



Sustainability Report 2023

 **ALKEGEN**

Table of Contents

Introduction	03	Environment	11
An Introduction to Alkegen	04	GHG Emissions	15
A Letter from our CEO	06	Water	18
Alkegen Roadmap to Sustainability	07	Waste	19
ESG Strategy	08	Product Highlights	20
		Responsible Approach to Manufacturing	24
		Supply Chain Management	28
Social	32	Governance	46
Health and Safety	34	Our Boards	48
Diversity, Equity, and Inclusion	37	Ethics and Compliance	49
Performance and Talent Management	40	Data Privacy and Cybersecurity	52
Community	43	Intellectual Property	53
		Conclusion	54
Appendices	55		
SASB Index	56		
GHG Footprint	57		
Glossary	58		
Forward-Looking Statements	59		

Introduction

Solutions to the world's biggest challenges

An Introduction to Alkegen

Solutions to the world's biggest challenges

Alkegen is a global leader in developing specialty materials dedicated to sustainability and human health.

We were formed in 2021 from the combination of Unifrax and Lydall, world-class materials manufacturers with roots dating back more than 150 years. As a unified innovation-driven company, we are taking on some of the world's biggest challenges to accelerate the transition to a cleaner, more sustainable future.

Alkegen designs materials to save energy, reduce pollution, and improve safety across a wide range of industries and applications, focusing on:

- Filtration and catalysis
- Insulation and fire protection
- Transformative battery technologies
- Construction and advanced materials

We have manufacturing facilities in 12 countries and a workforce of the industry's most experienced talent.

Our Mission

To help people breathe easier, live greener, and go further than ever before.

Our Vision

To become the world's most sought-after specialty materials platform dedicated to sustainability and human health.

7,000+
employees worldwide¹

150+
years of global service and support

56
manufacturing facilities

1. The decline in headcount from 2022 was due to the divestiture of our Thermal Acoustical Solutions business unit in 2023.

Our Values

Grow.

We pursue growth in all its forms. Whether it's company growth, personal growth, or career growth, every day we wake up inspired by our mission and driven to deliver transformative growth that benefits our stakeholders in an environmentally sustainable way.

Be Bold. Move Fast.

Building great things requires entrepreneurial behaviors. We make thoughtful decisions quickly, execute them with intensity, and simplify wherever we can. We believe that it is better to move fast than to move slowly and miss opportunities. We know that by moving fast, we build more things and learn faster.

All Passion. No Politics.

Passion is at the heart of everything we do at Alkegen. We are passionate about our mission, our work, our team, our customers, our communities, our friends, and our families. This comes without politics. We love people who aim for greatness. They inspire and excite their peers and continually raise the bar for all of us. We have no time or tolerance for politics or drama. Our mission is too important.

Do The Right Thing, The Right Way, Always.

Honesty and integrity are non-negotiable traits we expect all Alkegen team members to exemplify in carrying out our values. Safety and compliance govern all that we do.



A Letter from our CEO

In 2023, Alkegen continued to reinforce its position as the world's most sought-after specialty materials platform dedicated to sustainability and human health. Our first Sustainability Report, published in March 2023, was extraordinarily well-received by our stakeholders. We also accelerated our momentum on several key environmental, social, and governance (ESG) initiatives culminating in some highlights that I'd like to share.

First, we rebranded our internal sustainability ESG program as SEEDS™, which stands for Safety, Environmental, Engagement, Diversity, and Social. One of our goals in establishing SEEDS™ was to elevate our ESG focus to the rigor of our health and safety program by combining ESG pillars with "Safety" in the SEEDS™ acronym. Alkegen's safety program has a well-established focus and operational cadence that we are leveraging for ESG oversight and management. Additionally, rebranding our program as SEEDS™ has helped clarify for all employees what is included in our ESG program in a more explicit and accessible way. This approach reinforces that it takes all of us working as one to achieve our ESG goals.

Second, Alkegen made significant progress in bolstering our supply chain and sustainable procurement policies and practices to integrate ESG requirements. For example, we implemented an enhanced Global Quality & ESG Manual that fully details Alkegen's quality and procurement requirements for ESG and establishes a supplier certification and audit process to ensure compliance. These improvements make Alkegen's expectations on ESG standards clear to our suppliers and enable us to hold our suppliers accountable to those standards.

Finally, I am extraordinarily pleased that all of Alkegen's sustainability and ESG efforts are resulting in improved ESG scores on customer

sustainability scorecards and independent rating agency assessments. One ratings service provider that is relied on heavily by many of Alkegen's customers is EcoVadis. EcoVadis offers a holistic sustainability ratings assessment across multiple domains related to environmental performance, labor and human rights, ethics, and sustainable procurement. In 2023, Alkegen improved its overall EcoVadis score to 52 from 36 the year prior and earned a Bronze Sustainability Rating. A score of 52 puts Alkegen in the 53rd percentile for our industry and exceeds a score of 40, which is the threshold score that many customers require for ongoing business. While this accomplishment reflects the improvements that we have made in a short period of time, we recognize that there are further opportunities to advance our ESG program and we are committed to making that progress.

In 2023, we accomplished the goals that we set forth in our 2022 Sustainability Report and in this report we have set aggressive targets for 2024. We will continue to make progress towards our 2030 Environmental Performance Targets and maintain our focus on social, community, and diversity initiatives.

By establishing the SEEDS™ structure this past year, Alkegen matured its sustainability and ESG program and we are excited to continue our mission to help us all breathe easier, live greener, and go further than ever before.



John C. Dandolph
President and Chief
Executive Officer

Alkegen Roadmap to Sustainability

Step by step and year over year, we're strategically charting our course toward a more sustainable future. Below are our major milestones so far and our key commitments for this decade.

2021

Alkegen's formation from Unifrax and Lydall.
First ESG materiality assessment.

2023

Launch of internal sustainability program SEEDS™.
Ecovadis Bronze Sustainability Rating.

2022

First Sustainability Report, setting annual goals and 2030 Environmental Performance Targets.

2024

Identify climate-related risks and opportunities through an assessment in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

2025

Conduct double materiality assessment to identify how our actions affect the environment and society as well as how environmental and social matters impact our financial performance.

2030

Meet Environmental Performance Targets for reductions in greenhouse gas (GHG) emissions, water and waste.

ESG Strategy

In the broadest sense, sustainability refers to the ability to maintain or support a process continuously over time. In business and policy contexts, sustainability seeks to prevent the depletion of natural or physical resources, so that they will remain available for the long term.

Since our launch as Alkegen in 2021, we have been working to integrate learnings and best practices from our legacy companies into a unified sustainability program that creates value for the company's employees, communities, investors, and other stakeholders.

In 2022, we established an ESG committee to set the direction of our ESG program, execute our initiatives, and set goals and targets. As we considered how to prioritize ESG initiatives and meaningfully engage the whole Alkegen team in collective action, our thinking coalesced around five sustainability pillars on which we can have the greatest positive impact. These are health and safety; the environment; employee engagement; diversity, equity, and inclusion; and social engagement with the wider community.



Alkegen was awarded a EcoVadis Bronze Sustainability Rating in 2023.

In 2023, we launched what we call our SEEDS™ program to communicate these five priority pillars to our employees around the world, and keep them engaged on related metrics, targets, and initiatives.

Everyone at Alkegen is kept informed on enterprise SEEDS™ metrics and progress through quarterly briefings with the Chief Executive Officer (CEO) to which all employees are invited to attend and participate.

While SEEDS™ is the way we articulate our environmental and social priorities to the Alkegen workforce, the program also incorporates key governance elements as outlined below and in the Governance chapter of this report.

The 5 Pillars of our SEEDS™ program



ESG Governance

We have a structured approach to ESG governance and management that involves collaboration across the global Alkegen community.

Our ESG Committee evolved into the SEEDS™ Committee in 2023 and a charter was established to formalize its purpose and establish accountability. Committee membership includes an executive from each of the functions of Health and Safety; Governance and Compliance; Communications and Diversity, Equity, and Inclusion; and Environmental and Governance. The SEEDS™ Committee communicates quarterly and is responsible for steering Alkegen's strategy in these areas. We leverage the expertise of our external Human Health and Environmental Sustainability Advisory Board (HHESAB), which provides advice and counsel on matters such as product stewardship, product optimization,

recycling, environmental, health and safety, and regulatory requirements.

The SEEDS™ Committee and its related functional teams are also engaged in operational initiatives including ESG regulatory monitoring and evaluation of chemicals used in our manufacturing processes, such as Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS).

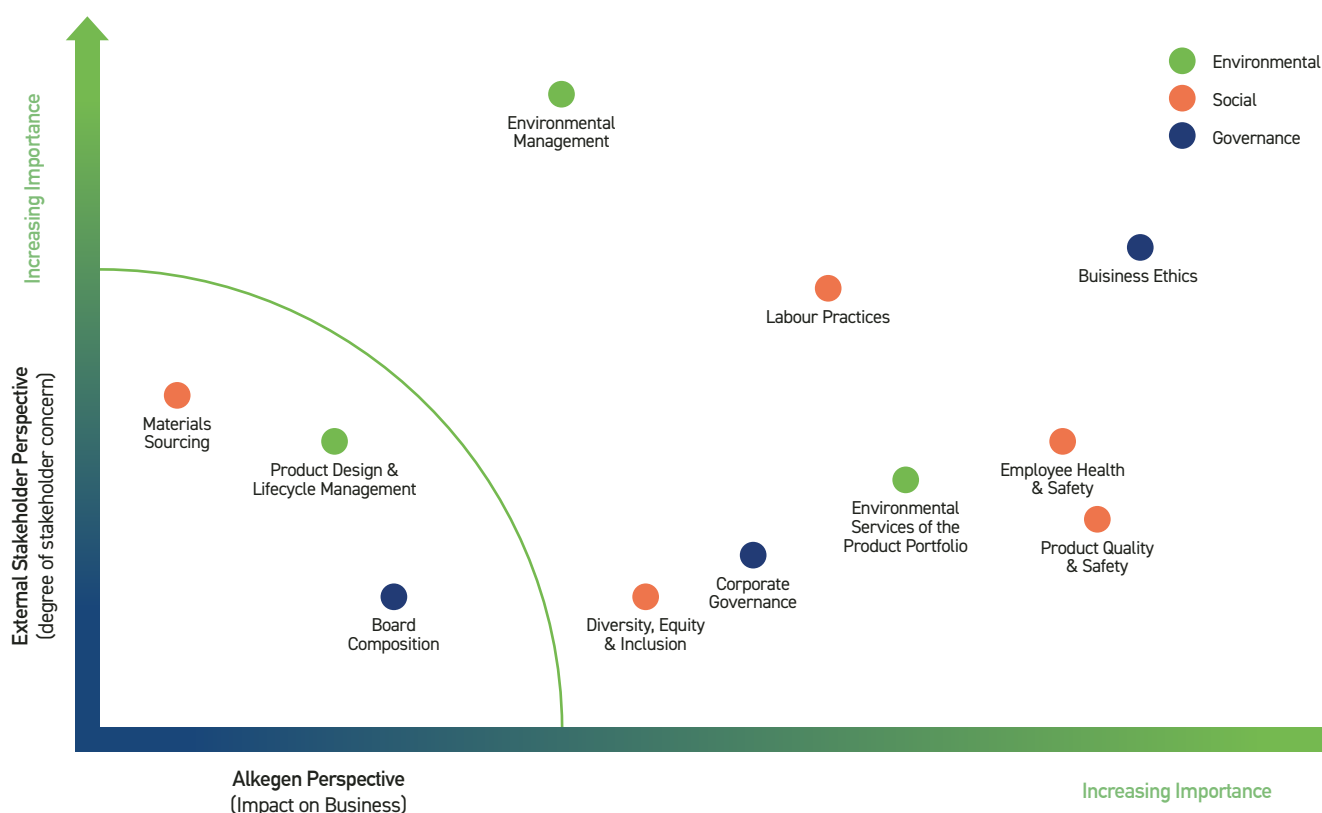
Progress on SEEDS™ and these operational initiatives is reported quarterly to the Alkegen Board of Directors, monthly to the CEO and the rest of the Senior Leadership Team (SLT), and quarterly to the HHESAB noted above.

In 2023, the scope of our monthly Global Safety Call was rebranded and expanded to include reporting on metrics and progress of SEEDS™. This call is attended by over 200 Operations, Human Resources (HR), and Commercial leaders, including our CEO and the rest of the SLT.

ESG Governance Structure



Stakeholder Priorities



The SEEDS™ program is based on the high-priority ESG topics most relevant to Alkegen's stakeholders, including our employees, customers, and investors. We identified these through our first materiality assessment, completed in 2021 by an independent consultant. It consisted of a benchmark review of our peers' sustainability performance and of leading ESG frameworks and ratings agencies.² We are using these insights to inform Alkegen's ESG strategy, aligning our program to the recommendations of the Sustainability Accounting Standards Board (SASB) and EcoVadis.

In 2024, we plan to conduct a new materiality assessment as well as our first assessment of climate risks and opportunities in accordance with the recommendations of the TCFD.



Accordingly, in 2023, we continued to focus on:

- Employee Health and Safety
- Environmental Impact of our Operations
- Environmental Impact of our Product Portfolio
- Supply Chain Management
- Diversity, Equity, and Inclusion

2. ESG ratings providers: MSCI, ISS, Sustainalytics, and EcoVadis.

Environment

Environment

Alkegen is a global leader in developing materials that help people save energy, filter contaminants, control emissions, and harness transformative battery technologies that reduce fossil fuel dependency.

By applying the same ingenuity to our operations as we do to our products, we strive to minimize our environmental impact and accelerate the transition to a cleaner, more sustainable future.

2024 Environmental Goals and Targets

Minimize our Environmental Footprint

Reduce the intensity of our Scope 1 and 2 GHG emissions, reduce our freshwater withdrawals in high or extremely high baseline water stress regions, and reduce waste to landfill in furtherance of our 2030 Environmental Performance Targets.

Manage Climate Risks and Opportunities

Conduct an assessment in accordance with the recommendations of the TCFD and set metrics and targets for risk reduction and management based on the results.

Promote Sustainable Growth

Integrate environmental key performance indicators (KPIs) with business and operational initiatives and support regulatory compliance.



2023 Environmental Achievements



Developed a standalone Environmental Sustainability Policy.



Significantly improved the way we collect, track and quality control data for Scope 1 and 2 GHG emissions, water, and waste, and implemented business unit and site-specific dashboards with contemporaneous reporting.



Developed an ESG & Quality Supplier Manual to drive a sustainable supply chain.



Achieved zero recalls regarding product safety.



Environmental Strategy

Tackling the environmental challenges faced by the world today requires ambition, speed, and dedication. At Alkegen, we see this as both a responsibility and an opportunity. That's why we integrate environmental considerations into our business objectives and accelerate initiatives that reduce our impact while driving sustainable growth.

Galvanizing our global team over the long term is key, so we have set 2030 Environmental Performance Targets to reduce the intensity of GHG emissions, freshwater withdrawals, and landfill waste.

Alongside these, we set annual goals and targets to maintain momentum and drive continuous progress. An important goal we set for 2023 was to improve the tracking of environmental data so that we could identify and accelerate initiatives that would allow us to meet our 2030 Environmental Performance Targets.

We are proud to report that we have achieved this goal after a two-year organization-wide effort to streamline collection of KPIs. Our environmental data is now tracked on a central dashboard that provides enterprise and site leadership visibility into the energy, water, and waste performance at each site and promotes accountability for reduction initiatives.

Backed up by invoices, records, and normalized by revenues, this improved system provides greater accuracy and insights into our global environmental impact.

To guide us in our efforts year over year, we developed a dedicated Environmental Sustainability Policy in 2023. This is separate from our Environmental Health and Safety Policy and underscores our heightened focus on environmental initiatives.

Alkegen's suppliers will play a critical role in helping us understand our environmental footprint so that we can identify and implement ways to reduce it. In 2023, we enhanced our supplier onboarding and audit procedures to establish our ESG expectations. In 2024, we will reach out to our direct material suppliers for specific information on their shipping transportation methods to our facilities and the distances associated. We will also request their carbon footprint data and plans to reduce GHG emissions, so that we can expand

engagement efforts with our suppliers to drive compliance and collective progress toward our sustainability goals.

Understanding how the changing climate could impact our business, our customers, and our people is another important focus for Alkegen. To that end, we plan to align with the recommendations of the TCFD in the next reporting cycle.

2030 Environmental Performance Targets

By 2030 we will achieve:

▼ **10%**

Reduction in the intensity of Scope 1 and Scope 2 GHG emissions



▼ **10%**

Reduction in freshwater withdrawals in high and extremely high water-stressed regions



▼ **15%**

Reduction in the amount of waste sent to landfill



GHG Emissions

At Alkegen, we recognize the impact of GHG emissions and the importance of taking action to preserve our environmental resources.

We are laser focused on achieving our 2030 Environmental Performance Target of reducing our Scope 1 and Scope 2 GHG emissions intensity by 10%. To accomplish that goal, we track our operational GHG emissions and will hold sites accountable to meet annual reduction targets.

In addition, direct suppliers are requested to provide their Scope 1 and Scope 2 GHG emission data as well as decarbonization plans. This is done via our ESG & Quality Management Self-Assessment process, which we implemented in 2023, beginning with the top 25% of our critical suppliers to our battery and mobility division. See page 28.

These two actions help us understand our opportunities for reduction and develop strategies to achieve our targets.

Our 2023 energy consumption and GHG emissions data can be found in Appendix 1 and Appendix 2 respectively on pages 56 and 57.

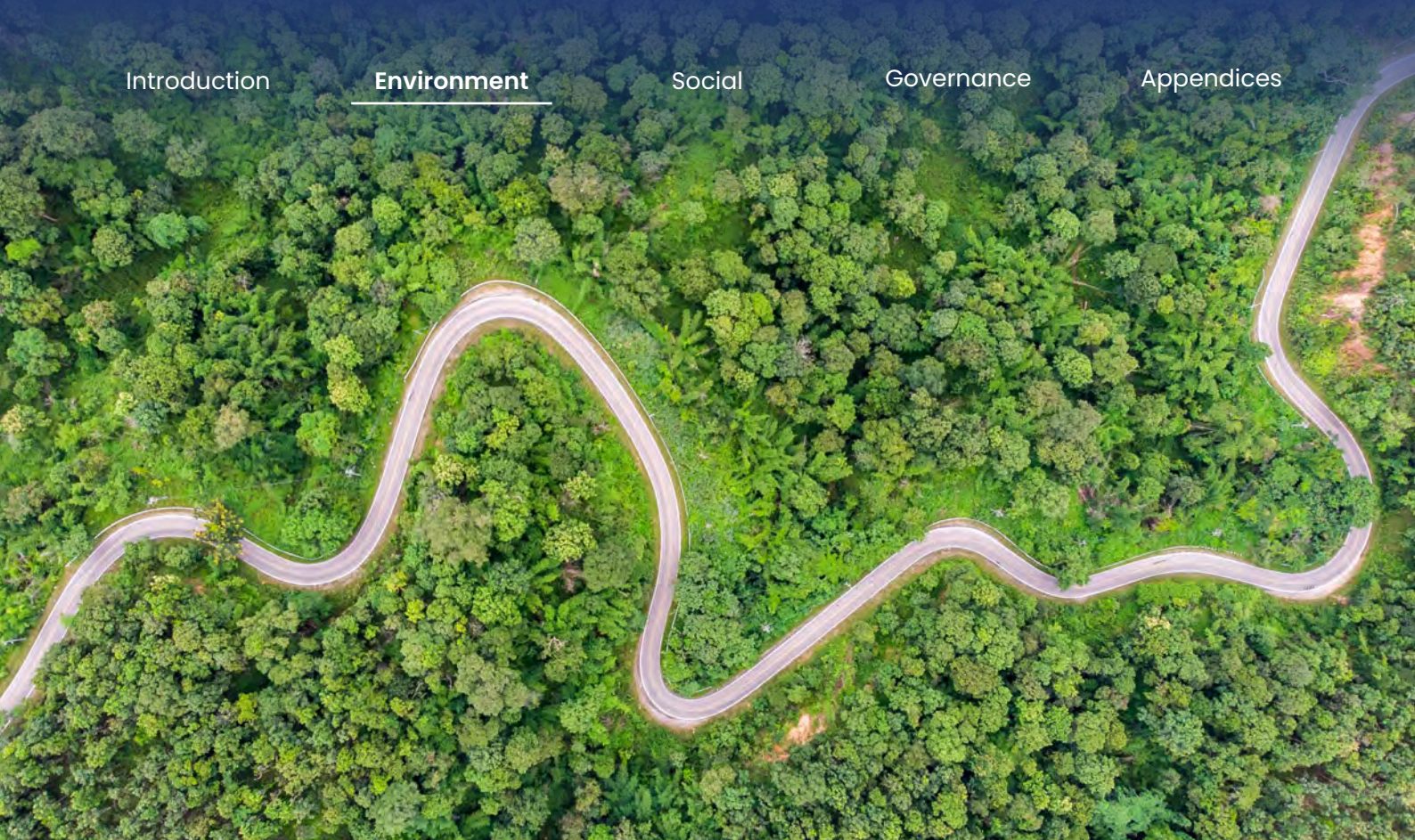


Scope 1:

Direct GHG emissions occurring from sources owned or controlled by Alkegen.

Scope 2:

Indirect GHG emissions from purchased electricity, heat, and steam for use in business operations.



Our Carbon Footprint

Over the past year, we have been working hard to refine our methodology for calculating our carbon footprint, closing data gaps, and improving the quality of data.

Due to the nature of our industry and our products, a notable percentage of our energy usage comes from direct combustion. In 2023, our total Scope 1 GHG emissions were³ 259,057 tCO₂e.

We also track electricity usage through our operations. In 2023, our total Scope 2 GHG emissions were 148,507 tCO₂e.

In addition to our absolute GHG emissions, we have calculated GHG emissions intensity for 2022 and 2023.

While our total absolute GHG emissions fell in 2023, our GHG emissions intensity per dollar of revenue rose due to our divestiture of TAS, which historically

comprised low-emissions intensity sites. Therefore, our average emissions intensity increased once TAS sites were divested.

To reflect this material change to our business as well as recent improvements to our data collection processes, we have reset the baseline year for our GHG emission reduction targets to 2023. This gives us a more robust foundation on which to measure our progress going forward.

We are working to identify the main contributors to our GHG emission intensity and reduce our impact accordingly. We aim to procure carbon-free and renewable energy where those resources are available. Our sites are located in regions where renewable power share in the grid is very high. Our facilities in Brazil and France operate on almost 100% fossil-free energy, and nine of our sites in North America and Europe operate in areas where the energy in the grid is more than 50% non-fossil fuel-based on average.

3. Alkegen divested the TAS business unit in March, 2023. Environmental data includes emissions from that business unit through the first quarter 2023..

2023 GHG Emission Success Stories

To highlight progress being made, we are excited to share some of the operational initiatives by Alkegen sites around the world that resulted in reductions in energy consumption and related GHG emissions in 2023.



Brazil

Our Vinhedo plant cut energy consumption of its drying process by 21% by switching to more efficient equipment.



France

New technology and equipment installed at our Lorette plant led to an over 10% reduction in gas consumption, improved energy efficiency and reduction of waste.



Germany

At our Kleinreinsdorf plant, a two-year project involving equipment upgrades resulted in more efficient systems and a 20% reduction in energy consumption.



India

Our ISO 140001-certified site in Lakhtar reduced electricity consumption by 12% by adopting best practices related to improvements to the efficiency of their equipment.



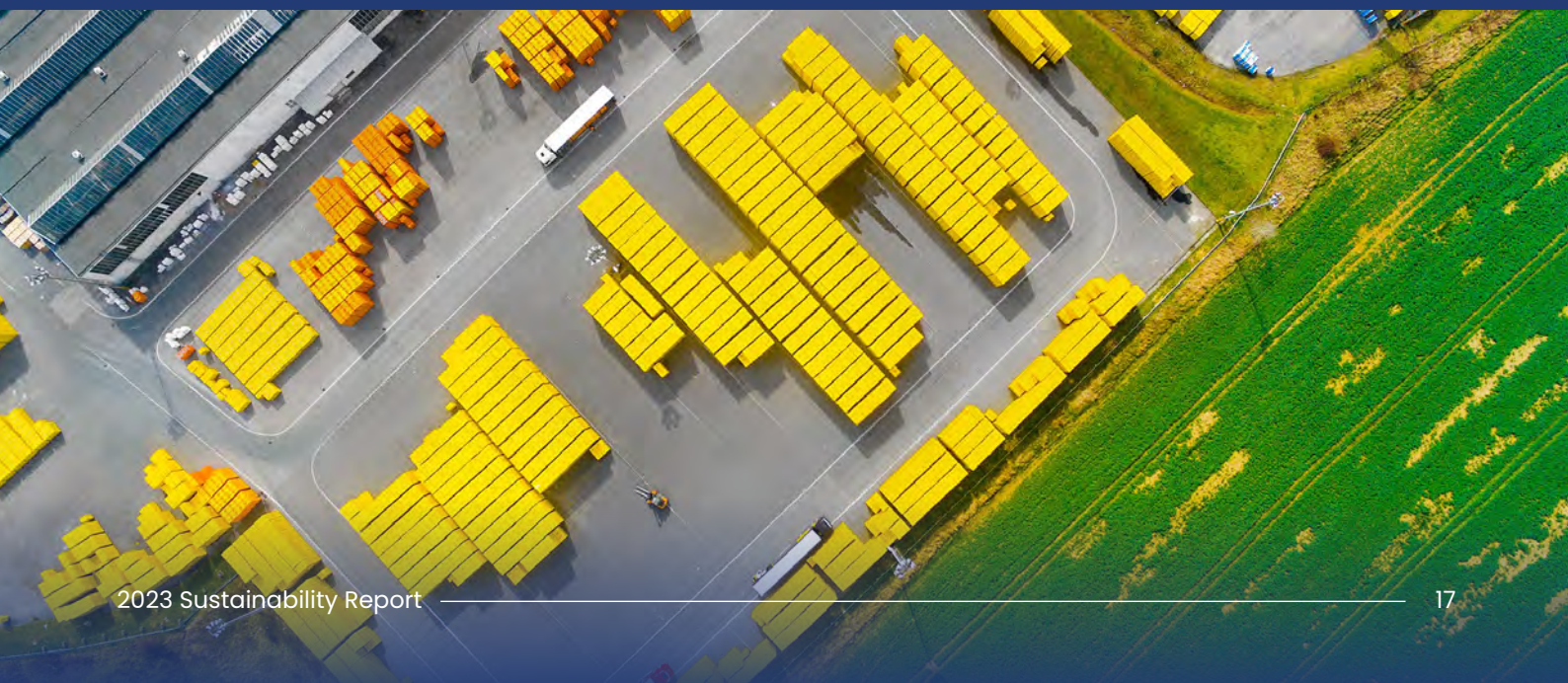
United Kingdom

Equipment upgrades at our Rainford facility resulted in a 3% reduction in energy use, normalized to the site output.



United States

A furnace efficiency project at our New Carlisle facility cut electricity consumption by 9%, normalized to site output.



Water

Water is critical to both our manufacturing facilities and neighboring communities. By committing to water use reductions, water reuse, and recycling initiatives, we strive to be good stewards of this precious resource and achieve our 2030 Environmental Performance Target to reduce our freshwater withdrawals in regions with high and extremely high water stress.

We assessed baseline water stress risks at all our sites in 2022 and 2023. Of our ten sites that withdraw the highest volume of freshwater, none are in areas of high or extremely high baseline water stress.

We monitor water metrics at the enterprise and site levels and set reduction targets for each business unit.

In 2023, our total freshwater withdrawals were 2,622,536 m³. Our water withdrawal and consumption data and water stress risk assessment can be found in Appendix 1 on page 56.

2023 Water Success Stories

Here are some examples of operational initiatives by Alkegen sites around the world that demonstrate our commitment to water stewardship throughout the enterprise.



France

Freshwater withdrawals by our Ambert team from the local river dropped by 27% thanks to the installation of a new water recycling system at the plant. This enabled us to continue operations during drought restrictions imposed on the community during the summer.



Germany

Our Kleinreinsdorf plant succeeded in cutting freshwater withdrawals by 20% through greater use of filtration and water treatment processes.



India

Our sites in India treat and reuse 100% of the water from their manufacturing processes.

Waste

Alkegen is committed to playing its part in conserving the Earth's natural resources and minimizing the waste left to future generations.

In 2023, we implemented a more robust process for tracking waste metrics across all sites to establish a site-specific baseline against which to achieve our

2030 Environmental Performance Target of reducing the amount of waste sent to landfill by 15%.

Using the philosophy of reduce, reuse, and recycle, we prioritize initiatives across our operations that reduce our waste footprint.

As an operational matter to reduce cost, in addition to doing the right thing, we continually endeavor to reduce our use of raw materials.

2023 Waste Success Stories

Here are some of the operational initiatives by Alkegen sites around the world that resulted in less waste being sent to landfills in 2023.



Czech Republic

A recycling program initiated at our Teplice facility in 2022 resulted in an over 70% total increase in the recycling of waste materials.



Germany

Updates to machinery at our Kleinreinsdorf plant resulted in a 25% reduction in waste.



United Kingdom

At our Rainford plant, we overhauled the waste recovery system, which diverted 86 tons of waste from landfill.



France

The Saint-Rivalain team underwent initiatives to reduce use of polypropylene plastic pellets and prevent them from being released into the environment. The site underwent a third-party audit and will receive a certification for these efforts.

Meanwhile, the installation of new equipment at our Lorette plant resulted in an 80% increase in recycling and diversion of 20 tons of waste a year from landfill.

Product Highlights

Alkegen's specialty materials play a key role in making mission-critical systems that can accelerate the transition to a low-carbon future. As much as 80% of our revenue comes from the sale of products that support renewable power, energy efficiency, or pollution control. Our products are designed to comply with strict regulations around the world and are used in a vast range of settings, from homes to hospitals, offices to off-road vehicles, and manufacturing plants to power plants.

Product Highlight



Filtration and Catalysis

Specialty filtration media and catalysis products designed to minimize environmental health impacts and meet strict regulatory standards in air quality, industrial, and liquid filtration applications.

Key Benefits

- Compliant industrial emissions control
- Protection from harmful dust and gases
- Enhanced safety during wildfires and building fires
- Reduced smoke odor and smoke-related damage

Product Examples

LydAir® GP

Composite material designed to neutralize and eliminate harmful pollutants, especially in smoke, used in diverse applications, including HVAC systems, room air purifiers, face masks, electric vehicle compartments, and manufacturing facilities.



Purefrax® CC

Catalyzed hot gas filters that capture almost 100% of particulate emissions and remove toxic gases in a single space-saving solution.



Product Highlight



Battery



Step-change battery technologies to power and protect in a range of markets, including electric vehicles, renewable electric grid storage, and consumer electronics.

Key Benefits

- Extended battery life and electric vehicle range
- Faster charging times
- Safer battery packs

Product Examples**SiFab®**

Revolutionary silicon fiber anode technology that enhances energy density and minimizes swelling in battery cells, enabling faster charge times, and longer battery life. This allows for smaller and lighter high-performance batteries, an important attribute in electric cars as it extends their range.

**FyreWrap® LiB**

Portfolio of ultra-thin, high-temperature insulating technologies to prevent thermal runaway propagation in lithium-ion battery packs.



Product Highlight



Insulation

Thermal management materials and engineered components that minimize energy consumption and keep people, equipment, and facilities safe from extreme temperatures and fire.

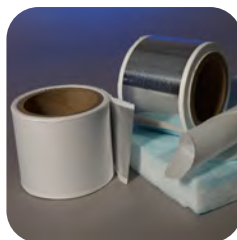
Key Benefits

- Safety in extreme temperature conditions
- Compliance with international fire standards and code requirements
- Reduction of heat escaping to surrounding ambient air
- Energy efficiency
- Space optimization thanks to lightweight and ultra-thin solutions

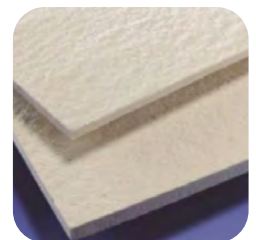
Product Examples

CryoTherm®

A range of cryogenic solutions for safe transportation of supercooled liquified gases, including helium for the world's largest experiment testing the feasibility of fusion as a carbon-free energy source.

**Excellfrax® 550 Felt**

Lightweight, easy-to-cut sheets that provide maximum thermal performance with minimal thickness, making them the perfect solution for high-speed appliances that require space-saving technology.



Product Highlight



Construction and Advanced Materials

A wide range of fire protection products and advanced materials used for demanding applications in buildings, infrastructure, transport, and industry, including drainage and acoustic management.

Key Benefits

- Lifesaving fire protection
- Noise pollution prevention
- Compliance with international fire standards and code requirements
- Increased structure lifespan
- Ground pollution and runoff containment
- Reduced environmental footprint of construction projects
- Compatibility with the LEED green building certification system

Product Examples

FyreWrap®

A range of lightweight passive fire protection solutions for highly regulated end-markets, designed to prevent flame penetration and compartmentalize fire, ultimately saving lives and protecting equipment.



Texel®

A line of geosynthetic products used in various applications in civil and environmental engineering, landscaping, agricultural, and horticultural projects to improve existing or add additional properties to soils and natural materials.



Responsible Approach to Manufacturing

Companies around the world rely on Alkegen to make high-quality products that are safe for people and the planet.

We proactively work to mitigate the potential for human or environmental harm in our manufacturing processes and the use of

our products, and to consistently deliver products that meet customer and regulatory requirements.

In 2023, we continued to have zero product recalls and no monetary losses due to legal proceedings regarding product safety.



Product Stewardship and Regulatory Compliance

Reducing risks associated with health, safety, and the environment is a vital part of our enterprise strategy. We have a dedicated Product Stewardship and Regulatory Compliance team, whose responsibilities include:

- Ensuring compliance with applicable global product regulations such as REACH (and the various international adaptations), RoHS, Proposition 65, and TSCA.
- Educating the organization on environmental and regulatory human health rules and developing best practices to support compliance.
- Maintaining Safety Data Sheets for all Alkegen products (available on our website).
- Assessing and addressing all chemical and physical health hazards in our manufacturing processes and surrounding environments, such as VOCs, temperature, and noise.
- Maintaining a record of all chemicals sourced externally with related health, safety, and regulatory compliance information.
- Managing air quality monitoring, reporting, and Corrective Action Plans (CAP) at internal and customer manufacturing sites.
- Advising the business on best practices, protective equipment, and products from a human health perspective.

Alkegen's external HHESAB provides advice and counsel on assessing and mitigating any potential adverse human health impacts of substances used at our sites and in our materials. See also page 48.

For example, we leverage the expertise of our HHESAB when evaluating Perfluoroalkyl and Polyfluoroalkyl Substance (PFAS) considerations. Alkegen is working to reduce PFAS use in our materials by developing PFAS-alternative products where technically and commercially practicable.

At sites where PFAS is in use, we are implementing strategies to reduce potential human and environmental risks, and ensuring compliance with applicable regulations.

Workplace Air Quality Monitoring

We monitor air quality for airborne fibers through quarterly testing at all of our own sites and randomly selected customer sites worldwide to protect worker health, identify trends, and ensure compliance with applicable regulations. In the event that a result exceeds the established standards, we conduct root cause analysis and implement CAPs for improvement. Personal protective equipment (PPE) is used where there are elevated fiber levels. Alkegen met its airborne fiber monitoring targets both internally and at customer sites in 2023.



High Temperature Insulating Wools

High Temperature Insulation Wool (HTIW) products play an essential role in minimizing energy consumption and bolstering fire protection in a wide range of demanding industrial applications. As part of our steadfast commitment to their safe use, we are a member of the HTIW Coalition in North America and a founding member of ECFIA, the trade organization that represents the HTIW industry in matters relating to health, safety, and the environment in Europe. These organizations develop guidance on work practices, occupational safety, and health measures in the production and use of HTIW. In the United States, this work is supported by the US Occupational Health and Safety Administration (OSHA).

Via these associations, we have developed a voluntary Product Stewardship program for Refractory Ceramic Fiber (RCF) products, which aims to protect workers involved in manufacturing, processing, installing, and removing products containing RCF. Our Product Stewardship and Regulatory Compliance team has been commended by OSHA for the program, in particular the best practice recommendations that have led to improved standards and compliance within the industry's exposure guidelines for RCF products.

In addition to the HTIW Coalition and ECFIA, Alkegen holds the following memberships through relevant sites:

- **British Ceramic Confederation** promotes environmentally responsible and sustainable ceramics manufacturing as well as a platform for members to develop ways to improve the industry
- **Forest Stewardship Council** is a global organization dedicated to sustainable forest management.

Site-specific Certifications

Many of our sites hold internationally recognized certifications strengthening their steadfast commitment to environmental and regulatory responsibility.⁴

35 sites

CERTIFIED

ISO 9001

Quality Management

10 sites

CERTIFIED

IATF 16949:2016

Automotive Quality Management Systems

6 sites

CERTIFIED

ISO 14001:2015

Environmental Management Systems

3 sites

CERTIFIED

ISO 50001

Energy Management

4. The number of site certifications decreased in 2023 due to the divestiture in Q1 2023 of our TAS business unit.

Product Quality Management

Alkegen has a robust quality management system and processes to ensure customer satisfaction. Our quality managers are accountable to ensure our manufacturing operations meet internal and external quality requirements.

We track a number of quality KPIs at the enterprise, business unit, and site levels. These include customer complaints, cost of customer losses, and product returns as well as internal material losses, manufacturing costs, and cost of poor quality. Metrics are reported monthly via the Chief Operating Officer (COO) to the SLT, and the site leaders at each facility are accountable for improving performance on our quality KPIs year over year in line with our

enterprise-wide operational improvement and efficiency program.

In 2023, we continued to exceed our quality performance targets at the enterprise, business unit and site level. The consistent performance is the outcome of a multi-year performance improvement process whereby we evaluated all external and internal complaints related to product quality and implemented an enterprise structured complaint response system to drive accountability, corrective actions, and improvement. The process is aligned to IATF 16949, the globally recognized standard for quality assurance in the automotive supply chain, which is based on the ISO 9001 quality management system.



Supply Chain Management

We regard our suppliers as an extension of the Alkegen team and count on their cooperation to help us uphold ethics and compliance requirements across our value chain. Our supply chain management function works closely with global procurement teams to confirm that Alkegen's suppliers support our sustainability objectives.

In 2023, we fulfilled our plan to enhance supplier onboarding and auditing procedures by incorporating internal best practices, evolving our risk management assessments, and aligning enterprise, business unit, and site-level procedures.

Central to these efforts was the launch of our Global Supplier Quality and ESG Manual (Supplier Manual) which integrates compliance requirements from our Supplier Code of Conduct and Terms and Conditions of Purchase. Combined with our auditing procedures, this comprehensive approach establishes our expectations and standards for our supply chain and ensures a consistent strategy to sustainable procurement and supply chain due diligence across our global sites.

The Supplier Manual details our requirements and expectations of our suppliers and provides multiple opportunities for us to assess risk and evaluate compliance on ESG-related metrics encompassing safety, quality, ethics, human rights, conflict minerals, environmental sustainability, and regulatory requirements.

Suppliers are now requested to confirm their acceptance and application of the principles outlined in the Supplier Manual as a precondition of doing business with us.

Our global procurement teams completed training on the requirements of the Supplier Manual in 2023, as well as the various risk management and assessment procedures which form the basis of our new global supplier approval process.



Enhanced supplier onboarding and auditing procedures



Supplier Code of Conduct



Supplier self-assessments



Terms and Conditions of Purchase

Global Supplier Quality and ESG Manual



On-site audits



Supplier scorecards



Internal risk matrix



Supply Chain Risk Management

In accordance with the Supplier Manual, suppliers are now required to annually complete an ESG and Quality Management Self-Assessment, which evaluates them on 45 ESG-related criteria including quality and safety. The evaluation includes an assessment against internationally recognized quality management standards such as ISO 9001 and IATF 16949.

Suppliers are scored and assigned risk levels based on the results and we engage with suppliers to promote improvement in their performance. High-risk suppliers are placed on a CAP to resolve compliance concerns. In 2023, for example, we worked closely with our potential suppliers to implement policies pertaining to child labor, introduce a whistleblower policy, and make enhancements to quality systems. Alkegen considers discontinuation of supplier relationships in situations where suppliers are unable to resolve the areas of non-compliance.

In addition to the supplier self-assessments, we formalized a schedule of on-site audits in 2023. These audits involve a comprehensive questionnaire covering nine categories: organization and management structure, advanced product planning, quality, materials and logistics, facilities and tooling, purchasing, operations, engineering, and ESG factors.

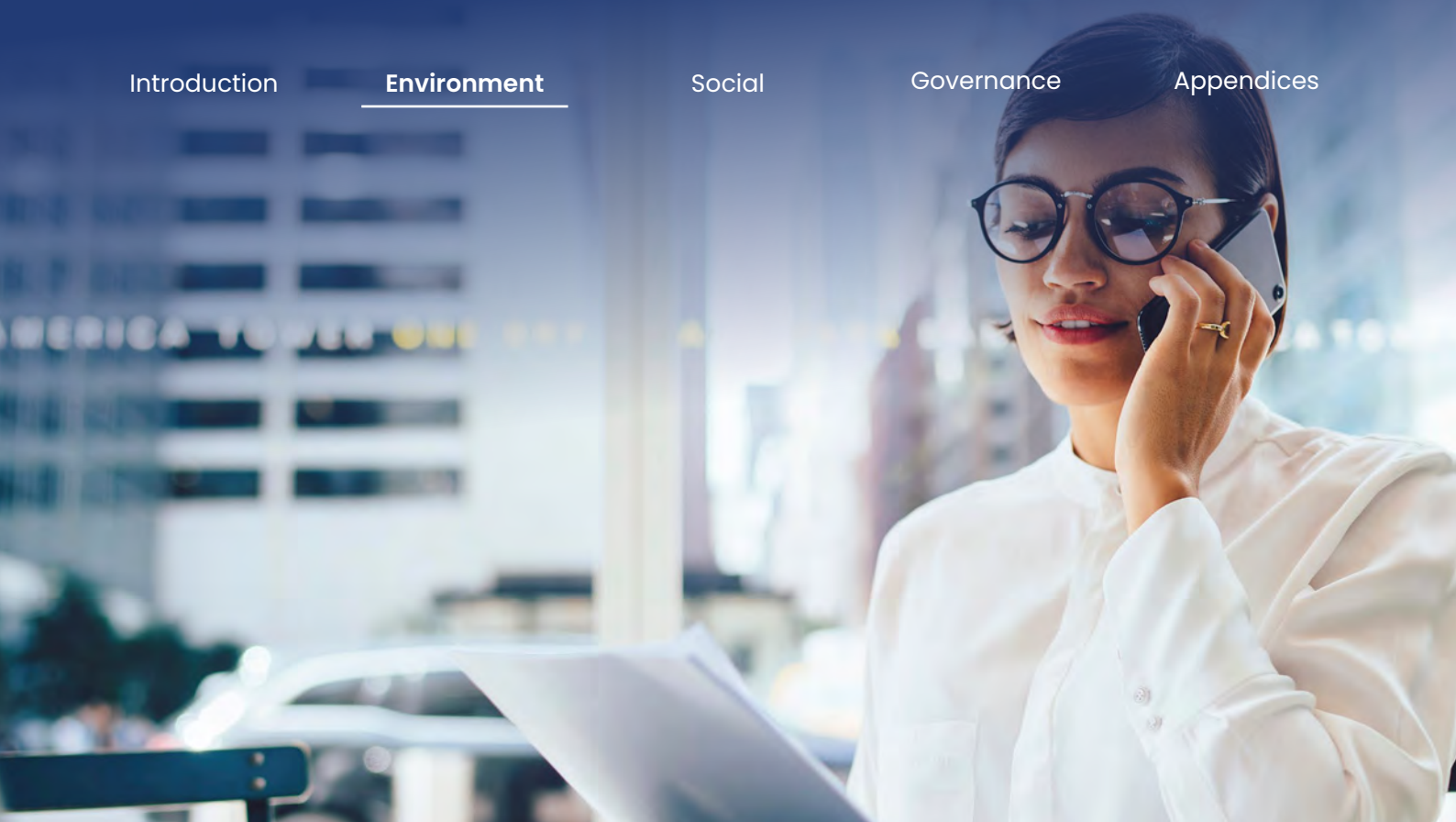
In 2023, we implemented our newly launched on-site audit and self-assessment process with the top 25% of our critical battery and mobility suppliers. In 2024, we will evaluate the remaining direct material suppliers through on-site audits and/or self-assessments.

We provide feedback to suppliers on their status through global supplier scorecards. We revised these in 2023 to add ESG metrics



and standardize the format before sending them to our critical suppliers as the first phase of a global implementation. Points are awarded for delivery, quality, responsiveness to corrective action requests (CARs), and production part approval processes (PPAPs), as well as submission of requested supplier documentation demonstrating compliance to chemical, social, and environmental regulations. The new scorecard format will be fully implemented in 2024 along with a KPI to monitor supplier performance. Suppliers continuously failing to meet a satisfactory rating may be placed into a supplier evaluation and escalation process to drive improvement to expected performance levels. As an incentive, we add 5% to the scorecard rating of suppliers that submit all required documentation during that reporting year.

In addition to our on-site audits, supplier self-assessments, and supplier scorecards, Alkegen enhanced its global internal risk assessment process in 2023. Based on our evaluations of suppliers, we will now apply a standardized risk matrix across all sites so that we can compare and rank suppliers on a global basis. The risk matrix is reviewed at both the site and enterprise level, and by the SLT, to better manage supply chain risks.



Responsible Sourcing

As part of our Supplier Manual requirements, Alkegen suppliers must certify that the chemical content of their products is compliant with applicable regulations, and list any substances included in the regulations such as REACH, RoHS, TSCA, and Proposition 65. Suppliers are also asked to identify any declarable substances such as PFAS. See also Responsible Approach to Manufacturing on page 24.

Alkegen fully supports efforts to eliminate the use of minerals that could fuel human rights abuses or conflict anywhere in the world.

In 2023, we incorporated the best practices from our legacy sites into a revised Conflict Minerals Policy and due diligence process. On an annual basis, as part of our Supplier Manual requirements, every supplier of materials or parts that may contain tin, tantalum, tungsten, gold, and/or their ores (3TGs) must prepare and submit a Conflict Mineral Reporting Template (CMRT), specifying the 3TG content and attesting as to whether or not any of it was

sourced in the Democratic Republic of Congo or an adjoining country. To meet our responsible sourcing commitments, our Conflict Minerals Policy and due diligence procedures are aligned with the Responsible Minerals Initiative (RMI), the Organization for Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance), as well as the Security Exchange Commission's (SEC) Conflict Minerals Disclosure Rule. In 2023, Alkegen achieved a 93% response rate from our metal suppliers in response to conflict minerals due diligence requests.

Similarly, any supplier or material-related service provider directly or indirectly using or supplying cobalt or mica to Alkegen must complete and submit an Extended Minerals Reporting Template (EMRT) document annually.

Alkegen extends these responsible sourcing requirements to its suppliers through its Supplier Manual.

Human Rights

Consistent with our Supplier Code of Conduct, we require suppliers to enforce policies that prevent human rights abuses in our supply chain.

By signing the Supplier Manual, suppliers commit to compliance with the UK Modern Slavery Act and alignment to International Labor Organization (ILO) Conventions and any other applicable law and regulations on:

- Child labor
- Compulsory and forced labor
- Minimum wage fixing and weekly rest
- Freedom of association
- Discrimination and equal remuneration

In addition, Alkegen requires suppliers to monitor their supply chain and enforce policies which address improper payments, prevent forced labor, human trafficking, and discrimination in the workplace, and ensure hiring practices that provide a safe and healthy work environment for their employees. Suppliers are required to have a “Worker Voice Policy” for employees to support these human rights requirements. Alkegen’s social responsibility and human rights requirements are further outlined in the Alkegen Supplier Code of Conduct.

We monitor compliance with these requirements through our supplier risk assessments, supplier self-assessments, and supplier auditing procedures.

Sustainable Procurement and Environmental Responsibility

Through our Supplier Manual, we ask suppliers to help us accelerate progress toward our SEEDS™ goals.

Suppliers are requested to bring to our attention any opportunities to reduce potential adverse social, environmental, and economic impacts of Alkegen products during their lifecycle. This could include new products or packaging that promote a circular economy, the removal of declarable substances from supplied products, or commercially reasonable ways to reduce energy or water use. Direct material suppliers are asked to provide Alkegen with information on their Scope 1, 2, and 3 GHG emissions. In 2024, we will increase engagement with suppliers to capture this data and request GHG emission reduction plans to help us achieve our 2030 Environmental Performance Targets.

Supply Chain Governance

Alkegen’s Vice President & Chief Supply Chain Officer provides weekly updates on supply chain metrics, procurement initiatives, and significant supply chain interruptions to the SLT, which reports to the Board. The SLT meets with the Board on a quarterly basis and provides updates on material supply chain issues impacting operations, products, and business.

Supply chain management is also discussed in daily Safety, Quality, Cost, Delivery, People (SQCDP) meetings at the site level and in our monthly global business unit calls so that critical supply issues and risks are timely identified and appropriately managed.

Social

Social

At Alkegen, we are making materials for a sustainable future, and we know that means inspiring and empowering our people today.

The safety and wellbeing of our employees is our number one priority and we work to foster an inclusive culture where each person is treated with respect.

This spirit extends to the communities in which we live and work, with our teams playing an active role in volunteering and corporate giving initiatives that put our values into practice.

2024 Social Goals and Targets

Protect our people

Reduce workplace safety incidents by 12% on 2023 levels and implement a standardized global Management of Change (MOC) process to mitigate health and safety risks.

Empower our people

Expand Alkegen's calendar of awareness events to recognize diverse populations, and promote inclusivity and cultural understanding.

Uplift our communities

Host our first social impact event at our new Dallas regional headquarters augmented by corresponding hub events at Alkegen offices around the world.



2023 Social Achievements



Achieved highest employee net promoter score (eNPS) to date, which tracks how likely employees are to recommend the company as a good place to work.



Launched unified multi-year Diversity, Equity, and Inclusion (DE&I) strategy.



Established six Employee Resource Groups (ERGs).



Initiated new programs to recruit and nurture top talent.



Standardized health and safety global incident correction action and "Learn from Incidents" processes.



Exceeded our target to reduce fires at our plants.



Celebrated our first Global Community Impact Day with hundreds participating.

Health and Safety

Alkegen takes the health and safety of our employees very seriously. We strive to foster a zero-harm culture and to continuously improve our safety performance for the benefit of our employees, contractors, customers, and visitors.

In 2023, we enhanced our policies, procedures, and data collection practices, taking best practices from our legacy companies to standardize our global approach.

Alkegen had zero work-related fatalities and our total recordable incident rate remained below the average for our industry.

Health and Safety Governance

In 2023, we formalized our new Health and Safety Policy, integrating best practice principles from our legacy companies on managing relevant risks in our business and ensuring we comply with associated legal and regulatory requirements. The policy is reviewed and signed annually by the CEO, COO, Senior Director of Health and Safety, and plant managers.

In addition, we have a Stop Work Policy, which empowers and obliges all Alkegen employees, temporary labor, and contractors to stop work if there is reason to believe that someone's health or safety, or the environment, may be endangered.



Both policies are incorporated in the Global Health and Safety Manual, which guides employees on embedding health and safety considerations into everyday work practices, and details our standardized approach to prevention, response, reporting, and compliance with regulatory requirements.

To underscore the importance of health and safety governance at Alkegen, every month we convene some 180 people from across the business to discuss our initiatives and performance. On these Global Safety Calls, we also review safety incidents from the prior month to share root causes and best practices on corrective actions. The calls are attended by members of the SLT and Operations, Commercial, and Human Resources teams, with our CEO taking an active role. Shop floor employees are regularly invited to attend, fostering their sense of ownership and involvement in safety matters.

Our Senior Global Director of Health & Safety, who leads the safety call, reports on health and safety matters monthly to the SLT and quarterly to the Alkegen Board, as well as our HHESAB.

Health and Safety Management

Alkegen's health and safety policies are implemented through a comprehensive management system. The Alkegen health and safety strategy is aligned to the provisions of ISO 45001, the international standard for occupational health and safety management systems.

We evaluate and document every safety incident, identifying any relevant lessons that can be learned, with contemporaneous monitoring in place.

All sites have live action plans and monthly completion targets that are reported on monthly Global Safety Calls.

As part of our continued integration under the Alkegen name, in 2023 we expanded the monthly health and safety metrics tracked as the standard across sites. These now include the number of training hours, behavioral safety observations (BSO), toolbox talks, and Gemba walks, which is when plant leaders tour the site to observe actual work processes, engage with employees, and identify areas for improvement. We plan to use this baseline data from 2023 to inform setting of 2024 targets.

Each manufacturing site has at least one certified health and safety professional, and every employee is assigned mandatory health and safety training during onboarding and annually, with compliance rates recorded. Role-specific training is provided, including mandatory training for OSHA and UK Health and Safety Executive (HSE) requirements.

In 2023, our employees completed 25,600 hours of health and safety training on topics such as risk assessments, permit to work, and the Stop Work Policy.



25,600 hours of health and safety training in 2023

In addition to training for all Alkegen employees, all our contractors receive on-site training during which we clearly define our expectations. We conduct internal auditing assessments of contractors during their engagement to ensure they meet our standards and are complying with required work processes.

Internal audits have been carried out at all our sites within the last two years, and plants are currently executing live correction plans, which are monitored monthly. Safety performance is a key performance metric on which all plant managers and safety professionals are held accountable.

Alkegen's 7 Safety Absolutes

Every plant clearly communicates our zero tolerance of wilful non-compliance in seven key safety areas linked to heightened risk of severe injury or fatality.



Performance and Targets

An ambitious challenge we set ourselves for 2023 was to beat our strong health and safety performance results in 2022 when we achieved a 37% reduction in the number of recordable accidents, our best performance year ever.

Following the divestiture of our TAS business unit in March, we recalibrated our safety targets to reflect our current manufacturing locations.

In 2023, almost a third of sites (21) recorded zero safety incidents and our Lost Time Incidents Rate (LTIR) was 0.84, an improvement from 0.90 in 2022. Our Total Recordable Incident Rate (TRIR) was 1.5 – slightly up from 1.48 in 2022. Albeit a slight increase from the prior year, this rate is consistent with best-in-class organizations, and we will continue to focus on a path towards reducing incidents.

Over the course of 2023, for example, we implemented a number of safety initiatives as well as improvement plans to immediately address the root causes of incidents, including:

- Standardizing our global incident correction action process to support consistent and effective response
- Enhancing our “Learn from Incidents” process to ensure incidents are productive learning opportunities
- Implementing online reporting to support more site ownership of incidents
- Hiring two new health and safety leaders for the business units

As a result of those efforts, there was a steady improvement and reduction in the number of safety incidents during Q3 and Q4 2023. For example, lost time incidents fell from 34 in the period Q1 to Q3, inclusive, to just seven in Q4.

In addition, we were pleased to record a reduction in fires from 18 in 2022 to 15 in 2023, beating our target of 16 and continuing to demonstrate progress.

The initiatives we implemented have positioned us to make significant improvement going forward. To build on this work, measures we will focus on in 2024 include:

- Extra visits and coaching across high-need sites
- PPE compliance
- Standardized global MOC process
- Global audits of action plan completion
- Increased Gemba walks
- BSO accountability

We continue to push ourselves and have set aggressive 2024 safety targets requiring a 12% improvement on our 2023 TRIR and 17% improvement on our 2023 LTIR.⁵



Zero work-related fatalities in 2023



Improved LTIR



Alkegen was proud to receive a gold-level NIA Safety Excellence Award in 2023 from the National Insulation Association®, the trade association representing the insulation industry in North America.

5. Both these metrics are adjusted for the divestiture of our TAS business unit in 2023.

Diversity, Equity, and Inclusion

A diverse and inclusive culture is critical to Alkegen's ability to develop solutions to the world's biggest challenges. Our bold growth mindset spurs us to build a team enriched with a wide range of perspectives and an environment where everyone is equipped to thrive.

Reflecting how this philosophy is integral to our value creation story at Alkegen, we have named our DE&I strategy ARC 2025 after the green arc in our logo. The strategy was launched in 2023 and organizes our efforts around three pillars:



Accountability

Helping leaders manage diversity, measure results, share winning tactics, and sustain a culture of inclusivity.



Representation

Ensuring our leadership and operational teams are representative of our customers and communities, while empowering our ERGs to achieve their own goals.



Connection and Community

Taking an active stance on DE&I in society through communication, education, mentorship, and engagement in our industry and beyond.

We have established ARC 2025 metrics and baselines across the business and communicated the strategy to our global workforce. Acting on a commitment we made in 2022, we have formally assigned accountability for delivery of annual DE&I objectives to 100% of managers with direct reports to the SLT. And we will fulfil this goal in 2024 by extending accountability to all plant managers.

Another accomplished goal in 2023 was the activation of our ERGs, which create a safe space for employees with shared identities or experiences to build community and advocacy. Self-governed and open to all employees, the ERGs are empowered to work toward their own objectives and are encouraged to support our talent retention efforts by keeping us attuned to the experiences and needs of our employees.

Established 6 ERGs



Through our external DE&I awareness communications and campaigns, we broadened our celebration, awareness-raising, and recognition of diverse populations in 2023. This was done through a monthly calendar of events including Black History Month, Hispanic Heritage Month, Women's History Month, and Veterans Day. All these initiatives, along with adherence to the Alkegen Code of Conduct, embed a culture of respect, inclusion, and allyship for our employees, customers, and stakeholders.



Our ERGs

- **Alkegen PACT** – celebrating and supporting parents and caregivers
- **Alkegen Veterans** – supporting and encouraging our proud veteran community
- **Better Together** – increasing engagement, collaboration, and wellbeing across plants and the business
- **The Culture Collective** – celebrating cultural diversity within Alkegen
- **Serenity Now** – promoting social, mental, and physical wellbeing in the workforce
- **Women in Leadership** – promoting the advancement of women at all levels in our organization in alignment with our diversity goals

DE&I Governance

Alkegen's Global Head of Diversity is responsible for developing and executing the ARC 2025 strategy, supported by the SLT. The role includes setting DE&I targets, tracking metrics, and allocating resources. The Board and SLT are kept informed on diversity metrics as part of our SEEDS™ program reporting. See Our Approach to ESG on page 8.

The Human Resources Leadership team (HRLT) provides guidance for day-to-day initiatives. It is supported by our DE&I working group and cross-functional teams that help to implement DE&I initiatives and support our ERGs.

Building a Diverse Team

37%

Diversity hires by quarter averaged 37% in 2023

41%

Diversity promotions by quarter averaged 41% in 2023

Alkegen aspires to be at or better than industry averages when it comes to diversity hiring. In 2023, we reviewed key HR programs and policies through a DE&I lens to ensure they contained appropriate inclusive language. We continued to build out our recruitment, retention, and advancement strategies in our endeavor to build a workforce that truly represents the world we serve.

To help us more accurately track workforce demographics, we promoted the use of the voluntary 'self-identify' tool on our internal human resources platform. We will run communications campaigns in 2024 to further encourage employees to update their profiles with this information so that we can refine our understanding of our people and identify opportunities for impactful initiatives tailored to their qualities and identities.



Performance and Talent Management

At Alkegen, we aim to help our people grow personally and professionally through rewarding careers that fuel our own long-term growth.

True to our core value “Grow”, we continued to think big in 2023, introducing a smoother onboarding process and initiating programs to progress top talent into critical leadership roles, while increasing leadership mentoring opportunities. We were pleased to see employee satisfaction grow too, with record levels of company loyalty and engagement measured in 2023.



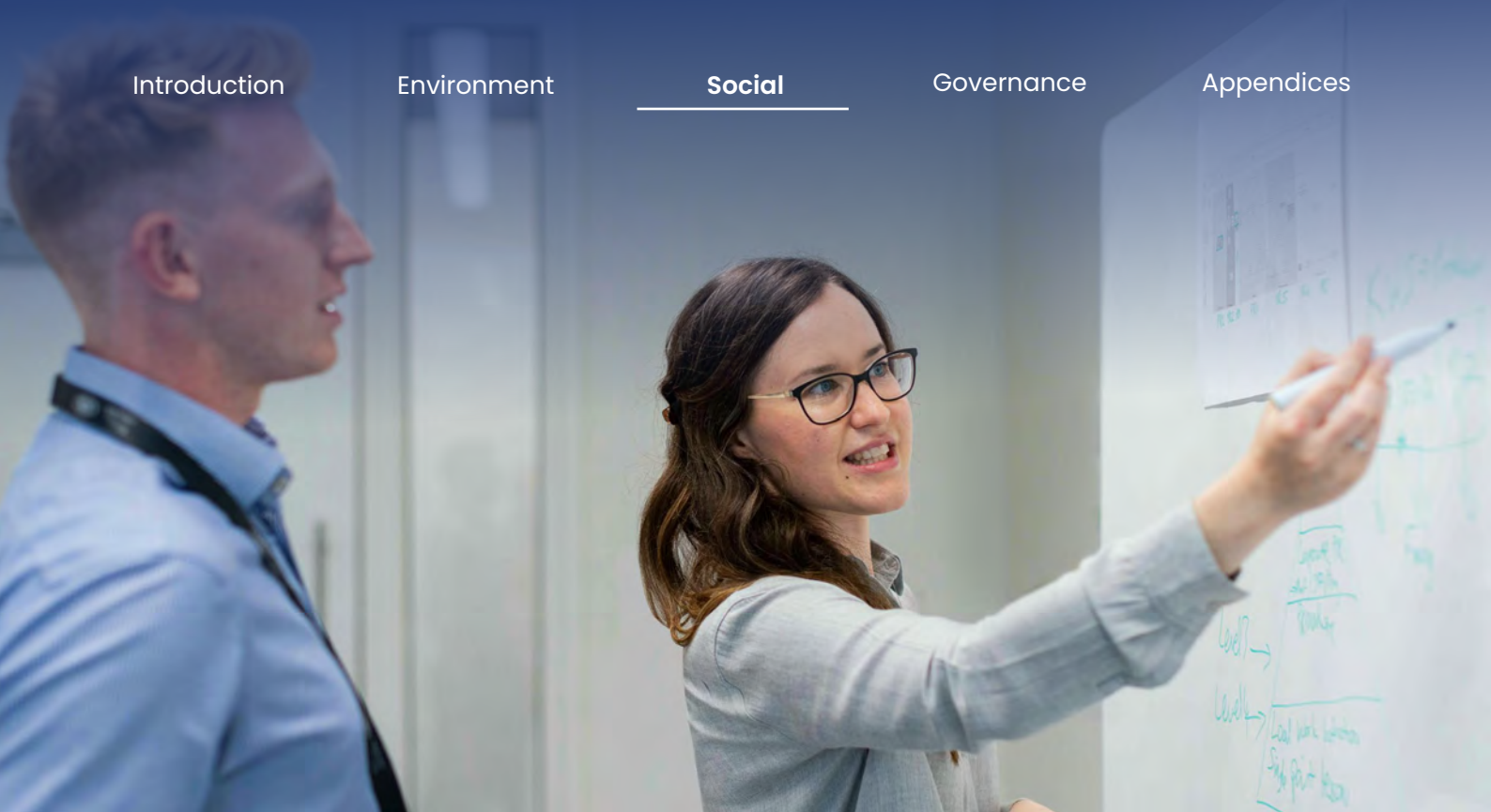
Onboarding

In 2023, we updated our onboarding process and training to give new hires a strong foundation for success in their roles at Alkegen. The new program has been well received, as reflected in steady improvement in our eNPS and satisfaction with the onboarding process.

Talent Assessment

All employees have an annual performance review, where they receive feedback and compensation adjustments, a merit increase, and other incentive compensation commensurate to their performance in the previous year. Managers assess performance and potential through robust talent calibration sessions that inform tailored learning and development plans.

The SLT meets multiple times a year to perform these assessments and to identify employees with leadership potential and discuss their related development needs. A key focus in 2023 was refining this process so that we can recruit and prepare high performers for critical enterprise leadership and plant manager roles. We also initiated two data-driven programs to assess top talent and help them develop their leadership skills. Due to the success of these assessment programs with existing employees, we integrated them into our recruitment practices for relevant positions, cultivating our talent pipeline.



Learning and Development

Alkegen offers a wide range of learning and development programs to motivate our employees and support their personal and professional growth through their careers with Alkegen. Above and beyond compliance training, employees have access to additional professional development training.

In 2023, we introduced two new programs to develop talent with leadership potential:

Acclimate

A self-guided, six-week onboarding program for new leaders, covering our performance and talent management processes, employee engagement, safety management, internal network-building, and more.

Accelerate

A self-paced program to help first-time and aspiring leaders strengthen core capabilities such as delegation, burnout management, one-to-one conversations, and decision-making, concluding with a virtual, instructor-led review session and action plan.

In 2023, a total of 111 employees successfully completed one of our leadership development programs and/or top talent assessments, which help us empower and cultivate our people while strengthening our succession planning. The participants, 40% of whom were women, were located at Alkegen sites in ten countries on five continents.

Leadership Mentoring

One commitment we made in 2023 in response to employee feedback was to launch a leadership mentoring program.

We made solid progress during the year, establishing several mentoring relationships and starting work on an online skills-matching platform. Due to go live in 2024, the platform will empower employees to search the skills profiles of willing mentors in leadership roles across the business and reach out to form productive relationships. This approach allows employees flexibility and autonomy in shaping their career paths and seeking out the mentorship connections that best suits their professional aspirations.

Employee Engagement and Wellbeing

Understanding and supporting our people is at the heart of our talent retention strategy.

We conduct an Employee Pulse Survey every quarter and were pleased to record our highest eNPS score (7.5) and participation rate (65%) to date in Q4 2023. Regarding onboarding, our eNPS rose to 8.5, reflecting the improvements in the way we integrate new team members described earlier.

Never complacent, we are committed to staying attuned and responsive to our employees. Managers with more than ten team members have transparency into anonymized specific employee feedback within their reporting chain so that they can address any areas for improvement with remediation plans, and continuously improve within their own teams.

Talent retention measures we introduced in 2023 included development questionnaires that employees can use to drive constructive conversations with their managers, including broaching topics that they might otherwise reserve for exit interviews.

Alkegen Benefits

At Alkegen, we understand the importance of providing benefits that promote the health and wellbeing of our employees and their dependents. For all locations in which we operate, we provide access to medical insurance, leveraging government medical plans where available.

In the US, all employees have access to employer-subsidized health insurance (which covers medical, dental, and vision). Alkegen utilizes government retirement plans and supplements based on market practice.

US employees also have access to either a 401k plan or a pension plan, depending on if they participate in a labor union. Alkegen follows most government holidays globally. In the US, we provide 12 holidays and unlimited vacation for salaried employees. All non-exempt employees have paid time off based on market practice or length of service. All employees have access to wellness support.

Alkegen also provides mental health support through our global Employee Assistance Program, through which employees can access counseling, as necessary.



Focus Fridays

Focus Fridays is an initiative introduced in 2023 to create space for focus, flow, and personal development.

On Fridays, we now limit internal emails and meetings, so that office employees and plant management personnel can tackle projects without interruption. The time can be used, for example, to complete mandatory training, expand skills through an optional online course, or take a meditative walk to unlock fresh ideas.

Community

Alkegen's dedication to sustainability and wellbeing begins at the grassroots level with our plants and communities.

We strive to be a conscientious corporate neighbor and use our global reach to make a positive impact through corporate giving and voluntary service.

In 2023, Alkegen employees devoted a tremendous number of hours of volunteering to uplifting communities close to our sites and their hearts.

Corporate Giving Program

In 2023, we undertook an enterprise-wide audit of all our corporate giving activities and spend, which will serve as the basis for the establishment of a formal Alkegen Corporate Giving Program in 2024.

Alkegen engages with our employees around the world to identify causes that resonate locally and on which we can make a meaningful difference. Human health and sustainability were our focal areas in 2023.

With the recent opening of our new regional office in Dallas, Texas, we have begun forging links with non-profit organizations and grassroots groups in the area.

Meanwhile, we continue our deep connections in Buffalo, New York. Alkegen is a long-term partner of Buffalo Prep, a non-profit organization that helps talented underrepresented youth, especially students of color, gain a first-rate college preparatory education.

Our Chief Financial Officer (CFO) sits on its Board of Directors and Alkegen proudly funds a four-year scholarship for a student attendee. The current recipient is a student of color who is receiving an Alkegen-sponsored \$10,000 annual scholarship for each of his four years of attendance at the school.

In addition, Alkegen supports the non-profit Prep Scholar Academy, a bilingual academic enrichment summer program designed to help Spanish-speaking students excel at middle school and prepare for high school. In 2023, we gave students a tour of our Tonawanda facility and our research-and-development resources to encourage them to consider careers in science, technology, engineering, or mathematics.

Alkegen also continues to be the official sustainability partner of American national football team, the Buffalo Bills. In December, we sponsored a "Kicks for Kids" event at the Bills' home stadium in support of the Imagine Youth Foundation, which helps financially disadvantaged kids thrive academically and athletically by providing them with necessary supplies, resources, and equipment. Students from Buffalo Creek Academy enjoyed a fun night of food and entertainment, including a meet-and-greet with Bills star Micah Hyde, before going home with a new coat, pair of shoes, shirt, hat, and store gift card.

In 2023, we were a sponsor for the Women's Leadership Summit hosted by Buffalo's WNY Women's Foundation, and a partner for the city's first Safe Spaces Seminar, dedicated to tackling violence and threats in public spaces.

Global Community Impact Day

Hundreds of employees, including our SLT, took part in Global Community Impact Day 2023, our first company-wide day of service.

We challenged every site across Alkegen to host a volunteering event and were delighted to see our employees roll up their sleeves and participate in more than 40 events around the world, using the passion and dedication they show at work every day to give back to their communities.

Highlights



Brazil

The Vinhedo team partnered with Ceprovi technical business administration school to provide a career development course to 40 aspiring students and organize a tour of the plant for disabled adolescents.



France

Lorette and Ambert teams organized a food collection and monetary donation in partnership with Restaurants du Cœur, strengthening food security for individuals and families in need.



Czech Republic

Teplice team members hosted a safety day providing hands-on training and awareness in partnership with the local fire brigade, Red Cross, and traffic safety specialists.



Highlights



India

Pune office volunteers planted 100 trees, built a water conservation structure, ran a yoga session for elderly people, donated supplies to a school for the differently abled, and provided eco-friendly fiber pots for pollution-preventing disposal of festival sacred offerings.



South Africa

Port Elizabeth volunteers partnered with the Ubomi Obutsha community center to help plant vegetable seedlings, assemble donated clothing packs, host family focus workshops, and support life skills education, as part of the organization's work to break generational poverty.



United States

Multiple sites held events to support their local communities. For example, volunteers from our Dallas headquarters hand-packed nearly 8,000 healthy meals for distribution to schools, orphanages, clinics, and feeding programs around the world in support of efforts by US non-profit organization Feed My Starving Children to prevent undernutrition and deliver hope.



United Kingdom

Holywell volunteers joined local councilors and their member of parliament to collect litter and debris from around their local valley and beautify the space.



Germany

The Kleinreinsdorf team supported a school fair and educational program dedicated to combatting discrimination and promoting equality for all.



Governance

Governance

Sound governance underpins everything we do at Alkegen. We are committed to ethical and compliant operations that deliver value to our stakeholders and sustain our reputation as a responsible corporation.

Ensuring the transparency of our sustainability goals and performance has been a priority of Alkegen since our formation. We reviewed all of our policies and practices in 2023 to ensure they aligned with our ESG strategy and Code of Conduct. We also launched a Sustainability page on the Alkegen website, incorporating our ESG report, so that all stakeholders can follow our progress. These two initiatives fulfil the governance goals we set for ourselves for 2023.

2024 Governance Goals and Targets

- Continue to develop internal audit systems, including around auditing for improper payments.
- Advance a more systemic enterprise risk management system for identifying and addressing important risks to the enterprise.
- Launch a new confidentiality and trade secret protection training program.
- Achieve 100% compliance with Code of Conduct training.



2023 Governance Achievements



Ensured all policies and practices align with our Code of Conduct and ESG strategy.



Published a Sustainability page on the Alkegen website, incorporating our Sustainability Report and identifying our goals and targets.



Created the SEEDS™ structure for governance and management.



Developed reporting and Compliance Line training.



Enhanced supply chain onboarding and supply chain audit.



Continued progress of internal governance structure and tools.

Our Boards

The Alkegen Board

We are committed to maintaining an effective Board with the optimal diversity of skillsets and perspectives for providing strong oversight and stewardship of our organization. The Alkegen Board and its committees meet at least four times a year.

External Boards

External boards continue to play an important role in providing advice and counsel on specific aspects of our business.

Our **Human Health and Environmental Sustainability Advisory Board (HHESAB)** meets quarterly and comprises eight of

the most preeminent experts in the fields of health science, law, and manufacturing. It is an essential complement to our Product Stewardship program and was initially formed to understand and mitigate the potential human health impacts of our ceramic fibers. It has since expanded to cover other environmental areas, such as the assessment and remediation of PFAS at our sites and in our products.

Our **Battery Advisory Board** meets quarterly and comprises experts in clean energy technology, power generation and storage. It advises on technical development, commercialization opportunities, and regulatory requirements (including recycling) as we expand our product portfolio in this area.



Ethics and Compliance

At Alkegen, we adhere to the highest standards of ethical conduct and empower our employees to make confident decisions in line with our policies and values. Our Code of Conduct (the Code) is a critical resource in documenting our common purpose and guiding principles so that we can maintain the trust of our customers, business partners, and investors.

The Code guides employees in navigating work-related ethical challenges and speaking up about unethical or illegal conduct. It also confirms our commitment to comply with all laws, rules, and regulations that apply to our business, including prohibitions on discrimination and the requirement to provide equal opportunity for employment, income, and advancement across Alkegen. Available on our website and provided to employees in our six primary company languages, it is reviewed biannually. Changes are reviewed and approved by the Board.

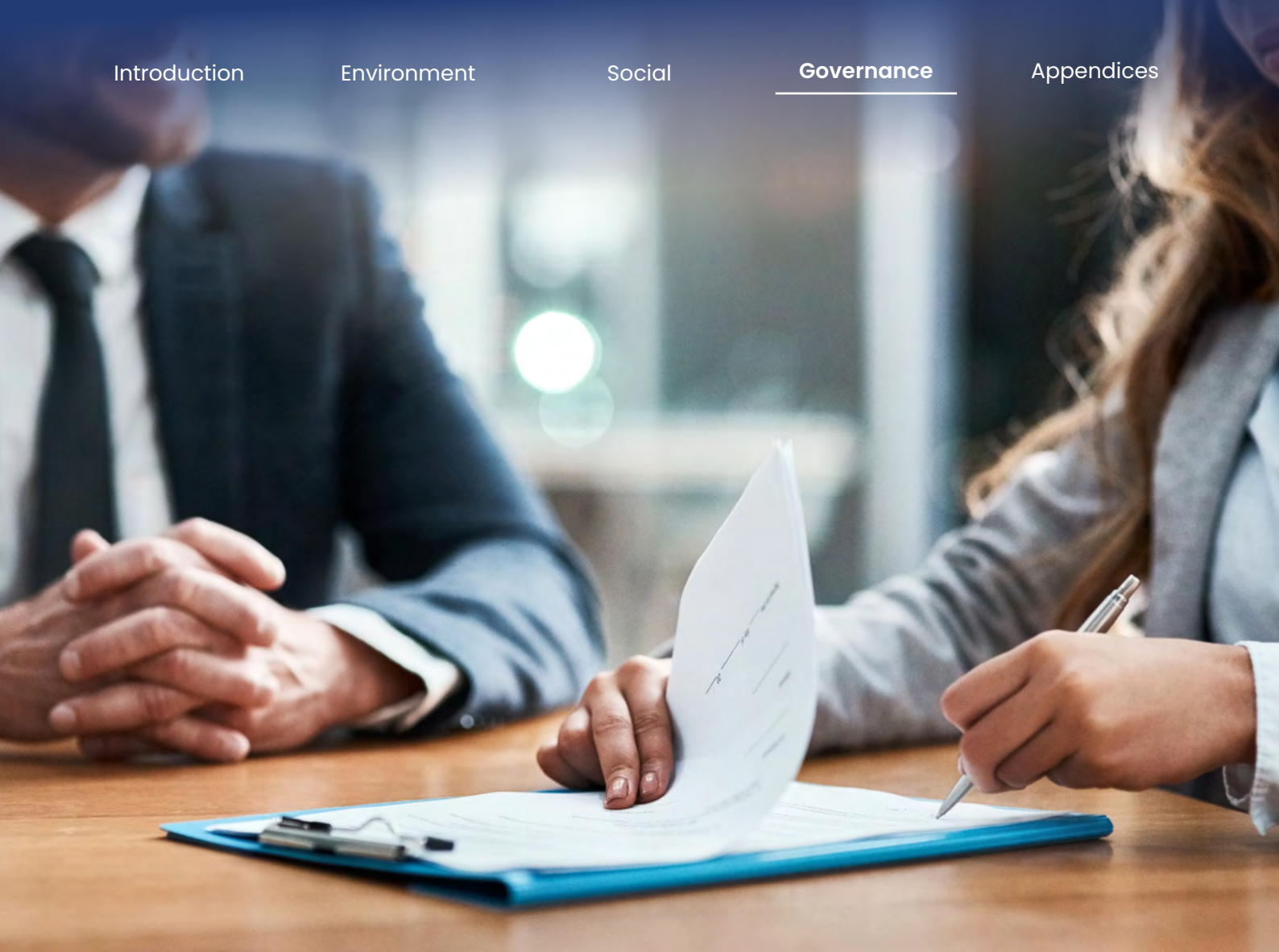
New hires must undergo training on the Code as part of their onboarding process and annually thereafter. In 2023, 97% of employees completed the training.

The Code and related training cover a wide range of ethical issues employees may encounter at work, including topics for which we have dedicated standalone policies that go into more detail, namely:

- Anti-Bribery and Corruption;
- Anti-Harassment;
- Human Rights;
- Giving and Receiving Business Gifts;
- Conflicts of Interest;
- Global Trade Compliance; and
- Non-Retaliation.

In 2023, we added training on our updated Alcohol and Drug Policy statement in the Code as well as instructions on using our Compliance Line tool, which complements our new dedicated Non-Retaliation Policy, codified in 2023.





Compliance Line

We take compliance with our Code and policies seriously and want employees to feel empowered to raise any concerns so they can be addressed. Employees are encouraged to report suspected violations to their manager, HR, Legal Services or, if uncomfortable with those options, through our ethics hotline.

Our Compliance Line is operated by a third party and gives employees who see or suspect a violation of our Code the means to report it anonymously. We have a robust process that documents the investigative process, including corrective actions and records retention.

The Compliance Line is available in local languages in the countries where we operate, is explained in the Code, and is included as part of our annual mandatory training.

As emphasized in the Code and our dedicated Non-Retaliation Policy, Alkegen does not tolerate any retaliation against any employee who, in good faith, asks questions or makes a report of actions that may be inconsistent with our Code, our policies, or the law. Likewise, we do not tolerate retaliation against any employee who assists in an investigation of suspected wrongdoing.

Risk Management

Alkegen is evolving its approach to enterprise risk management. Primary responsibility for the day-to-day identification and management of risk at Alkegen lies with the SLT and business unit leaders. Advice and counsel are provided by our in-house legal department and external boards. The Alkegen Board provides robust oversight.

The leadership of our business and operational departments are focused on the potential risks facing the organization in a range of areas, including but not limited to, regulatory developments, geopolitics, war, supply chain dynamics, cybersecurity, human capital, sustainability, products, and technology.

We identify current and emerging risks through a number of channels, including supply chain risk assessment and audits, third-party audits, Compliance Line activity assessments, and our annual strategic insurance portfolio review. In 2023, we improved our export control process to expand the reach of our screening processes for denied and sanctioned parties.

Evaluated risks and corresponding mitigation strategies are reported to the Alkegen Board quarterly, enabling us to take prompt action to safeguard our business as appropriate. To raise awareness of emerging and current risks, we conduct periodic training as issues arise.



Data Privacy and Cybersecurity

Alkegen's customers and employees depend on us to keep their data safe. As the frequency of cyber-attacks rises around the world, so too does the shared obligation of organizations like ours to proactively strengthen our data security posture. We have a Data Privacy Policy in place and are compliant with global laws and regulations aimed at safeguarding personal data, including GDPR.

Our cybersecurity framework is modeled on the National Institute of Standards and Technology Cybersecurity Framework (NIST) used by all US federal agencies. It includes multi-factor identification and 24/7 monitoring on endpoints by independent third-party experts. In addition, we have a third-party security operations center that monitors our network 24 hours a day throughout the year and alerts us to current or emerging threats.

In 2023, we developed the following information security policies to consolidate learnings and best practices:

- Cybersecurity Incident Response Policy
- Information Security Policy
- Removable Media Policy
- Third Party Risk Management Policy

We expect employees to be good stewards of our electronic resources and systems

and to partner with IT on protecting the company's intangible assets, including personal information. Training on cybersecurity is mandatory and occurs annually with additional training and communications after an event. Our IT department also communicates with employees on an ongoing basis to keep the workforce informed and alert to cybersecurity risks and current threats.

We conduct internal monitoring of our information security systems and engage external vendors to conduct independent audits on an annual basis. Our IT team works with experts inside and outside the industry to stay abreast of the evolving cyber landscape and continuously works to safeguard our business.

Alkegen's Chief Information Security Officer is responsible for reporting on cybersecurity and data privacy matters to the SLT.

Supplier Cybersecurity

Our Global Supplier ESG and Quality Manual requires suppliers to have information security measures in place and notify Alkegen of any cybersecurity breach that may impact Alkegen information. Suppliers are also required to have a cybersecurity system in place and attest to compliance with the GDPR and applicable federal, state, national, or local regulations related to personal information. We verify compliance with these requirements through our supplier self-assessment and audit processes. See page 28.

Intellectual Property

Alkegen commits substantial resources to technology innovation. The protection of our Intellectual Property (IP) rights is critical to better serve our customers, providing a competitive advantage, and preserving value for our shareholders.

We have an IP Policy in place and provide IP training to our employees. We also have an ecosystem of IP protection mechanisms, including Non-Disclosure Agreements and on-site visitor controls. We have an invention disclosure process to identify innovations that may require IP protections and we work with outside counsel to protect and monetize our IP.



Conclusion

Thank you for your interest in Alkegen's second Sustainability Report. Over the past two years, we have worked to establish solid foundations for our ESG program, incorporating wisdom and best practices from our legacy companies into a globally consistent approach that delivers value for our business, society, and the planet.

The launch of our internal SEEDS™ program in 2023 marked an important turning point when we brought Alkegen's sustainability mission alive for our 7,000+ employees worldwide and began fully engaging them in the collective action needed to achieve our annual goals and 2030 targets. We are grateful for their hard work and enthusiasm.

As our ESG program grows, so too does our understanding, our passion, and our commitment to a bright future for all our global community.



Appendices

Appendix 1: SASB (Sustainability Accounting Standards Board) Index

Resource Transformation Sector – Industrial Machinery and Goods Standard

SASB Topic	SASB Metric	Disclosure
Water Management*	RT-CH-140a.1 (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress, Quantitative, Thousand cubic meters (m³), Percentage (%)	(1) Total water withdrawn: 2,622,536 m³, Water withdrawn in high or extremely high baseline water stress regions: 4% (2) Total water consumed: 821,661 m³, Water consumed in high or extremely high baseline water stress regions: 8%
Energy Management	RT-IG-130a.1: (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	(1) Total energy consumed: 5,844,148 GJ (2) Percentage grid electricity: 26% (3) Data not available this year for metric RT-IG-130a.1(3)
Employee Health & Safety	RT-IG-320a.1: (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	(1) Total recordable incident rate (TRIR): 1.5 (2) Fatality rate: 0 (3) Near miss frequency rate (NMFR): 9.74
Materials Sourcing	RT-IG-440a.1 Description of the management of risks associated with the use of critical materials	We conduct conflict minerals due diligence and use limited amounts of critical materials in our products. We have not seen any risks of supply disruption and can use alternative materials if there is a need. We have an ongoing effort to move away from use of precious metals in our products due to cost. Learn more in our Supplier Code of Conduct: Doing Business with Alkegen https://alkegen.com/wp-content/uploads/2022/09/Alkegen-Supplier-Code-of-Conduct.pdf
Product Lifecycle Management**	RT-EE-410a.3 Revenue from renewable energy-related and energy efficiency-related products, Quantitative, Reporting currency	80%***
*Resource Transformation – Chemicals Standard metric		
**Resource Transformation – Electrical & Electronic Equipment		
*** As a private company that does not disclose revenues in the public domain, we believe that disclosing percentage rather than the absolute dollar amount is more useful to reader. Metric includes emissions and pollution control products as well as renewable energy-related products.		

Appendix 2: 2023 GHG Footprint

Category	tCO ₂ e	% of Total	GJ
Fuels	254,847	62.5%	4,304,593
Natural Gas	147,469	36.2%	2,650,328
Fuel Oil	4,067	1.0%	51,405
Propane or LPG	103,312	25.3%	1,602,860
Refrigerant Gas	4,210	1.0%	
HFC22	-	0.0%	
HFC410A	63	0.0%	
Liquid Nitrogen	-	0.0%	
NU22	20	0.0%	
R22	318	0.1%	
R32	13	0.0%	
R134a	1,120	0.3%	
R404a	20	0.0%	
R-407C	1,388	0.3%	
R410	-	0.0%	
R-410A	1,010	0.2%	
R417c	-	0.0%	
R507A	259	0.1%	
Scope 1	259,057	63.6%	4,304,593
Grid Electricity	148,507	36.4%	1,539,554
Scope 2	148,507	36.4%	1,539,554
Total Scope 1 & 2	407,564		5,844,148

Methodology & Approach Summary

Alkegen has used Minimum, the Enterprise Carbon Management Platform, to independently calculate its greenhouse gas (GHG) emissions in accordance with the principles of the Greenhouse Gas Protocol. The GHG emissions have been assessed following the ISO 14064:2018 standard and have used the 2023 emission conversion factors published by the Environmental Protection Agency (EPA), the Department for Business, Energy & Industrial Strategy (BEIS), the International Energy Agency (IEA) and other public resources. The reporting year shown is from 01 January 2023 – 31 December 2023, and considers all assets in which Alkegen maintain a majority controlling interest. The TAS business unit was divested in 2023, and emissions are included up to the date of divestiture. Office space is excluded on a de minimis basis.

Actual activity data has been collected from all entities within the organisational boundary on a monthly basis by Alkegen where available. Water invoices in some cases covered multiple months. F-gas totals are based on annual top-up totals. This data has been summarized, reviewed, and assessed by Minimum for its completeness and accuracy. The activity data is multiplied by an appropriate emission factor to calculate the Scope 1 and 2 GHG emissions for Alkegen. Where monthly invoices were not available, estimates have been made based on the previous 12 months' consumption. These can be seen in the individual data tables, and 6% of data points have been estimated.

Glossary

3TGs	The metals Tantalum, Tin, Tungsten and Gold and their ores, also known as ‘conflict minerals’
BSO	Behavioral Safety Observation, a technique used in workplaces to identify and address unsafe behaviors that could lead to accidents or injuries
CAP	Corrective Action Plan, a structured approach to preventing or addressing a problem or non-conformance
DE&I	Diversity, Equity, and Inclusion
ECFIA	Trade organization representing the High Temperature Insulation Wool (HTIW) industry in matters relating to Health, Safety and the Environment in Europe
eNPS	Employee Net Promoter Score, a metric used to measure employee engagement and loyalty
ERG	Employee Resource Group, a voluntary employee-led group for employees who share a common identity, background, or interest
ESG	Environmental, Social, and Governance
GDPR	General Data Protection Regulation, a European Union regulation on data privacy and security
GHG	Greenhouse Gas
HHESAB	Alkegen’s external Human Health and Environmental Sustainability Advisory Board
HTIW	High Temperature Insulating Wool
IATF 16949	Internationally recognized standard for quality management systems in the automotive industry, published by the International Automotive Task Force
IP	Intellectual Property
ISO 9001	Globally recognized standard for quality management systems, published by the International Organization for Standardization.
ISO 14001	Internationally recognized standard for environmental management systems, published by the International Organization for Standardization
ISO 45001	Internationally recognized standard for occupational health and safety management systems, published by the International Organization for Standardization
ISO 50001	Internationally recognized standard for energy management systems, published by the International Organization for Standardization
KPI	Key Performance Indicators
LEED	Leadership in Energy and Environmental Design, a globally recognized green building rating system
LTIR	Lost Time Incident Rate, a health and safety metric
MOC	Management of Change process, a structured approach to guiding and implementing changes effectively
OSHA	The US Occupational Health and Safety Administration
PFAS	Perfluoroalkyl and Polyfluoroalkyl Substances
PPE	Personal Protective Equipment
Proposition 65	California law requiring warning about significant exposures to chemicals that cause cancer, birth defects, or other reproductive harm
RCF	Refractory Ceramic Fiber
REACH	European Union regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals
RoHS	European Union Directive on the Restriction of Hazardous Substances in electrical and electronic equipment
SASB	Sustainability Accounting Standards Board
SEEDS™	Alkegen’s internal sustainability program, named after its five pillars (Safety, Environmental, Engagement, Diversity, and Social)
SLT	Senior Leadership Team
TCSA	US Toxic Substances Control Act addressing the production, importation, use, and disposal of specific chemicals
TAS	Thermal Acoustical Solutions, the business unit we divested in March 2023
TCFD	Task Force for Climate-Related Financial Disclosures
TRIR	Total Recordable Incident Rate, a health and safety metric
VOCs	Volatile Organic Compounds

Forward-Looking Statements

This Sustainability Report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Any statements contained in this Sustainability Report that are not statements of historical fact may be deemed to be forward-looking statements. All such forward-looking statements are intended to provide management’s current expectations for the future operating and financial performance of the Company based on current assumptions relating to the Company’s business, the economy, and future conditions. Forward-looking statements generally can be identified through the use of words such as “believes,” “anticipates,” “may,” “should,” “will,” “plans,” “projects,” “expects,” “expectations,” “estimates,” “forecasts,” “predicts,” “targets,” “prospects,” “strategy,” “signs” and other words of similar meaning in connection with the discussion of future operating or financial performance. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash and other measures of financial performance. Because forward-looking statements relate to the future, they are subject to inherent risks, uncertainties, and changes in circumstances that are difficult to predict. Accordingly, the Company’s actual results may differ materially from those contemplated by the forward-looking statements. Investors, therefore, are cautioned against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance.

Forward-looking statements in this Sustainability Report include, among others, statements relating to:

- Overall economic, business, and political conditions and the effects on the Company’s markets, including with respect to the elevated interest rates, inflationary pressures, the Russian invasion of Ukraine, Hamas’s attack on Israel and Israel’s military response, and tensions between PRC and Taiwan;
- Integrating the legacy Lydall and Luyang business may divert management’s attention away from operations, and the Company may also encounter significant difficulties in integrating the business and the anticipated benefits, cost savings and synergies may not be achieved;
- Inability to implement the Company’s business strategy in a timely and effective manner;
- Loss of significant market share, customers and customer relationships;
- Amount of capital expenditures required by the Company;
- Possibility that the Company’s intellectual property is not adequately protected;
- Labor disturbances or shortages;
- Potential product liability claims for products the Company manufactures;
- Potential liability under indemnification agreements with the Company’s distributors or under the Company’s product warranties;
- Impact of changes in applicable laws, regulations, and interest rate policy;
- Potential liability and remediation costs from environmental matters;
- Outlook for the full year 2024;
- Competition from other companies;
- Ability to improve operational effectiveness;
- Expected vehicle production in the North American, European or Asian markets;
- Potential inability to deliver products in a timely manner resulting in negative customer impacts;
- Growth opportunities in markets served by the Company;
- Integration and financial performance of acquisitions;
- Expected costs and future savings associated with restructuring or other cost savings programs;
- Expected gross margin, operating margin, and working capital improvements from cost control and other improvement programs;
- Fluctuations in energy and raw material commodity costs, including inflation;
- Supply chain and transportation disruptions impacting raw material availability and customer demand;
- Product development and new business opportunities;
- Future strategic transactions, including but not limited to acquisitions, joint ventures, alliances, licensing agreements and divestitures;
- Potential impacts from cyber intrusions, including ransomware;
- Pension plan funding;
- Future cash flow and uses of cash;
- Future earnings and other measurements of financial performance;
- Ability to meet cash operating requirements;
- Substantial level of indebtedness and the Company’s ability to service its indebtedness;
- Ability to meet financial covenants in the Company’s Credit Agreement;
- Refinancing or obtaining another debt instrument upon the expiration of the Company’s Credit Agreement;
- Future impact of the variability of interest rates and foreign currency exchange rates and impacts of hedging instruments;
- Expected future impact of recently issued accounting pronouncements upon adoption;
- Future effective income tax rates and realization of deferred tax assets;
- Impairment of goodwill and other intangible assets; and
- The expected outcomes of legal proceedings and other contingencies, including environmental matters.

All forward-looking statements are inherently subject to a number of risks and uncertainties that could cause the actual results of the Company to differ materially from those reflected in forward-looking statements made in this Sustainability Report, as well as in press releases and other statements made from time to time by the Company’s authorized officers. The Company does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

