



ALKEGEN

2024

# Sustainability Report





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# ABOUT ALKEGEN

At Alkegen, we take on the biggest challenges facing our world every day. Our global footprint, manufacturing capabilities, and talented team deliver solutions that help us breathe easier, live greener, and go further than ever before.



# SOLUTIONS TO THE WORLD'S BIGGEST CHALLENGES

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

We design materials and products to save energy, reduce pollution, and improve safety across a range of industries and applications, focusing on:

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

### Battery technology to power our lives

Alkegen has made breakthroughs in silicon anode technology that allow batteries to significantly extend the range of electric cars, extend the use time of personal electronics, and supercharge the capabilities of electric grid storage.

### Filtration solutions for cleaner air and water

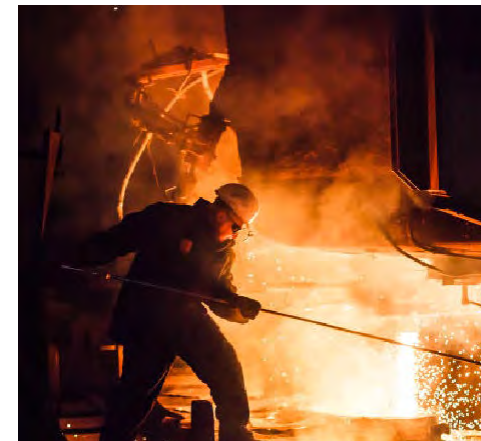
Our revolutionary fiber-based technologies improve industrial emission control, allowing factories across multiple industries to reduce their carbon footprint, meet stricter air and water quality standards, and enhance their sustainability strategies. Our high-efficiency indoor air filtration products provide best-in-class filtration performance for the most demanding applications, including in medical operating rooms and technology manufacturing clean rooms.

### Thermal management innovation for efficiency

We develop insulation solutions that allow high-temperature applications to reduce energy consumption, which saves money in manufacturing operations and keeps people, equipment, and facilities safe.

### At the forefront of advanced materials

Alkegen manufactures a wide range of specialty materials for use in buildings, infrastructure, and many industrial converting activities to help meet regulations, reduce the duration and cost of projects, improve service life, and reduce environmental footprints.



Alkegen manufactures products used in industries including battery technologies, filtration, insulation, and construction.

## COMPANY FACTS



# 68

### MANUFACTURING FACILITIES



# 7,000+

### EMPLOYEES WORLDWIDE



# 150+

### YEARS OF GLOBAL SERVICE AND SUPPORT

\*This Report includes information and data on Alkegen's majority-owned and controlled subsidiary, Luyang Energy-Saving Materials, Ltd. Co. (Luyang).

# OUR MISSION, VISION, AND VALUES

## Our Mission

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

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## Our Vision

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

## Our Values

### Grow

We pursue growth in all its forms. Whether it is 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.



# SUSTAINABILITY AT ALKEGEN

Alkegen is a global leader in developing specialty materials dedicated to sustainability and human health. We are committed to creating products that help our customers reduce fossil fuel use, save energy, and create transformative battery technology. Across our global operations, we work to create materials that have a positive impact on people's lives and the environment.



# MESSAGE FROM LEADERSHIP

## A Letter from our CEO

Dear Stakeholders, Employees, and Partners,

**In an ever-changing world, Alkegen is proud of its consistent and relentless commitment to help people breathe easier, live greener, and go further than ever before. This is our Mission, this is our north star. Our steadfast investment in sustainability permeates our organization and I am very proud that this Sustainability Report allows us the opportunity to share with you all the progress that Alkegen has made on our collective journey towards a more resilient future for generations to come.**

In 2024, I appointed Alkegen's first Chief Sustainability Officer (CSO) who reports directly to me and is responsible for our enterprise-wide safety and sustainability programs. Beyond enhanced leadership and governance, the appointment of a CSO underscores Alkegen's tone from the top that sustainability initiatives are a company priority for all of our employees worldwide.

This year's Sustainability Report is the most comprehensive report that we have ever published, reflecting our commitment to transparency in sharing not only our accomplishments but also our challenges and opportunities. Our success in driving sustainability across the organization will not be based on good intentions and anecdotes but rather a relentless pursuit of excellence through a rigorous assessment of challenges and opportunities and subsequent execution of actions that address the gamut of environmental, social, and governance best practices. My sincere hope is that the level of detail in this year's Sustainability Report fully communicates Alkegen's progress and goals.

In response to valuable input from our stakeholders, we have placed greater emphasis on Alkegen's product portfolio and the positive environmental impact of our solutions. This year's Sustainability Report highlights how our innovations contribute to reducing emissions, improving air quality, enhancing thermal efficiency, and advancing fire safety—benefits that extend not only to our customers but also to the broader communities we serve.

Sustainability is not just a corporate initiative—it is a responsibility we all share. We owe it to ourselves and future generations to preserve and protect human health and our environment, and to consistently lift up our employees and our communities. That is at the heart of why sustainability is so important to Alkegen and why we are unwavering in our pursuit of our Mission. I am confident and proud that this Sustainability Report reflects Alkegen's true commitment to sustainability efforts in furtherance of our Mission.

With Gratitude,



**John C. Dandolph**

President and Chief Executive Officer



# MESSAGE FROM LEADERSHIP

## A Letter from our Chief Sustainability Officer (CSO)

Dear Stakeholders,

It is with great pride and enthusiasm that I present Alkegen's 2024 Sustainability Report—our most comprehensive reflection yet of the progress we have made in advancing environmental, social, and governance (ESG) initiatives across our global operations.



This past year marked a defining moment in our sustainability journey. With the appointment of Alkegen's first CSO, we reinforced our commitment to integrating sustainability into our business and operations. Our strategy is built upon a simple but profound mission: to help people breathe easier, live greener, and go further than ever before. We recognize that achieving this vision requires not just bold ambition, but concrete actions that drive results.

### Progress and Performance

In 2024, we made significant strides in our sustainability efforts. Our commitment to environmental responsibility was demonstrated through the completion of a company-wide Task Force on Climate-Related Financial Disclosures (TCFD) assessment, a critical step in strengthening our climate risk management and transparency. We enhanced our data collection processes to provide real-time visibility into our environmental performance, enabling more informed decision-making across our global operations.

We are also proud to report progress in our efforts to refine analysis of our environmental usage data so that we can achieve our 2030 Environmental Performance Targets. Through targeted initiatives across our Business Units (BUs), we are making progress toward these goals, with each unit working toward a 2% annual reduction in emissions and water use, and a 3% reduction in landfill waste.

Sustainability remains at the core of our product innovation and technologies. Alkegen offers a diverse ecosystem of filtration and catalysis technology, step-change battery innovation, thermal management, and construction and fire protection products with worldwide reach.

### Our People and Culture

At Alkegen, sustainability is more than an environmental initiative; it is a collective responsibility embedded in our culture. Through the SEEDS™ (Safety, Environment, Engagement, Diversity, and Social) program, we empower employees worldwide to contribute to our sustainability priorities. In 2024, we expanded SEEDS™ oversight with the formation of a Sustainability Committee, ensuring alignment with evolving global regulations, including the EU Corporate Sustainability Reporting Directive (CSRD).

Safety remains a top priority, and in 2024 we achieved a 57% reduction in first aid incidents and a 19% decrease in Total Recordable Incident Rate (TRIR). Our commitment to fostering an inclusive and engaged workforce was further demonstrated through expanded mentoring programs, increased employee participation in engagement surveys, and the successful execution of our second annual Global Community Impact Day.

### Looking Ahead

We are proud of our achievements and recognize that sustainability is a continuous journey. In 2025, we will build upon our momentum by addressing IROs identified in our TCFD assessment, advancing recycling initiatives, and further reducing our environmental footprint.

We remain committed to fostering a sustainable future for our employees, customers, and communities. Our investors and stakeholders increasingly recognize the value of our sustainability efforts, as evidenced by the year over year improvement in our EcoVadis scores and the alignment of our business strategy with environmental, social, and governance objectives.

Thank you to our employees, partners, and stakeholders for your continued support. Together, we are shaping a more sustainable and resilient future.

Sincerely,

**William K. Piotrowski**

Senior Vice President, General Counsel,  
Chief Sustainability Officer



# 2024 ESG HIGHLIGHTS

Our commitment to sustainability has yielded significant progress in 2024 and in 2025 we seek to continue our progress by setting new goals. This Report contains a detailed description of 2024 achievements and goals but below are certain highlights:

Environment and Regulatory Compliance	Safety	Engagement and Community	Governance
<ul style="list-style-type: none"> <li>Improved environmental data collection processes and implemented dashboards reflecting utility usage and cost in real time</li> <li>Completed assessment based on TCFD framework</li> <li>Achieved continuous improvement in our EcoVadis ESG rating, earning the “Committed Badge”</li> <li>Engaged manufacturing sites in evaluating utility usage data and drove accountability for sustainability initiatives</li> <li>Expanded sustainability considerations in the Research and Development (R&amp;D) process</li> <li>Integrated sustainability considerations in the evaluation of capital expenditures</li> </ul>	<ul style="list-style-type: none"> <li>Beat our 2024 goals by achieving a 57% reduction in first aid incidents, 19% decrease in Total Recordable Incident Rate (TRIR), 30% Year Over Year (YoY) decrease in Lost Time Incident Rate (LTIR); and 39% YoY decrease in Lost Time Incidents (LTI)</li> <li>Provided 23,100 hours of training</li> </ul>	<ul style="list-style-type: none"> <li>Increased employee participation rate on engagement surveys to 65% Expanded mentoring and coaching programs, formalized an enterprise paid family bonding and leave policy, and increased participation in professional development initiatives</li> <li>Coordinated second annual Global Community Impact Day</li> <li>Women in Leadership Employee Resource Group (ERG) launched a mentoring and professional development program</li> <li>Held Alkegen’s first International Women’s Day Event</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened sustainability governance organization through appointment of a CSO Conducted a comprehensive data security audit</li> <li>Established a Cybersecurity Incident Response Plan</li> <li>Achieved 97% employee participation with annual Code of Conduct training Achieved 100% compliance with Conflict</li> <li>Minerals and Extended Minerals due diligence Zero product recalls</li> <li>No monetary losses due to legal proceedings regarding product safety</li> <li>24 manufacturing sites exceeded quality targets</li> <li>Implemented a supplier auditing program</li> </ul>



# SUSTAINABILITY STRATEGY

Alkegen's sustainability strategy integrates Environmental, Social, and Governance (ESG) objectives into our business operations, to create long-term value for the company, its employees, customers, suppliers, and stakeholders.

For Alkegen, sustainability is the strategic effort to balance environmental, social, and economic impacts that are beneficial to the business while protecting people and the environment. Approximately 80% of our revenue comes from products that support renewable energy, energy efficiency, or pollution control. Our Environmental Sustainability Policy underscores our dedication to minimizing environmental impact and enhancing sustainability across our organization. This policy applies to employees of the company and all subsidiaries, divisions, and other business entities controlled by Alkegen worldwide.

Alkegen maintains its 2030 Environmental Performance Targets of 10% intensity reduction in Scopes 1 and 2, 10% reduction in freshwater withdrawals in high and extremely high water-stressed regions, and a 15% reduction in the amount of waste sent to landfill. To achieve these targets, each BU is responsible for implementing initiatives targeting a 2% annual reduction in Scope 1 and Scope 2 emissions, a 2% annual reduction in the volume of freshwater withdrawals, and a 3% annual reduction in the amount of waste sent to landfill.

## 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



# OUR SUSTAINABILITY STRATEGY CONTINUED

## The Alkegen SEEDS™ Program

Our SEEDS™ program is the way we continue to communicate our sustainability priorities related to Safety, Environment, Engagement, Diversity, and Social, and foster engagement among employees worldwide. Oversight of SEEDS™ has expanded with the establishment of a Sustainability Committee to drive compliance with evolving global regulations, including the EU Corporate Sustainability Reporting Directive (CSRD).

To promote the pillars, we originally created a SEEDS™ Committee to oversee initiatives relating to each pillar. Following our TCFD assessment, we recognized the opportunity to increase cross-functional engagement and expanded the scope of the SEEDS™ Committee to form a new Sustainability Committee. This expansion permits greater transparency, communication, and collaboration on sustainability initiatives, regulatory compliance, and the material climate-related Issues, Risks, and Opportunities (IROs) applicable to the company.

The Sustainability Committee includes leaders from cross-functional teams including Safety, Product Stewardship and Regulatory Compliance, Environment and Governance, Customer Experience and Commercial Excellence, Procurement, Sales, Inventory, Operations and Planning (SIOP), Quality, Continuous Improvement (CI), Human Resources (HR), Information Technology (IT), Legal Services, Finance, and Operations.

Alkegen's CSO plays a crucial role in assessing and managing climate-related issues while ensuring BOD and leadership awareness and accountability. The CSO oversees SEEDS™ initiatives and the assessment and management of material climate-related IROs. The CSO is also directly responsible for Alkegen's Global Health and Safety program, Product Stewardship and Regulatory Compliance, as well as Environmental and Governance matters.

This appointment reflects the ongoing maturation of our sustainability program and enhances communication about our ESG initiatives and progress to the BOD and Senior Leadership Team (SLT). Alkegen's SLT includes our CEO, Chief Financial Officer (CFO), General Counsel and CSO, Presidents from our BUs, and leaders of the R&D, HR, IT, and Customer Experience and Commercial Excellence teams.

## The 5 Pillars of our SEEDS™ program





## OUR SUSTAINABILITY STRATEGY CONTINUED

Communication is integral to ensuring our employees are informed and empowered to meaningfully engage in Alkegen's sustainability strategy. We leverage multiple avenues of communication which underscores the integration of sustainability throughout our operations.

- BOD Meetings: Quarterly meetings during which the CSO reports on our SEEDS™ program and raises any IROs with a material impact on our business as they arise. Meetings may be scheduled more frequently, as needed.
- CEO, SLT: Alkegen leadership maintains constant involvement and communication in our business and operations, performance and progress in all domains.
- Human Health and Environmental Sustainability Advisory Board (HHESAB) and Battery Advisory Board: Quarterly meetings or as needed.
- CEO Briefings: Quarterly meetings during which our CEO updates the company on business progress and performance, including updates on the SEEDS™ program. All Alkegen employees are invited to attend. Briefings may be scheduled more often, as needed.
- Global SEEDS™ calls: Monthly updates during which we convene our global Health and Safety teams to discuss performance and progress on our SEEDS™ pillars. We also review health, safety, and environmental incidents from the prior month to share root causes and corrective actions. The calls are attended by members of the SLT, Operations, Commercial, and HR teams, with our CEO taking an active role. Manufacturing site employees are regular attendees, fostering their sense of ownership and involvement.
- Health, Safety, Environment (HSE) Meetings: Monthly BU meetings attended by HSE personnel, site and corporate leadership to evaluate the health, safety, and environmental IROs for each BU. Climate-related issues impacting each site are also discussed. These meetings reinforce Alkegen's Mission, Vision, and Values and foster a collaborative environment where best practices are shared, and we learn from incidents.
- Safety, Quality, Cost, Delivery, People (SQCDP) Meetings: Daily meetings at each manufacturing site ensure critical supply issues and risks are identified and appropriately managed. These issues are elevated during monthly global BU calls as well as regular briefings to BU leadership.
- Sustainability Committee: Meets on an as-needed basis to discuss cross-functional sustainability strategy, implementation, and enterprise compliance with regulatory requirements.
- The Alkegen Insider: Monthly newsletter which includes SEEDS™ highlights and internal workforce communications, sent to all employees.
- Our SLT, BUs, operational and functional teams meet on a regular basis and are constantly evaluating material issues impacting our business which include sustainability considerations.

### Global Recognition

We are pleased to report that our scores from the EcoVadis ESG ratings agency improved significantly from 2022 through 2024. The score (0-100) reflects the quality of a company's sustainability management system at the time of the annual assessment. Due to Alkegen's 2024 progress on Enterprise Risk Management, environmental management, labor and human rights, ethics, and sustainable procurement, Alkegen was awarded the "Committed Badge" in recognition of our sustainability achievements. The average EcoVadis score of companies worldwide (2023 data) was 51.6 points. Alkegen achieved an above average score in 2024 (57 points) up 4 points from 2023 and up over 21 points since 2022.





# THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDGs)

Alkegen's corporate Mission is dedicated to helping people live greener, breathe easier, and go further than ever before. This Mission and Alkegen's sustainability strategy align with the UNSDGs on Good Health and Well-Being, Gender Equality, Clean Water and Sanitation, Affordable and Clean Energy, Decent Work and Economic Growth, Responsible Consumption and Production, and Climate Action.

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. We provide 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.

We are dedicated to supporting a highly qualified, diverse workforce in compliance with applicable law. Our commitment to gender equality is demonstrated by our policy of equal pay for equal work. Our ERGs such as the Women in Leadership ERG provides mentorship opportunities along with career and personal development programs that are open to all employees. Our hiring and promotion practices focus on individual merit and managers are trained to evaluate employees based on quantifiable metrics that reduce the potential for bias and ensure recognition for performance.

Each manufacturing site at Alkegen is responsible for managing their water resources and wastewater treatment and identifying opportunities to increase their water-use efficiency, recycling, and reuse. We work to improve water quality by minimizing releases of hazardous chemicals and materials.

Alkegen's products, such as our innovative battery and fire protection technologies, power and protect a wide range of energy applications that are transforming industry and expanding access to alternative energy sources.

Alkegen stimulates economic growth in the communities where we operate by employing over 7,000 people at our global locations. We have strict standards on safe and healthy working conditions and employee rights. We provide employees with competitive salaries and benefits and prioritize opportunities to reward employees for performance success.

We produce specialty materials and products designed to advance sustainability and improve human health. Our facilities comply with applicable laws and regulations and are accountable for initiatives that promote responsible consumption and production.

Our 2030 Environmental Performance Targets are focused on minimizing potential impacts from our manufacturing operations. In 2024, we completed a third-party assessment using the TCFD framework to identify climate-related IROs for our business. In 2025, we will continue to implement actions to address our climate impact.





# ENVIRONMENT

Improving our environmental impact is an enterprise-wide commitment at Alkegen. Our company is a global leader in developing materials and products that help save energy, filter contaminants, control emissions, insulate from extreme temperatures, and harness transformative battery technologies that reduce fossil fuel dependency.



# ENVIRONMENTAL STRATEGY

Alkegen works to create materials and products that have a positive impact on people's lives and the environment. By integrating environmental responsibility into our business objectives, we can accelerate sustainability actions that drive strategic growth.

The company's environmental performance initiatives focus on short-term (0-1 years), medium-term (2-5 years), and long-term (5+ years) targets to reduce GHG intensity, freshwater withdrawals in high and extremely high water-stressed areas, and landfill waste. We prioritize health and safety considerations of air quality, chemicals, conflict minerals, noise pollution, and other environmental impacts of our operations and the materials we source.

The financial impact of environmental and regulatory factors is evaluated as part of the capital expenditure review processes. All sustainability initiatives are appraised for returns on investment and impacts on global operations, business opportunities, product lines, market growth, and the company's reputation as a leader in sustainable products. Expected costs and future savings are integrated into capital expenditure proposals to ensure added value to the company and efficiencies that positively impact Alkegen, its employees, customers, and the environment.

## Sustainability Success Story:

Alkegen's Port Elizabeth site celebrated 20 years of being ISO 14001 certified and its 2024 Recertification Audit was the 7th consecutive year in a row with no issues identified. This site also achieved:



Water usage

**32%**  
reduction



Electricity usage

**5%**  
reduction



Waste to Landfill

**16%**  
reduction

# SUSTAINABILITY PROGRESS THROUGH ENVIRONMENTAL INITIATIVES

Our approach to sustainability links environmental initiatives with business value. Our priority is to reduce potential environmental impact while containing costs and improving operational efficiency. In the last year, our teams have further integrated sustainability considerations into many business processes such as the evaluations of capital expenditure requests and R&D activities, supply chain, procurement, quality, and continuous improvement initiatives, and governance.

We encourage our partners, suppliers, distributors, contractors, and vendors to comply Alkegen's sustainability goals, targets, and requirements, and place value on working with others who share our commitment to environmental stewardship. Alkegen engages with internal stakeholders and external providers to accomplish the following objectives:

- Continually improve our general environmental performance
- Comply with all applicable safety and health requirements, environmental laws, and other regulations
- Evaluate and implement commercially reasonable ways to reduce total energy consumption, carbon footprint, GHG emissions, water use, and waste to achieve our Environmental Performance Targets
- Measure progress toward our Environmental Performance Targets

In 2024, Alkegen conducted a preliminary evaluation of the proximity of its global locations to key biodiversity areas. Alkegen will assess impacts and identify risk reduction strategies for potential impacts on biodiversity-sensitive regions.

## 2025 Goals:

- Support progress toward Alkegen's 2030 Environmental Performance Targets
- Analyze environmental usage trends to confirm progress to reduction goals, identify priority areas and opportunities for efficiency
- Integrate production volumes in site trend analysis to better contextualize usage
- Quantify environmental and financial impact from sustainability initiatives
- Identify opportunities to integrate renewable energy
- Advance recycling initiatives and track waste diverted from landfill
- Analyze the potential impact of business operations on biodiversity sensitive areas
- Establish a framework to track Scope 3 GHG emissions



# ENVIRONMENTAL DATA

Tracking environmental data across our global operations is a priority. Alkegen is committed to ongoing improvement of our data collection practices to better understand our environmental impact and leverage these insights to create operational efficiencies. Our environmental data includes majority owned subsidiaries and affiliates, including Luyang Energy-Saving Materials Ltd. Co. (Luyang), which is a Chinese public company that is majority owned and controlled by Alkegen.

In 2024, we reevaluated our environmental data reporting methods and transitioned to a consolidated platform that provides contemporaneous primary source information about our energy, electricity, water, and waste usage at the Alkegen and Luyang sites. Alkegen has a structured approach to collecting of utility data which involves collaboration with our third-party energy management vendor, utility providers, internal data collection team, and participation from manufacturing sites. Utility data is collected at regular intervals as the invoices are received and uploaded to a centralized data management platform. If invoices are not available, data gaps are filled using average values from prior months. Where there is insufficient historical site data, Energy Use Intensity (EUI) values from the Commercial Building Energy Consumption Survey (CBECS) are used to provide site level usage estimates. Usage and cost information digitally populates enterprise, BU, and site dashboards for energy, electricity, water, and waste. In 2024, approximately 4% of our Scope 1 data and 2% of our Scope 2 data was estimated – a decrease in the amount of estimated data from 2023.

<sup>1</sup> Propane was reported as material in the 2023 Sustainability Report but is not included in this Report due to a data correction.

<sup>2</sup> Alkegen's 2023 Sustainability Report included environmental data and emissions attributable to the TAS BU due to partial year ownership.

Environmental data is evaluated monthly to understand enterprise, BU, and site usage and cost trends, and to track progress toward annual reduction targets. By transitioning our reporting platform and refining our data collection practices, we gained greater transparency into utility usage and cost, and we are able to track historical trends and identify opportunities for efficiency. With this enhanced data management platform, we are better able to arrive at precise usage and emissions data, enabling the company to focus and report on usage and emissions that have a material impact (five percent or greater) on the company's overall Scope 1 and Scope 2 GHG reporting.

We also confirmed that three of our New York sites receive an allocation of hydroelectric power and do not contribute to our Scope 2 emissions. Considering materiality changes driven by the implementation of the more robust data management platform and reflecting the total removal of data for the company's divested Thermal Acoustical Solutions (TAS) BU in 2023, we are resetting our Scope 1 and Scope 2 emissions and water usage baselines. We also will begin reporting on waste sent to landfill. Alkegen's environmental usage data and emissions are reported in the SASB Index.

Efforts to accurately track energy, water, and waste data are influenced by the number and variety of vendors at our facilities and across our supply chain. One of our challenges is inconsistent or inadequate reporting by our vendors and service providers of waste and recycling rates. In 2025, we will focus on quantification of recycling efforts. Like waste, there are difficulties in accurate reporting of this metric because some trash haulers do not report recycling volumes. We will work with our vendors to improve their reporting of waste and recycling volumes so we can better quantify the amount of waste diverted from landfills.



# GHG EMISSIONS

Emission Source	2023 (mtons CO2e)	2024 (mtons CO2e)	YoY change
Scope 1	149,973	186,080	24%
Scope 2	118,333	123,699	4.5%

## 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.

### 2025 Goals:

- Achieve 2% reduction in emissions intensity
- Improved environmental data analysis of usage trends in relation to production volumes and identify reduction opportunities
- Establish framework to track Scope 3 GHG emissions

### 2030 Environmental Performance Targets:

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

In 2024, 60% of our total enterprise emissions were attributable to Scope 1 and 40% were attributable to Scope 2. The increase in Scope 1 emissions is largely attributable to the startup of a new microfine glass fiber furnace at an Alkegen facility in China. The furnace is energy intensive and is in an area of China where the availability of renewable energy is limited or non-existent. Also contributing to the YoY increases were the mix of products and expanded production in other areas of the business. Further, a manufacturing site in upstate New York lost its supply of city-supplied steam due to city equipment maintenance, forcing the Alkegen facility to pivot to the use of natural gas powered boilers, thereby substantially impacting its Scope 1 emissions. Relative to Scope 2 emissions, the manufacturing processes in our Insulation, Sealing, and Construction (ISC) BU are substantial contributors due to the nonrenewable electricity and energy grids where certain ISC sites operate. Given that a significant portion of Alkegen's energy is used for combustion, we are exploring more efficient fuels, opportunities to reuse heat, increased operational efficiencies, and new technologies.

To support progress towards our 2030 Environmental Performance Targets, we are investigating opportunities to procure carbon-free and renewable energy where those resources are available and aligned with business objectives. Alkegen committed to a Power Purchase Agreement (PPA) for renewable energy in South Africa which is estimated to result in a 1.7% reduction in enterprise emissions globally. Additionally, we reevaluated the regions where we have a renewable power share in the grid and identified that 4 facilities in Brazil and France operate on almost 100% fossil-free energy and 17 North American and European sites operate in areas where the energy in the grid is more than 50% non-fossil fuel-based on average.

Our CSO and Director of Environment and Governance are responsible for tracking the enterprise environmental data and compliance with environmental performance initiatives. GHG reduction initiatives are implemented at the site and BU levels.

## Sustainability Success Story

In 2024, the State of New York approved an operating permit for an additional production line at our Pirson, NY site, which contained stringent pollution controls. The permit process involved detailed air quality analysis and new pollutions control equipment to monitor emissions. The operating permit was only approved following public hearings, as well as dialogs with NGOs, community organizations, local authorities, and other stakeholders.

The Pirson, NY site holds an ISO 9001 certification and undertook several key activities to support its new ISO 14001 certification as follows:

- Tracked environmental legal requirements through an environmental compliance register
- Established a monthly environmental meeting with site stakeholders
- Incorporated sustainability improvement projects into site objectives
- Developed a centralized system to track and monitor HSE related IROs
- Integrated the assessment of environmental impacts into the site's internal audit scope
- Made functional improvements to equipment and systems impacting emissions and the environment



# WATER MANAGEMENT

Water stewardship at Alkegen reflects our commitment to managing resources that are vital to our manufacturing processes as well as our neighboring communities. Our water initiatives focus on reducing freshwater withdrawals and reusing or recycling water where feasible.

Our Environmental Performance Target for 2030 is to reduce freshwater withdrawals by 10% in high and extremely high water-stressed areas. Of our 10 sites that withdraw the largest volumes of freshwater, none are in regions of high or extremely high baseline water stress.

Water metrics are recorded and monitored at the enterprise and site levels, and reduction targets are set for each BU. In support of our 2030 Environmental Performance Target for water, in 2024 we revised our water management efforts to focus on freshwater withdrawals as opposed to total consumption as reported previously. We are implementing opportunities to improve data collection for freshwater withdrawal metrics with the intent of utilizing the 2024 data found in the SASB Index appendix as the baseline for evaluating future reduction initiatives.

Our CSO and Director of Environment and Governance are responsible for tracking the enterprise water metrics and compliance with our Environmental Performance Target to reduce freshwater withdrawals. Freshwater withdrawal reduction initiatives are implemented at the site and BU levels.

## 2025 Goal:

Reduce freshwater withdrawals by 2% in high and extremely high water-stressed regions

## 2030 Environmental Performance Target:

Reduce freshwater withdrawals by 10% in high and extremely high water-stressed regions



# WASTE MANAGEMENT

Conserving natural resources and reducing waste throughout our operations is a priority for the company and our workforce. Alkegen strives to reduce, reuse, and recycle, and our reduction initiatives prioritize minimizing our waste footprint.

In 2024, we enhanced our process around tracking waste and expanding the scope of our data reporting to include this metric. However, not all waste haulers provide the volume of waste removed from our sites, nor do they do so with a consistent measurement. Additionally, waste volumes are not consistently reported monthly by our waste removal vendors, forcing reliance on estimations to track usage trends until an invoice is received. We will continue to identify opportunities to internally track waste to landfill and collaborate with our waste removal vendors to track waste volume more reliably.

Accountability for tracking the volume of waste to landfill helped some sites better quantify the corresponding cost and potential savings that may exist with improved recycling initiatives. In 2025, we introduced a new key performance indicator (KPI) on recycling to help Alkegen achieve its 2030 Environmental Performance Target to reduce waste to landfill and drive cost reductions.

Our CSO and Director of Environment and Governance are responsible for tracking enterprise waste reduction and recycling initiatives. Waste reduction initiatives are implemented at the site and BU levels.



## 2025 Goal:

Reduce the amount of waste sent to landfills by 3%, including through the implementation of additional recycling initiatives

## 2030 Environmental Performance Target:

Reduce the amount of waste sent to landfills by 15%



*Alkegen volunteers in litter cleanup.*



## PRODUCT HIGHLIGHTS

Alkegen's products and materials are designed to save energy, reduce pollution, and improve safety across a wide range of industries and applications. Innovation drives our Mission to create products that help people, "Breathe Easier, Live Greener, and Go Further Than Ever Before."

Our customers use our products in a variety of settings, including homes, offices, hospitals, power plants, manufacturing facilities, vehicles, and more. Alkegen products are designed and manufactured to optimize environmental performance and comply with environmental regulations around the world. Our specialty materials play a key role in critical systems that help our company and our customers transition to a low-carbon future.

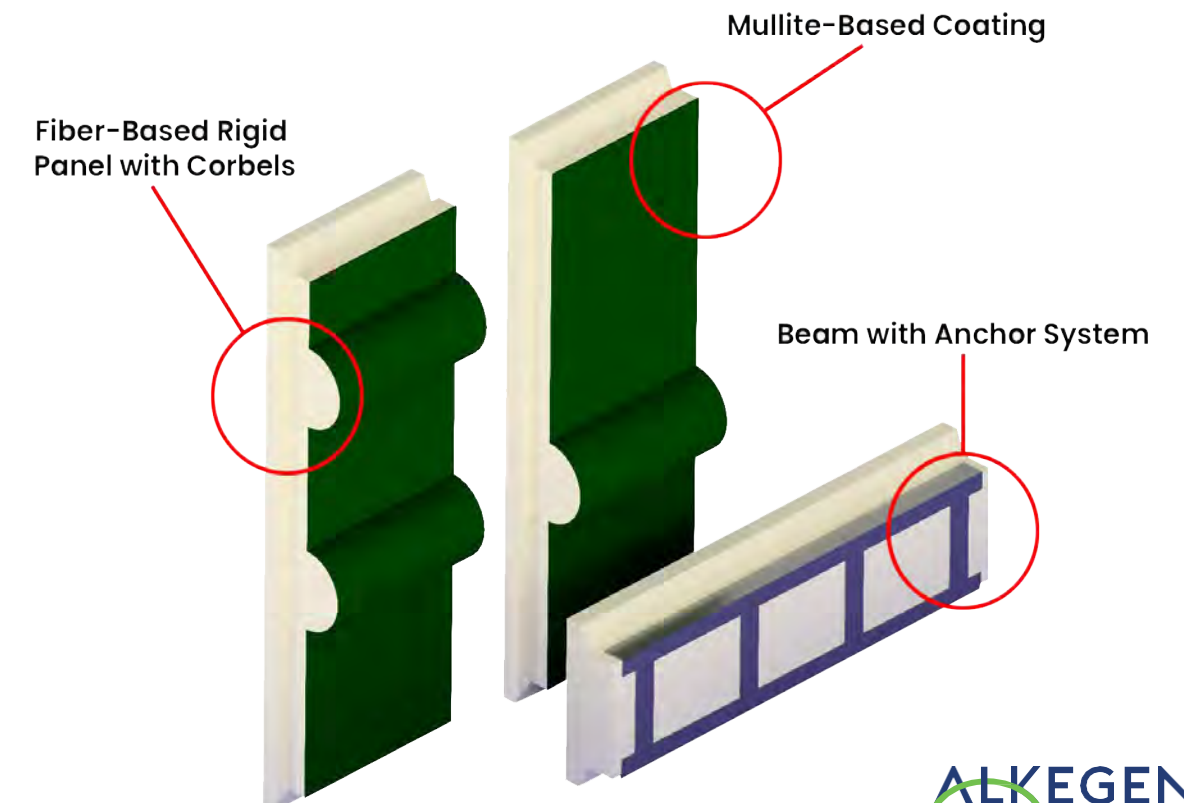
Innovation drives our goal to deliver transformative growth that benefits our company, our stakeholders, and the environment. In 2024, we reevaluated our New Product Introduction (NPI) process to incorporate sustainability considerations early in the product development process. This minimizes our environmental impact, de-risks our supply chain for raw materials, and ensures environmental, health, and safety compliance and sustainable products.

Our R&D, Product Stewardship, and Quality teams evaluate potential product risks and opportunities that impact business value. The TCFD assessment identified the risk of new regulations that could prevent market access for some products. This presents opportunities to innovate manufacturing processes and offer certified green products to protect existing market share and access new markets.



### Alkegen Carbowall System™

Alkegen worked with a customer to study the application and resulting performance data of the Alkegen Carbowall System™. This System is an innovative engineered insulation solution utilizing high temperature vacuum formed ceramic fiber shapes installed in the convection section of chemical and petrochemical furnaces. The study demonstrated the benefits of using the Carbowall System™ to reduce carbon emissions and lower operational costs. See <https://alkegen.com/carbon/whitepaper/>.



# PRODUCT HIGHLIGHTS CONTINUED

## Insulation

Alkegen's legacy of fiber chemistry and thermal management expertise form the foundation of our product insulation portfolio. We engineer and manufacture high-temperature insulation solutions to reduce energy use, CO2 emissions, and operational costs. Our more than 50 products offer thermal management materials, components, and systems that help industries reduce their energy consumption, maintain consistent temperatures, and keep people, equipment, and facilities safe.

Introduced in 2024, AlkeGel™ is our new portfolio of ultra-low-dust aerogel blankets, providing insulation in hot and cold applications for industrial environments. These fiber-enhanced aerogel blankets offer advantages in improved handleability, fire resistance, and acoustical performance.

Compared to traditional aerogel blankets, AlkeGel™ products have 80% less dust, can be installed up to 20% faster, and are lightweight and easier to cut. Benefits include safer and cleaner work environments, reduced respiratory risks, reduced risks of equipment failures, and greater protection against industrial leaks and corrosion.



Extremely  
Low  
Thermal  
Conductivity



Flexible



Low Dust



Thermal  
Shock  
Resistance



Hydrophobic



Easy to  
Cut

**Cleaner, Safer Work Environment:**  
Low-dust properties translate to fewer airborne particulates, minimizing respiratory risks and reducing cleanup efforts at worksites.

## AlkeGel Glacier™

has been developed primarily for the Liquefied Natural Gas (LNG) industry and is engineered to minimize heat transfer and liquid boil-off in cryogenic applications. It helps to improve energy efficiency and lower GHG emissions while protecting assets from fire, ice, mechanical damage, and corrosion under insulation.

## AlkeGel Ember™

is designed with ultra-lightweight materials for moderate to high-temperature applications. It is engineered to minimize the impact of corrosion caused by water or moisture under insulation on piping and large process vessels. These fiber-enhanced aerogels are designed to reduce maintenance costs and the risks of equipment failures, leaks and explosions.

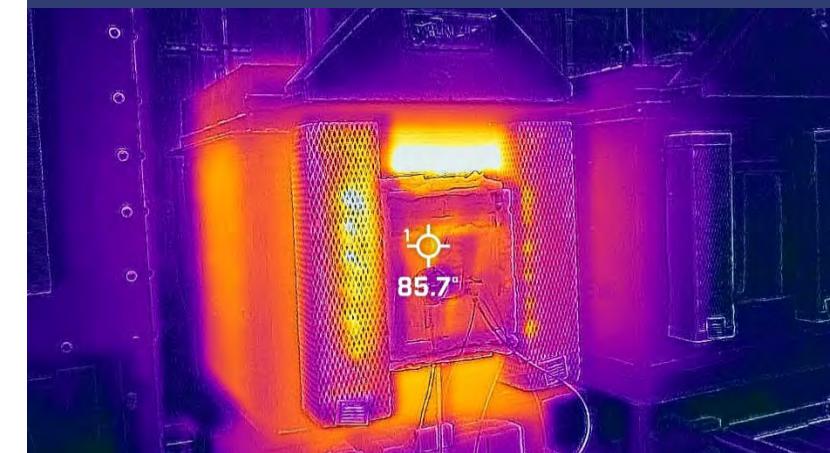
## AlkeGel Fyre™

provides advanced passive fire protection and thermal insulation for high-temperature industrial applications, including jet fire testing. It protects pipes from corrosion under fireproofing, and it is engineered for use in power generation, the LNG industry, and petrochemical and refining applications.

## Helping our Customers Reduce GHG Emissions

Alkegen's heat flow analysis software is a value-added service that helps customers calculate thermal performance, fuel cost savings, and GHG emissions for applications using Alkegen's specialty insulation materials.

Features of the software program include the company's vast insulation and refractory product portfolio, allowing customers to design insulation linings that meet their thermal performance requirements. The proprietary software calculates estimated cold face temperatures, heat loss, and heat storage of refractory and insulation linings under a variety of conditions and applications. The software also can be used to conduct environmental and economic analyses of various lining designs.



ALKEGEN



## PRODUCT HIGHLIGHTS CONTINUED

### Filtration

Our filtration solutions for air, liquids, and molecular applications enable a cleaner, healthier, more energy-efficient world. Alkegen is a leader in delivering filtration and life science solutions globally, with a commitment to quality that ensures long-term success for our customers.

Purefrax® and LyPore® filtration systems reduce particulates and contaminants by nearly 100%. Purefrax® hot gas filters are designed to retain strength and integrity when exposed to heat in a variety of industrial applications. LyPore® micro fiberglass liquid filtration solutions treat wastewater and remove contaminants from our drinking water.



#### Superior Industrial Filtration

- Reduction of particulate emissions by almost 100%
- Operating temperatures allow for heat recovery
- Non-flammable and suitable for corrosive atmospheres
- Successful utilization with sorbent systems
- High porosity and air permeability



#### High-Efficiency Liquid Filtration

LyPore® high-performance filtration media is available in a wide array of pore sizes to allow customers to customize performance for specific applications. The filters capture even the smallest particulates, creating cleaner water for healthier environments.

Our filtration solutions also protect against air pollution such as wildfire smoke. LydAir® is a composite structure that contains three layers of filtration specifically designed to remove gas contaminants and fine particles, helping people breathe easier.



#### Air Filtration



#### Liquid Filtration



#### Molecular Filtration



#### Prototyping & OEM Developments



## PRODUCT HIGHLIGHTS CONTINUED

### Battery Technology

For battery pack and cells that require increased performance and safety, Alkegen's battery solutions provide battery technologies for a variety of battery needs. Our revolutionary silicon fiber anode technology is bringing innovation and capability to industries that require greater energy density, faster charges, and demand longer battery life.

Our unique inorganic fiber separator technology promotes greater thermal stability increasing safety as energy density increases.

Our thermal runaway protections, deliver enhances protection while still optimizing pack performance with a variety of lightweight and thin thermally and electrically insulating solutions that can be used at the cell, module, or pack level.

Our battery technologies power and protect across a range of markets, including electric vehicles, energy storage, and consumer electronics.



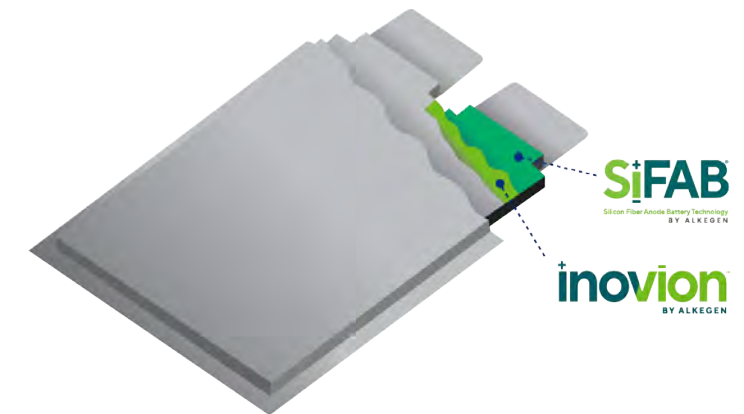
#### Inovion™

Today's high-energy batteries require safer insulation that separates positive and negative electrodes to prevent electrical short circuits. Inovion™ is Alkegen's unique microfine glass fiber separator that offers exceptional high-temperature performance in lithium-ion batteries. This technology can be formulated for use in solid state batteries and enables game-changing innovations in the broader battery industry.



#### SiFAB®

Alkegen's silicon fiber anode technology, SiFAB®, is an in-cell battery solution that supports greater energy density, faster charges, and longer battery life through a nanoporous fiber structure that accommodates swelling. The SiFAB® technology is applicable in a wide range of industries, including electric vehicles, renewable energy storage, and consumer electronics. SiFAB®'s unique properties feature micron-sized silicon fiber with an engineered structure that enables higher energy density and is a drop-in solution for existing electrode formulations and mixing equipment.





## PRODUCT HIGHLIGHTS CONTINUED

### Thermbond® REFRACTORY SOLUTIONS

#### Advanced Materials

Alkegen's Thermbond® products offer time-saving industrial solutions for insulating and repairing the lining of furnaces and boilers. Thermbond materials are engineered for enhanced durability, high-temperature performance, rapid installation, waste reduction, and health and safety properties.

#### Industries



Aluminum



Hydrocarbon  
Processing



Power  
Generation



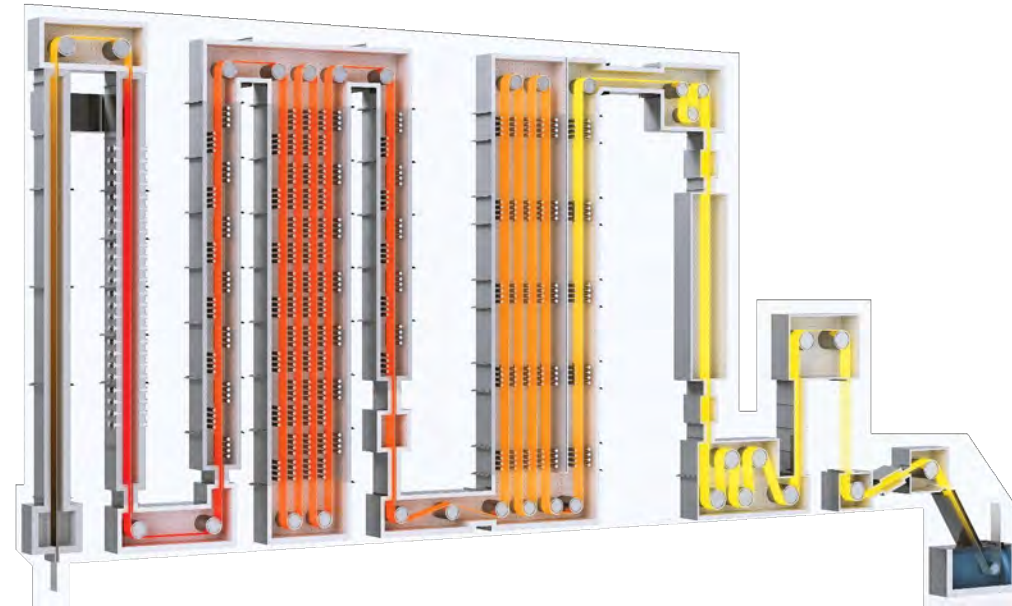
Mineral  
Processing



Steel



Other



Continuous Galvanizing Line

#### Reduce Costs Through Superior Refractory Solutions

EASY & ACCURATE MIXING | FAST DRY-OUT & HEAT-UP | ABRASION RESISTANCE | THERMAL SHOCK  
RESISTANCE | BONDS PERMANENTLY TO EXISTING REFRACTORY | NON-WETTING



Reduced  
Maintenance



Reduced  
Waste



Reduced  
Downtime



Reduced  
Risk

#### Thermal Management Solutions

Alkegen's high-temperature insulation products provide energy-saving solutions for the annealing and galvanizing line processes at steel manufacturing plants. These technologies are applicable to the automotive, construction, and household appliance industries.

Galvanization at a large industrial scale requires innovative heat management processes to ensure a precise controlled rate of heating and cooling, with temperatures spanning anywhere from 400°C to 1350°C (752°F to 2462°F). Our high-temperature insulating solutions allow steel plants to safely operate at extreme temperatures, reduce emissions, and save energy.



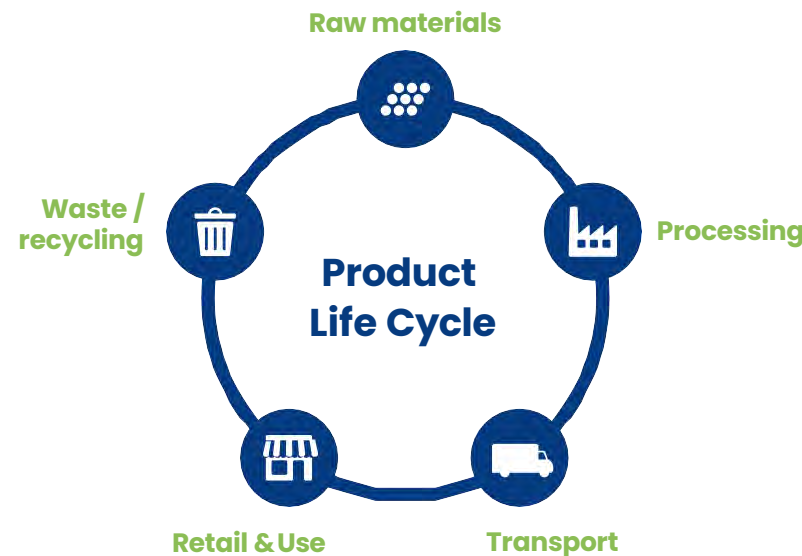
# RESPONSIBLE APPROACH TO MANUFACTURING

At Alkegen, responsible manufacturing is the ability to consistently deliver products that meet customer and regulatory requirements while using practices that safeguard people and the environment throughout the value chain.

We proactively monitor our sustainability impacts, risks, and opportunities at our global sites by employing our ERM approach. This means that manufacturing processes and materials sourcing across our operations are assessed for potential environmental and human health risks and opportunities. In alignment with the TCFD, the company will consider various strategies to ensure Alkegen continues to be a global leader in developing specialty materials dedicated to sustainability and human health.

In the event a manufacturing or product risk is identified, it is reported and communicated to the SLT, including the CEO. The same approach applies to opportunities that are identified for manufacturing process improvements, operational efficiencies, technical and equipment upgrades, and ever evolving industry best practices.

## Phases of Product Life Cycle Analysis (LCA)



## Product Stewardship and Regulatory Compliance

Reducing risks associated with human health and the environment is a crucial part of our ERM. Our Product Stewardship and Regulatory Compliance team is integrated into multiple facets of operations to ensure human health and regulatory compliance.

Specifically, the Product Stewardship and Regulatory Compliance team is responsible for:

- Ensuring compliance with applicable global product regulations

- Assessing and correcting all physical and chemical health hazards in our manufacturing processes and surrounding environments, including volatile organic compounds (VOCs), temperature, and noise
- Monitoring air quality, including dust and fiber levels, at internal and customer manufacturing sites
- Educating the organization on environmental and regulatory human health requirements and developing best practices to reduce risk across the company
- Maintaining a record of all chemicals sourced externally with related health, safety, and regulatory compliance information
- Advising the company on best practices relative to appropriate PPE and RPE

An ongoing challenge to our industry is the pace and volume of changing regulatory requirements. In 2024, the team worked to enhance evaluation of regulatory, environmental, and sustainability considerations as part of the R&D process for introducing new products and changing existing products. We address inconsistencies in our internal approach to environmental compliance by formalizing leadership and reporting structures.

In 2025, we will implement an enhanced enterprise HSE compliance calendar to track and manage regulatory compliance deadlines.

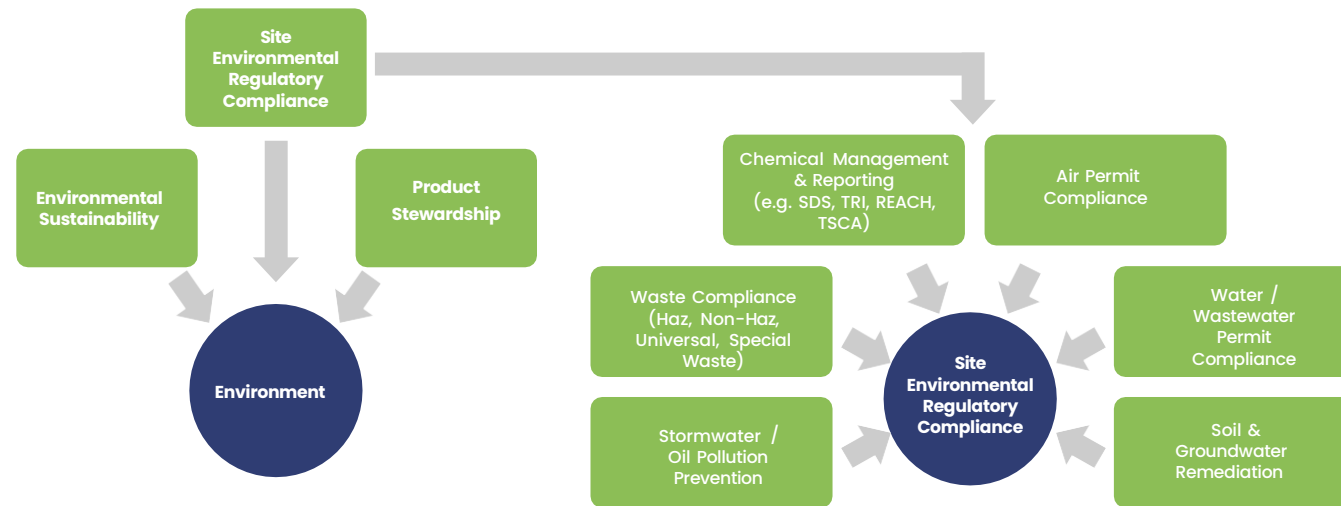
Sites historically tracked regulatory reporting deadlines individually. A standardized calendar will support timely reporting and transparency around deadlines, visibility to leadership, and proactive management of issues. Further, in 2025 we will continue to audit compliance with best practices for the use of PPE and RPE. We will reevaluate our policies and approaches based on the results. These activities will ensure that we maintain compliance with applicable laws and regulations, ensure the health of our employees, and respond to customer and stakeholder requirements.

## 2025 Goals:

- Finalize the enterprise HSE compliance calendar
- Develop and track environmental regulatory compliance metrics Further integrate HSE, Sustainability, and Product Stewardship and Regulatory considerations into
- R&D process for new products and material changes to existing products Focus and train employees on correct PPE and RPE use and ensure compliance with related Alkegen policies and industry best practices



# RESPONSIBLE APPROACH TO MANUFACTURING CONTINUED



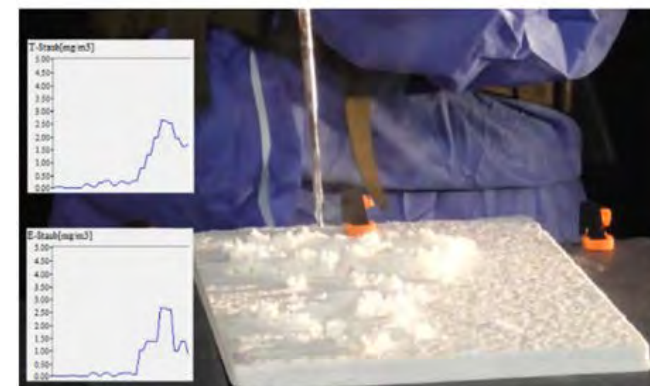
## Global Workplace Air Quality Monitorings

### Air Quality

Air quality monitoring of potential fiber and dust workplace exposures is conducted quarterly at all our sites globally and select customer sites under the direction of the Product Stewardship and Regulatory Compliance team. This global program protects worker health, reduces risks, identifies trends, and ensures compliance with applicable regulations. This program was originally focused on the protection of workers who may be exposed to refractory ceramic fibers (RCF) and was expanded to include the monitoring of additional types of potential airborne exposures at our other manufacturing sites. We met and exceeded our airborne fiber target number of monitoring events both internally and at customer sites in 2024.

As a value-added service, we also offer air quality monitoring services at no cost to customers. We share the results and engage with our customers to help them improve the air quality at their sites and for their employees.

Compliance team and report directly to the CSO. The Product Stewardship and Regulatory Compliance team works directly with the BUs, sites, operations directors, and synergistically with the HSE team to support Alkegen's sustainability objectives.



Training videos used to assess and visualize airborne dust exposure in real time

Quantification of our product carbon footprint is part of our sustainability strategy. In 2025, we will conduct additional Life Cycle Analysis (LCA) on certain of our products to better understand the potential environmental and human health impacts of our raw materials, transportation of raw materials and finished products, production processes, use of our products in applications, and end of life considerations. In 2025, we will focus on the initial phases of LCA. These efforts are also necessary to ensure compliance with regulatory and customer requirements.

The CSO and the Director of Product Stewardship and Regulatory Affairs manage the Product Stewardship and Regulatory



As a small manufacturing company, we rely heavily on our suppliers for up-to-date regulatory advice and guidance. The support we are given from Alkegen... is exemplary. We approached [an Alkegen employee] to see if he could help with air quality monitoring of our RCFs within production, and he advised us of a free service offered by Alkegen to help customers exactly like us. He arrives on site with all of his monitoring equipment, static and mobile, and carries out his work with no disruption to our production whatsoever. After this I am presented with a very comprehensive report full of results, guidance, and suggestions to make our workplace a safer environment for our employees.... Thank you, Alkegen, for all your support over the last ten years or so, I couldn't have done it without you."

–European customer

In addition to air monitoring, the Product Stewardship and Regulatory team provides education to sites and customers about activities that can create elevated fiber and dust exposures. The sites have access to an educational platform to assess and visualize airborne dust exposure in real time and identify sources of elevated exposure. Training videos communicate proper handling and exposure controls directly to employees, provide a comparison of best and poor practices, and can be used for both internal employee and customer training.

# RESPONSIBLE APPROACH TO MANUFACTURING CONTINUED

Alkegen follows the applicable regulatory standards for monitoring airborne fiber and dust to established thresholds. If air quality measurements exceed these established thresholds at any of our sites, we immediately ensure that employees are utilizing required PPE or RPE, as applicable, and take any other apparent corrective measures. Additionally, we conduct a root cause analysis and implement a corrective action plan (CAP) to address the root cause(s) within 30 days or less. Sites are audited against the CAP and the results are reported during BU HSE meetings and Global SEEDS™ calls. This structured process ensures ongoing learning from incidents, communication of best practices across all sites, and global compliance with health and safety procedures and requirements.

## Industry Associations

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. The benefits of HTIW products include reduced energy costs and reduced GHGs due to their low thermal conductivity, low heat storage, and thermal shock resistance.

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 U.S. Occupational Health and Safety Administration (OSHA).

Via these industry associations, we have developed a voluntary Product Stewardship Program (PSP) for RCF products, which aims to protect workers involved in manufacturing, processing, installing, and removing products containing RCF. These products may pose health risks due to fine particles that may be inhaled or irritate eyes or skin.

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.

Alkegen participates in global efforts to reduce occupational exposure to HTIW. In Europe, the program is referred to as the CARE program

(Control and Reduce Exposure) and has been shared with Health and Safety communities in each of the EU's member states. The PSP has participated in studies evaluating the use and occupational exposure impacts of HTIW for over 30 years. Those studies confirmed that there have been no significant adverse clinical outcomes or respiratory disease related to occupational exposure to ceramic fiber.<sup>3</sup> Due to proactive work to identify, manage, and mitigate the risks associated with production or use of these fibers, exposure levels at our sites and customer facilities have steadily declined below industry standards since 1990.

In addition to the HTIW Coalition and ECFIA, Alkegen is also a member of Eurometaux, the European Non-ferrous Metals Association and a Lead Registrant for the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH), a law that governs chemical use in the EU. As a Lead Registrant, we work to ensure companies comply with regulations for importing substances, such as glass fibers and polycrystalline wools, into the EU.

## Compliance

Our facilities continue to operate in compliance with applicable federal, state, local, and international environmental regulations. Globally, those regulations include but are not limited to

OSHA; the Toxic Substances Control Act (TSCA); the Safe Drinking Water and Toxic Enforcement Act (California Proposition 65); the EU Directive of the European Agency for Safety and Health at Work (EU-OSHA); REACH; and the Restriction of Hazardous Substances (RoHS), which regulates the use of hazardous substances in electronic equipment.

Alkegen engages and communicates regularly with employees, customers, and other stakeholders regarding the health and safety impacts of our products. All Alkegen products have Safety Data Sheets (SDSs) that are publicly available on our website. In 2024, we improved transparency on our website by adding a "Mega Menu" that expands access to our product SDSs, technical data, advanced programs, and other product information. The changes are designed to make information about Alkegen more accessible to both internal and external stakeholders.

Evolving and stricter climate-related regulations and various carbon adjustment mechanisms impact our business and operations. Alkegen considers both existing and emerging regulatory developments to ensure compliance, mitigate risk, and anticipate future requirements.

<sup>3</sup> See Utell Mark J., Kuchera Joseph J. and Boymel Paul. 2024 Aluminosilicate fibers. In: Wexler, Phillip (ed.) Encyclopedia of Toxicology, 4th Edition. Vol. 1, Oxford, UK: Elsevier. pp. 319–328.



# RESPONSIBLE APPROACH TO MANUFACTURING CONTINUED

## Chemical Use

In response to increasing regulations of chemicals, in 2024, Alkegen updated its chemical inventories to streamline regulatory reporting. Inventories at individual sites are now updated annually or more frequently if new materials are introduced or if there is a change of materials. In 2025, Alkegen will update the raw material procurement process to further ensure compliance with health, safety, environmental, and regulatory requirements. Alkegen's HSE Policy also requires that all Alkegen sites must have a comprehensive chemical safety program.

Alkegen's Global Supplier Quality and ESG Manual (Supplier Manual) requires that 100% of the company's suppliers and external stakeholders comply with local, state, and federal regulations and laws related to the processing of hazardous materials. Carcinogenic, mutagenic or toxic substances are heavily scrutinized and must be declared. If a hazard is present, Alkegen requires a hazard warning to the user at all process levels to ensure proper health and safety precautions. It is the responsibility of all suppliers to provide Alkegen with the most recent SDS for each product to maintain in our HSE database.

Alkegen requires an assessment of all health, safety, physical, and environmental hazards and risks in its change management processes for materials used in the manufacturing of our products and its operations. The company collaborates with suppliers, customers, external advisors and boards, and stakeholders and continually monitors legal and regulatory changes to incorporate product stewardship principles into R&D, manufacturing, and procurement processes for new and existing products. Special focus is placed on regulated materials and emerging contaminants to control and mitigate associated hazards, including the search for more sustainable substances. One area of focus relates to Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS), which are effective in repelling oil, water, and heat. PFAS generally refers to a group of thousands of different manufactured chemicals that have been used in a variety of industry and consumer products since the 1940s because of their useful properties. Alkegen has migrated to PFAS-free alternatives wherever possible, leaving a limited number of products to which Alkegen applies PFAS due to customer requirements and the lack of PFAS-free alternatives for certain critical applications.

## Quality Management

We strive to exceed customer expectations. Customer satisfaction drives our internal and external quality standards.

Our product quality management aligns with our ERM strategy to identify risks and opportunities to improve quality across our product lines and manufacturing processes.

Alkegen tracks quality KPIs at the enterprise, BU, and site levels. These KPIs include customer complaints, the cost of customer losses, and product returns, as well as internal material losses, manufacturing costs, and costs of poor quality. There are weekly operations and procurement meetings which include discussions about quality metrics. Quality managers at each production site are responsible for monitoring and overseeing any required corrective of product defects. Defects must be documented within 24 hours and a root cause analysis is completed within five days. We target 30 days to close resulting CAPs, but they may take longer depending on the nature of the resolution.

Quality metrics are reported monthly 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 2024, 24 of our manufacturing sites beat their quality targets and the company had zero product recalls and no monetary losses due to legal proceedings regarding product safety.

**Zero product recalls in**  
**2022, 2023, 2024**

In 2024, Alkegen bolstered its quality management program to add "stop work" authority for any employee who identifies a quality issue to "stop work" and ensure that the impacted product is not sent to a customer. Monthly quality and safety calls will include metrics on the number of "stop works," as well as corrective actions and lessons learned.

As part of our ERM strategy, the quality managers conducted enterprise product traceability exercises to test the capability of the Enterprise Resource Planning (ERP) systems and site processes to trace defective products throughout the value chain. The exercise included a hypothetical recall scenario and was designed to help us to better track and document the history, usage, and location of products throughout their lifecycle.

## RESPONSIBLE APPROACH TO MANUFACTURING CONTINUED

We used the results to update our traceability and recall procedures, and we plan to conduct annual exercises to ensure compliance with our quality standards.

Alkegen's suppliers are required to 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. The Procurement team rates supplier self-assessments and supplier scorecards and assigns risk levels based on the results. 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 with chemical, social, and environmental regulations. Suppliers that continuously fail to meet a satisfactory rating may be assigned a Quality Improvement Plan (QIP) to drive improvement to expected performance levels. As an incentive to engage, Alkegen adds 5% to the scorecard rating of suppliers that submit all required documentation during that reporting year.

### Sustainability Success Story

Alkegen's Bahrain fiber facility was named 2024 Green Factory by the Ministry of Industry and Commerce for its efforts to protect sustainable manufacturing in the Kingdom of Bahrain. The factory received no quality complaints over 17 months during which it shipped 3,500 tons of products.



### Certifications

8

sites

International  
Automotive Task  
Force (IATF)  
certified

33

sites

ISO 9001 certified

3

sites

ISO 50001 certified

2

sites

ISO 45001 certified

9

sites

ISO 14001 certified



# SOCIAL

At Alkegen, our people make the difference, allowing us to grow as an organization and positively impact customers, employees, and those in the communities in which we operate. In this spirit, we empower people throughout our organization to help us create a safe, healthy, and mission-driven work environment.



# HEALTH AND SAFETY

Alkegen fosters a zero-harm safety culture and strives to continuously improve our performance for the benefit of our employees, customers, suppliers, contractors, and visitors.

Alkegen's HSE Policy sets the expectation and guiding principles for all employees regarding their HSE-related responsibilities, the priority of employee safety, reducing environmental impact, and compliance with regulations, among other expectations. In essence, safety is the responsibility of all employees, and each employee is required to follow the HSE Policy and applicable regulations.

## 7 Safety Absolutes

These seven key safety indicators prioritize heightened risks of severe injuries or fatalities. Every Alkegen plant clearly communicates these risks to protect all employees and visitors to facilities.



Alkegen had zero work-related fatalities in 2024, and our total recordable incident rate remained below the U.S. average for our industry. We are proud of our safety record and the progress we have made by reducing the number of safety incidents globally.

Alkegen implemented a structured escalation model to ensure timely reporting of safety incidents. The goal of this model is to prevent recurrence, provide greater understanding of safety risks, learn from incidents and industry, and create a safety-focused culture. All incidents and hazards must be reported immediately or as soon as practicable after an event, followed by a root cause analysis and a resulting CAP.

Alkegen has a dedicated Global HSE dashboard where safety metrics are updated daily. All employees can access the dashboard to follow incident reports, corrective actions, and lessons learned to reduce the risk of recurrence. Our Global Health and Safety Manual outlines our policies and safety controls to manage and mitigate risks. We document every incident, root cause, and CAP, and we apply best practices to our safety strategies.

Alkegen is hyper focused on the health and safety of its employees and this culture is embedded throughout our operations. We continue to hold monthly Global SEEDS™ calls attended by over 200 Operations, Commercial, and HR leaders as well as our SLT and CEO. During these calls, we review metrics for health, safety, regulatory, environment, and other sustainability matters. We also analyze compliance issues, the performance of our Global Air Quality Monitoring Program, and IROs related to climate that have a material impact on our operations. For example, we discuss seasonal risks, such as heat stress for sites experiencing hot working environments and strategies to reduce potential slip and fall hazards related to ice and snow for sites located in cold weather climates.



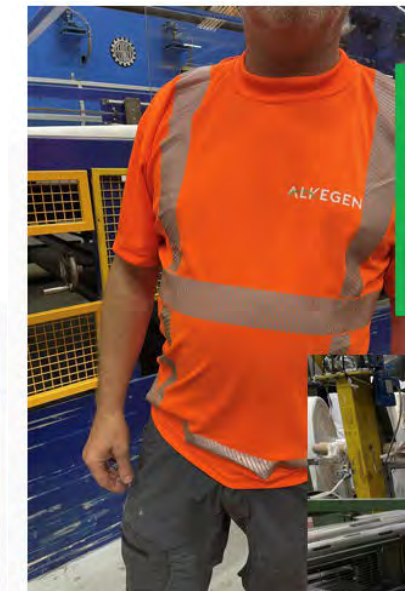
## HEALTH AND SAFETY CONTINUED

Each BU also has a monthly HSE meeting with similar discussions as the monthly Global SEEDS™ calls but with a focus on issues directly impacting the BU and its manufacturing sites.

The BU HSE calls provide an opportunity to learn best practices from other sites with similar manufacturing processes and discuss challenges to collaboratively develop solutions. For example, after an incident at one site, a second site developed its own CAP which included improved signage, additional machine guarding and other physical barriers to moving parts, and specific workwear.

The company assesses climate-related events such as fires and floods to anticipate potential risks to people and property. The TCFD assessment suggested scenario analysis to help identify risks and opportunities in an uncertain climate future. Alkegen has taken a qualitative approach and plans to leverage a more thorough quantitative scenario modeling process as the program matures.

Each of our sites has a safety committee to monitor compliance and offer guidance and training. Training comes in all forms: individual, collective, in person, and on webinars. Health and safety training is mandatory and embedded in everyday communications. Also, in 2024, we emphasized site training during Gemba walks where supervisors walk the plant floor. During Gemba walks, supervisors have the opportunity to praise safe behavior, provide coaching to prevent unsafe behavior, discuss the work environment, and identify potential risks. Accomplishments at sites are often rewarded with celebrations for successful safety trainings, the number of days or years without incident, or the completion of plant safety improvement projects.



Safety measures such as improved signage, guarding improvements, workwear, and barriers implemented in response to risks discussed during monthly HSE call.

## HEALTH AND SAFETY CONTINUED

HSE personnel at the sites actively engage with production processes and monitor the associated health and safety issues that may impact employees. Root cause analysis training is conducted regularly to educate employees about the purpose, format, and tools for conducting a root cause analysis, such as a “5 Whys” investigation (asking “Why?” five times to uncover underlying problems) to identify and understand the root cause of an incident to prevent recurrence.

The global HSE team, Product Stewardship and Regulatory Team, Environmental and Governance team, and Legal Services are also in regular contact with individual sites to support the foregoing safety efforts and to address specific issues that arise and require additional support.

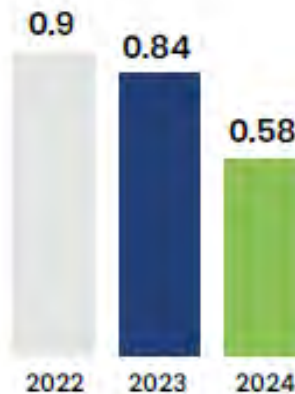
Alkegen’s CEO holds quarterly virtual briefings that are open to the entire company and employees. During the call, the CEO provides updates about the company and progress on major corporate priorities such as safety, environment, engagement, diversity, and social, in addition to other corporate matters and financial performance. These calls emphasize Alkegen’s commitment to sustainability and serve to raise awareness, train, and provide visibility into the status of enterprise-wide activity. At the end of the call, time is reserved for employees to ask questions directly to the CEO in the open forum.

### Enterprise Safety Metrics

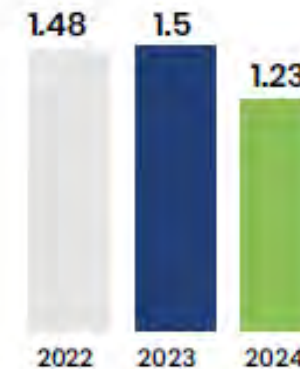
Below is a 3-year historical comparison of Alkegen’s progress on safety metrics.

Number of sites with zero safety incidents

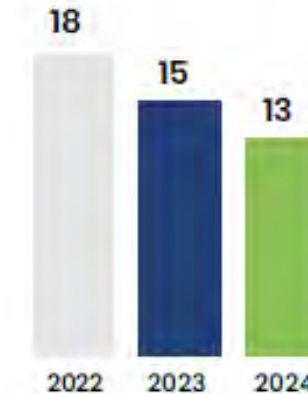
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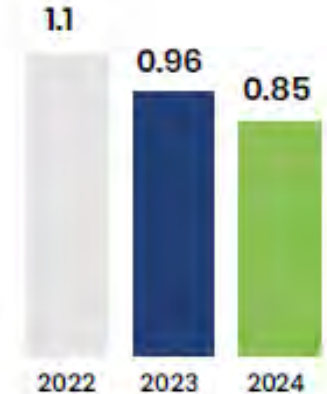
Lost Time Incidents Rate (LTIR)



Total Recordable Incident Rate (TRIR)



Fires  
\*No injuries or property damage resulted



DART rate

Alkegen incident rates are below industry benchmarks and outperform US industry averages published by OSHA and the U.S. Bureau of Labor Statistics.

See [U.S. Bureau of Labor Statistics U.S. industry averages](#) for more information.



## HEALTH AND SAFETY CONTINUED

In 2024, Alkegen focused on pre-task risk assessment, eye washing protocols, audits of machine guarding, hearing, respirator fit testing, emergency drills, the safety management process, and safety audit actions. We outperformed our safety targets with 12% improvement on our 2023 TRIR and 17% improvement on our 2023 LTIR. In 2024, TRIR was down 19% YoY and LTIR was down 30% YoY. The number of recordable incidents was down 27% YoY, and the number of lost time incidents was down 39% YoY. The company's 2024 DART rate (Days Away, Restricted, or Transferred) continued to decrease for the third consecutive year, down 11% from 2023. Alkegen incident rates are below industry benchmarks and outperform U.S. industry averages published by OSHA and the U.S. Bureau of Labor Statistics.

The risk of fire at our plants has been reduced using a "fire watch" protocol for employees to prevent or detect, manage, and immediately extinguish fires. Alkegen's HSE Policy requires that sites have an Emergency Action Plan (EAP) in place to ensure that facilities are prepared to respond to fire, chemical, and natural disasters. Detailed plans are documented, drills are conducted on a periodic basis, and local authorities participate as required.

### 2025 Goals:

- LTIR: 0.53
- TRIR: 1.04
- Number of fatalities: 0

### Our 2025 health and safety risk management priorities as informed by 2024 trend data include:

- Ergonomic review and targeted effort to reduce hand and laceration incidents
- Extra visits and coaching for sites needing additional support
- PPE and RPE compliance and audits
- Implementation of a standardized global Management of Change (MOC) process
- Audits of CAP completion
- Increased number of Gemba walks
- Development and introduction of HSE compliance calendar

We continue to espouse our safety Stop Work Authority Policy which empowers and requires all employees to stop operations if someone's health, or safety, or the environment may be endangered. This policy embeds health and safety into everyday work practices to prevent incidents and protect lives and property.

Company health and safety policies are aligned with OSHA, EU-OSHA, and ISO 45001 (the international standard for occupational health and safety management). We comply with applicable laws and safety regulations and are aligned with in-country legal requirements.

The Senior Director of Global HSE manages the Global HSE team and reports directly to the CSO. The Global HSE team works directly with the sites, operations directors, and synergistically with the Product Stewardship and Regulatory Compliance, and Environmental and Governance teams to ensure compliance with our HSE Policy.



# EMPLOYEE ENGAGEMENT AND WELL-BEING

Alkegen is committed to engaging with its employees and receiving their feedback to drive positive change.

Alkegen is committed to engaging with its employees and receiving their feedback to drive positive change. We offer multiple opportunities for employees to provide direct input, including quarterly Employee Pulse Surveys, monthly SEEDS™ calls, quarterly CEO briefings, BU calls, monthly Town Hall meetings at each site, ERGs, and our Compliance Line. *The Alkegen Insider*, our monthly newsletter, is an important resource that keeps all employees informed about company events, upcoming initiatives, safety tips, and highlights employee and product achievements.



## Employee Pulse Surveys

We monitor the pulse of our global workforce through our quarterly Employee Pulse Surveys. Each employee is asked to rate various aspects of their experience working at Alkegen and provide comments. All survey responses are carefully reviewed, and employee feedback translates into action items that are undertaken by HR and local sites. This process gives us visibility into employee experiences and professional needs, ensures responsiveness to concerns, and communicates Alkegen's commitment to employee engagement and well-being. Our HR team partners with sites that have lower engagement scores to support them in driving positive change through the creation and execution of discrete action plans. Last year more than 800 action plans were completed globally by HR and the sites in response to the feedback received through the Employee Pulse Survey. Employees are informed about the results of the quarterly surveys by email and through our monthly Global SEEDS™ calls. The results of these surveys are also reported to the Alkegen BOD.

In 2024, the participation rate on our Employee Pulse Survey increased by 5% with the majority of our employees participating and also stating in their survey responses that they would recommend Alkegen as a place to work. In total, the scores have improved YoY and are higher than our industry average. Based on employee feedback, we will continue to improve efforts on all survey subjects, with continued focus in areas that scored comparatively lower.

## Examples of actions undertaken in response to employee feedback from Employee Pulse Surveys:

- Tailored communications to address survey feedback during quarterly CEO briefing for the enterprise, as well as local town halls
- Increased opportunities for 2-way communication at the sites (feedback boxes, round tables, more Gemba walks)
- Facility upgrades to canteen spaces and changing rooms
- Implementation of an internal recognition platform where employees can share and celebrate great results, performance, and positive attitudes

Employee rights to exercise freedom of association and collective bargaining are supported through active and open communication with the local management and HR teams. Approximately 39% of our employees are covered by collective bargaining agreements. Employees are given notice of significant operational changes that could substantially affect them, in accordance with the law and practice of the relevant countries. The notice period and provisions for consultation and negotiation are specified in the applicable agreements where required and agreed with the Union or Works Council.

Another program that is focused on employee well-being is Alkegen Cares. In 2024, all employees received an email from Alkegen Cares highlighting Mental Health Day activities and resources available to help foster a healthier workplace for all. We emphasize that seeking support for mental health is a sign of strength.

Initiatives related to employee engagement and benefits, as well as performance and talent management are led by our VP of HR.



# EMPLOYEE ENGAGEMENT AND WELL-BEING CONTINUED

## Employee Resource Groups

We developed our ERGs to encourage meaningful peer connections and to bolster our ability to attract and retain diverse talent. Our ERGs are visible, supported, and empowered to achieve their own goals and support their communities. Our ERG members are valuable resources and advocates within our organization.

The steady growth in ERG participation highlights the program's positive impact on employee morale, well-being, and sense of belonging. This directly translates to measurable business benefits, including increased productivity, improved retention, and stronger team collaboration.

### Alkegen ERGs:

- Alkegen PACT – celebrating and supporting working parents and caregivers
- Alkegen Veterans – supporting and encouraging our proud veteran community
- Better Together – increasing engagement, collaboration, and well-being across plants and the business
- The Culture Collective – celebrating cultural diversity within Alkegen
- Serenity Now – promoting social, mental, and physical well-being in the workforce
- Women in Leadership – encouraging professional development for women at all levels in our organization

Our ERGs hosted special events throughout the year to promote cultural awareness and celebrate the diverse backgrounds of our employees. At our facility in Tonawanda, NY, Better Together “Huddles” were held to celebrate Veterans Day. The Culture Collective ERG published a calendar with inclusive holidays and a global cookbook. Our Serenity Now ERG presented two speaker series featuring a positive psychology coach and a nurse dietician. The topics for the first series were mindfulness and self-compassion, and the second series focused on nutrition and lifestyle practices to combat fatigue and stress.

In honor of World Heart Day, the Women in Leadership ERG hosted a webinar focused on heart health in partnership with Alkegen's HR team. More than 100 employees participated in the webinar to learn about heart health, and the webinar was recorded so others could receive the content asynchronously.

The Women in Leadership ERG also championed and programmed Alkegen's first International Women's Day Event at our headquarters in Dallas, TX and at some of our global sites. Over 120 employees participated in the live and virtual event and attended inspiring keynote speeches, thought-provoking panel discussions, and interactive workshops that explored a wide range of topics, from career development and entrepreneurship to health and wellness. The content was applicable to anyone interested in personal and professional development and a recording of the Dallas event was made available to all employees.

## Momentum Circles

In 2024, the Women in Leadership ERG launched a mentoring program available to all Alkegen employees. Small groups of employees participate in a 6-week professional development program to build and maintain momentum towards their career and life goals.

The program is based on the belief that everyone has something valuable to share, regardless of their experience level, and everyone can learn from each other. The small groups met for six-week sessions, with topics focused on identifying and setting personal and professional goals.

Momentum Circles helped over 30 employees globally identify new paths forward in their careers while building internal networks at the company. The program motivated some participants to continue with formalized leadership training, which resulted in promotions for two of the participants.



# EMPLOYEE ENGAGEMENT AND WELL-BEING CONTINUED

## Employee Benefits

From competitive salaries and benefits to professional development programs, Alkegen prioritizes opportunities to reward employees for performance success. Benefits are outlined in our Compensation Philosophy and Guidelines which serve as a roadmap for balancing the needs of the company, its employees, and stakeholders.

Our Compensation Philosophy and Guidelines support the organization's culture, values, and strategic objectives. It serves as a foundation for the company's overall compensation strategy and helps ensure consistency, fairness, and alignment with Alkegen's Mission, Vision, and Values. Alkegen's compensation team assesses industry salary benchmarks and local market conditions based on geographic locations to determine competitive compensation levels. Alkegen's compensation philosophy also considers the financial sustainability of the organization and ensures that compensation expenses remain within budgetary constraints.

In 2024, we formalized a Paid Family Bonding and Leave Policy. This benefit provides eligible employees with the opportunity to take up to six weeks of paid leave during the first 12 months after the birth, fostering, or adoption of a child under age 18.

Our Employee Assistance Program is available to help employees be more successful in meeting their responsibilities at home and at work. The program offers practical information and counseling on a variety of topics for the employee and people close to the employee, such as a partner or family member. Information is available over the phone, via email, on our website, or by downloading the mobile app. Counseling is offered at a time and location convenient for the employee. Program benefits are accessible 24/7 every day and are paid for by Alkegen at no cost to employees.

## Performance and Talent Management

We are dedicated to building and cultivating a highly qualified, diverse workforce. Hiring the best talent based on skills, experience, and merit goes hand in hand with fostering an inclusive environment where varying perspectives are essential to drive innovation and success. Embracing individuals from different backgrounds, cultures, and experiences, strengthens our organization, and creates a workplace that reflects our communities and the customers we serve. We are committed to ensuring all employees have the resources and support needed to thrive and contribute to Alkegen's success.



Significant emphasis is placed on supporting and promoting top talent within our organization. Our talent management strategy centers around helping our employees succeed at Alkegen and identifying internal and external talent to create value and fuel the long-term growth of our company. The SLT meets multiple times a year to identify and assess top talent, opportunities for advancement, and development needs.

Alkegen's global Total Rewards philosophy includes an Annual Incentive Plan (AIP) which seeks to motivate, recognize, and reward employees based on performance. The AIP provides the potential for an employee to receive an annual cash award based on individual and company performance. The AIP is awarded based on the application of enterprise-level quantitative performance metrics, together with a factor that accounts for an individual's performance. The performance metrics and their respective weightings are developed annually by the SLT, with annual review and approval by the CEO and the BOD.

Annual employee performance reviews give our workforce the opportunity to identify career goals and provide input about their accomplishments during the year. Reviews ensure that employees are recognized for their contributions, supported in their professional development, challenged to continue to develop their skills, and continue to grow within the organization. We use workplace assessment tools for director-level candidates to help us better understand an employee's strengths and opportunities for improvement based on their natural tendencies and skillsets. We identify top talent with leadership potential to ensure they receive opportunities for further growth. Tailored development plans are proactively built for top talent to ensure engagement and progression. The process also identifies employees who need additional support to improve their performance. Managers receive extensive training to ensure they have the skills to thoroughly and fairly assess employee talent. The training includes bias awareness and ways to mitigate bias risks during the review process and to ensure that each employee is evaluated based on merit and promoted based on individual initiative, excellence, and hard work.



## EMPLOYEE ENGAGEMENT AND WELL-BEING CONTINUED

Our Succession Planning tool is used to assess and support internal employees with the potential to fill key leadership positions. This increases the availability of prepared and capable employees to assume these roles as they become available. When an employee is separated from the company, they are offered an outplacement process to assist with the transition and to facilitate continued employability and the management of career endings.

Alkegen actively embraces our differences and varied perspectives to solve the complex challenges facing our business and the changing world. We comply with all applicable laws and regulations that prohibit discrimination of any kind, including on the basis of race, color, religion or belief, sex, ethnic origin, age, disability, marital status, veteran status, or any other characteristic protected by law. Alkegen's hiring and promotion practices focus on individual merit and do not consider race, color, sex, sexual preference, religion, or national origin in ways that violate applicable laws. We continually monitor legal and regulatory developments to ensure compliance with applicable laws and regulations that impact our performance and talent management policies.

### 2025 Goal:

Continue efforts to hire and retain the best candidates for open roles within the company and improve recruitment tools

### Acclimate, Accelerate, and Aspire

Alkegen's talent development strategy in 2024 included a three-part leadership training program with individual components entitled **Acclimate**, **Accelerate**, and **Aspire** which help us empower and cultivate our people while strengthening our succession planning.

**Acclimate** is a six-week onboarding program for newly appointed managers, that was originally launched in 2023. The online self-guided training covers employee engagement, performance reviews, talent management, safety management, internal network building, and other topics. Managers who complete the Acclimate program are assessed according to talent, skill levels, and their desire to pursue additional leadership roles.

Eligible candidates may join **Accelerate**, which was also launched in 2023 and designed to equip middle managers with skills such as delegation, decision making, burnout management, and other leadership competencies. Like Acclimate, Accelerate offers six weeks of online training but with an advanced curriculum and more homework assignments. In 2024, we increased employee participation in these two programs with 96 employees completing the Acclimate program and 25 completing Accelerate.

In 2024, we redirected our efforts from our original goal of an online skills-matching mentorship platform to launch Aspire, a virtual learning module with in-person discussion and briefings. Participants in the **Aspire** program are taught by SLT members via virtual learning modules that cover presentation skills, leadership coaching, financial metrics, legal impacts, and strategic capabilities. Aspire focuses on employee development at the senior management level. As part of the Aspire program, teams analyze a business case study. They have four months to complete the case study and deliver a presentation on their analysis to one or more SLT members using the skills and capabilities they learned through Aspire. This program facilitates interaction between participants and SLT that may not occur outside of Aspire.

Outside of the Acclimate, Accelerate, and Aspire programs, there are abundant opportunities for professional education and advancement. At minimum, certain Alkegen employees receive multiple trainings per year on various subjects. Alkegen experienced an improvement in employee engagement since the launch of these various leadership and training opportunities.

# COMMUNITY ENGAGEMENT

Alkegen actively demonstrates its commitment to being a good neighbor in the communities we serve and conduct our business. Community engagement activities extend beyond our facilities and working hours as we partner with employees to uplift our communities through volunteer service and corporate giving programs.

In 2024, our second annual Global Community Impact Day evolved into a month-long period of service activities involving volunteers from Alkegen sites around the world. Employees volunteered more than 800 hours supporting 30 organizations at 24 global locations. We embraced causes aimed at making a lasting impact, including environmental cleanups, health and safety education, food preparation, learning opportunities for people with disabilities, and support for children and seniors.

## Alkegen Philanthropy

Many of Alkegen's philanthropic efforts are initiated by employees who assist charitable organizations in locations where we operate. Alkegen's Dollars for Doers program supports our volunteers all year-round making company resources available to make a positive impact and strengthen ties in our local communities. For example, in 2024, Alkegen supported Potter's House Bakery and the Center for Autism and Related Disabilities of New Hampshire, non-profit organizations in Rochester, NH, to create a sensory room that offers relaxation therapy and stress relief for people with autism. As part of this support, Alkegen matched \$10,000 in donations to help bring this sensory room to life. Potter's House Bakery, which also employs autistic young adults, received guidance from Alkegen when it applied to become a nonprofit organization.



Children with learning disabilities work with Alkegen volunteers and student apprentices in Fulda, Germany. The students helped gather materials from a nearby forest to build and decorate a teepee village.



A fun-filled day of activities brought joy to children fighting cancer when Alkegen volunteers in Bahrain partnered with the Smile of Bahrain Society, which offers support to cancer patients and their parents.



"Live Greener" efforts took shape in Puna, India, when volunteers planted trees and flowers and shared clean drinking water solutions at schools, including one for visually impaired students.



A volunteer prepares food packages at St. Luke's Mission in Buffalo, New York. The Western New York Alkegen teams worked together over three days to prepare 3,000 meals, serve lunches to mission school students, and perform maintenance tasks around the facility.



# COMMUNITY ENGAGEMENT CONTINUED

Our community engagement efforts align with the company's ERM strategy to identify opportunities to mitigate risks present within our communities around the world. We recognize the importance of contributing to the health and vitality of the neighborhoods where we work, and we will continue supporting these efforts.

Engagement, including with our communities, is a core pillar of the SEEDS™ program and each monthly SEEDS™ call highlights a community event or volunteer initiative. Our SLT recognizes employees who have selflessly contributed to charitable causes.

Our VP of Customer Experience and Commercial Excellence leads community engagement strategy and initiatives at Alkegen.



*An Alkegen volunteer from Alderley Park, UK, helps spruce up the grounds at the Youth Music and Education building in one of Macclesfield's most underprivileged areas. The Alkegen team partnered with Cre8 Macclesfield to work on exterior maintenance, cleanup, planting, and enhancing the safety of the building.*



*With shovels in hand, volunteers in New Carlisle, Indiana, work to beautify the outdoor areas of Hamilton Grove Assisted Living facilities, creating a welcoming environment for the senior residents.*



# GOVERNANCE

Alkegen's commitment to strong governance ensures transparency, ethical decision-making, and accountability in our sustainability efforts. By integrating robust policies, enterprise risk management frameworks, and stakeholder engagement practices, we uphold the highest standards of corporate responsibility to drive long-term value and positive environmental and social impact.



# GOVERNANCE STRUCTURE

Ethics and transparency are integral elements of Alkegen's governance and oversight structure. Our Code of Conduct (Code) is the primary resource that guides our global workforce every day, as we follow our values to "Do the right thing, the right way. Always." The Code emphasizes that promoting an ethic at Alkegen is a responsibility shared by everyone in the company.

Alkegen's approach to governance is closely aligned with our ERM approach, which integrates management of impacts, risks, and opportunities into all functions of the organization. The Alkegen's BOD, CEO, and SLT oversee compliance, business activities and operations, and strategies to reduce risk and identify growth opportunities.

Responsibility for financial oversight includes our BOD and CEO and is managed daily by our CFO, Chief Accounting Officer (CAO), and their teams. Compliance is reviewed by our third-party auditors on a quarterly and annual basis in support of the company's quarterly and annual financial disclosures to our shareholders.

Alkegen has developed a culture of transparency throughout the enterprise. One example is our policy of offering employees' access to senior leadership during quarterly briefings with the CEO.

These virtual meetings inform the Alkegen community about progress on environmental, social, governance, and financial issues. At the end of the briefings, any employee may ask the CEO a question about whatever is on his or her mind, without censorship. This exemplifies our ERM system that values transparency and collaboration to mitigate risk and grow our business.

## 2025 Goal:

Leverage the new role of CSO to improve transparency of ESG governance to senior leadership and the BOD

## Organizational Governance

Our approach to sustainability governance is focused on communication, transparency, and collaboration across the global Alkegen organization. The BOD is responsible for overseeing ESG compliance and is informed by the CEO, CSO, and SLT on sustainability issues. All leadership roles in the organization are charged with advancing Alkegen's sustainability strategy.

## Board Oversight

### Alkegen Board of Directors

Our BOD members are selected based on their experience and background relative to the value and oversight they provide to the company. In 2024, the BOD was comprised of eight members with expertise in manufacturing, supply chain, operations, technology, finance, governance, and other experience related to our business. In 2024, the BOD included three independent directors, including one female director.

Relevant sustainability metrics are reported to the BOD on a quarterly basis and include SEEDS™ updates, data on material ESG and climate-related issues impacting business operations, environmental performance, health and safety, employee engagement matters, social engagement, and other KPIs.

### External Boards

Our Human Health and Environmental Sustainability Advisory Board (HHESAB) is comprised of international subject matter experts in the fields of human health science, law, and manufacturing, environmental sciences, toxicology, industrial hygiene, regulatory and compliance matters, law, and manufacturing. A complement to our PSP, HHESAB provides guidance on domestic and international environmental issues and potential human health impacts relative to our operations and our products.

Our Battery Advisory Board (Battery Board) is made up of experts in clean energy technology, power generation, and power storage. Meeting quarterly, the Battery Board advises on product development, commercialization opportunities, battery recycling, regulatory requirements, and any other relevant material issues facing the company battery and fire protection products.

# ENTERPRISE RISK MANAGEMENT

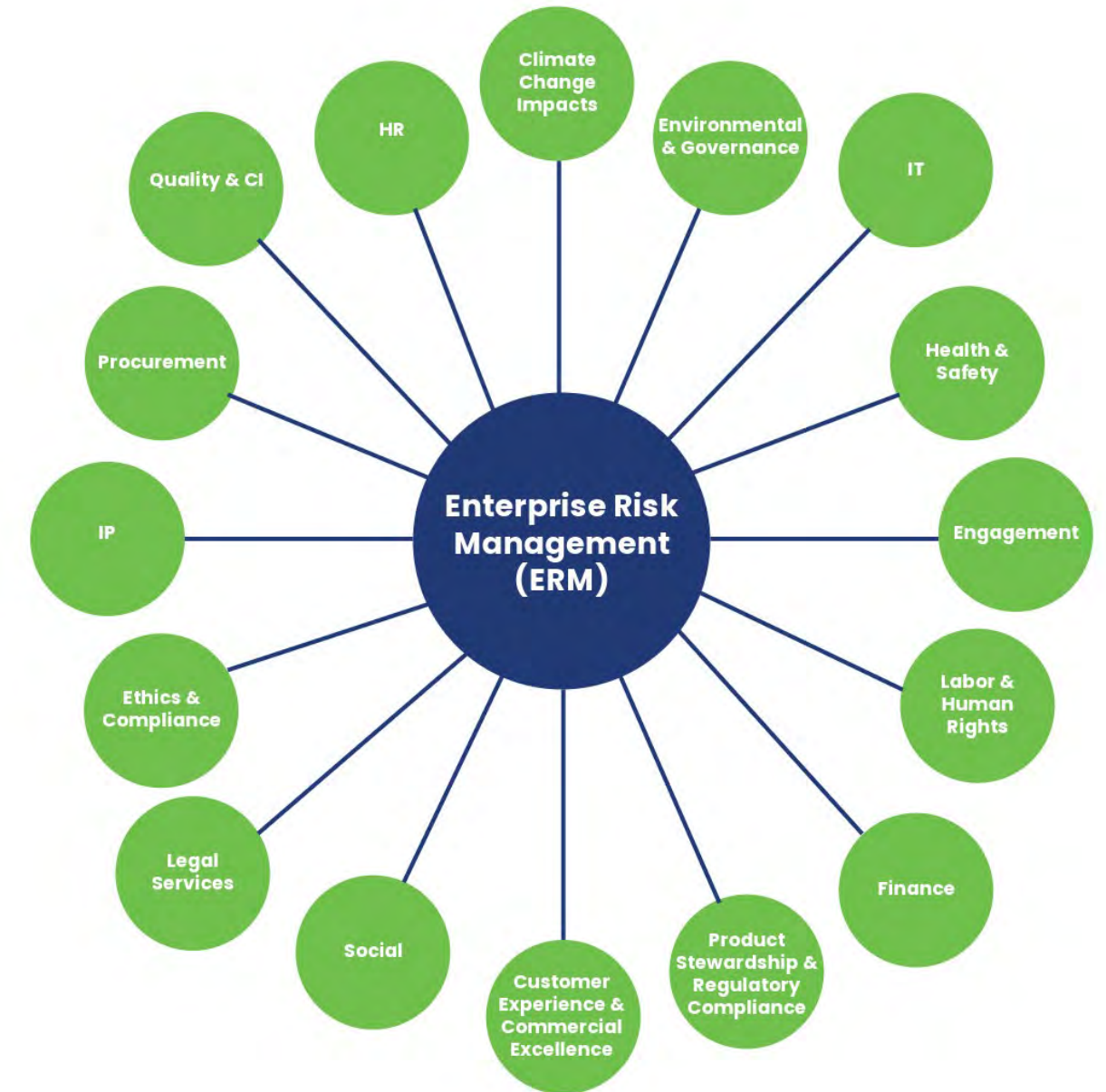
Alkegen's approach to ERM is focused on the issues and risks that may have a material impact on our business and operations. The SLT and BU leadership have primary responsibility for the day-to-day identification and management of risk at Alkegen. Advice and counsel are provided by our in-house Legal Services Department and our external boards. The Alkegen BOD provides oversight over ERM matters as they arise.

Alkegen's SLT is focused on the material IROs facing the organization in a range of areas, including but not limited to, legal, regulatory and compliance developments, geopolitics, global conflicts, supply chain dynamics, climate-related and environmental risks that materially impact our business and operations, cybersecurity, human capital, sustainability, products, technology. IROs are prioritized based on human health and safety impact, business impact, severity, likelihood, timing. Further analysis of the impact of material climate-related issues on business strategy will be conducted as our sustainability program evolves.

Risk management activities are integrated within the BUs and supported by the relevant functions such as the Safety, Product Stewardship and Regulatory Compliance, Finance, Environment and Governance, Procurement, HR, IT, Customer Experience and Commercial Excellence, Quality, CI, and Legal Services teams. Each BU and function is responsible for evaluating and managing IROs impacting their business or functional area, leveraging the wealth of internal and external resources available to support risk mitigation efforts. Risks and opportunities are identified through numerous channels, including supply chain risk assessments and internal audits,

enhanced supplier onboarding procedures, standardized global supplier risk matrices, third-party audits, business continuity plans (BCPs) for the company and each site, certification of manufacturing sites to international environmental standards, and Compliance Line activity and trend assessments. Annual insurance portfolio reviews provide additional insights. Periodic training is conducted as issues arise to raise awareness of emerging and current risks. We leverage information from these channels to evaluate our exposures, identify risk reduction strategies, and ensure appropriate management.

Individual BUs have BCPs and a 2025 ERM goal is to formalize and implement an enterprise BCP. To achieve that goal, Alkegen assembled a working group to evaluate best practices and formalize an enterprise business continuity and disaster recovery plan. The objective is to provide a consistent risk analysis framework with opportunities for adjustment to local site risk considerations.





# ENTERPRISE RISK MANAGEMENT CONTINUED

For the past two years, Alkegen engaged a third party to evaluate its progress on ERM issues. Alkegen implemented risk mitigation initiatives such as:

- Required annual attestation of compliance with anti-bribery and corruption laws from third party sales agents
- Bolstered denied party screening as part of our compliance program
- Updated product recall plans with annual testing
- Implemented a supplier audit program
- Conducted a comprehensive data security audit
- Established a Cybersecurity Incident Response Plan
- Implemented controls for segmentation or discontinuation of End of Life (EOL) software

In 2024, we engaged a third-party consultant to conduct an assessment based on the TCFD framework to gauge company performance on climate change preparedness, data privacy and security, environmental management, ethics and compliance, product safety, stewardship, social and labor conditions, and sustainable procurement. The TCFD assessment updated the company's Materiality Assessment performed in 2021 and gathered insights from internal stakeholders to identify sustainability issues that are material, or significant, to our business and document Alkegen's progress on sustainability topics.

The process involved an assessment of Alkegen's governance structure, strategy, risk management, metrics, and targets. The TCFD assessment identified climate-related risks such as fossil fuel dependence in the company's manufacturing processes, difficulties transitioning to low-carbon operations in the oil and gas industries, and water scarcity and sourcing.

In 2025, we will continue to address our short-, medium-, and long-term sustainability priorities which were informed, in part, by our TCFD assessment. We define those time horizons as 0-1 years (short term), 2-5 years (medium-term), and 5+ years (long-term). We are evaluating opportunities to upgrade processes for energy efficiency, emissions reduction, and water reuse. Alkegen's TCFD Disclosures are appended to this Report. We have already implemented some of the TCFD recommendations such as enhancing the integration of environmental considerations in R&D projects and evaluating environmental and regulatory factors as part of the capital expenditure review process. Sustainability initiatives are evaluated for returns on investment and impacts on global operations, business opportunities, product lines, market growth, and the company's reputation as a leader in sustainable products. Expected costs and future savings from sustainability related factors are integrated into capital expenditure proposals to ensure added value to the company and efficiencies that positively impact Alkegen, its people, customers, suppliers, stakeholders, and the environment.

The TCFD assessment was part of the first phase of Alkegen's preparation for disclosures under the Corporate Sustainability Reporting Directive (CSRD). The CSRD was enacted by the European Commission and requires certain companies doing business in the European Union (EU) to disclose information on what they see as the risks and opportunities arising from social and environmental issues, and the impact of their activities on people and the environment. In February 2025, the European Commission adopted the Omnibus Simplification Package (Omnibus Package) proposing to streamline a collection of EU Green Deal regulations including the CSRD, the Corporate Sustainability Due Diligence Directive (CSDDD), Carbon Border Adjustment Mechanism (CBAM), and the EU Taxonomy. The Omnibus Package proposes postponement of the CSRD reporting deadlines and changes to the reporting requirements. Alkegen monitors CSRD developments from the EU Commission, as well as the requirements of applicable global regulations, to ensure enterprise compliance and timely reporting.

**2025 Goal:**  
Implement standardized BCPs  
and ERM plans



# SUPPLY CHANGE MANAGEMENT

Our suppliers are an important extension of the Alkegen team, and we require them to uphold company ethics standards and compliance requirements. The Procurement and Quality teams work closely together utilizing the supplier management process to ensure that Alkegen suppliers support our sustainability objectives.

Alkegen's Supplier Manual integrates compliance requirements from our Supplier Code of Conduct and Terms of Conditions of Purchase. On-site audits and supplier self-assessments enable us to monitor risks and opportunities within our supply chain related to safety, quality, ethics, human rights, conflict minerals, environmental sustainability, regulatory compliance, export controls, and other metrics.

Alkegen's suppliers play an important role in helping us understand our sustainability impact. In 2024, we significantly increased engagement with our suppliers through on-site audits and self-assessments that score suppliers on quality requirements and ESG compliance. These assessments help identify the need for additional supplier training, including for future reporting of Scope 3 GHG emissions and carbon mapping.

## 2025 Goal:

Conduct in-person audits of 5% of direct material suppliers

More than 500 of our direct and indirect suppliers completed self-assessments in 2024 and were scored on their compliance with quality requirements and ESG performance. Using a risk assessment matrix, each supplier is assigned a Risk Priority Number (RPN) that indicates their perceived level of risk to Alkegen's business. The RPN identifies high-risk suppliers that may need additional training or assistance to fully comply with the Supplier Manual and specific quality requirements, as well as the Supplier Code of Conduct. This process reduces the overall risk in our supply chain. In 2024, we achieved our objective to reduce RPN ratings of our direct material suppliers by 19%.

Our new supplier training ensures that buyers on the company's Procurement team are aware that suppliers must comply with Alkegen's Supplier Manual. Suppliers must also comply with our Code of Conduct, policies on human rights, and inclusive work practices.

## Better Transparency Through Better Communication



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 CHANGE MANAGEMENT CONTINUED

## Sustainable Procurement and Responsible Sourcing

Alkegen strives to provide a safe and healthy work environment for employees and reduce the company's environmental footprint, while providing customers with the highest quality products and services. Regulations, federal and state, provide the framework for employee rights and employer responsibilities. Alkegen's HSE Policy requires that Alkegen facility management must consider the health and environmental impact when selecting raw materials, before buying or leasing property, when developing new products or processes. We also encourage recycling efforts that conserve energy and reduce waste when possible.

Our Supplier Manual requires supplier certification that substances and chemicals in the products and materials supplied to Alkegen are compliant with applicable laws and regulations. The Supplier Manual encourages the company's suppliers to support Alkegen's 2030 Environmental Performance Targets related to emissions, water, and waste reduction. To help us meet those 2030 Environmental Performance Targets, the Supplier Manual recommends that suppliers implement an environmental management system and practices that enable monitoring, measurement, and improvement of environmental performance.

Alkegen requests that, whenever possible, suppliers bring forward sustainable procurement strategies, which may include alternative processes, supply methods, or products that will help build a circular economy and reduce the adverse social, environmental, and economic impacts of purchased goods and services throughout their life. This includes considerations such as waste disposal and the cost of operations and maintenance over the life of the goods or services. Strategies may include, but are not limited to, recycled packaging materials, landfill reduction, removal of a declarable substance(s) from supplied products, more efficient energy use, or reduced water use. In addition, Alkegen requires suppliers to consider and disclose, upon request, the recyclability of materials supplied to Alkegen.

Alkegen also supports efforts to eliminate the use of conflict minerals that could lead to human rights abuse or conflicts anywhere in the world. To meet our responsible sourcing commitments, our Conflict Minerals Policy and due diligence procedures are aligned with the Responsible Minerals Initiative (RMI), the Security Exchange Commission's (SEC) Conflict Minerals Disclosure Rule, and the Organization for Economic Co-operation and Development (OECD) due diligence guidance. Our Supplier Manual mandates annual reporting by suppliers through the submission of a Conflict Minerals Reporting Template (CMRT) to identify materials or parts supplied to Alkegen that may contain the conflict minerals of tin, tantalum, tungsten, gold, and/or their ores (3TGs).

In addition to conducting due diligence regarding 3TGs, in 2024 we expanded our due diligence to require annually that suppliers and material related service providers directly or indirectly using or supplying cobalt or mica to Alkegen, complete and submit an Extended Minerals Reporting Template (EMRT). The mining of cobalt and mica has potential social and environmental risks which need to be considered and responsibly managed. Alkegen does not use cobalt in its manufacturing processes and uses only a small amount of mica in certain limited fire protection products.

In 2024, Alkegen achieved 100% submission of CMRTs and EMRTs from our suppliers, assuring that all our raw materials containing 3TGs or mica are procured from compliant sources.

Contingency planning for the supply chain is an enterprise-wide focus, particularly regarding the availability of raw materials and qualified labor. The Procurement team identifies suppliers that require training and assistance with strategic contingency planning.

Contingency plan considerations include potential climate risks and opportunities outlined in the TCFD assessment. Possible supply chain risks due to climate are monetary losses from disruption in the value chain, such as due to severe weather. Opportunities include strengthening existing supplier engagement efforts and collaborating on resilience strategies.

## 2025 Goal:

Complete 100 in-person audits of suppliers

# SUPPLY CHAIN MANAGEMENT CONTINUED

The company conducted more than 1,000 supplier self-assessments in 2024 to track compliance and identify high-risk sole sources for raw materials. The results were recorded and updated using a risk assessment matrix. These assessments will help us diversify our supply base where needed to reduce risk and identify opportunities to integrate sustainability into operational functions.

Contingency planning for suppliers is an enterprise-wide focus, particularly regarding potential lack of raw materials or labor shortages. The Global Procurement team identifies suppliers that need training and assistance with strategic contingency planning. Individual training is conducted by the Supplier Quality team.

Contingency plan considerations include potential climate risks and opportunities outlined in the TCFD assessment. Possible supply chain risks are monetary losses from disruption in the value chain due to severe weather. Opportunities include strengthening existing supplier engagement efforts and collaborating on resilience strategies as well as integrating climate risks into the supplier risk matrix.

## Supply Chain Governance

Alkegen's VP, Supply Chain and Operational Excellence leads our Procurement, Quality, SIOP, and CI teams. Weekly updates on supply chain metrics, procurement initiatives, and significant supply chain interruptions are provided to the SLT, which reports material matters to the BOD. The SLT formally meets with the BOD on a quarterly basis and provides updates on material supply chain issues impacting operations, products, and business. The Procurement team supports supply chain management objectives and includes members focused on sustainability issues such as minerals sourcing and environmental considerations.

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





# SUPPLY CHAIN MANAGEMENT CONTINUED

## Labor and Human Rights

Our Code establishes the framework for our labor and human rights policies. Alkegen conducts business in a manner that respects the human rights and dignity of all, and we support international efforts to promote and protect human rights, including an absolute opposition to child labor, slavery, and human trafficking. Compliance with our labor and human rights policies is implemented through several function, including Legal Services, HR, Safety, Procurement, Product Stewardship and Regulatory Compliance, Environment and Governance, and within each BU. Material issues are elevated to Legal Services and reported to the SLT for further management oversight and to ensure compliance with applicable laws, regulations, and company policies.

Alkegen provides employees with a safe place to work and fair and competitive pay and benefits. Our wages meet or exceed local market conditions and ensure an adequate standard of living for our employees and their families. Our pay systems are linked to company and individual performance. Each employee is tasked with supporting efforts to eliminate abuses such as child labor, slavery, human trafficking, and forced labor.

In addition to the Code, Alkegen has several policies to ensure compliance with our labor and human rights requirements. Alkegen's Human Rights Policy documents that the company is committed to developing an organizational culture which supports the internationally recognized human rights contained within the Universal Declaration of Human Rights and seeks to avoid complicity in human rights abuses. The policy specifically states that all forms of forced and compulsory labor and child labor are strictly prohibited. This policy applies to all employees of the company and its subsidiaries worldwide.

Alkegen maintains policies on Ethical Standards and Conflict of Interest, Anti-Bribery and Corruption, Anti-Harassment, Workplace Violence, Equal Employment Opportunities, and Non-Retaliation. These policies reinforce our Code and confirm our commitment to upholding each individual's right to fair treatment and health and safety in their work environment. Our equal employment practices include the right to positive working conditions free from discrimination and with fair and competitive compensation and benefits.

Alkegen is proactive in its efforts to ensure compliance with its labor and human rights policies. On an annual basis, Alkegen engages a third party to evaluate our performance on ESG matters, which includes an assessment of performance regarding social and labor topics.

Our Supplier Code of Conduct requires suppliers to enforce policies that protect human rights across our supply chain. These rights include providing fair working conditions and a safe and healthy work environment. We require suppliers to enforce policies that prevent forced labor, child labor, human trafficking, improper payments, and discrimination in the workplace.

Alkegen's Supplier Manual requires that the company's suppliers and external stakeholders comply with all regulations regarding child labor (International Labor Organization (ILO) Convention No. 138 and 182), compulsory and forced labor (ILO Convention No. 29), wage and labor (ILO Convention No. 131 and 14), freedom of association (ILO Convention No. 87 und 98) and non-discrimination (ILO Convention No. 111 and 100). Suppliers must also comply with the UK Modern Slavery Act of 2015. Alkegen customers in the EU are directly subject to the Act on Corporate Due Diligence Obligations in Supply Chains (Supply Chain Act), pursuant to which they must (i) adhere to social, human rights and environmental requirements, (ii) cascade these requirements in their supply chain and, upon request, (iii) provide information related to their compliance with the Supply Chain Act. Compliance requires minimum wage and weekly rest policies, fair remuneration without discrimination, freedom of association with organized work groups, and a worker voice and human rights policy, in addition to other requirements.

The Supplier Code of Conduct specifically requires all Alkegen suppliers to ensure that child labor is not used in the performance of their work, regardless of the nexus to Alkegen business, and comply with laws and regulations prohibiting human trafficking, including engaging in the use of forced, indentured, or bonded labor.

Alkegen further monitors supply chain compliance with our labor and human rights policies through supplier pre-selection due diligence, risk assessments, self-assessments, and audits. This ensures that Alkegen is protecting labor and human rights throughout its supply chain.

# ETHICS AND COMPLIANCE

Alkegen is committed to upholding the highest standards of ethical behavior in all aspects of our business. We have made operating with integrity a cornerstone of our Values: “Do the Right Thing, The Right Way, Always.”

## Code of Conduct

The Alkegen Code of Conduct sets expectations for ethics and compliance, documents our guiding principles, and empowers employees to make decisions that are aligned with our policies and Values. The Code is available on our public and internal websites and provided to employees in our six primary company languages. The Code is reviewed biannually, and changes are reviewed and approved by the SLT.

Compliance with the Code is mandatory for all Alkegen employees. Our Code guides employees to navigate a wide range of ethical issues they may encounter at work. It refers to applicable policies, including our Non-Retaliation Policy that protects whistleblowers or employees who speak up about potential violations. We do not tolerate retaliation against any employee who, in good faith, asks questions, reports actions that may be inconsistent with our Code, policies, or the law, or who assists in an investigation of suspected wrongdoing.

All employees of Alkegen and its subsidiaries and affiliates, officers, and members of the BOD are required to read, understand, and follow the Code. Consultants, contractors, agents, suppliers, vendors, distributors, business partners, and other temporary employees who serve as an extension of Alkegen, also are expected to follow the Code, the Alkegen Supplier Code of Conduct, and any applicable contractual provisions.

All new employees are trained on the Code as part of their onboarding process and all employees are required to take refresher training annually. 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
- Non-Retaliation

The mandatory Code training in 2024 added specific training on our Anti-Harassment and Anti-Bribery and Corruption policies. In 2024, 97% of employees completed the training, consistent with our participation rates in 2023.

In 2024, Alkegen did not suffer any monetary losses as a result of legal proceedings associated with fraud, bribery, corruption, or other unethical business practices.

## Governance Oversight at Luyang

Alkegen is the majority owner of Luyang Energy-Saving Materials Co., Ltd. which produces ceramic fibers and other high-temperature insulating materials in China for the China market.

In 2024, Luyang updated its Code of Conduct and compliance policies on anti-corruption and anti-bribery, anti-forced labor, and delegation of authority.

The Luyang BOD includes members who are senior Alkegen employees, which provides additional transparency and oversight.



# ETHICS AND COMPLIANCE CONTINUED

## Trade Compliance

As a U.S.-based company with global operations, Alkegen is subject to export controls under various global laws and regulations, including export and/or economic sanctions laws.

Alkegen has an Export Control Policy and the Legal Services, Customer Experience and Commercial Excellence, and the Sales teams are responsible for implementing and monitoring export controls compliance. Alkegen has a robust denied party screening process that utilizes a third-party software and includes screening of all new customers and suppliers and a daily denied party screening update for all customers and suppliers entered into the third-party software.



## Compliance Line

Alkegen's Compliance Line is our 24/7 ethics hotline, operated by an independent third party and available to all employees who want to anonymously report a suspected ethics violation or workplace concern. This hotline empowers employees to raise any concerns so they can be addressed. While we encourage employees to report potential violations to a manager, HR, or Legal Services, the Compliance Line is always open to those who feel uncomfortable using those channels. Employees are reminded about the availability of the Compliance Line and internal resources through visible posters, the Alkegen intranet, discussion at various senior management briefings, and as part of the annual Code training.

Alkegen has a robust process that documents the process for investigating Compliance Line reports, including corrective actions and records retention. Legal Services provides notice of a report to the CEO, CFO, VP, HR and the applicable BU leader within 24 hours of receipt of a report. The goal is to complete the investigation and coordinate any necessary corrective actions within 30 days of the report. Depending on the issue, Legal Services will work with HR, Finance, and the relevant BU to resolve the report and, if necessary, take disciplinary action and/or provide relevant education and training. A close-out report is retained in our third-party Compliance Line system.

Compliance Line reports are evaluated quarterly for repeated patterns that might require further action. Further, the company shares summaries of Compliance Line reports with its external auditors on a quarterly basis, which provides additional governance control.

# DATA PRIVACY AND CYBERSECURITY

**Alkegen respects the privacy and dignity of all individuals and is diligent about safeguarding the personal data of our employees, customers, and business partners.**

Alkegen complies with applicable laws and regulations governing data privacy, such as the EU General Data Protection Regulations (GDPR) and is committed to processing personal data that we receive in accordance with the applicable standards. Employees have access to our Data Protection Policy on the company's internal website, which includes information about the GDPR. Visitors to our website are also provided with our Privacy and Cookie Policy and assured that Alkegen only uses personal information, such as contact (name, email, address, phone) and data pertaining to the use of our products and services, only for intended and disclosed legitimate business purposes. The GDPR standards we employ satisfy the data privacy guidelines and regulations required by our customers and suppliers, and to protect our employees.

We utilize multiple methods of detecting and protecting against malicious activity on our global networks. Our security operations center is operated by third-party security experts who monitor our network 24 hours a day, every day. The company conducts internal monitoring of our information security systems and engages external consultants to conduct independent audits on an annual basis. Alkegen's 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 systems. Alkegen's Chief Information Security Officer is responsible for reporting on cybersecurity and data privacy matters to the SLT.



Our cybersecurity system provides real-time threat detection, enterprise grade firewalls, protection against ransomware, and a secure email gateway to scan all inbound and outbound messages. It includes multi-factor identification and 24/7 monitoring on endpoints by third party experts. Our framework is modeled on the National Institute of Standards and Technology Cybersecurity Framework (NIST) used by all U.S. federal agencies.

Alkegen is focused on aligning its IT efforts with business processes and initiatives. In 2024, the company engaged an independent third party to perform an IT and cyber risk assessment to evaluate potential IROs. This comprehensive risk assessment included an evaluation of access, asset, and data management, cybersecurity, service delivery and operations, software delivery, technology strategy and evaluation, technology resilience, third-party management, and workforce management.

The results of this assessment identified short, medium, and long-term priorities which will inform future strategy. Short-term priorities include enhancements to data management, governance, loss prevention controls, resiliency, business continuity and disaster recovery plans, and other enhancements to our cybersecurity strategies.

One area of opportunity identified through the assessment is the replacement of end of life (EOL) equipment and EOL software. We recognize the potential risks emerging from disparate, outdated, and EOL technologies. As part of our cybersecurity practices, the team continuously scans the network and inventory from management servers to identify EOL equipment and software and will continue to focus on this area in 2025.



## DATA PRIVACY AND CYBERSECURITY CONTINUED

In 2024, Alkegen experienced one data breach involving its public website. No confidential data was involved, and no employees or customers were impacted. This event demonstrated the strength of our cybersecurity measures as we were immediately notified by our third-party security operations center about the malicious activity. Our IT team took immediate corrective action, notified stakeholders, and fully restored the website. Our IT team worked with our cybersecurity experts to discover how the breach occurred and to implement additional security measures to prevent a recurrence.

Our Code stresses the role that everyone in our community plays in respecting and protecting confidential information and sensitive data. Annual training on cybersecurity is mandatory for employees, independent contractors, sales personnel, suppliers, and business partners. In 2024, additional training was conducted to educate employees about specific and emerging issues such as phishing schemes that attempt to steal sensitive information through false and misleading emails. Our IT team sends ad hoc phishing emails to evaluate employee awareness and to identify gaps for targeted training. Alkegen's IT team also communicates with employees on an ongoing basis to keep the workforce informed and alert to cybersecurity risks and current threats.

The IT team works with HR to ensure internal processes and controls are monitored and activated to preserve confidential information that may be accessible to employees. For example, when an employee leaves the company, built-in IT controls are triggered, and any privileged access is turned off. Notices go out to every system until the employee returns company-owned computers, software, or other technology. Additionally, all employee laptops are encrypted so data cannot be accessed or removed by the separated employee or any other unauthorized user.

To preserve critical data across our enterprise, all BUs have backup servers, and each BU has continuity plans in the event of an interruption of network services and hardware. In addition to physical and technological safeguards, we maintain relevant policies to guide individual conduct, including our Cybersecurity Incident Response Policy, Information Security Policy, Removable Media Policy, Third Party Risk Management Policy, Data Protection Policy, Ethical Standards Policy, and Online Communications Policy. We will continue to evaluate opportunities to enhance our BCPs and disaster recovery plans as part of our efforts to enhance our ERM strategy.

In addition to internal IT and cybersecurity procedures, Alkegen's Supplier 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 cybersecurity controls and attest to compliance with the GDPR and applicable federal, state, national, or local regulations related to personal information. The company verifies compliance with these requirements through supplier self-assessment and audit processes.

### 2025 Goals:

- Evaluate and implement enhancements related to data management, governance, loss prevention controls, resiliency, business continuity and disaster recovery plans, and further enhance other cybersecurity programs
- Continue to evaluate EOL equipment and software and identify opportunities to replace and/or upgrade systems, where required

# INTELLECTUAL PROPERTY

The protection of our intellectual property (IP) is an enterprise-wide priority at Alkegen. IP protection is addressed in our Code by stating the importance of safeguarding our IP rights so we can better serve our customers, maintain our competitive advantage, reduce the risk of IP infringements, and create value for our shareholders. The Code outlines all employees' obligations regarding the protection of the company's intangible assets, including IP.

All BUs and functions are governed by policies that protect IP and reduce overall business risk. We provide mandatory IP training for our employees, and we specify that their obligation to restrict use of Alkegen IP and other confidential information continues even after employment ends.

Non-disclosure agreements and on-site visitor controls further protect our IP and our technology innovation assets. Our invention disclosure process identifies innovations that may require IP protection, and we work with internal and external counsel to protect and monetize our IP. We respect third-party IP in addition to our own.





# CONCLUSION

At Alkegen, sustainability is not just a commitment—it is the foundation of our Mission and Vision for the future. As this Report highlights, we made meaningful progress in 2024, including but not limited to fostering a culture of safety, advancing product sustainability, securing our supply chain, and progressing our governance framework. These achievements underscore our dedication to creating materials and technologies that drive real-world impact in a sustainable way.

However, our work is far from complete. As we look ahead to 2025 and beyond, we remain steadfast in our Mission to help people breathe easier, live greener, and go further than ever before. By setting ambitious goals, driving continuous improvement, and collaborating with our stakeholders, we will continue shaping a more sustainable and resilient future.

We extend our gratitude to our employees, partners, and stakeholders for their unwavering support and shared commitment to sustainability. Together, we will push the boundaries of innovation to build a world that is healthier, safer, and more sustainable for generations to come.





# APPENDICES



# TCFD DISCLOSURES

## Introduction

Alkegen prepared this disclosure to summarize the company’s actions and strategy around climate governance, strategy, risk management, and metrics and targets in line with the TCFD framework. Alkegen intends to update this disclosure as we make material progress and new information becomes available.

Governance	
<p><b>Board Oversight:</b> Describe the board’s oversight of climate-related risks and opportunities</p>	<p>Relevant sustainability metrics are reported to the BOD on a quarterly basis and include updates on SEEDS™ metrics which includes health and safety, environment, engagement, social, and other KPIs.</p> <p>The BOD considers material climate-related issues that have a significant impact on business strategy, major plans of action, risk management policies, annual budgets, and business. Further description contained in the Sustainability Report.</p>
<p><b>Management:</b> Describe the management’s role in assessing and managing climate related risks and opportunities</p>	<p>Alkegen’s CSO provides leadership and oversight in assessing and managing climate-related risks and opportunities. The CSO also serves as Senior Vice President and General Counsel, reports directly to the CEO, and is a member of Alkegen’s SLT. Alkegen’s SLT includes our CEO, CFO, Presidents from our BUs, as well as leaders of the R&amp;D, HR, IT, and Customer Experience and Commercial Excellence teams.</p> <p>The appointment of our CSO enhances communication about ESG initiatives and progress to Alkegen’s BOD and SLT. The CSO provides SEEDS™ updates to the BOD, on a quarterly basis. The CSO is also directly responsible for Alkegen’s Global Health and Safety program, Product Stewardship and Regulatory Compliance, as well as Environmental and Governance matters.</p> <p>There are monthly global SEEDS™ calls which update on the progress of those initiatives to the Alkegen SLT, BU, and site leadership. Climate-related issues are generally addressed on a case-by-case basis at a local or project level unless leadership intervention is required. Material climate related issues are elevated to the appropriate leadership and department depending on the nature of the issue and necessary response.</p> <p>Alkegen created a Sustainability Committee that meets on an as-needed basis to discuss cross-functional sustainability strategy, implementation, and enterprise compliance with regulatory requirements. The Sustainability Committee includes leaders from cross-functional teams including Safety, Product Stewardship and Regulatory Compliance, Environmental and Governance, Customer Experience and Commercial Excellence, Procurement, SIOP, Quality, CI, HR, IT, Legal Services, Finance, and Operations. The Sustainability Committee is coordinated by the Director of Environmental and Governance, who reports to the CSO. There are numerous other committees throughout the business and operational functions with responsibility over management of material climate related issues impacting the business.</p>

## Strategy

**Identified Climate-related Risks and Opportunities:**  
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term

In Alkegen's climate-related risk and opportunity analysis completed, participants defined time horizons as follows and identified the below risks associated with each term:

- Short-term (0-1 years)
- Medium-term (2-5 years)
- Long-term (5+ years)

Risks		Term		
Type	Identified Risks	Short	Medium	Long
Policy and Legal	Reporting obligations (Scope 3)	X	X	
	Regulatory compliance	X	X	
Technology	Fossil fuel dependence in manufacturing processes		X	X
Market	Low-carbon transition difficult in Oil and Gas industries		X	X
	Customer expectations for disclosure and energy usage	X		
	Peer adaptiveness to environmental expectations		X	X
Reputation	Maintaining position as a specialty materials platform dedicated to sustainability and human health.		X	X
Acute	High temperatures impacting workforce	X		
	Severe storms affecting manufacturing infrastructure	X	X	
	Low temperatures affecting operations	X	X	X
Chronic	Water scarcity and sourcing	X	X	X



## Strategy (continued)

<b>Identified Climate-related Risks and Opportunities:</b> Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	In Alkegen's climate-related risk and opportunity analysis completed, participants defined time horizons as follows and identified the below risks associated with each term: <ul style="list-style-type: none"> <li>• Short-term (0-1 years)</li> <li>• Medium-term (2-5 years)</li> <li>• Long-term (5+ years)</li> </ul>				
	Opportunities		Term		
	Type	Identified Opportunities	Short	Medium	Long
	Resource Efficiency	Consider energy efficiencies from upgraded equipment		X	X
		Reuse water and explore filtration options		X	
	Energy Sources	Operationalize climate reporting and decrease emissions	X	X	
		CSRD (scope 3) compliance	X	X	
		Collaborate with customers and suppliers focused on emissions reductions.		X	
	Products / Services	Perform LCAs to understand environmental implications	X	X	
		Enhance integration of sustainability considerations in R&D process	X	X	
	Markets	Access new markets such as the battery market		X	
	Resiliency	Identify opportunities to leverage sources of renewable energy.	X	X	
		Consider grant opportunities to increase operational resiliency	X	X	
		Supply chain diversification, fire and flood assessments		X	

To evaluate climate-related issues, risks and opportunities could have a material financial impact on the organization, Alkegen conducted a TCFD assessment in 2024. Alkegen considers human health and safety impact, business impact, severity, likelihood, and timing when evaluating those risks and opportunities that could have a material impact on the organization. Further analysis of the impact of material climate-related issues on business strategy will be considered as our sustainability program evolves.

A challenge in reducing enterprise Scope 1 emissions is that certain of our manufacturing processes are energy intensive. There is limited or non-existent availability of renewable energy where some sites are located. Given that a significant portion of Alkegen's energy is used for combustion, we are exploring more efficient fuels, opportunities to reuse heat, increased operational efficiencies, and new technologies.

There are potential opportunities to procure carbon-free and renewable energy where those resources are available and aligned with business objectives. Alkegen committed to a Power Purchase Agreement (PPA) for renewable energy in South Africa which is estimated to result in a 1.7% reduction in global enterprise emissions. To support progress towards our 2030 Environmental Performance Targets, we are investigating opportunities to procure carbon-free and renewable energy where those resources are available and aligned with business objectives.

**Alkegen's TCFD assessment included an initial evaluation of the impact of climate related issues on the following categories.**

1. Products and services: Risk of increased energy efficiency and emissions standards which could impact market access and create an opportunity to innovate manufacturing process and offer more sustainable options to guard existing market share and access new markets
2. Supply chain: Risk of monetary losses from disruption in the value chain due to severe weather events, opportunity to strengthen existing supplier engagement efforts and resilience strategies. Risk of changing customer and vendor preferences (e.g., emissions requirements, packaging, product water/energy use), opportunity to strengthen existing supplier engagement around opportunities to reduce potential adverse climate impacts of products and overall operations
3. Adaptation and mitigation activities: Risk of reputational impact if climate targets are not met, opportunity to further integrate sustainability strategy into business strategy to accelerate mitigation/adaptation efforts
4. Investment in R&D: Risks related to changing regulations and expectations, opportunity to identify ways to reduce fossil fuel use in manufacturing processes
5. Operations: Risk of increased cost of carbon and fossil fuel, opportunity to leverage renewable energy and PPAs to reduce energy costs on environment and budget. Risk of limited access to resources (e.g., water), opportunity to reduce raw resource use and leverage recycling strategies.
6. Acquisitions/divestments: potential risk of challenges to divestiture of assets subject to severe weather events; opportunity to strategically select future sites in safer climate zones

Climate-related issues are not currently identified as a separate category in the financial planning processes and are identified in the context of risk factors in financial disclosures and material issues impacting the company, as they arise. Alkegen will evaluate opportunities to more specifically recognize climate related risks that impact the financial planning process, in the future.

**Climate-related risks and opportunities could impact the strategy over the short, medium and long term. The following time periods are considered:**

- Short-term (0–1 years)
- Medium-term (2–5 years)
- Long-term (5 + years)

**Alkegen considered the impacts on financial planning as they relate to the categories below and identified the risks and opportunities as follows:**

- 1) Revenues
- 2) Expenditures
- 3) Assets and Liabilities
- 4) Capital and Financing



## Strategy (continued)

	Type	Identified Risks/Opportunities	1	2	3	4
	Risks					
<b>Impact of Risks and Opportunities:</b> Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Policy and Legal	Reporting obligations (Scope 3)	x	x		x
		Regulatory compliance (CSRD)		x		x
	Technology	Fossil fuel dependence in manufacturing processes		x	x	
	Market	Low-carbon transition difficult in certain industries	x	x		
		Customer expectations for disclosure and energy usage	x	x		
	Reputation	Maintaining position as a sustainable alternative		x		
	Acute	Extreme temperatures impacting workforce	x	x		
		Severe storms affecting manufacturing infrastructure	x	x		
		Low temperatures affecting operations	x	x		
	Chronic	Water scarcity and sourcing	x	x		
	Opportunities					
	Resource Efficiency	Document energy efficiencies from upgraded equipment	x	x		
		Reuse water and explore filtration options	x	x		
	Energy Sources	Operationalize climate reporting and decrease emissions	x	x		
		CSRD (Scope 3) compliance	x	x		x
		Collaborate with customers focused on emissions reductions	x	x		
	Products / Services	Perform LCAs to understand environmental implications	x	x		x
		Further integrate environmental considerations in R&D process	x	x		
	Markets	Access new markets such as the battery market	x			x
	Resiliency	Consider renewable energy opportunities		x		
		Leverage grants to increase operational resiliency				x
		Supply chain diversification and fire and flood assessments	x	x		

The company assesses climate-related events such as fires and floods to anticipate potential risks to people and property. The TCFD recommendations suggest scenario analysis to help identify risks and opportunities in an uncertain climate future. Alkegen has taken a qualitative approach and plans to leverage a more thorough quantitative scenario modeling process as the program matures.

Strategy (continued)

Resilience of Strategy:

Describe the resilience of the organization’s strategy, taking into consideration different climate related scenarios,

Alkegen has not yet conducted an in-depth quantitative climate-related scenario analysis. Further analysis of the impact of climate-related issues on the business strategy will be considered in the future. Alkegen has made several changes to its business to mitigate risks and capture opportunities, including but not limited to setting 2030 Environmental Performance Targets, appointment of a CSO that is a member of the SLT, and divesting from the Thermal Acoustic Solutions business to focus on BUs that more closely align with the company’s Mission and Vision.

**Alkegen will consider two qualitative scenarios when evaluating climate related risks and opportunities:**

1. Business as usual: Competitive markets, innovation and participatory societies produce rapid technological progress and development. Global markets are increasingly integrated. Global supply chains proliferate. However, alongside economic growth comes a dramatic increase in global average temperatures and climate change impacts as development is fueled by use of fossil fuel resources and the widespread adoption of resource intensive lifestyles.
2. Aggressive mitigation: The world shifts gradually toward a more sustainable path. Management of environmental resources improves, and the worst impacts of climate change are avoided. Improvements in technology, manufacturing, and agriculture result in an economy with less resource intensive products and higher average costs. Global supply chains continue to grow but the phaseout of fossil fuels has increased the costs of global logistics. Most countries have implemented steep carbon taxes and/or have implemented carbon border adjustments to stymie offshoring and mandate sustainability reporting.



Risk Management	
<p><b>Processes for Identifying and Assessing Climate-related Risks:</b> Describe the organization’s processes for identifying and assessing climate related risks.</p>	<p>Alkegen conducted a climate risk assessment process by analyzing a broad range of climate- related risks and opportunities that could have a material impact. When evaluating existing and emerging climate-related risks and opportunities, factors such as potential business and financial impact, past experience, and industry outlook on climate-related issues were considered.</p> <p>Enterprise-wide risk management, which includes management of climate-related risks, is continuing to evolve. Alkegen also considers global regulatory developments – both existing and evolving – when assessing enterprise risks, including but not limited to the EU Green Deal, including CSRD, SEC Climate Rule, CA Climate Disclosure, and various carbon adjustment mechanisms. Potential climate-related risks are identified and prioritized based on human health and safety impact, business impact, severity, likelihood, timing. Further analysis of the impact of material climate-related issues on business strategy will be considered as our sustainability program evolves.</p>
<p><b>Processes for Managing Climate-related Risks:</b> Describe the organization’s processes for managing climate- related risks</p>	<p>Enterprise-wide risk management, which includes management of climate-related risks, is continuing to evolve. Risk management activities are integrated within the BUs and operations such the Safety, Finance, Procurement, HR, IT, Customer Experience and Commercial Excellence, Quality, CI, and Legal Services departments. Each area is responsible for evaluation and management of the IROs impacting their functional areas. Risks and opportunities are identified through numerous channels, including supply chain risk assessments and internal audits, enhanced supplier onboarding procedures, standardized global supplier risk matrixes, third-party audits, BCPs for the company and each site, certification of manufacturing sites to international environmental standards, and compliance line activity assessments. Strategic insurance portfolio reviews provide additional insights. We leverage information from these channels to evaluate our exposures, identify risk reduction strategies, and ensure appropriate management.</p> <p>In the event a manufacturing or product risk is identified, it is reported and communicated to the SLT, CEO, and the BOD. Corrective actions are monitored, and updates are reported during monthly SEEDS™ calls. When the risk is mitigated, the best practices are shared enterprise wide. The same approach applies to opportunities that are identified for manufacturing process improvements, operational efficiencies, technical and equipment upgrades, and industry best practice reforms.</p>

## Risk Management (continued)

<div> <div>Integrating into Overall Risk Management:</div> <div>Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization’s overall risk management</div> </div>	<p>Alkegen’s approach to ERM focuses on the issues and risks that may have a material impact on our business and operations. The SLT and BU leadership have primary responsibility for the day-to-day identification and management of risk at Alkegen. Advice and counsel are provided by our in-house Legal Services Department and our external boards and consultants. Alkegen’s SLT focuses on the material IROs facing the organization in a range of areas, including but not limited to, legal, regulatory and compliance developments, geopolitics, global conflicts, supply chain dynamics, climate-related and environmental risks that materially impact our business and operations, cybersecurity, human capital, sustainability, products, technology. IROs are prioritized based on human health and safety impact, business impact, severity, likelihood, timing. The Alkegen BOD provides oversight over ERM matters as they arise. See further description in the Governance section of our Sustainability Report.</p> <p>Risk management activities are integrated within the BUs and supported by the relevant functions such the Safety, Product Stewardship and Regulatory Compliance, Finance, Environmental and Governance, Procurement, HR, IT, Customer Experience and Commercial Excellence, Quality, CI, and Legal Services teams. Each BU and function is responsible for evaluating and managing IROs impacting their business or functional area, leveraging the wealth of internal and external resources available to support risk mitigation efforts. Risks and opportunities are identified through numerous channels, including supply chain risk assessments and internal audits, enhanced supplier onboarding procedures, standardized global supplier risk matrices, third-party audits, business continuity plans (BCPs) for the company and each site, certification of manufacturing sites to international environmental standards, and Compliance Line activity and trend assessments. Annual insurance portfolio reviews provide additional insights. Periodic training is conducted as issues arise to raise awareness of emerging and current risks. We leverage information from these channels to evaluate our exposures, identify risk reduction strategies, and ensure appropriate management.</p> <p>Individual BUs have BCPs and a 2025 ERM goal is to formalize and implement an enterprise BCP. To achieve that goal, Alkegen assembled a working group to evaluate best practices and formalize an enterprise business continuity and disaster recovery plan. The objective is to provide a consistent risk analysis framework with opportunities for adjustment to local site risk considerations.</p>
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## Metrics and Targets

<div> <div>Climate-related Metrics:</div> <div>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</div> </div>	<p>As a private entity, Alkegen limits publicly available financial information. Alkegen discloses key metrics related to its Scope 1 and Scope 2 emissions, water and waste usage, reductions targets, safety and quality metrics, SEEDSTM performance and goals. In 2024, 60% of our total enterprise emissions were attributable to Scope 1 and 40% attributable to Scope 2. In 2024, Scope 1 emissions increased 24% and Scope 2 emissions increased 4.5%. These changes are attributable, in part, to increased capacity and production.</p> <p>Alkegen's GHG inventory is consistent with the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas Protocol Initiative (GHG Protocol) for corporate GHG accounting and reporting.</p> <p><b>2024 Consumption Metrics</b></p> <ul style="list-style-type: none"> <li>• Total energy consumed: 3,696,282 GJ</li> <li>• Total electricity consumed: 1,496,463 GJ</li> <li>• Total water withdrawals: 2,889,544 m^3</li> <li>• Total non-hazardous waste sent to landfill: 27,356 metric tons</li> </ul> <p>To achieve these targets, each Business Unit (BU) is responsible for implementing initiatives targeting a 2% annual reduction in Scope 1 and Scope 2 emissions, a 2% annual reduction in the volume of freshwater withdrawals, and a 3% annual reduction in the amount of waste sent to landfill.</p> <p>Alkegen does not incorporate material climate-related performance metrics into remuneration policies. Alkegen does not currently set an internal carbon price or track climate-related opportunity metrics such as revenue from products and services designed for a lower-carbon economy. Alkegen will consider opportunities to provide additional disclosures on appropriate metrics as the program evolves.</p>
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Metrics and Targets (continued)			
<b>Greenhouse Gas Emissions:</b> Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	<b>2024 GHG Emissions</b> Scope 1: 186,081 MT tCO2e Scope 2: 123699 MT tCo2e Scope 3* (waste): 14,234 MT tCo2e *Alkegen’s Scope 3 emissions is based on volume of waste to landfill. Alkegen does not currently report on all Scope 3 emissions categories. Alkegen is evaluating risks and opportunities to identify and mitigate upstream and downstream emissions.		
	Trend Analysis		
	Metric (emissions)	2023 (MT tCO2e)	2024 (MT tCO2e)
	Scope 1	149,973	186,081
	Scope 2	118,333	123,699
	Scope 3 (waste)	-	14234
<b>Targets:</b> Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<b>Alkegen has set the following 2030 Environmental Performance Targets:</b> <ul style="list-style-type: none"> <li>Reduction in the intensity of Scope 1 and Scope 2 GHG emissions by 10%</li> <li>Reduction in freshwater withdrawals in high and extremely high water-stressed regions by 10%</li> <li>Reduction in the amount of waste sent to landfill by 15%</li> </ul> <p>Alkegen’s 2030 Environmental Performance Targets are intensity based. The Company reset its emissions baseline for tracking progress toward its reduction targets in 2024. Alkegen reviews enterprise progress against 2030 Environmental Performance Goals monthly to understand if current reductions are in-line with modeled reductions to achieve 2030 emissions goals.</p>		



# SASB (SUSTAINABILITY ACCOUNTING STANDARDS BOARD) INDEX

## Resource Transformation Sector – Industrial Machinery and Goods Standard

SASB Topic	SASB Metric	Disclosure
<b>Water Management*</b>	RT-CH-140a.1: <ul style="list-style-type: none"> <li>Total water withdrawn</li> <li>Total water consumed percentage of each in regions with high or extremely high baseline water stress, Quantitative, Thousand cubic meters (m³); Percentage (%)</li> </ul>	<ul style="list-style-type: none"> <li>Total water withdrawn: 2,889,544 m³, Water withdrawn in high or extremely high baseline water stress regions: 4%</li> <li>Total water consumption data for all sites not available for RT-CH-140a.1(2); Water consumption in high or extremely high baseline water stress regions is estimated to be 8%</li> </ul>
<b>Energy Management</b>	RT-IG-130a.1: <ul style="list-style-type: none"> <li>Total energy consumed</li> <li>Percentage grid electricity</li> <li>Percentage renewable</li> </ul>	<ul style="list-style-type: none"> <li>Total energy consumed: 3,696,282 GJ</li> <li>Percentage grid electricity: 39%</li> <li>Data not available for metric RT-IG-130a.1</li> </ul>
<b>Workforce Health &amp; Safety</b>	RT-IG-320a.1: <ul style="list-style-type: none"> <li>Total recordable incident rate (TRIR)</li> <li>Fatality rate</li> <li>Near miss frequency rate (NMFR)</li> </ul>	<ul style="list-style-type: none"> <li>TRIR: 1.23</li> <li>Fatality rate: 0</li> <li>NMFR: 7.0</li> </ul>
<b>Materials Sourcing</b>	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 website, Doing Business with Alkegen – Supplier Code of Conduct: <a href="https://alkegen.com/wp-content/uploads/2022/09/Alkegen-Supplier-Code-of-Conduct.pdf">https://alkegen.com/wp-content/uploads/2022/09/Alkegen-Supplier-Code-of-Conduct.pdf</a>
<b>Product Lifecycle Management**</b>	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 battery, filtration, advanced materials, emission and pollution control, and industrial products as well as renewable energy-related products.

# 2024 GHG Footprint\*

Category	MT tCO2e	% of Total	Consumption
Natural Gas**			3,696,282 GJ
Scope 1 Emissions	186,081	57%	
Grid Electricity**			1,496,463 GJ
Scope 2 Emissions	123,699	39%	
Waste			27,356 MT
Total Scope 3 Emissions ***	14,234	4%	
Total Scopes 1, 2, and 3	324,014	100%	
Water			2,889,544 m^3

## Methodology and Disclosures

Alkegen's GHG inventory is consistent with the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas Protocol Initiative (GHG Protocol) for corporate GHG accounting and reporting.

Alkegen defines its organizational boundary conditions consistent with the GHG Protocol according to the "control approach" for Scope 1 and Scope 2 sources. This means the scope of Alkegen's organizational boundaries includes assets in which Alkegen maintains a majority controlling interest, including Luyang. The "control approach" is the most appropriate organizational boundary for Alkegen because it reflects where Alkegen can influence decisions that impact GHG emissions. Facilities included in Alkegen's boundary include manufacturing sites. Office space and warehouses are excluded on a de minimis basis. The reporting year shown is from January 1, 2024 - December 31, 2024,

\*Considering materiality changes driven by the implementation of the more robust data management platform and reflecting the total removal of data for the company's divested TAS BU in 2023, Alkegen is resetting its Scope 1 and Scope 2 emissions and water usage baselines and will rely on the 2024 data reported here as the revised baseline.

\*\*This report will focus on utility usage and emissions that have a material (five percent or greater) impact on Alkegen's overall GHG footprint. Utilities that have less than a 5% impact on emissions are excluded from this report. Utility data is collected at regular intervals as the invoices are received. If invoices are not available, data gaps are filled using average values from prior months. Where there is insufficient historical site data, Energy Use Intensity (EUI) values from the Commercial Building Energy Consumption Survey (CBECS) are used to provide site level energy usage estimates. In 2024, approximately 4% of our Scope 1 data and 2% of our Scope 2 data was estimated.

\*\*\*Alkegen's reported Scope 3 emissions are based on the volume of waste to landfill and does not include other categories of Scope 3 emissions.

## Emission Factors & Global Warming Potential

All methodologies are based on guidance from the GHG Protocol. Emission factors are from governmental and non-governmental organizations' sources include the United States Environmental Protection Agency (EPA), the United States Environmental Protection Agency (EPA) Mandatory Reporting Rule (MRR), International Energy Agency (IEA), Department for Environment Food and Rural Affairs (DEFRA), and Environment Canada. Additionally, where available, we utilize utility-specific emission factors that support our market-based inventory. We utilize IPCC's Sixth Assessment Report (AR6) as our source for global warming potentials.

Common Name	Formula	SAR Report	AR4 Report	AR5 Report	AR6 Report
Carbon dioxide	CO <sub>2</sub>	1.00	1.00	1.00	1.00
Methane	CH <sub>4</sub>	21.00	25.00	28.00	
	CH <sub>4</sub> - Fossil				29.80
	CH <sub>4</sub> - Non-Fossil				27.00
Nitrous oxide	N <sub>2</sub> O	310.00	298.00	265.00	273.00
Nitrogen trifluoride	NF <sub>3</sub>		17200.00	16100.00	17400.00
Sulfur hexafluoride	SF <sub>6</sub>	23900.00	22800.00	23500.00	24300.00

## Definitions:

**Market-Based (MB):** Quantifies Scope 2 GHG emissions based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own

**Location-Based (LB):** Quantifies scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries



# Glossary

<b>3TGs</b>	The metals Tantalum, Tin, Tungsten and Gold and their ores. US legislation defines 3TG metals as “Conflict Minerals”, wherever extracted
<b>AIP</b>	Annual Incentive Plan
<b>BOD</b>	Board of Directors
<b>BSO</b>	Behavioral Safety Observation, a technique used in workplaces to identify and address unsafe behaviors that could lead to accidents or injuries
<b>BU</b>	Business Unit
<b>CAP</b>	Corrective Action Plan, a structured approach to addressing non-conformance and reducing the risk of incident or recurrence
<b>CARE</b>	European Control and Reduce Exposure program dedicated to reduction of occupational exposures to HTIW
<b>CAO</b>	Chief Accounting Officer
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CSO</b>	Chief Sustainability Officer
<b>CSRD</b>	Corporate Sustainability Reporting Directive, an EU regulation requiring comprehensive and granular disclosures covering environmental, social, and governance topics
<b>DART</b>	Rate of Days Away, Restricted, or Transferred. Measure of three different metrics: <ol style="list-style-type: none"> <li>1. The number of days an employee is absent because of a work-related illness or injury</li> <li>2. The number of days an employee is placed under work restrictions (e.g. no heavy lifting, must sit while working, etc.)</li> <li>3. The number of days an employee is transferred to another job because they cannot fulfill their normal duties</li> </ol>
<b>EAP</b>	Emergency Action Plan
<b>ECFIA</b>	European trade organization representing the High Temperature Insulation Wool (HTIW) industry in matters relating to health, safety, and the environment

# Glossary

<b>ERG</b>	Employee Resource Group, a voluntary employee-led group for employees who share a common identity, background, or interest
<b>ERM</b>	Enterprise Risk Management
<b>ESG</b>	Environmental, Social, and Governance
<b>GDPR</b>	General Data Protection Regulation, a European Union regulation on data privacy and security
<b>GHG</b>	Greenhouse Gas
<b>HHESAB</b>	Alkegen’s external Human Health and Environmental Sustainability Advisory Board
<b>HSE</b>	Health, Safety, and Environment
<b>HTIW</b>	High Temperature Insulating Wool
<b>IATF 16949</b>	Internationally recognized standard for quality management systems in the automotive industry, published by the International Automotive Task Force
<b>IP</b>	Intellectual Property
<b>ISO 9001</b>	Internationally recognized standard for quality management systems, published by the International Organization for Standardization
<b>ISO 14001</b>	Internationally recognized standard for environmental management systems, published by the International Organization for Standardization
<b>ISO 45001</b>	Internationally recognized standard for occupational health and safety management systems, published by the International Organization for Standardization
<b>ISO 50001</b>	Internationally recognized standard for energy management systems, published by the International Organization for Standardization
<b>KPI</b>	Key Performance Indicator
<b>LCA</b>	Life Cycle Analysis, methodology for assessing environmental impacts associated with the various stages of the life cycle of a commercial product, process, or service
<b>LFI</b>	Learning From Incidents, processes through which employees and the organization seek to understand any negative safety events to prevent similar future events



# Glossary

<b>LTIR</b>	Lost Time Incident Rate, also known as “Lost Workday Case” as defined by U.S. OSHA and measures days away from work and/or days of restricted work activity beyond the date of injury or onset of illness
<b>MOC</b>	Management of Change process, a structured approach to guiding and implementing changes effectively
<b>OSHA</b>	United States Occupational Health and Safety Administration
<b>PFAS</b>	Perfluoroalkyl and Polyfluoroalkyl Substances, a group of manufactured chemicals that have been used in industry and consumer products since the 1940s because of their useful properties. There are thousands of different PFAS, some of which have been more widely used and studied than others.
<b>PPE</b>	Personal Protective Equipment
<b>Proposition 65</b>	California law requiring warning about significant exposures to chemicals that cause cancer, birth defects, or other reproductive harm
<b>PSP</b>	Product Stewardship Program
<b>RCF</b>	Refractory Ceramic Fiber
<b>REACH</b>	European Union regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals
<b>Recordable Incident</b>	Per U.S. OSHA, a work-related injury or illness that results in any of the following: <ul style="list-style-type: none"> <li>• Death</li> <li>• Day(s) away from work</li> <li>• Restricted work activity or job transfer</li> <li>• Medical treatment beyond first aid</li> <li>• Loss of consciousness</li> <li>• Significant injury or illness diagnosed by a physician or other licensed health care professional</li> </ul>
<b>Reportable Incident</b>	Per U.S. OSHA, any incident that results in work-related death, in-patient hospitalization, amputation, or loss of an eye
<b>RoHS</b>	European Union Directive on the Restriction of Hazardous Substances in electrical and electronic equipment
<b>RPE</b>	Respiratory Protective Equipment
<b>SASB</b>	Sustainability Accounting Standards Board

# Glossary

<b>SDS</b>	Safety Data Sheets
<b>SEEDS™</b>	Alkegen's internal sustainability program, named after its five pillars, Safety, Environment, Engagement, Diversity, and Social
<b>Scope 1</b>	Direct GHG emissions occurring from sources owned or controlled by Alkegen
<b>Scope 2</b>	Indirect GHG emissions from purchased electricity, heat, and steam for use in business operations
<b>Scope 3</b>	GHG emissions resulting from assets not owned or controlled by the reporting organization, but that the organization indirectly affects its value chain. Includes all sources not within an organization's Scope 1 and Scope 2 boundaries
<b>SLT</b>	Alkegen's Senior Leadership Team
<b>TSCA</b>	US Toxic Substances Control Act addressing the production, importation, use, and disposal of specific chemicals
<b>TAS</b>	Thermal Acoustical Solutions, BU divested in March 2023
<b>TCFD</b>	Task Force for Climate-Related Financial Disclosures
<b>TRI</b>	Total Recordable Incidents, measure that encompasses all fatalities, lost time injuries, cases restricted from work, cases of substitute work due to injury, as well as medical treatment cases by medical professionals. Does not include injuries that only require first aid and no time off work.
<b>TRIR</b>	Total Recordable Incident Rate; also known as U.S. OSHA Recordable Rate and measures the number of incidents which have occurred on-site, within a calendar year, according to a certain number of hours worked by 100 employees. A recordable incident can include anything from a worker who had to take time off work due to an injury, to someone losing consciousness on-site.
<b>UNSDGs</b>	United Nations Sustainable Development Goals
<b>VOCs</b>	Volatile Organic Compounds
<b>YoY</b>	Year over Year



# 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. 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 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;
- Ability to attract and retain key personnel, including the ability to manage potential business disruptions due to unanticipated resignations of one or more members of management;
- 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 2025;
- Competition from other companies;

# Forward Looking Statements

- 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;
- 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. Such risks and uncertainties include, among others, the risk factors included in this Sustainability Report. The Company does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.



