplier engagement to tackle value-chain emissions.

The Group has committed to:

- **58%** absolute reduction in Scope 1 and 2 emissions by 2030
- **Carbon neutral** Scope 1 and 2 by 2040
- **63%** reduction in Scope 3 emissions (Category 1 boundary) by 2035
- **Net-zero** value chain emissions by 2050
- **100%** renewable electricity procurement by 2040

These targets are validated by the Science Based Targets initiative (SBTi), confirming alignment with recognised scientific criteria and recommendations. Progress against them will be reviewed annually through Filtrona's ESG governance framework to ensure continued alignment with regulatory developments, technological advancements, and evolving business conditions.

WATER STEWARDSHIP

Responsible use across diverse geographies

Water is not a direct production input in Filtrona's cigarette filter manufacturing processes, however it remains essential for domestic and utility use across sites, including sanitation, cleaning, and employee welfare. Although overall water dependence is limited compared to many industrial manufacturers, Filtrona recognises that responsible water stewardship is critical to regulatory compliance, operational continuity, and maintaining trust in the communities where it operates.

Given the geographic diversity of its operations – including certain facilities located in regions experiencing varying levels of water stress – Filtrona applies a risk-based approach to water management.

Site-level controls, monitoring systems, and compliance procedures govern water withdrawal, consumption, and wastewater discharge. Water use is reviewed periodically through environmental management processes to ensure alignment with local regulatory requirements and evolving site conditions.

While direct water impacts are limited due to the absence of process water use, Filtrona also considers upstream water-related risks associated with the production of raw materials such as filter tow and paper. These risks are addressed indirectly through supplier engagement and responsible sourcing practices.

Our Progress and Achievements

Managed growth with strong controls

Water withdrawal and wastewater discharge increased during the reporting period in line with operational activity. Despite this growth, robust site-level controls ensured continued compliance with applicable regulations and responsible discharge practices.



Filtrona's **India sites maintained zero wastewater discharge**, supported by treatment and reuse systems that exceed minimum regulatory requirements.

Across other locations, wastewater is treated and discharged through approved systems or municipal infrastructure, with monitoring to ensure environmental protection and regulatory adherence.

Through this structured and proportionate approach, Filtrona continues to manage water responsibly while supporting operational resilience across diverse geographies.

Waste Waste water discharge (cubic metres)	81,414.17
Surface Water discharge	21,644.00
Third-Party Water discharge	59,770.17

Going Forward

Strengthening water performance

Filtrona will continue to assess opportunities to extend zero wastewater discharge practices to additional sites where technically and locally feasible. The Company will further strengthen water monitoring and data management processes to improve visibility over withdrawal, consumption, and discharge patterns, particularly in regions experiencing higher levels of water stress.



Water management practices will continue to be reviewed in light of evolving regulatory requirements and local environmental conditions, ensuring a proportionate and risk-based approach.

Together, these actions support regulatory compliance, responsible water stewardship, and reduced impacts on local water resources while maintaining operational resilience.

Water Water withdrawal (cubic metres)	92,685.41
Ground Water	5,297.04
Surface Water	0
Third-Party Water	87,388.37

AIR EMISSIONS MANAGEMENT

Air emissions, including nitrogen oxides (NOx), particulate matter (PM), and other combustion-related pollutants, are managed across Filtrona's operations as part of environmental compliance and operational risk management. While air emissions were not identified as a material topic through the Company's double materiality assessment, they are recognised as an important aspect of responsible environmental management and regulatory compliance.

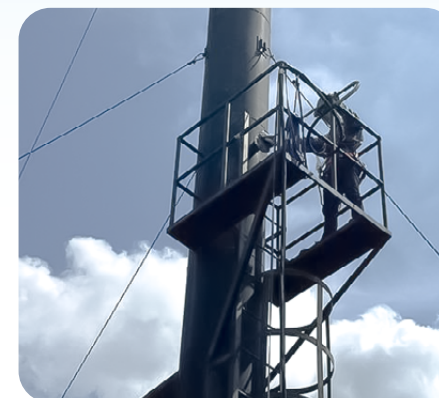
In 2025, Filtrona enhanced its environmental performance monitoring by introducing estimated air pollution load reporting. This provides improved visibility of emissions associated with fuel consumption and supports the development of a more structured approach to tracking and managing air emissions across sites.

Air emissions are primarily associated with stationary combustion sources, including boilers and thermal processes. Emissions are controlled through the use of appropriate fuel selection, equipment maintenance, and, where applicable, emission control technologies, in line with regulatory requirements.

Air Emissions Performance (Estimated)

Pollutant	2025 (kg)	Estimated Emissions (tonnes)	Scope / Source
NOx	959,565.52	Fuel combustion (boilers)	Biomass Boilers
PM/Dust	959,088.67	Combustion / particulate emissions	Biomass Boilers
VOC	131.07	Process-related emissions	Production area

Total Air pollution load: 1,918,785.26 kg.



Methodology and Data Coverage

Air emissions are estimated based on fuel consumption data and the application of recognised emission factors, including EMEP/EEA guidelines and other relevant international references, depending on fuel type and combustion technology.

The current approach provides a reasonable estimate of emission levels across operations; however, data accuracy is expected to improve over time as Filtrona strengthens site-level monitoring, refines emission factors, and incorporates direct measurement data where available.

Continuous Improvement

Filtrona will continue to enhance its air emissions management by improving data quality, strengthening monitoring practices, and further integrating emissions considerations into operational decision-making. Future efforts will focus on increasing the use of measured data, enhancing emission control where required, and aligning reporting practices with evolving regulatory and stakeholder expectations.



RESPONSIBLE SUPPLY CHAIN

SUPPLY CHAIN MANAGEMENT

Why It Matters

Building resilience beyond our own operations

For Filtrona, supply chain management is about protecting the integrity, continuity, and sustainability of our business. As a global manufacturer, our impact extends far beyond our own sites into the partners, materials, and logistics networks that enable our products.

A responsible supply chain safeguards material availability, reduces environmental and social risk, strengthens customer trust, and reinforces our licence to operate in an increasingly regulated and scrutinised environment.

Setting Clear Expectations and Sharing Accountability

Filtrona's supply chain framework is grounded in transparency, responsibility, and risk awareness. Our Supplier Code of Conduct and Global Sustainable Procurement Policy define the standards that govern supplier relationships, embedding ethical, environmental, and social criteria into procurement decisions.

We apply a risk-based approach, focusing greater oversight on key suppliers and higher-risk categories. ESG considerations are integrated into sourcing

strategy, contractual requirements, supplier reviews, and enterprise risk management processes.

Our expectations extend beyond direct suppliers. We encourage partners to cascade responsible practices throughout their own value chains, reinforcing shared accountability and long-term resilience.

Supplier Code of Conduct

Global Sustainable Procurement Policy

Our Progress and Achievements

Strengthening oversight and raising the bar

During the reporting period, Filtrona further strengthened supplier governance and ESG due diligence.

Key highlights include:

- 100% of new suppliers assessed for ESG due diligence
- 100% of Tier 1 suppliers reviewed for ESG risks
- 88% of wood-related direct materials sustainably sourced
- Approximately 20% of procurement spend sourced locally

Environmental and social criteria were systematically embedded into supplier assessments, covering labour standards, human rights, environmental compliance, and responsible business practices. Where required, audits were conducted, with no significant environmental or social risks identified during the reporting period.

Local sourcing continued to support operational resilience while contributing to local economic participation across key regions.

Going Forward

Deepening engagement and enhancing transparency

Filtrona will continue to strengthen supply chain management through responsible sourcing, risk-based supplier assessment, and engagement with key suppliers. The Company will further integrate ESG considerations into procurement, enhance data visibility through digital tools, and reinforce expectations on environmental, social, and ethical performance to support supply chain resilience and risk management.

BIODIVERSITY



Why It Matters

Safeguarding the natural foundations of our products

Filtrona's products rely on natural and bio-based raw materials, including wood pulp derivatives and paper. The long-term availability and quality of these materials depend on healthy ecosystems, sustainable forestry, and responsible land use practices.

While biodiversity risk does not primarily arise from our direct operations, it is closely linked to our upstream value chain. Increasing regulatory scrutiny around deforestation and ecosystem protection further elevates its importance. Protecting biodiversity is therefore both an environmental responsibility and a business imperative tied to supply continuity and long-term resilience.

Embedding Responsible Sourcing and Ecosystem Awareness

Filtrona's operations are primarily located within industrial zones and established manufacturing areas. Based on current internal assessments, the Company does not operate sites within or adjacent to legally protected areas or areas of high biodiversity value, nor in locations known to contain habitats of species classified on the IUCN Red List or national conservation lists. Given the predominantly indoor and industrial nature of its activities, direct impacts on biodiversity and threatened species are considered limited. Nevertheless, biodiversity considerations are integrated into environmental risk management processes, including site-level assessments, environmental impact evaluations, and responsible sourcing practices. Through supplier due diligence and certification requirements for relevant materials, Filtrona seeks to minimise potential indirect impacts on ecosystems and species of conservation concern.

Biodiversity considerations are integrated into Filtrona's environmental management and procurement practices.

Filtrona's approach is underpinned by

- ISO 14001:
- alignment with the UN Sustainable Development Goals (SDG 15),
- FSC or equivalent certification requirements for relevant wood-based materials

- Biodiversity risk screening within supplier due diligence processes
- the use of environmental impact assessments, where relevant, to assess biodiversity risks before launching projects.

Through structured supplier engagement and risk-based oversight, we seek to minimise deforestation risk and promote sustainable forestry practices. At the same time, we continue to support material optimisation and sustainable product innovation, including the use of bio-based and lower-impact inputs.

Filtrona sources a range of materials for filter production, spanning wood-derived inputs (cellulose acetate tow, plugwrap, and paper-based components) and non-wood chemical and synthetic inputs. In line with our ongoing efforts to refine sustainability data reporting and align with evolving industry practice, material consumption is presented below at an aggregated category level, consistent with GRI 301-1 requirements for weight/volume disclosure by material classification.

Category	Total Weight
Wood-related materials	53,547.63 tons
Non-wood materials	5,946.43 tons
Total materials consumed	59,494.06 tons

Recycled input materials: 22% of total materials consumed. Recycled content is applicable to paper and packaging materials only; not currently applicable to other input categories.

BIODIVERSITY

Our Progress and Achievements

Strengthening upstream risk management

During the reporting period, biodiversity-related efforts focused on reinforcing responsible sourcing and supply chain oversight.

Key initiatives included:

- Ongoing engagement with suppliers of wood-based and agricultural raw materials
- Continued prioritisation of certified and responsibly sourced inputs
- Integration of biodiversity considerations into ESG and supplier risk reviews
- Reinforcement of environmental compliance monitoring at site level
- Promoting responsible forestry and agricultural practices

Together, these measures help safeguard raw material availability, reduce exposure to ecosystem-related risks, and support alignment with evolving regulatory expectations.

Biodiversity Target (%)

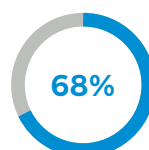
Wood-certified material purchase

100% by 2030

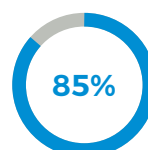
Tow, Plugwrap Packaging - other than FSC
eg. SFI, PBN, PEFC



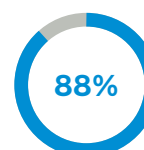
2030



2023



2024



2025

Going Forward

Enhancing oversight and supporting sustainable material transitions

Filtrona will continue to strengthen biodiversity management by deepening supplier engagement in higher-risk geographies, improving data transparency, and reinforcing certification requirements for relevant materials.

By combining responsible sourcing with innovation in lower-impact materials, we aim to protect ecosystems while supporting long-term business continuity and alignment with Filtrona's Vision 2030 ESG strategy.

Recycled Content in Packaging Materials

Filtrona continues to prioritise the use of recycled content in packaging materials as part of its broader resource efficiency and circularity strategy.

In 2025, total packaging consumption is estimated at approximately **16,000 tonnes**, with around **80%** derived from recycled sources, primarily through high recycled fibre content in paper-based packaging materials.

While this represents a significant shift toward lower-impact material use and reduced reliance on virgin resources, data coverage and verification processes are still being strengthened. Filtrona is working to enhance supplier engagement, data traceability, and reporting methodologies to improve the accuracy and robustness of recycled content disclosures in future reporting periods.



PEOPLE, ETHICS & GOVERNANCE

Filtrona's social commitments are central to delivering its Vision 2030 ESG Strategy, which recognises that long-term business success depends on a skilled, engaged workforce, safe and inclusive workplaces, respect for human rights, and positive contributions to the communities in which the Company operates.

Across its global operations, Filtrona focuses on:

- managing social risks,
- strengthening resilience,
- and creating shared value through responsible people practices, robust health and safety management, and community engagement aligned with local needs.



EMPLOYEE & TALENT MANAGEMENT

Why It Matters

Building capability for long-term performance

Filtrona operates specialised manufacturing processes that depend on skilled people. A safe, engaged and capable workforce is therefore fundamental to product quality, operational reliability, and sustainable growth.

The Company's approach to employee and talent management focuses on attracting, developing, and retaining skilled employees while maintaining safe, fair, and supportive working environments.



Our Progress and Achievements

Strengthening workforce capability and accountability

During 2025, we:

- Expanded upskilling and reskilling programmes for shopfloor operators
- Launched a global digital performance management system (Workday)
- Delivered more than 76,195 training hours across the organisation (average 36 hours per person per year for all permanent and contracted employees)
- Achieved 100% completion of annual performance and development reviews

At site level, health and safety performance continued to improve, supported by leadership oversight and site-level accountability, with the Filtrona Thailand site recognised in 2025 by Social Security Office for its health and safety performance under Safety Model company.

Employee engagement also strengthened. Our global survey achieved a **90% participation rate**, with **engagement rising to 3.99/5** (up from 3.82 in 2024), reflecting growing organisational trust and clarity of direction.

Our people practices received external recognition, with Singapore and Indonesia operations certified as Top Employers 2026.

Workforce Profile Highlights

- **1,695 employees** globally (permanent)
- **24 direct contracted** employees
- **409 contingencies workers** (third parties)
- **411 leavers and 261 new hires** during the year
- **Employment type:** predominantly permanent employees across operational, professional, and management roles
- **Total training hours delivered:** over **76,195 training hours** across the organisation (average 36 hours per person per year for all permanent and contracted employees)
- **Performance reviews:** 100% of employees received annual performance and development reviews

Going Forward

Looking ahead, we will continue investing in leadership capability, workforce resilience, and data-driven people management to support long-term performance.

DIVERSITY, EQUALITY & INCLUSION

Creating inclusive, merit-based workplaces

Diversity strengthens decision-making and resilience across our global operations. Filtrona promotes equal opportunity, non-discrimination, and merit-based employment practices aligned with local laws and cultural contexts.

Our Progress and Achievements

In 2025:

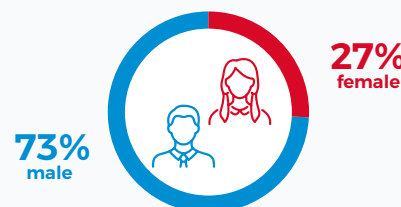
- DEI principles were embedded in recruitment, development, and leadership processes
- Inclusive leadership expectations were reinforced
- No discrimination incidents were reported
- 100% of permanent employees paid above living average
- The mean gender pay gap is 22.4%, indicating that female employees earn on average 22.4% more than male employees

Our workforce reflects broad ethnic and age diversity across regions, with balanced representation across early-career, mid-career, and senior groups.

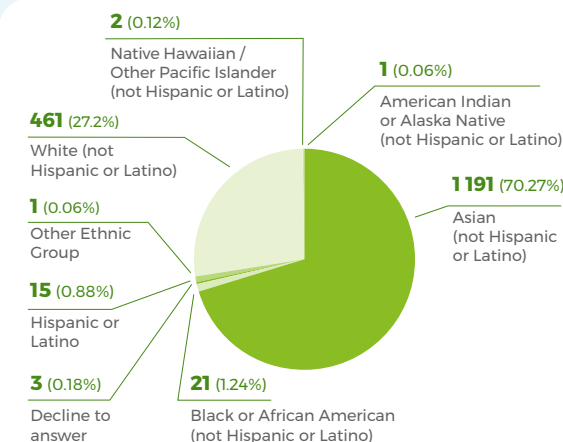
Key Diversity Metrics in 2025

- **Workforce gender representation:**
Female employees: **26.8%**
Male employees: **73.2%**
- **Female representation in management:**
29.1%
- **Age diversity:**
Balanced distribution across early-career, mid-career and senior age groups
- **Local workforce composition:**
Majority of employees hired locally across operating sites
- **22.4% gender pay gap** (female employees earn on average 22.4% more than male employees)

Gender diversity

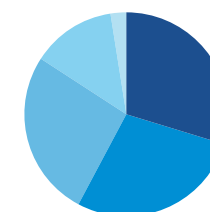


Ethnic Diversity



Going Forward

We will continue strengthening leadership accountability and inclusive decision-making practices across the organisation.



Age Group, Headcount. %

- >=18-30, 504 ● **29.73%**
- >30-40, 473 ● **27.91%**
- >40-50, 455 ● **26.84%**
- >50-60, 222 ● **13.10%**
- >60+, 41 ● **2.42%**

Grand Total: 1695

WORKPLACE HEALTH & SAFETY

Protecting people, strengthening operations



Safety is fundamental to operational continuity and responsible manufacturing.

All Filtrona sites operate under **ISO 45001-certified** occupational health and safety systems covering employees and contractors.



Our Progress and Achievements

In 2025, Filtrona advanced its health and safety performance through the implementation of the **Filtrona Safety Zone and the Incident Elimination Programme under the Filtrona Excellence Model**. These initiatives strengthened hazard identification, risk assessment, incident investigation, and proactive safety culture across sites.

Key Health & Safety Metrics in 2025

1. Lost-Time Injury Rate (LTIR):

1 lost-time incident (0.05)

2. Total injuries:

8 first aid cases

3. Coverage:

100% of employees and contractors covered by the OHS management system

HSE training hours done =
21,572.6 hours in 2025

Injuries primarily involved minor strains or superficial injuries, with corrective actions implemented to prevent recurrence.

Going Forward



Filtrona will continue embedding its safety programmes, strengthening leadership accountability, and promoting a proactive safety culture across operations.



HUMAN RIGHTS

Respect across operations and value chain

Respect for human rights is integral to Filtrona's responsible operations and risk management across its workforce and supply chain. Human rights expectations are embedded within the Group's Code of Conduct, people policies, and responsible sourcing standards.

To support responsible operations, effective risk management, and long-term business resilience, Filtrona aligns its people and employment practices with applicable labour laws and internationally recognised human rights standards. This includes prohibiting forced labour, child labour, and modern slavery; respecting freedom of association and collective bargaining in line with local laws; and promoting fair, merit-based employment practices that uphold non-discrimination and equal opportunity.

These principles are embedded in Filtrona's Group Global Human Rights Policy, which sets clear expectations for employees and suppliers and aligns with the UN Guiding Principles on Business and Human Rights and ILO Fundamental Conventions.

Further information is available on Filtrona's website:

<https://filtrona.com/esg/human-rights/>

Our Progress and Achievements

Human rights considerations are integrated into broader ESG and enterprise risk management processes, supported by confidential speak-up mechanisms and non-retaliation commitments.

Key Indicators for Human Rights in 2025:



- No substantiated human rights incidents were reported
- No risks related to child labour, forced labour, or freedom of association were identified
- Human rights considerations remained integrated into ESG and enterprise risk processes

Filtrona continues to respect employees' rights in line with applicable local laws and engages constructively with employee representatives where relevant.

Going Forward

We continue strengthening supplier engagement, awareness, and due diligence to support responsible practices across our value chain.



CONTRIBUTIONS TO SOCIETY

Long-Term Community Impact

Contributing positively to society supports Filtrona's social licence to operate and long-term business resilience.

Guided by its Vision 2030 ESG Strategy, Filtrona focuses on community engagement, education, child welfare, and local development through decentralised, site-led initiatives aligned with community needs. Employee participation and local ownership are central to Filtrona's approach.

Our Progress and Achievements

During the reporting period, Filtrona supported community programmes across multiple regions, including long-term education initiatives in India and local CSR activities in Thailand and Paraguay.

Long-Term Community Investment in India (2017-2025)

Since 2017, Filtrona's India operations have implemented sustained community investment programmes focused primarily on education, child welfare, healthcare access, and community development. In FY2025, total CSR spending in India amounted to approximately USD 196 thousand.



- During the reporting period, Filtrona continued investing in school infrastructure, including classroom and sanitation construction benefiting over 200 students, and the provision of four class teachers supporting approximately 690 students. School kits were distributed to six schools, reinforcing access to learning.
- Support for vulnerable groups remained a priority, including assistance to differently abled children (25 beneficiaries), medical support for children with Type I diabetes (30 children), and the provision of smart vision glasses to visually impaired students (25 recipients).
- Healthcare access was further strengthened through the construction of a solar-powered Green Primary Health Centre and the "Gift-a-Life" initiative, which supported 43 life-saving heart surgeries (30 paediatric and 13 elderly patients), alongside medical equipment donations to a government hospital. The establishment of a 150-seat training centre within the industrial area further contributed to long-term community capability-building.

These initiatives demonstrate a structured and sustained approach to social impact, combining measurable investment with tangible community outcomes.

CONTRIBUTIONS TO SOCIETY

Site-level initiatives across the world

In addition to India, Filtrona sites in Bangkok, Surabaya, Budapest, Dubai, China, Singapore, Greensboro and Paraguay continued active community engagement through employee-led initiatives, including school support activities, children's day contributions, welfare donations, environmental protection, and community-based volunteering. These initiatives reinforce Filtrona's people-centred CSR model and strengthen relationships with local communities.



Key Community Impact Metrics

- **Total beneficiaries reached** (India, 2017-2025): ~5,000 children and students
- **Education impact:** Classroom construction, teacher sponsorship, learning materials, and vocational support
- **Healthcare impact:** 40+ life-saving heart surgeries supported; ongoing medical assistance for vulnerable children
- **Inclusion focus:** Support for differently abled and visually impaired students
- **Community engagement:** Site-level initiatives across Asia and Latin America, including school support, donations, healthcare access, and employee volunteering
- **Community investment (India FY2025):** Total CSR investment in India for FY2025 amounted to approximately USD 196K

Further details on selected social initiatives, including a mental well-being programme in Bangkok, the construction of a healthcare facility in Indonesia, and community support initiatives in India, are available on Filtrona's website:

filtrona.com/esg/insights-impact-stories

Going Forward

Filtrona will continue strengthening structured community engagement, employee involvement, and long-term social impact aligned with local priorities and responsible business practices. The Company aims to further formalise its community investment approach, enhance measurement of social outcomes, and ensure continued alignment between business growth and positive community contribution.

Further details on selected social initiatives, including a mental well-being programme in Bangkok, healthcare initiatives in Indonesia, and community programmes in India, are available on Filtrona's website:

filtrona.com/esg/insights-impact-stories

Governance

Governance provides the foundation for sustainable performance. Clear policies, defined accountability, and structured oversight ensure that sustainability, compliance, and risk management are embedded into business decision-making.

ETHICS & INTEGRITY

Strong ethics and integrity are fundamental to Filtrona's governance framework and its ability to operate responsibly across a global footprint. Clear policies, effective oversight, and consistent implementation support ethical decision-making, regulatory compliance, and trust with employees, customers, and partners.

Filtrona Compliance policies

1. Ethics Code
2. Data Privacy
3. Sanctions and Export control
4. Anti-Money Laundering
5. Anti-Slavery & Human Trafficking
6. Agency Compliance
7. Anti-Trust & Competition Law
8. Third Party Due Diligence
9. Conflict of Interest
10. Document Retention
11. Right to Speak
12. Anti-bribery and Corruption
13. Gifts and Hospitality
14. Facilitation Payment
15. Anti-Counterfeiting

- Filtrona's approach to ethics and integrity is grounded in its **Group Ethics Code**, which supports the Filtrona core values and sets out clear expectations for ethical behaviour, lawful conduct, and responsible decision-making across all operations and among all suppliers i.e Gifts & Entertainment, Diversity and Inclusion, Bullying and Harassment, IT Security, Political and Charitable Contribution and Public Officials; Social Media, Anti- Money Laundering, Anti-Trust and Competition Law, Right to Speak, Health and Safety and Environment, Conflict of Interest, Bribery and Corruption.
- **Oversight of the Ethics Code is led by the Executive Leadership Team, with support from the Legal, Compliance, Risk & Governance function**, while responsibility for upholding ethical standards rests with all employees. The Code is reinforced through communication, training, and accessible guidance tools, including an ethics decision framework (Ethics Decision Tree) to support judgement in complex situations.

- **Filtrona also maintains confidential speak-up mechanisms under its Right to Speak policy**, enabling employees and other stakeholders to raise concerns in good faith, anonymously, without fear of retaliation. Reported concerns are reviewed and investigated in accordance with established procedures, supporting accountability, regulatory compliance, and continuous improvement in ethical conduct.



Executive
Leadership
Team



Group
Ethics Code



Right
to Speak
Policy

ETHICS & INTEGRITY

Anti-Corruption and Business Ethics

Filtrona maintains a zero-tolerance approach to bribery and corruption, embedded within its Code of Ethics and supported by formal policies, internal controls, and training programmes.

Corruption risk assessments are conducted as part of the Group's enterprise risk management framework, with particular focus on higher-risk geographies and third-party interactions.

All employees are required to complete mandatory ethics and compliance training, which includes anti-corruption topics. In 2025, 95% of employees completed this training.

Filtrona operates confidential reporting channels, enabling employees and external stakeholders to raise concerns. All reported cases are investigated in accordance with established procedures.

In 2025, no substantiated incidents of corruption were identified, and no employees were dismissed or disciplined for corruption-related violations.

Our Progress and Achievements

Filtrona's Code of Conduct and related ethics policies apply across all operations and are supported by mandatory training, leadership accountability, and confidential speak-up mechanisms with defined investigation and escalation processes. Ethical risks are integrated into enterprise risk management and internal audit activities, supporting consistent application of standards and timely issue escalation.

These ethical expectations extend across Filtrona's value chain and are communicated to suppliers through responsible sourcing practices, reinforcing consistent standards beyond the Company's own operations.

Key Governance Metrics

Board Oversight

Filtrona's Board provides oversight of governance matters to support effective decision-making and accountability. Board composition, including diversity, tenure, and independence, is monitored to promote balanced perspectives, effective challenge, and strong governance across the business.

Ethics and Compliance

Ethical conduct is guided by the Filtrona Group Ethics Code, which sets expectations for lawful, responsible, and transparent behaviour across all operations. Compliance with the Code and related policies is reinforced through communication, training, and ongoing oversight, supporting consistent application across geographies and functions.

Anti-Corruption

Filtrona maintains a zero-tolerance approach to bribery and corruption, as set out in its Ethics Code and supporting policies. These policies prohibit improper payments, gifts, or inducements and apply to employees and relevant third parties.

No corruption incidents were reported during the reporting period.

Anti-Competitive Behaviour

Filtrona promotes fair competition and compliance with applicable competition and antitrust laws across its global operations.

Expectations regarding anti-competitive conduct are set out in the Group Ethics Code, which prohibits practices such as price-fixing, market allocation, abuse of market position, and inappropriate exchanges of commercially sensitive information.

Compliance is supported through governance controls, employee training, and access to legal guidance, particularly for employees involved in commercial activities, supplier and customer relationships, and collaborations. Competition law considerations are integrated into business processes, including contracts and innovation or intellectual property activities, with legal review applied where appropriate.

Employees may raise concerns through confidential speak-up channels. During the reporting period, no legal actions or confirmed incidents related to anti-competitive behaviour were reported.

Whistleblowing and Speak-Up Mechanism

Employees and relevant stakeholders have access to confidential speak-up channels under Filtrona's Right to Speak policy, including anonymous reporting options available across all sites. These mechanisms enable concerns to be raised without fear of retaliation and are supported by defined investigation and follow-up processes.

No material whistleblowing cases were reported during the reporting period.

Ethics and Compliance Training

Training plays a key role in embedding ethical standards and compliance expectations across the organisation.

During the reporting period,

- **95%** of employees completed Ethics and Compliance training including Code of Conduct policy

supporting awareness and consistent understanding of Filtrona's governance requirements.

ETHICS & INTEGRITY

Data Security and Privacy

Data Privacy Breaches

Data privacy and information security risks, including potential data breaches, were monitored as part of Filtrona's governance and risk management processes, supporting the protection of sensitive business and intellectual property information.

Cybersecurity Training

Cybersecurity training reached 73% of employees in 2025, reinforcing data protection awareness and secure information handling. No data privacy breaches were recorded. Filtrona currently conducts ongoing cybersecurity awareness training.



Tax Governance

Filtrona's approach to tax governance is embedded within its broader governance framework and supported by its Accounting Manual, which sets out group-wide principles and procedures for tax compliance, reporting, and internal controls across all jurisdictions in which the Company operates.

Filtrona is committed to complying with applicable tax laws and regulations, maintaining appropriate documentation, and engaging constructively with tax authorities. The Company does not engage in aggressive tax planning or artificial arrangements and seeks to ensure that tax positions reflect the economic substance of its business activities.

Tax governance is aligned with Filtrona's Ethics Code and compliance framework, promoting lawful, responsible, and transparent business conduct. Oversight of tax matters is integrated into the Company's financial and governance processes to ensure appropriate review and accountability.



Going Forward

Filtrona will continue to strengthen its ethics and integrity framework to support responsible business conduct and long-term sustainable performance.

The Company will focus on reinforcing consistent implementation of ethics policies across all sites, supported by ongoing communication, training, and leadership accountability. Filtrona will also continue to reinforce speak-up, investigation, and non-retaliation practices and integrate ethical expectations into supplier and third-party engagement, using insights gained to support continuous improvement.

PRODUCT INNOVATION & INTELLECTUAL PROPERTY



Why It Matters

Innovation as a strategic lever

Innovation is central to Filtrona's strategy and long-term transformation. We continue investing in advanced filter solutions and sustainable product development for heated tobacco systems, focusing on performance, reduced environmental impact, and regulatory readiness.

Key Governance Highlights:

- Maintenance of ISO 17025 certification for testing and validation
- Structured IP protection processes and internal controls

Product innovation and intellectual property (IP) are critical to Filtrona's competitiveness, customer partnerships, and sustainable value creation. Innovation enables Filtrona to develop differentiated, high-performance solutions that respond to evolving customer, regulatory, and sustainability expectations, while effective IP governance protects proprietary technologies and know-how.

Together, these capabilities support commercial differentiation, responsible collaboration, and long-term business resilience by safeguarding value, managing risk, and sustaining customer trust

Investing in Reduced-Risk

Filtrona manages product innovation and intellectual property through defined governance processes that align research and development activities with strategic, regulatory, and sustainability priorities, while protecting proprietary technologies and know-how. Intellectual property is recognised as a critical business asset and is managed in accordance with Filtrona's Global IP Policy, which applies to all employees and relevant partners.

The Company continues to invest in reduced-risk and sustainable product innovation for heated tobacco systems, including advanced filter solutions designed to enhance performance and reduce environmental impact. Innovation activities are supported by structured decision-making, scientific validation, and disciplined development processes to ensure technical robustness, regulatory readiness, and alignment with customer requirements.

Further information on Filtrona's products, innovation focus areas, and related policies is available on the Company's corporate website and product materials.

filtrona.com/our-policies • filtrona.com/filters

IP governance is reinforced through defined confidentiality requirements, documentation standards, legal protections, and internal controls that safeguard patents, trademarks, copyrights, trade secrets, and other proprietary information across development and collaboration activities, while respecting the intellectual property rights of others.

Our Progress and Achievements

During the reporting period, Filtrona continued to strengthen its approach to product innovation and intellectual property governance through structured oversight, robust controls, and capability-building activities. These efforts support responsible innovation, protect proprietary knowledge, and manage risks associated with data protection and technology.



PRODUCT INNOVATION & INTELLECTUAL PROPERTY

2025 IP Highlights – Targets & New Initiatives

AI-Driven IP Analytics



Deploy advanced IP analytics dashboards and AI-enabled tools for portfolio management and competitor monitoring

Global IP Governance & Compliance



Implement frameworks for cross-border IP management and risk mitigation

Ensure full compliance with updated EU and Chinese IP regulations

Innovation Ecosystem Expansion



Strengthen partnerships with universities, startups, and R&D consortia to accelerate open innovation

Sustainability Integration



Embed ESG principles into IP portfolio strategy and innovation processes

Awareness & Training



Launch IP awareness campaigns focused on ESG compliance and responsible innovation.

ISO 17025 certification

Filtrona maintained ISO 17025 accreditation for its testing and validation activities, demonstrating that laboratory testing is conducted in line with internationally recognised standards for technical competence, data integrity, and reliability.

Innovation Governance

Innovation governance was supported through structured oversight of research and development and product development activities, ensuring alignment with strategic priorities, regulatory requirements, and sustainability objectives.

IP Protection

Intellectual property protection continued to be reinforced through defined internal controls, documentation standards, and knowledge management processes, supporting the safeguarding of patents, proprietary technologies, and confidential information across innovation and collaboration activities.



Going Forward

Filtrona will continue to focus on product innovation that supports customer needs, regulatory expectations, and sustainability goals, while protecting its intellectual property. Ongoing attention to innovation governance, scientific capability, and IP awareness will help safeguard proprietary knowledge and support long-term business value.

APPENDIX

GRI CONTENT INDEX

Statement of use Filtrona Group has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION /RESPONSE
GRI 2: General Disclosures 2021	2-1 Organisational details	3
	2-2 Entities included in the organisation's sustainability reporting	3
	2-3 Reporting period, frequency and contact point	3
	2-4 Restatements of information	3
	2-5 External assurance	4
	2-6 Activities, value chain and other business relationships	8
	2-7 Employees	46
	2-8 Workers who are not employees	46 – Filtrona engages contractors and temporary workers across certain operations. These are managed in accordance with local labour laws and internal policies. The Group is working to enhance data collection and reporting on non-employee workers.
	2-9 Governance structure and composition	18, 19
	2-10 Nomination and selection of the highest governance body	Members of the highest governance body are selected based on a combination of professional experience, industry expertise, leadership capability, and alignment with the Company's strategic priorities, including ESG considerations
	2-11 Chair of the highest governance body	The Chair of the highest governance body provides independent oversight of management and ensures effective governance, including ESG-related matters
	2-12 Role of the highest governance body in overseeing the management of impacts	19
	2-13 Delegation of responsibility for managing impacts	19
	2-14 Role of the highest governance body in sustainability reporting	4, 19
	2-15 Conflicts of interest	16 – Filtrona maintains policies requiring declaration and management of conflicts of interest in line with its Code of Ethics.
	2-16 Communication of critical concerns	4
	2-17 Collective knowledge of the highest governance body	18 – The Board collectively possesses expertise in industry, finance, risk, and sustainability, supported by management briefings and ESG updates.
	2-18 Evaluation of the performance of the highest governance body	18 – The Board's performance is periodically reviewed through internal evaluation processes covering governance effectiveness and oversight of key risks.

APPENDIX

GRI STANDARD	DISCLOSURE	LOCATION /RESPONSE
GRI 2: General Disclosures 2021	2-19 Remuneration policies	Filtrona's remuneration approach is designed to align leadership performance with long-term business objectives. ESG-related considerations, including safety, compliance, and operational performance, are incorporated into performance evaluation processes where relevant.
	2-20 Process to determine remuneration	Remuneration is reviewed periodically and considers market benchmarks, individual performance, and company performance, including ESG-related indicators where applicable.
	2-21 Annual total compensation ratio	67
	2-22 Statement on sustainable development strategy	11-12, 14
	2-23 Policy commitments	16
	2-24 Embedding policy commitments	17
	2-25 Processes to remediate negative impacts	Filtrona maintains processes to identify, investigate, and remediate negative impacts through grievance, whistleblowing, HR, health and safety, and compliance reporting channels. Concerns can be raised confidentially and are reviewed in accordance with internal procedures, with corrective actions implemented where required.
	2-26 Mechanisms for seeking advice and raising concerns	52
	2-27 Compliance with laws and regulations	3
	2-28 Membership associations	49
	2-29 Approach to stakeholder engagement	20-23
	2-30 Collective bargaining agreements	49
"GRI 3: Material Topics 2021	3-1 Process to determine material topics	24
	3-2 List of material topics	25-55
	3-3 Management of material topics	25-55
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	While a detailed breakdown of economic value generated and distributed is not disclosed, Filtrona maintains financial reporting processes in line with applicable accounting standards and continues to evaluate opportunities to enhance transparency in this area.
	201-2 Financial implications and other risks and opportunities due to climate change	24
	201-3 Defined benefit plan obligations and other retirement plans	Pension and benefit arrangements are managed in line with local laws; financial disclosures are included in statutory reporting where required
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	No material financial assistance from government requiring disclosure was identified during the reporting period
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Entry-level wages are set to meet or exceed applicable local minimum wage requirements; a global ratio is not currently disclosed.

APPENDIX

GRI STANDARD	DISCLOSURE	LOCATION /RESPONSE
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Local talent is prioritised where appropriate; the proportion of senior management hired locally is not currently disclosed.
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	50-51
	203-2 Significant indirect economic impacts	50-51
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	41
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	52
	205-2 Communication and training about anti-corruption policies and procedures	6 - Anti-corruption policies are communicated to employees, supported by mandatory ethics and compliance training
	205-3 Confirmed incidents of corruption and actions taken	53
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	53
GRI 207: Tax 2019	207-1 Approach to tax	53
	207-2 Tax governance, control, and risk management	53
	207-3 Stakeholder engagement and management of concerns related to tax	Engagement with tax authorities conducted transparently
	207-4 Country-by-country reporting	Filtrona has established tax governance principles; however, detailed country-by-country tax disclosures are not currently reported. The Group continues to evaluate enhanced tax transparency aligned with stakeholder expectations
GRI 301: Materials 2016	301-1 Materials used by weight or volume	42
	301-2 Recycled input materials used	42
	301-3 Reclaimed products and their packaging materials	42
GRI 302: Energy 2016	302-1 Energy consumption within the organisation *	36-37
	302-2 Energy consumption outside of the organisation	Energy consumption outside the organisation is associated with value chain activities and is reflected through Scope 3 greenhouse gas emissions. A separate energy metric is not currently disclosed.
	302-3 Energy intensity	36
	302-4 Reduction of energy consumption	36-37
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	Product innovation efforts are focused on reducing lifecycle environmental impact through lower-impact materials, reduced plastic content, and lower-carbon filtration solutions. Quantified reductions in energy requirements of products and services are not currently disclosed
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	38
	303-2 Management of water discharge-related impacts	38

* Externally assured by SGS under AA1000AS v3 Type 2 Moderate Assurance. Assurance was performed on selected ESG performance indicators and related descriptive disclosures listed in the SGS Assurance Statement, on a sample basis. Data points or statements outside the listed assurance scope were not included in the assurance conclusion. Please refer to the SGS Assurance Statement for full scope, methodology and limitations.

APPENDIX

GRI STANDARD	DISCLOSURE	LOCATION /RESPONSE
GRI 303: Water and Effluents 2018	303-3 Water withdrawal *	38
	303-4 Water discharge *	38
	303-5 Water consumption *	38
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	42
	304-2 Significant impacts of activities, products and services on biodiversity	42-43
	304-3 Habitats protected or restored	42
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	42
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions *	37
	305-2 Energy indirect (Scope 2) GHG emissions *	37
	305-3 Other indirect (Scope 3) GHG emissions *	37
	305-4 GHG emissions intensity	37
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	37
	305-6 Emissions of ozone-depleting substances (ODS)	39
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	39
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	34-35
	306-2 Management of significant waste-related impacts	34-35
	306-3 Waste generated *	34-35
	306-4 Waste diverted from disposal *	34-35
	306-5 Waste directed to disposal *	34-35
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	41
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Filtrona continues to strengthen its approach to identifying and managing environmental and social risks within its supply chain. While no significant adverse impacts were formally reported during the period, the Company is enhancing supplier due diligence, risk screening, and engagement processes to improve visibility and enable proactive management of potential risks.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	46
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	46

* Externally assured by SGS under AA1000AS v3 Type 2 Moderate Assurance. Assurance was performed on selected ESG performance indicators and related descriptive disclosures listed in the SGS Assurance Statement, on a sample basis. Data points or statements outside the listed assurance scope were not included in the assurance conclusion. Please refer to the SGS Assurance Statement for full scope, methodology and limitations.

APPENDIX

GRI STANDARD	DISCLOSURE	LOCATION /RESPONSE
GRI 401: Employment 2016	401-3 Parental leave	Parental leave is provided in accordance with applicable local laws and regulations. Filtrona supports employees in balancing work and family responsibilities; consolidated data on leave uptake and return rates is not currently disclosed.
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Notice periods for operational changes are managed in accordance with applicable local laws, regulations, and employment agreements.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	48
	403-2 Hazard identification, risk assessment, and incident investigation	48
	403-3 Occupational health services	48
	403-4 Worker participation, consultation, and communication on occupational health and safety	48
	403-5 Worker training on occupational health and safety	page 46, Worker training on occupational health and safety is conducted regularly across all sites and includes mandatory induction training, job-specific safety procedures, and ongoing awareness programs to reinforce safe working practices.
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	48
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety risks associated with business relationships are managed through supplier and contractor requirements, including adherence to applicable health and safety standards.
	403-8 Workers covered by an occupational health and safety management system	48
	403-9 Work-related injuries *	48
	403-10 Work-related ill health	48
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	46
	404-2 Programmes for upgrading employee skills and transition assistance programmes	46
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	46
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees *	47
	405-2 Ratio of basic salary and remuneration of women to men	47
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	47
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Filtrona is committed to respecting employees' rights to freedom of association and collective bargaining, both within its operations and through its supplier expectations. No significant risks were identified during the reporting period.
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	49

* Externally assured by SGS under AA1000AS v3 Type 2 Moderate Assurance. Assurance was performed on selected ESG performance indicators and related descriptive disclosures listed in the SGS Assurance Statement, on a sample basis. Data points or statements outside the listed assurance scope were not included in the assurance conclusion. Please refer to the SGS Assurance Statement for full scope, methodology and limitations.

APPENDIX

GRI STANDARD	DISCLOSURE	LOCATION /RESPONSE
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	49
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Security personnel are expected to operate in accordance with applicable laws and company standards, including respect for human rights. Relevant personnel receive appropriate guidance or training; consolidated data is not currently disclosed.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Filtrona is committed to respecting human rights, including the rights of indigenous peoples. No substantiated incidents were identified during the reporting period.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	50-51
	413-2 Operations with significant actual and potential negative impacts on local communities	Filtrona monitors potential impacts on local communities through its operational and management processes. No significant actual or potential negative impacts were identified during the reporting period.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	41
	414-2 Negative social impacts in the supply chain and actions taken	Potential social risks in the supply chain are addressed through supplier requirements and standards, including expectations on labour and human rights. No significant negative social impacts were identified during the reporting period
GRI 415: Public Policy 2016	415-1 Political contributions	Filtrona maintains a neutral stance on political contributions and complies with all applicable laws and regulations regarding public policy engagement.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product safety is assessed through internal product development, testing, and regulatory compliance processes. All product categories undergo relevant evaluation prior to market release.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Assessment of the health and safety impacts of products is conducted as part of product development and regulatory compliance processes. Filtrona's Scientific Services and product testing capabilities support compliance with applicable standards and customer requirements. No significant incidents of non-compliance concerning product health and safety were identified during the reporting period.
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labelling	26-28
	417-2 Incidents of non-compliance concerning product and service information and labelling	No significant incidents of non-compliance identified.
	417-3 Incidents of non-compliance concerning marketing communications	No significant incidents of non-compliance identified.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Filtrona maintains data protection policies and procedures aligned with applicable regulations. No substantiated complaints regarding breaches of customer privacy were recorded in 2025.

APPENDIX

FILTRONA SR2025 - UN GLOBAL COMPACT TEN PRINCIPLES (UNGC) CONTENT INDEX

UNITED NATIONS GLOBAL COMPACT (UNGC)	PAGE REFERENCE
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	41,47,48,49
Principle 2: Make sure that they are not complicit in human rights abuses	49
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	49
Principle 4: The elimination of all forms of forced and compulsory labour	49
Principle 5: The effective abolition of child labour	49
Principle 6: The elimination of discrimination in respect of employment and occupation	47
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges	26-28, 30-33, 34-35, 36-37, 38, 39, 42-43
Principle 8: Undertake initiatives to promote greater environmental responsibility	26-28, 30-33, 34-35, 36-37, 38, 39, 41, 42-43
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	26-28
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	52-53

APPENDIX

PERFORMANCE DATA TABLE

DISCLOSURE	UNIT OF MEASUREMENT	FY2022	FY2023	FY2024	FY2025
Energy & Climate					
Total use of renewable energy	Percentage	5	33	35	37
On-Site Renewable Energy Generated	Total Energy Use (KWh)	0	562,381.00	1,923,222.60	2,643,730.85
Purchased Electricity (RECs) - renewable (hydro, geothermal, wind, solar)	Total Energy Use (KWh)	2,838,985.4	17,906,936.00	15,281,667.00	13,256,517.06
GHG emissions (SBTI aligned)					
Scope 1 and 2 emissions reduction (from base year 2022)	Percentage	0	44	50	51%
Scope 1 and 2 emissions	Metric Tons CO ₂ Equivalents	24,175.47	13,426.54	11,940.27	11,741.92
Scope 1 emission	Metric Tons CO ₂ Equivalents	3,173.08	2,673.03	2,276.04	699.57
Industrial Gases Process/Fugitive Emissions (Scope 1)	Metric Tons CO ₂ Equivalents	138.19	411.30	255.61	293.25
Fuel Consumption - Mobile Combustion (Scope 1)	Metric Tons CO ₂ Equivalents	228.09	129.41	122.21	117.27
Fuel Consumption - Stationary Combustion (Scope 1)	Metric Tons CO ₂ Equivalents	2,806.8	2,132.32	1,898.22	289.05
Scope 2 emissions (Purchased Electricity (Non renewable)	Metric Tons CO ₂ Equivalents	21,002.39	10,753.51	9,664.23	11,042.35
Scope 3 (Total)	Metric Tons CO ₂ Equivalents	225,682.03	346,679.21	326,151.94	343,518.96
Upstream Emissions (1-8)	Metric Tons CO ₂ Equivalents	223,660.94	304,739.61	284,018.43	300,296.32
1. Purchased Goods and Services	Metric Tons CO ₂ Equivalents	196,214.40	289,899.46	271,728.16	270,813.39
2. Capital goods	Metric Tons CO ₂ Equivalents	na	1,387.69	1,651.12	15,544.90
3. Fuel- and Energy-Related Activities (Not in Scope 1 or 2)	Metric Tons CO ₂ Equivalents	4,937.23	5077.74	2,879.80	2,907.06
4. Upstream Transportation and Distribution	Metric Tons CO ₂ Equivalents	NA	5,958.96	5,354.21	7,490.19
5. Waste Generated in Operations	Metric Tons CO ₂ Equivalents	591.4	224.16	109.52	154.76
6. Business Travel	Metric Tons CO ₂ Equivalents	NA	530.32	714.24	1,402.31
7. Employee Commuting	Metric Tons CO ₂ Equivalents	NA	1,192.70	1,581.38	1,793.83
8. Upstream Leased Assets	Metric Tons CO ₂ Equivalents	NA	468.58	399.43	189.88

Category 2 — Capital Goods: The increase in FY2025 (15,544.90 tCO₂e) compared with FY2024 (1,651.12 tCO₂e) reflects a change in calculation methodology. In prior reporting periods, Category 2 emissions were estimated based on site-level capital asset data, which did not fully capture all capital expenditure across the organisation. From FY2025, Filtrona adopted a spend-based methodology using total capital expenditure data and DEFRA/ecoinvent emission factors for capital goods, providing more comprehensive coverage across all sites and asset classes. The prior-year figures have been retained as originally reported. The increase therefore reflects improved data completeness rather than a material change in capital investment activity.

APPENDIX

PERFORMANCE DATA TABLE

DISCLOSURE	UNIT OF MEASUREMENT	FY2022	FY2023	FY2024	FY2025
Down Stream Emissions (9-15)	Metric Tons CO ₂ Equivalents	NA	41,939.60	42,133.51	43,222.64
9. Downstream Transportation and Distribution	Metric Tons CO ₂ Equivalents	NA	10232.11	13,786.90	17,014.97
10. Processing of Sold Products	Metric Tons CO ₂ Equivalents	NA	1,490.00	1,450.00	1,527.08
11. Use of Sold Products (Not applicable for Filtrona)	Metric Tons CO ₂ Equivalents	NA	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	24,680.59
13. Downstream Leased Assets (not applicable)	Metric Tons CO ₂ Equivalents	NA	NA	NA	NA
14. Franchises (Not applicable for Filtrona)	Metric Tons CO ₂ Equivalents	NA	NA	NA	NA
15. Investments (Not applicable for Filtrona)	Metric Tons CO ₂ Equivalents	NA	NA	NA	NA
Water and Waste Water					
Wastewater treated in compliance with environmental standards	percentage	100	100	100	100
Wastewater discharge	Cubic metres	26,833.88	67,129.63	71,403.73	81,414.17
Waste water recycle/reused	Cubic metres	2,712	2,712	2,712	2,712
Total Water Withdrawal	Cubic metres	75,150.13	84,074.59	88,767.39	92,685.41
Ground water	Cubic metres	2,214.38	4,253.87	5,886.45	5,297.04
Surface water	Cubic metres	0	2,065.26	894	0
Third party Water	Cubic metres	72,935.76	77,755.46	81,986.94	87,388.37
Environment Management					
Environmental violations	Number	0	0	0	0
Sustainable products launched annually	Number	NA	6	9	3
New sustainable products TLA	percentage	NA	24	24	24
Waste					
Waste to Landfill %	Percentage	5	0	0	0

1. FY2022 had incomplete category coverage and that FY2023 represents the first comprehensive Scope 3 boundary

2. CAT 11 - Filtrona supplies intermediate components; use-phase emissions are attributed to the finished product manufacturer per GHG Protocol Scope 3 guidance on intermediate products

APPENDIX

PERFORMANCE DATA TABLE

DISCLOSURE	UNIT OF MEASUREMENT	FY2022	FY2023	FY2024	FY2025
Total waste	Metric Tons	4,373.35	4,697.12	3,911.83	4,435.04
Total recyclable wastes	Metric Tons	2,142.61	2,515.55	2,431.11	2,368.80
Total Solid Waste	Metric Tons	2,010.87	1,843.51	1,431.34	2,028.62
Total Liquid waste	Metric Tons	219.87	338.06	115.08	175.56
Waste intensity	Total waste generated per production unit	56	45	43.58	43.24
Recycling rate (%)	Percentage	53	56	62	53
Total hazardous waste	Metric Tons	84.19	82.69	78.86	100.29
Total Non hazardous waste	Metric Tons	4,322.83	4,617.06	3,833.15	4,334.76
Biodiversity					
Purchased certified wood derived materials (FSC, SFI, PBN, PEFC)	Percentage	NA	68	85	88
Mangrove tree plantations	Number	NA	NA	"400 trees planted in Thailand 2,024 trees planted in Indonesia"	0
Suppliers communicated for the Biodiversity and No Deforestation commitment	Percentage	NA	NA	100	100
Supply Chain Management					
Supplier Performance review and assessment	Frequency	NA	NA	Quarterly, monthly, half- yearly, or yearly depending on supplier category	Quarterly, monthly, yearly depending on supplier category
% Suppliers communicated Suppliers Code of Conducts	Percentage	NA	NA	100	100

No tree planting activities were conducted during FY2025. In FY2024, Filtrona supported the planting of 400 trees in Thailand and 2,024 trees in Indonesia as part of site-level community and ecosystem engagement programmes. The FY2025 figure reflects a pause in planting activities pending the identification of suitable sites and partners for continued engagement. Filtrona remains committed to biodiversity protection and responsible sourcing as part of its Vision 2030 ESG strategy.

APPENDIX

PERFORMANCE DATA TABLE

DISCLOSURE	UNIT OF MEASUREMENT	FY2023	FY2024	FY2025
Workforce diversity				
Number of female employees in the workplace	Number	473	424	455
Number of male employees in the workplace	Number	1,346	1,219	1,241
Total Employee (Permanent)	Number	1,819	1,643	1,695
Total number of employees				
Female representation in workforce (% women employee)	Percentage	26	26	26.8
Women representation in management roles	Percentage	26	28	29.1
Males in management roles	Number	125	117	129
Females in management roles	Number	45	45	53
Gender pay gaps	Percentage	7.4	-14	-22.4
Staff training				
Average hours of training per employee	Number	36	39	36
Average hours of HSE training and engagement	Per person/ person/year	26	32	34
Employee benefit and remuneration				
Pay above living wages average	Percentage	99	99	100
Annual total compensation ratio	Ratio	NA	63:1	64:1
Employee engagement				
Employee Satisfaction scores (from survey)	Score	NA	3.82	3.99
Community engagement				
Net profit allocated to community initiatives	Percentage	1	1	1
Residents positively impacted through education, infrastructure, healthcare, and vocational training	Number	NA	2000+	5000+

The gender pay gap is calculated as the percentage difference between average male and average female compensation across the organisation. The negative figures reported for FY2024 (-14%) and FY2025 (-22.4%) indicate that average female compensation exceeded average male compensation during these periods. This reflects the concentration of female employees in professional and management roles, which carry higher average compensation relative to the predominantly male shopfloor and production workforce. Filtrona is committed to pay equity and monitors compensation data across all levels and functions to ensure fair and equitable remuneration practices.

APPENDIX

PERFORMANCE DATA TABLE

DISCLOSURE	UNIT OF MEASUREMENT	FY2023	FY2024	FY2025
Operational sites engaged in local community initiatives	Percentage	100	100	100
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 center donations Singapore Elderly Visits Surabaya - UN Habitat Community Centre Construction	Local community Partnership for education, health and wellness for the community across all locations. All sites participate in community engagement activities, including support for local education, elderly care, and donations to underprivileged groups, aligned with local community needs.
HSE Performance				
Filtrona locations ISO45001 and ISO14001 certified	Percentage	100	100	100
Total recordable cases	Number	4	1	2
Lost time incidents	Number	2	0	1
Lost time days	Number	7	0	12
LTI Rate	Per 200,000 hours worked	0,1	0	0.05
Fatalities and high-consequence injuries	Number	0	0	0
First Aid Cases	Number	7	6	8
Near misses	Number	3	3	0
Hours worked	Number	4,003,677	4,553,215	4,287,475

APPENDIX

PERFORMANCE DATA TABLE

DISCLOSURE	UNIT OF MEASUREMENT	FY2023	FY2024	FY2025
Corporate Governance				
Governance body members trained in anti-corruption policies and procedures	Percentage	100	100	100
ESG performance monitoring	Frequency	monthly	monthly	monthly
Risk Management and Regulatory Compliance				
Risk assessment reviews completed across all sites	Percentage	100	100	100
Notice of violation related to labor and human rights law	Percentage	0	0	0
Procurement and compliance teams trained on human rights policies	Percentage	100	100	100
Employees & supply chain workers have access to confidential, non-retaliatory grievance mechanisms	Percentage	100	100	100
High-risk suppliers comply with Filtrona's human rights standards	Percentage	100	100	100
Employees completed Annual Regulatory Compliance Quiz	Percentage	NA	100	100
Employees completed Agency Compliance & Facilitation Payment Policies	Percentage	NA	91	99
Number of substantiated complaints concerning human rights violations	Number	0	0	0
Anti-Corruption				
Employees' access to confidential, non-retaliatory grievance mechanisms	Percentage	100	100	100
"Employees trained for ethics and integrity compliance(i.e. CoE, Whistleblowing, ABC, AML, COI, Data Protection/Retention & ACL) "	percentage	97	92	100
Employees trained for law & regulatory compliance (i.e. Sanctions & Export Control etc.)	percentage	97	100	100
Employees completed Navex Code of Conduct video training and Micro Learning Courses	percentage	NA	90	94
Employees completed Anti-Trust & Competition Law Policy	percentage	97	94	94

APPENDIX

PERFORMANCE DATA TABLE

DISCLOSURE	UNIT OF MEASUREMENT	FY2023	FY2024	FY2025
Employees received training in ethics and integrity compliance	percentage	92	91	95%
Number of substantiated complaints concerning human rights violations	Number	0	0	0
New agents receiving communication on the Anti-Corruption and Bribery Policy and Ethics Code Policy	Number	NA	3	3
New customers receiving Ethics Code Policy and Anti-Corruption Procedures	Number	52	136	140
New suppliers were informed about the Suppliers Code of Conduct	Number	56	63	284
New third parties vetted	Number	NA	199	424
Security and Privacy				
Employees completing training on IT data security	Percentage	NA	76	71

All KPIs are reported on an absolute basis unless otherwise stated and cover operational sites under Filtrona's control. Definitions and methodologies are described in the relevant sections of this report.

APPENDIX

EXTERNAL ASSURANCE STATEMENT



ASSURANCE STATEMENT

SGS (THAILAND) LIMITED'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE FILTRONA LIMITED'S SUSTAINABILITY REPORT FOR 2025

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 FILTRONA Sustainability Report 2025 the year ended December 31, 2025 in accordance with the reporting criteria.

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all FILTRONA's 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 GRI Standards 2021 (With reference to). The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
AA1000ASv3 Type 2	Moderate

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 GRI Standards 2021 (With reference to)

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE
FILTRONA's Sustainability Report 2025 has been reviewed against the GRI Standards 2021, with reference to the selected disclosures and specified performance information listed below, covering the reporting period from 1 January to 31 December 2025. The assurance covered data expressed numerically and related descriptive disclosures within the defined scope of assurance.

- a) Environmental dimension performance indicators
- GRI 302-1 Energy consumption within organization (2016)
 - GRI 303-3 Water withdrawal (2018)
 - GRI 303-4 Water discharge (2018)
 - GRI 303-5 Water consumption (2018)

- GRI 305-1 Direct (Scope 1) greenhouse gas emissions (2016)
- GRI 305-2 Energy indirect (Scope 2) greenhouse gas emissions (2016)
- GRI 305-3 Other indirect (Scope 3) greenhouse gas emissions (2016)
- GRI 306-3 Waste generated (2020)
- GRI 306-4 Waste diverted from disposal (2020)
- GRI 306-5 Waste directed to disposal (2020)

- b) Social dimension performance indicators
- GRI 403-9 Work-related injuries (2018)
 - GRI 405-1 Diversity of governance bodies and employees (2016)

ASSURANCE METHODOLOGY
SGS's assurance engagements are carried out in accordance with assurance procedure. The assurance comprised a combination of

- FILTRONA's Management interviews, including the Sustainable Development team with responsibility for performance in the areas within scope
- Interview with data owners &/or managers responsible for internal data collection and reporting databases
- Document review of relevant systems, policies, and procedures where available
- Understanding, analyzing and sample testing the key data collection, aggregation, validation and reporting systems, processes, procedures, and controls
- Sampling of evidence was conducted to assess the reliability of selected performance information across FILTRONA's operational reporting boundary. Five representative operational sites — Thailand (Bangkok), Indonesia (Surabaya), India (Bangalore), UAE (Dubai), and Hungary (Budapest) — together with the Singapore Headquarters, were selected for assessment using a risk-based sampling approach.
- As part of the assurance procedures for GRI 305-3 Scope 3 GHG emissions, SGS reviewed Filtrona's Scope 3 calculation methodology, emission factor sources, reference documents, category applicability assessment, selected activity data, assumptions and exclusions. SGS also performed sample-based recalculations and checked the traceability of selected data points to supporting records.

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

LIMITATIONS
Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process. Some statements and data within the scope were not assured due to lack of accessible records during the timescale allowed for assurance, and these are clearly marked throughout the Report.

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.

CONCLUSIONS

ASSURANCE OPINION
Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the specified performance information included within the scope of assurance is not, in all material respects, prepared with reference to the GRI Standards (2021) and FILTRONA's stated reporting criteria. We consider that the level of assurance obtained is appropriate for this stage of the organization's sustainability reporting development.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY
FILTRONA applies a structured approach to stakeholder engagement across key groups, including investors, employees, customers, suppliers, regulators, partners, and communities. Insights from these engagements inform the materiality assessment and align sustainability strategy with disclosures.

MATERIALITY
The organization implements a robust double materiality assessment framework, evaluating both the outward impacts of its operations on the environment and society, and the inward implications of sustainability-related risks and opportunities for the business. Aligned with GRI Standards, this process integrates comprehensive stakeholder engagement and internal evaluations to prioritize material topics, which are subsequently embedded into FILTRONA's overarching sustainability management and strategic planning.

RESPONSIVENESS
FILTRONA manages material sustainability topics through defined governance, policies, and integrated systems. Key initiative - covering climate, environment, people, and ethics - are monitored and transparently reported using both qualitative and quantitative metrics.

IMPACT
FILTRONA demonstrates a structured and systematic approach to identifying and fairly representing its ESG impacts across activities, policies, and operations. It considers varying regional contexts across its global footprint—including Thailand, Indonesia, India, Singapore, Hungary, and the UAE—and integrates both qualitative and quantitative metrics into target-setting to support effective measurement, monitoring, and transparent performance reporting.

Signed:
For and on behalf of SGS (Thailand) Limited

Montree T.

Montree Tangtermsirikul
General Manager
238 TRR Tower, 19th-21st Floor, Naradhiwas Rajanagarindra Road, Chong Nonsi, Yanna, Bangkok
10120, Thailand
28 April 2025
www.sgs.com



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SUSTAINABILITY REPORT 2025

ADVANCING SUSTAINABILITY PERFORMANCE

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**For further enquiries and feedback,
please contact:**

Contact No.: +65 6258 0918

Email: filtersenquiry@filtrona.com

Find Us: 36 Robinson Road, #17-01 City
House, Singapore 068877