
GLOBAL ENVIRONMENTAL SUSTAINABILITY POLICY

1. Purpose & Scope

At Filtrona, we are committed to conducting business responsibly by living our purpose to drive sustainable transformation, with the goal of being class-leading in environmental sustainability. This policy outlines the measures that Filtrona will take to continually improve sustainability performance and ensure it is embedded into all functions, whilst aligning with Filtrona's purpose, values, and goals as a company.

This commitment extends to our employees, temporary workers, contractors, customers, suppliers, visitors, and members of the public. It also extends to our supply chain and to organizations working on our behalf, and we actively encourage our suppliers to operate in a similarly responsible manner.

This policy is applicable to all direct operations and value chains.

Filtrona's environmental commitments are aligned with the Paris Agreement, the Kunming-Montreal Global Biodiversity Framework, and UN Sustainable Development Goals 6 (Clean Water), 7 (Clean Energy), 12 (Responsible Consumption), 13 (Climate Action), and 15 (Life on Land).

2. General Environmental Commitments

In order to deliver on this commitment, Filtrona will:

- Be fully committed to investing in energy efficiency opportunities, use more renewable energies via procurement and on-site generation, use energy and water efficiently, reduce waste volumes, and ensure material reuse or recycling occurs where possible at all locations.
- Use raw materials and natural resources efficiently, with a focus on sustainable sourcing.
- Monitor, measure, and reduce greenhouse gas (GHG) emissions across Scope 1, Scope 2, and material Scope 3 categories. Set science-based targets aligned with the Paris Agreement and other international frameworks. Support low-carbon innovation in our products, processes, and supply chain.
- Wherever possible, use environmentally safe and sustainable resources and manufacture products from recycled or recyclable materials.
- Avoid sourcing materials linked to deforestation, conversion, or ecosystem degradation.
- Ensure that management will lead and promote environmental improvement programme in accordance with principles established in ISO 50001 and ISO 14001.
- Be transparent with information regarding sustainability — including energy consumption, greenhouse gas emissions, waste volumes, water usage, and air quality — along with improvement actions undertaken, to all stakeholders.
- Educate, train, and motivate employees so they are aware of the potential impact of their actions on the environment and understand their role in helping to reduce the environmental impact of the business.
- Uphold legal and other requirements regarding energy, air emissions, hazardous materials, water, and waste in all global locations in which we operate.
- Ensure appropriate information and resources are available to achieve all Filtrona sustainability objectives and targets.
- Ensure that future systems, processes, and activities consider energy and water usage and responsible management of wastes and emissions.
- Develop, aim to achieve, and review performance on at least a quarterly basis to ensure that all sustainability targets are met.

GLOBAL ENVIRONMENTAL SUSTAINABILITY POLICY

3. Climate Change**3.1 Commitment to Net Zero**

Filtrona commits to achieving net zero greenhouse gas (GHG) emissions by 2050 across our operations and value chain. We will develop and implement strategies to reduce emissions across our direct operations, supply chain, and product life cycle, in line with the Science Based Targets initiative (SBTi) Corporate Net-Zero Standard.

3.2 Emission Reduction Targets (SBTi validated 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.

3.3 Scope 3 Emissions

Filtrona is committed to measuring, disclosing, and progressively reducing Scope 3 emissions across our value chain, with particular focus on upstream purchased goods and materials — which represent the largest share of our total GHG footprint. We will:

- Maintain and improve a Scope 3 inventory aligned with the GHG Protocol Corporate Value Chain (Scope 3) Standard across all 15 categories.
- Set Scope 3 reduction targets aligned with SBTi requirements.
- Engage key suppliers on GHG data quality, emissions reduction, and science-based target adoption.
- Disclose Scope 3 performance annually through CDP and our ESG Report.

3.4 Sustainable Practices

- Promote energy efficiency and renewable energy sources within all corporate facilities.
- Invest in green technologies and sustainable infrastructure to reduce carbon footprint.
- Encourage and support sustainable practices among employees, partners, and stakeholders.
- Implement energy efficiency measures across all operations to minimise energy consumption and reduce emissions.

4. Waste & Circular Economy

Filtrona is committed to minimising waste generation across its operations, maximising material recovery and recycling, and progressively moving toward circular economy principles in product design, packaging, and manufacturing processes.

4.1 Goals and Objectives

- Zero waste to landfill (more than 99% of waste generated diverted from landfill) at all sites.
- Minimise waste generation through source reduction and waste prevention strategies.
- Promote reuse, recycling, and recovery of materials to close the loop on resource use.
- Dispose of waste responsibly and in compliance with relevant environmental regulations.
- Educate and engage employees in sustainable waste management practices.

4.2 Plastics Reduction Targets

Filtrona is committed to reducing plastic content in its products and packaging. We recognise the regulatory direction set by the EU Single-Use Plastics Directive and equivalent national legislation, and we are actively developing plastic-free and bio-based alternatives across our product ranges. Our targets are:

GLOBAL ENVIRONMENTAL SUSTAINABILITY POLICY

- 50% of Filtrona products portfolio to be plastic-free by 2040.
- 100% of Filtrona products portfolio to be plastic-free by 2050.
- Ongoing R&D investment in biodegradable, paper-based, and bio-derived filter materials.

4.3 Key Circular Economy Principles

- **Reduce:** Minimise waste generation through conscious consumption, procurement of sustainable products, and the use of durable and reusable materials.
- **Reuse:** Encourage the reuse of materials and products within the organisation wherever possible.
- **Recycle:** Implement effective recycling programmes for paper, plastics, glass, metals, and electronic waste.
- **Recover:** Explore opportunities for composting organic waste and recovering energy from non-recyclable waste.
- **Responsible Disposal:** Ensure that hazardous waste is managed and disposed of in accordance with applicable laws and regulations.

5. Water Conservation & Pollution Prevention

Filtrona Group is committed to water conservation and enhancing water use efficiency in all processes and activities. Although our operations do not use water in manufacturing processes, we recognise the importance of conserving this resource and preventing water pollution across all sites.

5.1 Water Conservation Guidelines

- Educate employees about the importance of water conservation and provide training on best practices for reducing water usage.
- Regularly inspect and maintain water fixtures to prevent leaks and ensure efficient operation.
- Install water-saving devices such as sensor-controlled faucets and low-flow fixtures where applicable.
- Implement a system for monitoring water usage across all sites, with monthly reporting.
- Evaluate and optimise processes to minimise water usage without compromising quality or efficiency.
- Encourage the use of recycled or reclaimed water where feasible (including zero-discharge systems at applicable sites).

5.2 Water Pollution Prevention

Filtrona is committed to controlling, reducing, and eliminating water pollution associated with our direct operations. All wastewater generated at our sites is domestic in nature (sanitation, canteens, cleaning). We commit to:

- Identifying and classifying all potential water pollutants associated with our activities — including nitrates, phosphates, BOD/COD, and chemical residues from cleaning and maintenance.
- Ensuring all wastewater is discharged to third-party treatment facilities or municipal sewerage networks, or is treated on-site to applicable regulatory standards prior to discharge.
- Operating zero-discharge systems at applicable sites, where all wastewater is recycled and reused.
- Monitoring discharge quality monthly by external laboratory against local EPA standards, covering BOD/COD, nutrients, pH, and temperature where applicable.
- Maintaining spill prevention protocols and chemical management procedures at all sites to prevent uncontrolled releases to water.
- Disclosing annual water withdrawal, discharge, and consumption volumes in our CDP Water response and ESG Report.

6. Biodiversity Protection & Deforestation

Filtrona is committed to protecting biodiversity and natural ecosystems, both within our direct operational footprint and through responsible management of our supply chain. We recognise that wood-derived raw materials — including acetate tow, plugwrap paper, and packaging — represent our most material interface with forest ecosystems.

GLOBAL ENVIRONMENTAL SUSTAINABILITY POLICY

6.1 Deforestation-Free Sourcing

- Achieve 100% deforestation-free and conversion-free (DCF) sourcing of all wood-derived materials by 2030, consistent with the EU Deforestation Regulation (EUDR) and the Accountability Framework Initiative (AFI) guidance.
- Apply zero-deforestation and zero-conversion principles to all wood, paper, pulp, and cellulose-based inputs, ensuring they originate from responsibly managed forests.
- Maintain and increase FSC/PEFC Chain of Custody certified sourcing across all wood-derived material categories.
- Avoid sourcing materials linked to deforestation, ecosystem conversion, or land use change.
- Ensure full compliance with the EU Deforestation Regulation (EUDR) for all products placed on or supplied into EU markets.

6.2 Biodiversity Commitments

- Protect biodiversity and natural ecosystems in regions where we operate and where our supply chain has impact.
- Assess and mitigate potential biodiversity impacts of our operations, supply chain, and new projects.
- Avoid sourcing from areas of high biodiversity value, designated protected areas, or primary forest, in line with the Kunming-Montreal Global Biodiversity Framework's 30×30 targets.
- Support habitat conservation and restoration initiatives in the regions where we source wood-derived materials.
- Collaborate with suppliers and partners to promote sustainable land use and protect high conservation value areas.
- Disclose forest-related performance and commodity volumes annually through CDP Forests and our ESG Report.

7. Air Quality

Filtrona is committed to monitoring, managing, and progressively reducing air emissions from its operations — including combustion-related emissions (NO_x, SO_x, particulate matter) from natural gas, LPG, and diesel-fired equipment, and process-related emissions where applicable — in compliance with local regulatory standards and in pursuit of best available practice.

7.1 Air Quality Commitments

- Monitor air emissions at all sites in accordance with applicable local environmental permits and regulatory requirements.
- Maintain compliance with all local air quality discharge limits and, where possible, apply best available techniques to reduce emissions below regulatory thresholds.
- Identify and manage potential air pollutants at site level, including combustion products (NO_x, SO_x, CO, particulate matter), VOCs from adhesives and solvents where used, and dust from material handling processes.
- Report air quality compliance status and significant air emission events as part of our annual HSE and ESG disclosures.
- Progressively reduce combustion-related air emissions in line with our energy transition strategy — including fuel switching from fossil fuels to electricity, solar, and other clean energy sources.

8. Environmental Policy Engagement

Filtrona is committed to conducting any activities that may directly or indirectly influence environmental policy, law, or regulation in a manner consistent with our environmental commitments and aligned with internationally recognized environmental treaties and frameworks.

GLOBAL ENVIRONMENTAL SUSTAINABILITY POLICY

8.1 Our Position

Filtrona supports the goals of the Paris Agreement (limiting global warming to 1.5°C above pre-industrial levels) and the Kunming-Montreal Global Biodiversity Framework (halting and reversing biodiversity loss by 2030). Our participation in voluntary frameworks — including the United Nations Global Compact (UNGC), Science Based Targets initiative (SBTi), CDP, and GRI — reflects and reinforces these commitments.

Filtrona does not engage in direct political lobbying and holds no trade association memberships. Where our business activities, supply chain engagement, or framework participation may indirectly influence environmental regulation — such as through compliance with the EU Deforestation Regulation, the EU Single-Use Plastics Directive, or emerging carbon pricing mechanisms in our operating jurisdictions — we ensure that such engagement supports rather than undermines global environmental goals.

8.2 Governance of Policy Engagement

- All external memberships, frameworks, and voluntary commitments are reviewed annually by the ESG Working Committee against this policy, our Paris Agreement alignment, and our SBTi commitments.
- Any regulatory compliance engagement is approved and monitored by the ESG Committee, with oversight from the Board of Directors.
- All such interactions are documented and, where appropriate, disclosed in our CDP responses and ESG Report.
- Filtrona does not hold membership in any industry association whose publicly stated policy positions conflict with the Paris Agreement or the Kunming-Montreal Global Biodiversity Framework.
- This commitment is reviewed annually by the ESG Working Committee and approved by the Board.

9. Transparency, Reporting & Stakeholder Engagement

9.1 Reporting

- Annually publish an ESG Report detailing our progress, challenges, and achievements in sustainability efforts.
- Disclose environmental performance through CDP (Climate Change, Water Security, and Forests programmes) annually.
- Ensure transparency in all disclosures in accordance with recognised standards and frameworks including GRI, CDP, IFRS S1/S2 (incorporating TCFD recommendations), and SBTi.
- Disclose air quality compliance status, GHG emissions (Scope 1, 2, and 3), water volumes, waste metrics, and forests-related commodity data as part of our annual reporting cycle.

9.2 Stakeholder Engagement

- Engage with employees, customers, suppliers, and other stakeholders to promote awareness and collaboration on sustainability.
- Respond to customer CDP Supply Chain requests and sustainability questionnaires with verified, accurate data.
- Collaborate with suppliers on deforestation-free sourcing, GHG reduction, and sustainable innovation.

9.3 Innovation & Research

- Invest in research and development of sustainable technologies and practices.
- Encourage innovation within the organisation to find new ways to reduce our environmental impact, including low-carbon products, biodegradable materials, and plastic-free alternatives.

10. Compliance

- Adhere to all applicable environmental laws, regulations, and standards in every jurisdiction in which Filtrona operates.
- Participate in relevant industry initiatives and align with best practices.
- Maintain site-level environmental permits and ensure permit conditions are met at all times.

GLOBAL ENVIRONMENTAL SUSTAINABILITY POLICY

11. Responsibilities**Chief Executive Officer**

The CEO is ultimately responsible for this policy. The Chief Executive is supported by the ESG Committee and is responsible for endorsing Filtrona's environmental strategy and ensuring resources are allocated for implementation.

ESG Committee

- Oversee the development and execution of sustainability commitments as part of the ESG Strategy Master Plan.
- Review and approve this policy annually.
- Monitor progress against targets and ensure alignment with corporate goals and regulatory requirements.
- Review any external policy engagement activities for consistency with Filtrona's environmental commitments.

Site General Managers

- Responsible for implementation of the Filtrona Sustainability Programme at site level.
- Ensure site-level environmental permits are maintained and compliance obligations are met.
- Report environmental performance data (energy, water, waste, air quality) monthly to the Group ESG function.

All Employees

- Support and participate in initiatives aimed at reducing Filtrona's environmental impact.
- Act in accordance with the principles outlined in this policy and all related supporting policies.
- Report any environmental incidents, concerns, or improvement opportunities through the HSE reporting system.

12. Related Policies & Documents

- Filtrona Single-Use Plastics Policy
- Filtrona Vehicle Policy
- Filtrona Forestry Policy (as a buyer)
- Filtrona Products End-of-Life Policy
- Filtrona Supplier Code of Conduct
- Filtrona HSE Management System (ISO 14001 / ISO 50001)

13. Policy Review

This policy will be reviewed annually and updated as necessary to reflect advancements in environmental management, climate science, technology, and regulatory requirements. The next scheduled review is July 2027.

This policy was first approved in January 2023. Version 004 is effective 21 July 2026 and supersedes all prior versions.

Robert Pye
Surajith Ghosh

Chief Executive Officer
ESG Committee Chair

GLOBAL ENVIRONMENTAL SUSTAINABILITY POLICY

Version Control

Version	Revisions	Effective Date	Owner	Approver	Status
001	New issue	17 Jan 2023	Sombat J.	Robert Pye	Approved
002	Updated: climate goals, waste, water, air quality	11 Jul 2024	Sombat J.	Lay Moi Kow	Approved
003	Updated: biodiversity commitment	20 Dec 2024	Sombat J.	Lay Moi Kow	Approved
004	Updated: Scope 3, deforestation target (2030), plastics, SDG alignment, policy engagement section, air quality expanded	21 Jul 2026	Sombat J.	ESG Committee	Approved