

Perstorp
Sustainability
Report 2024



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Sustainability

Report 2024



About this report

The aim of Perstorp's Sustainability Report is to communicate Perstorp's approach and progress towards sustainability goals. The sustainability statement can be found on pages 31-43.

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This is Perstorp

Who we are

As one of the world's leading specialty chemicals innovators, we know that little things make a powerful difference. Using nature's tiniest building blocks, we help advance everyday life – making it safer, more convenient and more environmentally sound for billions of people all over the world. We are here to advance everyday life for the better, with a clear sustainability agenda.

Chemistry is everywhere. Our products provide essential inputs and properties for many value chains in a wide range of industries. Perstorp solutions are used every day and everywhere around the world.



World leader in selected specialty chemicals niches

1,500
Employees

#1
Position of 50%
of portfolio

- The sustainable solutions provider for our prioritized segments Resins & Coatings, Engineered Fluids, Advanced Materials and Animal Nutrition.
- Integrated Polyols and Oxo platforms enable the efficient utilization of side streams.
- Focused innovation for our prioritized segments, closely linked to our customers' needs.
- Strongly committed to the transition of the chemical industry, with our 2030 Sustainability Targets and Finite Material Neutral as our long term ambition.
- Globally present with nine production units in Europe, Asia and North America.
- Perstorp is a wholly-owned subsidiary of PETRONAS Chemicals Group Berhad (PCG), Malaysia's premier integrated chemicals producer and part of PETRONAS Group.



Net sales
per region

22%

Americas

59%

Europe, Middle East, Africa

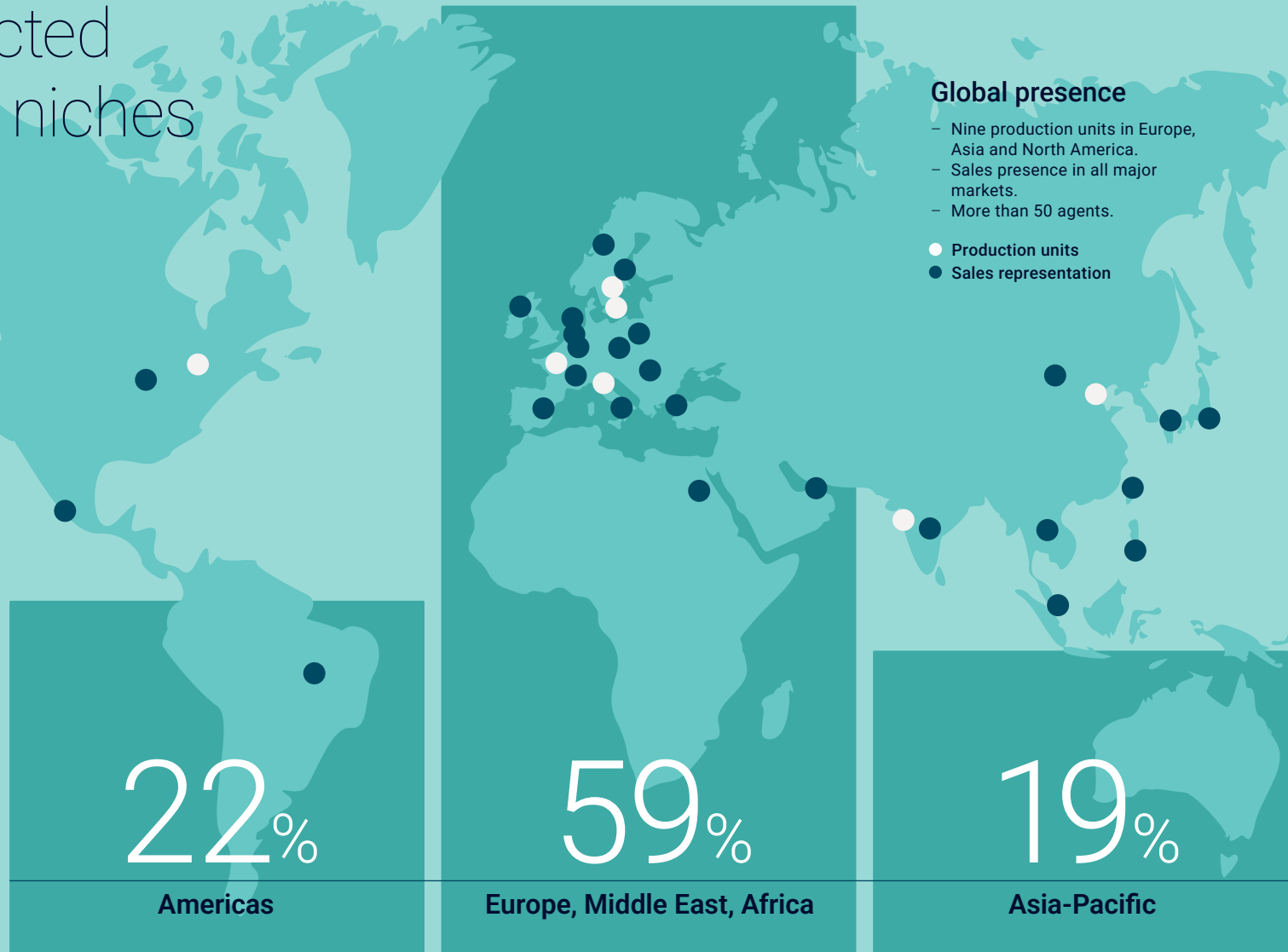
19%

Asia-Pacific

Global presence

- Nine production units in Europe, Asia and North America.
- Sales presence in all major markets.
- More than 50 agents.

● Production units
● Sales representation





2024 in brief

Raw materials for the production of chemicals must gradually be shifted from fossil, to renewable and recycled, in all materials that make up end products such as cars, buildings, furniture, clothes and electronics. In addition, we must aim higher, and the end goal is not only to reduce negative impact, but become a contributor to the environment.

Chemistry is everywhere. Perstorp's specialty chemicals make vital contributions to industries that touch every part of life: from coatings that shield bridges and buildings from rain, to the sustainable plastics in your phone, additives that improve waterborne systems and reduce environmental impact.

Comments by the Vice President Sustainability, Anna Berggren

Delivering long term on high ambitions

We are currently experiencing uncertainties in the global macro environment, and during such times, it is important to stay calm and revisit our long-term strategies and the logic behind them. For Perstorp, a frontrunner in the transition of the chemical industry, sustainable development is a core strategy.

In 2024, we increased the sales of our Pro-Environment products by 30% compared to 2023, launched new Pro-Environment products, and added new International Sustainability and Carbon Certifications (ISCC) to support our customers and value chains. In addition, in 2024, we were awarded a platinum rating from the sustainability rating platform EcoVadis, putting us in the top 1% of the companies assessed. These actions show that we are both guided by our strategy and are continuously working to realize its ambitions.

We developed our first products based on mass balanced renewable and recycled raw materials in 2010.

Since then, our strong belief has remained that this is the right direction for the development of society, value chains and our own business. The result of this work has led to many challenging and rewarding years of innovation, inspiration and progressing together with our like-minded customers.

One thing that we have realized over the years is that there is a firm commitment and willingness from customers and value chains to break their fossil dependence and switch to alternative raw materials and energy sources with a significantly reduced environmental impact. Lately, the driving force behind this shift has also been strongly increased by the need for greater resilience in Europe, and the determination to decrease the dependency on imported fossil raw materials for chemicals and end products. We, and many companies with us, are ready and prepared to make this transformation, and we view this collectively as a very encouraging sign.



“There is a firm commitment and willingness from customers and value chains to break their fossil dependence and switch to alternative raw materials and energy sources with a significantly reduced environmental impact.”

Anna Berggren
Vice President Sustainability

“In collaboration with our partners, both along and across the value chains, we are creating awareness and finding ways of enabling the prerequisites needed for the transformation of products.”

However, we have also learnt that this shift, or transformation, will not happen on a significant scale without policies creating a market and economic incentives for sustainable products. This market creation follows the same logic as the markets for sustainable fuels and energy. It might be surprising that a representative of the chemical industry is arguing for regulation, but we believe it is neither fair nor realistic to put the responsibility for the transition of products solely relying on voluntary behaviors of end consumers.

Climate targets are politically decided, but politics also need to create the economic drivers for the transition. Thus, it is only through an efficient framework of regulations that demand and revenue for sustainable products can be created, that can drive innovation and maturing technology to reduce cost. Even with a large willingness from value chains, investments will not be made if there are no economically viable business case to do so. That is how markets work, and it is why

efficient regulations are so important in the creation of economic incentives.

At Perstorp, as for most chemical and material industries, we are dependent on carbon. In fact, the chemical industry (with the exception of the wood & paper industry) is the only industry fully dependent on carbon. All other industries have alternatives. And even though the total carbon demand in Europe is expected to be reduced to almost half in 2050 compared to today, alternative carbon will be scarce. The use of non-virgin fossil-based carbon needs to be prioritized, and for sectors with alternatives to using carbon, those alternatives needs to be continuously developed. With this mindset, it is possible to break our fossil dependence. Personally, I view it as extraordinary that the waste in Europe contains all the carbon required by the chemical industry in Europe as raw material for chemical production. To that end, it is therefore entirely viable that Europe could be self-sufficient in carbon

feedstock through the utilization of its own waste and biobased resources.

So, what are we doing about this situation? In collaboration with our partners, both along and across the value chains, we are creating awareness and finding ways of enabling the prerequisites needed for the transformation of products. This is done in addition to relentlessly driving our own transformation by reducing our own impact and hence the impact of our products. We are proud that, for example, our Waspik site in 2024 reported zero emissions from Scope 1 and Scope 2, as well as the fact that we expanded our Pro-Environment product portfolio, thus helping our customers and value chains to reduce their Scope 3 emissions. We have 2030-targets and roadmaps for the areas we have identified as having the largest impact, and in 2024 we reached the annual targets in all areas except one.

During 2025 we will further strengthen our ways of working to secure wider aspects of sustainability by developing a due diligence process. This will include to identify, prevent, mitigate and account for actual and potential impacts on the environment and people within our own operations and the value chain. The development will be a continuous work driven over a few years and involving both Procurement, EHS, Human Resources, Sustainability and Product Stewardship.

The significantly increased demand of products with a reduced carbon footprint during 2024 is proof that there is a strong will from the industry to make choices for the better, even during uncertain times. With enabling regulations, the transition will be expedited, and we will be able to meet the needs of tomorrow in terms of climate, resource resilience and competitiveness.

Anna Berggren

Vice President Sustainability

Sustainability highlights 2024



EcoVadis Platinum

Perstorp advanced to a Platinum rating by EcoVadis. This means that Perstorp is now among the top 1% of companies assessed for sustainability by EcoVadis. EcoVadis has, since its founding in 2007, grown to become the world's largest and most trusted provider of business sustainability ratings. Perstorp has advanced from silver to gold to platinum in two years. To reach platinum, which is the highest rating possible from EcoVadis, Perstorp has improved the ratings and points in all four areas; Environment, Labor & Human, Ethics and Sustainable Procurement.



Inauguration of site Sayakha

Perstorp has built and commissioned a state-of-the-art, ISCC PLUS certified plant in western India to meet the growing market demand for Penta chemicals. Located in Bharuch, India, the facility was officially inaugurated in February 2024. At this new site, a Penta product mix is being produced, including Perstorp's renewable based, ISCC PLUS-certified grade, Voxstar™, as well as offering Penta Mono and Calcium Formate. The plant is using renewably sourced raw materials as well as a hybrid source of electricity.



ISCC PLUS certified in the US

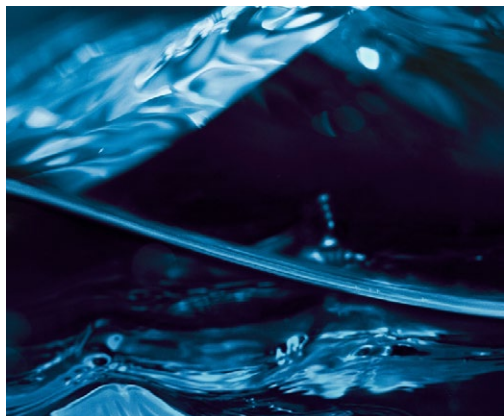
Perstorp Polyols Inc, is from 2024 certified as a trader with storage by ISCC PLUS, giving our customers in the US access to all the sustainability benefits of our Pro-Environment products. With this ISCC PLUS certification, Perstorp offers products based on mass balanced renewable and recycled raw materials, transparency and a reduced carbon footprint, guaranteed by third parties throughout the entire value chain. With the Americas now being added to our ISCC network, Perstorp has certified sites and warehouses in Europe, Asia and the Americas, to support our customers and markets in all regions.



Waspik first site to reach zero carbon emissions

Perstorp has set science-based reduction targets for Scope 1, 2 and 3, and Waspik is the first Perstorp site to reach zero carbon emissions for Scope 1 & 2. In 2024, the site reduced their greenhouse gas emissions from operations to zero. The targets covering greenhouse gas emissions from our operations (Scopes 1 and 2) are to reduce absolute Scope 1 and 2 GHG emissions by 46.2% by 2030 from the 2019 base year, and is consistent with reductions required to keep warming to 1.5°C, in accordance with the Paris Agreement.

Sustainability highlights 2024



The launch of **Synmerse™ DC** cooling solution for data centres

Perstorp launched Synmerse™ DC – a high-performing immersion cooling fluid for safe and reliable operations. This product offers enhanced operational safety, cooling efficiency, and reduced fluid maintenance for immersion cooling solutions in data centers. Furthermore, as a PFAS-free alternative with zero ozone depletion potential, and based on a readily biodegradable synthetic fluid, Synmerse™ DC supports the shift toward cooling solutions with reduced environmental impact.



Acquisition of **Amsterdam site** – key step into the synthetic ester business

In December 2024, Perstorp announced the acquisition of an ester plant, located outside Amsterdam in the Netherlands, where Perstorp will begin manufacturing a new range of synthetic esters in early 2025. This marks Perstorp's first step towards the growth of the synthetic ester business, targeting the specialty fluids markets and becoming a recognized leader and supplier of synthetic fluids that enable sustainability benefits such as enhanced operational safety, cooling efficiency, and reduced fluid maintenance. Furthermore, Perstorp intends to achieve ISCC PLUS certification for the site, to produce Pro-Environment products with reduced carbon footprint, independently verified by a third party.



The launch of **Pevalen™ Pro 100**

Perstorp launched Pevalen™ Pro 100 in January 2024. The new grade of Pevalen features 100% renewable carbon content based on mass balance, applying chemical and physical traceability. By factoring in the biogenic CO₂ uptake from its renewable raw materials, Pevalen™ Pro 100 offers a product carbon footprint reduction of approximately 80% relative to its fossil-based equivalent from cradle to Perstorp gate. At the core of Pevalen™ Pro 100's development is its innovative chemical composition, designed to deliver high performance without the use of phthalates. The launch of Pevalen™ Pro 100 responds to the increasing demand for materials that offer both a low carbon footprint based on non fossil raw materials, as well as an improved eco-toxicity profile and safer handling.



30% increase of **Pro-Environment sales**

In 2024 our customers purchased 30% more Pro-Environment products compared to 2023. This milestone signals growing momentum in our shared goal to replace fossil feedstocks with renewable or recycled raw materials. The Pro-Environment portfolio is engineered to deliver the same high performance and reliability as traditional fossil-based options. However, they have a lower product carbon footprint compared to their fossil equivalents, contributing to reduction in greenhouse gas emissions and the shift towards renewable and recycled based materials.

Cornerstones for real transition

This is what we do

Thanks to chemistry, the air and water in many European cities is cleaner today than 100 years ago. The ozone layer is healing and as we tackle the great challenge of climate change, chemistry will play a key role. Meanwhile the chemical industry is challenged by the need to shift from fossil dependence to alternative raw material to limit its own impact.

Chemistry is everywhere. At Perstorp, our advanced molecules are embedded in materials that enable durability, performance, and energy efficiency — from architectural films and insulation to façade coatings and high-tech composites. We support smarter construction and cleaner manufacturing, by helping reduce carbon footprints and improving product lifespans through chemical precision.

The science of life

Chemistry is fundamental in almost everything that you do.

Chemistry is the science of the fundamental building blocks of life and chemicals are present in practically all materials that we use in our daily lives, such as clothes, furniture, computers, cars and building materials. Almost all manufactured materials depend on chemicals.

The sustainable transformation of all materials starts with the transformation of the chemical industry.

The chemical industry is a prerequisite for the sustainable transformation of society. Our innovative solutions drive the development of efficient lubricants as well as durable and lightweight materials for wind turbines and efficient batteries that enable the transformation from fossil to renewable energy sources. Materials based on chemical innovation can have a longer lifespan and require less raw material in their production. Chemistry is a major solution provider, where one molecule can change everything.



The power of the raw material transition

The transformation of the chemical sector is dependent on the raw material transition.

The raw material shift of the chemical sector as well as developing circular solution for products at the end of life is where the largest impact lies, as it account for a vast majority of the carbon footprint of our production and that of our value chains. It therefore also represents the largest opportunity. For Perstorp, for example, more than 80% of our corporate carbon footprint comes from raw materials and the end of life of our products, and not from direct emissions from our production. The raw material transition is therefore crucial to minimizing our carbon footprint, and we know that this is true for

almost all producing companies, and for society as a whole. For us, this shift means replacing fossil raw material streams.

However, the chemical industry has for a long time been reliant on fossil raw materials, with the consequent large impact on the environment, climate and society. Here lies the main challenge of the industry, but also the large opportunity. To reduce our own environmental and climate impact, as well as that of our customers and value chains, we must replace virgin fossil raw materials, and developing circular solutions for end products so that they do not end up in combustion or on a land fill but instead are recycled back into new products.

Raw materials and end of life – the largest footprint

Perstorp Group total greenhouse gas emissions, Scope 1, 2 and 3



To reduce our own environmental and climate impact, as well as that of our customers and value chains, we must replace virgin fossil raw materials with renewable, recycled and CO2-based.



Example of our raw materials shift

Advocating for industrial biogas

Perstorp is a founding partner of a Swedish initiative, The Industry Biogas Commission. The initiative gathers companies in the manufacturing industry as well as producers and distributors, with the joint ambition to increase the understanding of the need for biogas as a raw material for the chemical and steel industries, for the transition to non-fossil materials. The Industry Biogas Commission is raising awareness and suggesting the political measures needed to rapidly increase the national production of biogas as well as for making it available at an affordable cost for the industry.

The aim of these actions is to secure access to sufficient amounts of biogas as raw material at a price that the industry can afford, thereby enabling Perstorp and others to switch to sustainable feedstock when producing chemicals and materials for more sustainable end products.

Most manufactured goods used on an everyday basis are made from fossil raw materials or using fossil processes. Biogas is one key component to help accelerate the necessary green transition. Renewable energy can come from other sources, but for the industry to be able to transform, biogas is a requirement, and the amount produced today is significantly lower than the market demand. By 2030, the industry's need is expected to reach at least 10 TWh per year, which is half of the total annual demand.

In February 2024, The Industry Biogas Commission was launched with a well-attended seminar in the Riksdag – the highest decision-making assembly in Sweden. Attending politicians showed great interest in the challenge and were positive that the industry is highlighting the need for more biogas to cope with the transition. Two industry hearings on fossil materials and biogas were also held during the year, along with a political seminar at Almedalen in Gotland.



Adam Kanne, VP Public Affairs at Perstorp, and Chairman of The Industry Biogas Commission

“Biogas has a key role in the sustainable transition for almost all products in our society. Ensuring access to biogas in Swedish industry is a strategic necessity – for the climate, the economy and security of supply.”

Recarbonization

Carbon is the source of life, and the main building block in nature as well as in chemistry and most material products. We use it as building blocks to create materials, just like nature does. However, to not harm our planet, we must shift from using virgin fossil carbon sources. Instead, we must find alternative sources and close the loop on carbon.

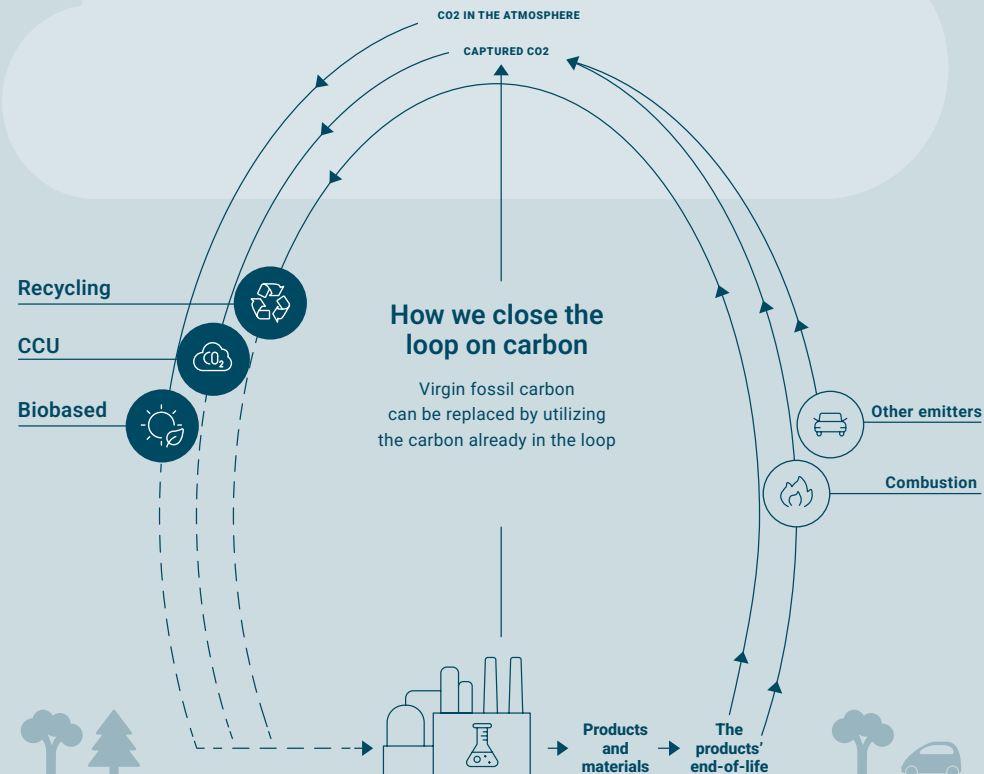
The waste in Europe contains more carbon than the total demand of the European chemical industry.

By 2050, the competition for renewable and recycled carbon will intensify drastically. The global demand for chemicals is expected to more than double from 2020 to 2050. This, together with the challenge of substituting fossil raw material, means that alternative carbon sources need to increase from today's approximate 70 million tons per year to 1 billion tons per year in order to reach 100% non-fossil.

Closing the carbon loop means replacing virgin fossil carbon with recycled waste, renewable sources and CO₂.

To reach this milestone, and to close the loop on carbon, it is crucial that carbon is viewed as a valuable resource and that materials are recycled. To that end, we must develop and invest in technologies for recycling carbon emissions, Carbon Capture and Utilization, where carbon dioxide is captured and used as raw materials for new products instead of being released into the atmosphere, as well as e.g. the large scale production of waste-based biogas.

Alternative carbon sources



Trustworthy mass balance – a key method for material transformation

How do we even begin to phase out fossil raw materials?

We see mass balance, described below, as a prerequisite for driving the large-scale phasing out of fossil raw materials within the chemical industry, with the goal of a fully converted industry. Mass balance enables a step-by-step transformation to recycled and renewable raw materials.

However, in the market today, different mass balance methods are used, with different levels of traceability.

This creates confusion and makes it difficult for end users to trust the method. Mass balance must be trustworthy to gain widespread acceptance, in order to enable the transformation of material products.

As we see it, mass balance methodology has to:

- drive real change; supporting the development of the recycled/renewable raw materials and the development of efficient production processes needed for the real transformation of the industry.

- be transparent and have acceptance from all parties in the value chain including governments, regulators, brand owners and end consumers.

This is why we are using and advocating for a mass balance approach with chemical and physical traceability. By applying this approach throughout the value chain there is a connection from the raw material to the end product, which drives the real phase out of fossil raw materials.

Applying a traceable mass balance with chemical and physical traceability

Traceable mass balance enables the gradual shift from fossil to renewable, recycled and CO2-based raw materials in our existing production plants.



Raw materials

Raw materials transported to the site where they are used. No transfer of credits within the company.

Feedstock

The raw materials can only replace their own share of the product. A can only replace the share of C which it creates.

Process unit

The raw materials are used in the process unit where the product is being produced.

Final products

There is a possibility of finding sustainable molecules in the end-product.

What is mass balance?

- Mass balance provides manufacturers with a methodology to track certified materials as they move along the value chain and attribute the inputs of a production process to outputs of that production process through certified bookkeeping.
- Mass balance allows input materials of different origins and characteristics, such as certified renewable/recycled materials and fossil raw material, to be mixed. That is necessary in industries with complex manufacturing processes where certified and non-certified materials cannot be processed in separate production lines.
- However, the application of mass balance should not be viewed as an objective itself. Instead, it should be seen as a bridge facilitating the transition of raw materials into segregated production processes.



[Learn more about mass balance here](#)

Pro-Environment solutions

Reducing carbon footprint throughout value chains

We call our transitioned products, that are partly or fully based on mass balanced renewable and recycled raw materials, Pro-Environment. Since the launch of our first Pro-Environment product in 2010, we have continuously expanded the product portfolio. The products are today available within polyols, acids, alcohols, plasticizers and in many of our specialty products, offered with between 20% and 100% certified and mass balanced renewable and/or recycled content.

Pro-Environment products not only enable us to reduce our own total carbon footprint and shift from fossil towards renewable and recycled raw materials, but they also have a ripple effect. They enable our customers to bring products with reduced carbon footprint, compared to their fossil equivalents produced under the same conditions, to their respective end markets, reducing their Scope 3 emissions and ultimately contributing to a more sustainable value chain.

In 2024 the sales of Pro-Environment products increased by 30%, contributing to reduction in corporate carbon footprint for Perstorp as well as the product carbon footprints of end products.



All our Pro-Environment products are certified according to ISCC PLUS covering also the PCF-calculations of the products. The certification includes third party verification of the mass balance as well as the product specific PCF calculations. Being ISCC PLUS certified ensures that all our shifted raw materials used for Pro-Environment products are ISCC PLUS or ISCC EU certified in all parts of the value chain all the way back to the point of origin.

Our criteria for a Pro-Environment product are:

- Partly or fully renewable or recycled origin
- Carbon footprint reduction compared to fossil equivalents
- ISCC PLUS certified
- Based on an ISCC PLUS certified mass balance concept that also apply chemical and physical traceability

Raw materials for Pro-Environment:

- Biogas
- Biomethanol
- Bioacetaldehyde
- Bioolefins

Sustainable origins

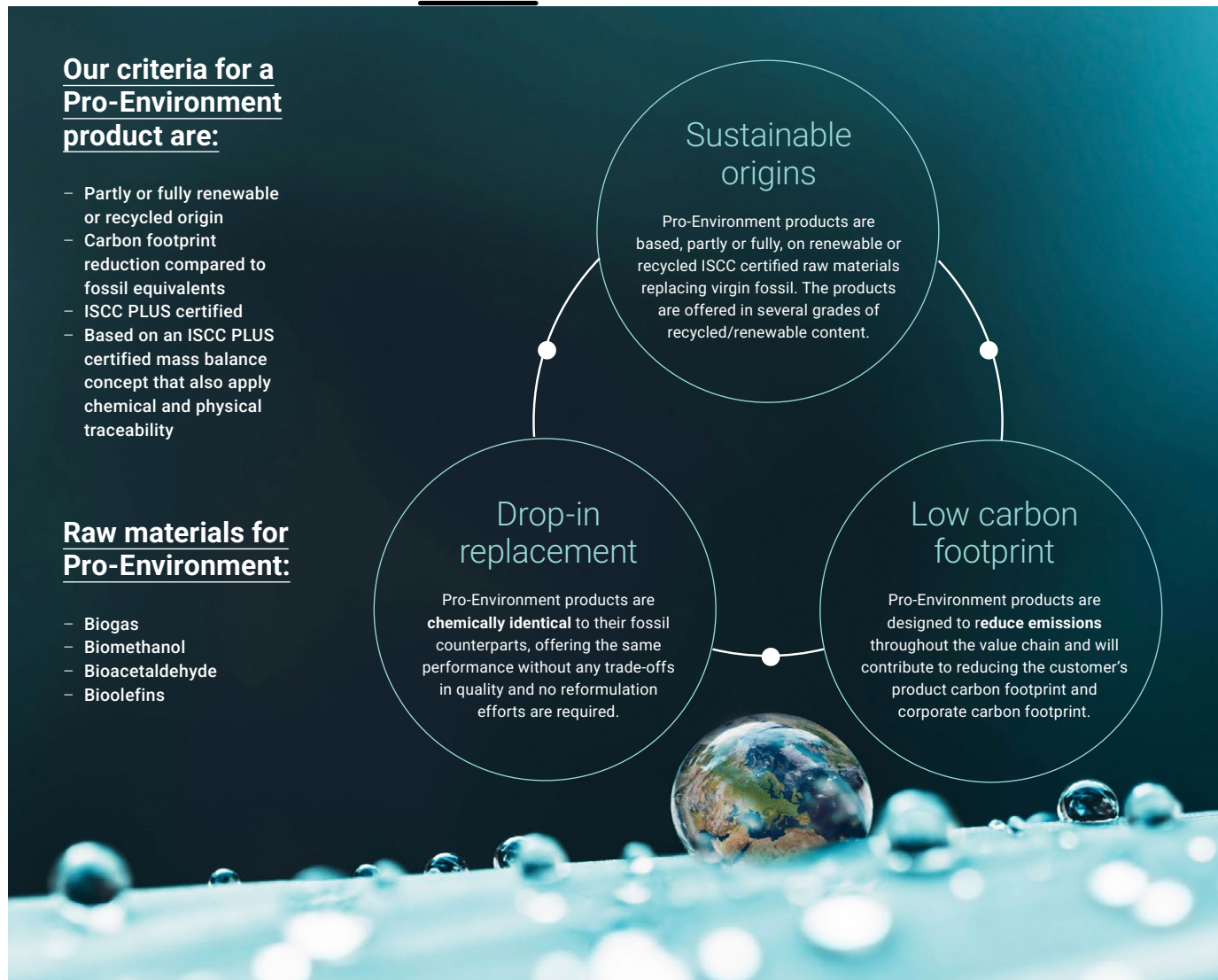
Pro-Environment products are based, partly or fully, on renewable or recycled ISCC certified raw materials replacing virgin fossil. The products are offered in several grades of recycled/renewable content.

Drop-in replacement

Pro-Environment products are **chemically identical** to their fossil counterparts, offering the same performance without any trade-offs in quality and no reformulation efforts are required.

Low carbon footprint

Pro-Environment products are designed to **reduce emissions** throughout the value chain and will contribute to reducing the customer's product carbon footprint and corporate carbon footprint.



Example of potential benefits with switch to Pro-Environment

The potential effect if shifting to Pro-Environment

“Typically, the resin component accounts for roughly half of a finished paint or coating product’s product carbon footprint, and therefore the choice of resin has a large impact.”

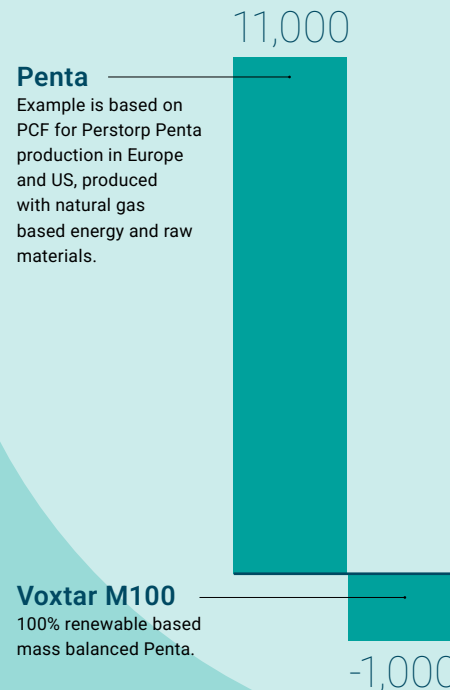
Let’s take a look at what effects it can have using one of our Pro-Environment products when painting a famous building such as the Eiffel Tower. The Eiffel Tower is repainted every seven years with 50,000 liters of alkyd paint. That paint contains about 3,500 kg of Pentaerythritol. If a Pro-Environment grade of Penta was used rather than a fossil-based resin, the effect would be a reduction of about 12,000 tons of CO₂ emissions, and 3,500 kg of virgin fossil raw material would stay in the ground. The Eiffel Tower is only one object. Imagine all the buildings and objects being painted each year and the impact that the raw material shift of the chemical industry early in the value chain could have on greenhouse gas emissions as well as virgin fossil resource use globally.



Filip Tauson
Global Business Vice
President Polyols

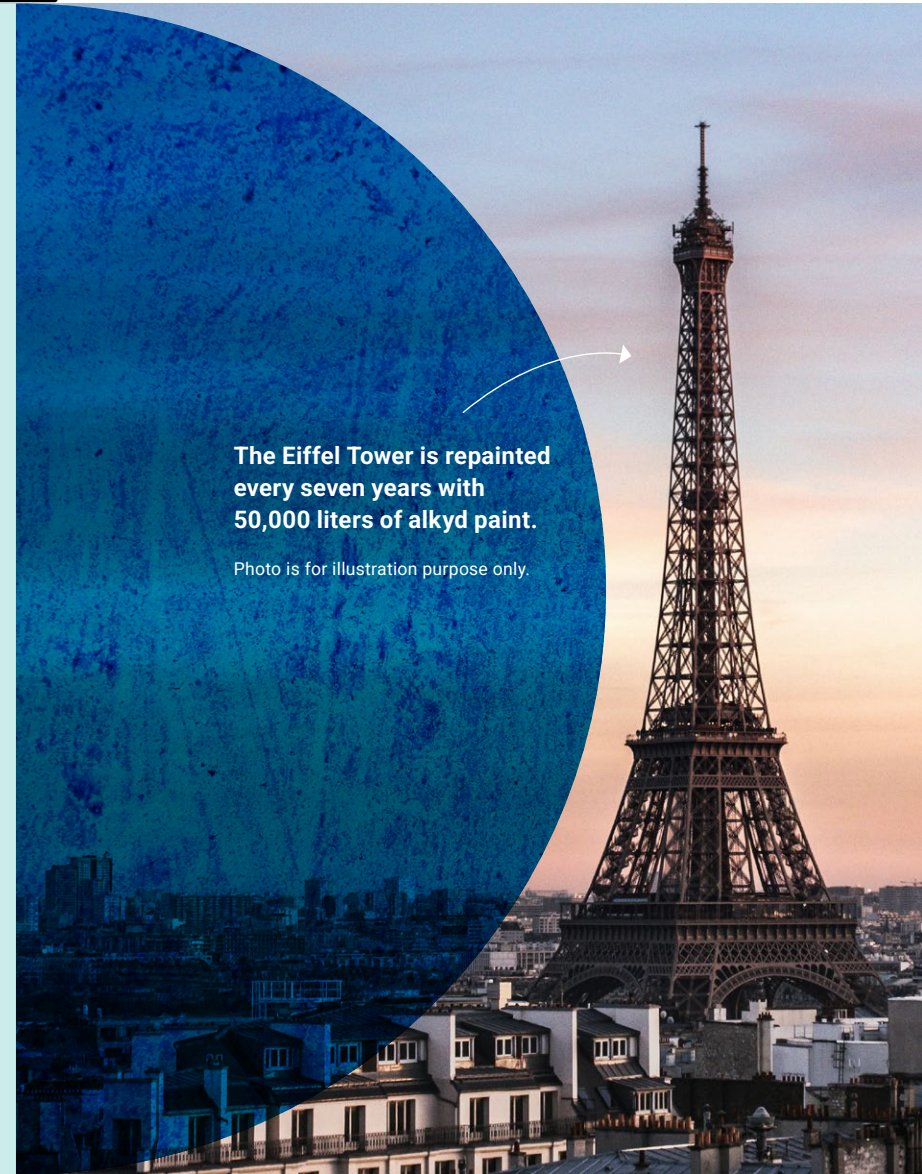
Comparison of Product Carbon Footprint* between using regular Penta produced in Europe/US and using the fully mass balanced renewable based Voxtar for 3,500 kg product.

*Including biogenic CO₂ uptake from bio based raw materials.



The Eiffel Tower is repainted every seven years with 50,000 liters of alkyd paint.

Photo is for illustration purpose only.





Perstorp's approach

We have the opportunity to make a great positive impact; by driving change, transforming our production and enabling new solutions that will help industries and products everywhere to become more sustainable. We are fully committed to do so and to always act respectfully with regards to people, environment and society.

Chemistry is everywhere.

At Perstorp, we design specialty chemicals that enable flexible films, engineered textiles, bioplastics, and sustainable packaging. Our innovations help surfaces breathe, stretch, endure, and being recycled – all while reducing fossil dependency.

Sustainable solutions provider

Our corporate mission is to be the sustainable solutions provider within our focus segments. As the sustainable solutions provider, we drive the sustainable transformation, focusing on the global Resins & Coatings, Engineered Fluids, Advanced Materials and Animal Nutrition markets.

Finite Material Neutral – our guiding star

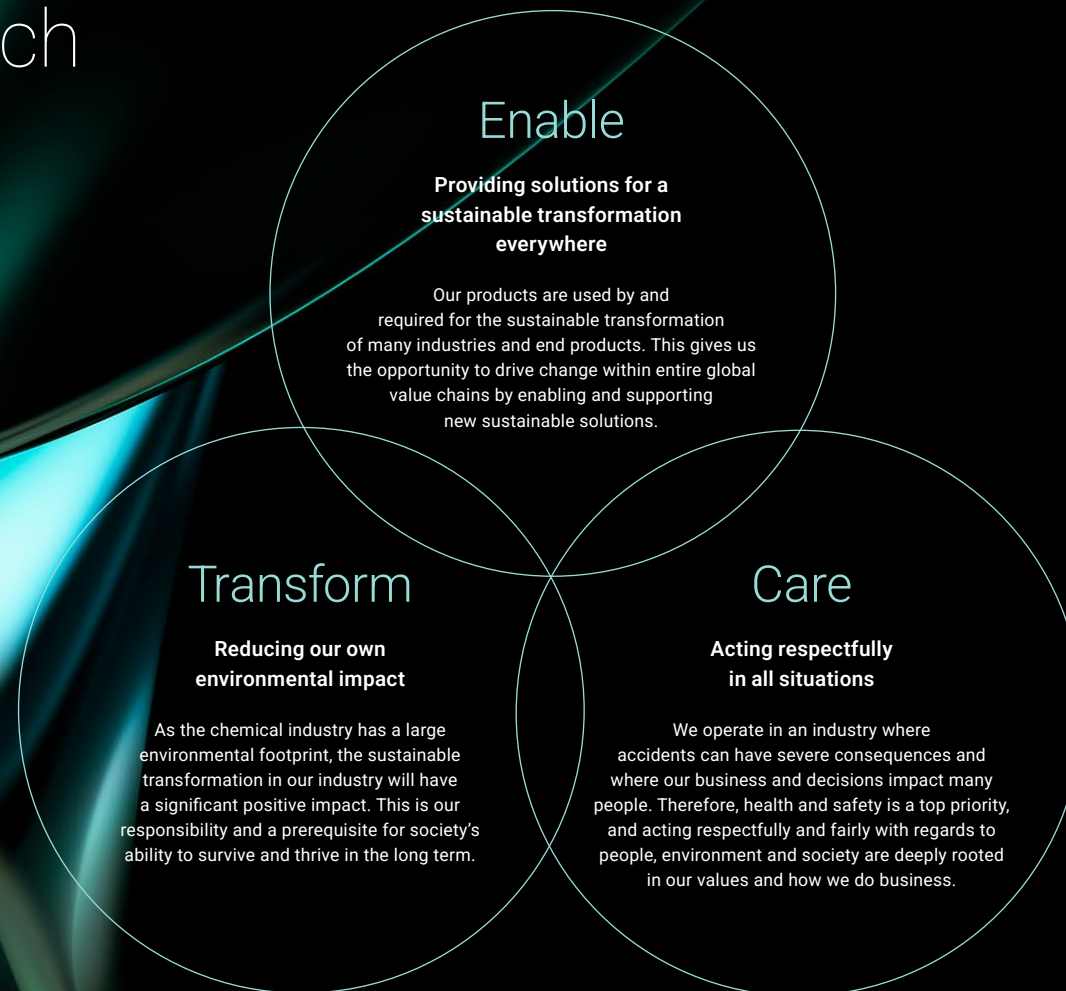
Our long-term ambition is to become Finite Material Neutral. By that we mean that all energy, raw material and other resources that are used in, or flows through, our business are part of circular systems. That would mean that no resources are used at a rate greater than nature can replenish. We need to switch to renewable raw materials and energy sources, and help close the loops of finite materials, e.g. through recycling and reuse.

Perstorp works with the following focus areas to become Finite Material Neutral:



Our sustainability approach

Our approach to sustainability is built around the three areas that we have identified as key enablers for us as a company to drive change and create a positive impact.





Our sustainability targets 2030

As a way towards becoming Finite Material Neutral, and reducing our environmental footprint, Perstorp has set ambitious 2030 targets for Climate, Water, Waste and (Eco) toxic impact.

These are the areas where we can make the largest positive contributions:



In line with Greenhouse Gas (GHG) Protocol, company's greenhouse gas emissions are categorized into three "scopes".

Scope 1: Direct emissions from owned or controlled sources.

Scope 2: Indirect emissions from purchased energy.

Scope 3: All other indirect emissions across the value chain.



Greenhouse gas emissions

Our production processes are often energy intensive and our feedstocks are traditionally fossil based. Therefore, reducing greenhouse gas emissions is one of our top priorities. Perstorp's emission reduction targets for Scope 1, 2 and 3 emissions are approved by the Science Based Targets initiative (SBTi), and aligned with the Paris Agreement 1.5°C scenario.

Targets:

Scope 1 and 2 emissions

46.2%

absolute CO2 reduction between 2019 and 2030.

Scope 3 emissions

27.8%

CO2 reduction of per ton product sold between 2019 and 2030.



Water

All of Perstorp's production sites use water to some extent – as a solvent for chemical reactions, a carrier for products, a heat-transfer medium or for cooling. Water is part of our overall Finite Material Neutral ambition and we work to reduce our water footprint through efficiency and reuse technologies.

Targets:

30%

absolute reduction of freshwater consumption between 2019 and 2030.



Waste

Minimizing waste in all phases of production remains a priority at Perstorp and waste is one of the focus areas of our Finite Material Neutral ambition. We strive to avoid the generation of waste by focusing on quality management at all our production sites as well as finding new, circular ways of using our residues. When waste cannot be avoided, we strive to divert it from disposal in landfill and incineration by recycling it or preparing it for reuse.

Targets:

30%

absolute reduction of hazardous waste directed to disposal.

30%

absolute reduction of non-hazardous waste directed to disposal.



(Eco) toxic impact

We continuously work to assure that all the chemicals that we launch on the market do not adversely affect human health or the environment, according to REACH Regulation (EC 1907/2006). We also strive to meet increasing demands from brand owners as well as adhering to the EU Chemicals Strategy for Sustainability (part of the EU Green Deal). Furthermore, reducing toxicity in chemicals facilitates circularity as they are easier to process and recycle.

Targets:

No chemicals

of concern should reach the consumer or professional market*.

Safe and sustainable

Newly developed products should be safe and sustainable by design.

* Refers to the impact that chemicals have on the environment and humans. We always strive to ensure the safe use of all the chemicals we put on the market throughout the value chain and continuously drive the development of minimizing hazards in our product portfolio. Any new intermediate products that are of concern will only be marketed if they can accelerate the sustainable transformation.

2024 sustainability performance

For 2024 we reached the yearly targets for Scope 1&2, as well as freshwater, but not quite for Scope 3. We are in line with our roadmaps towards the 2030 targets for all targets.

All targets and progress are compared to a 2019 base year.



We are fully committed to significantly reducing our impact, and have roadmaps for each target.



Greenhouse gas emissions



Indicator	2030 target	Development 2019–2024	
		Absolute	Intensity
Absolute development of CO2 equivalents in Scope 1 and 2	-46.2%	-19.2%	-2%
Intensity development of CO2 equivalents in Scope 3	-27.8%	2.4%	-15.7%



Water



Indicator	2030 target	Development 2019–2024	
		Absolute	Intensity
Absolute development of freshwater consumption	-30%	-11.8%	7%



Waste



Indicator	2030 target	Development 2019–2024	
		Absolute	Intensity
Absolute development of hazardous waste directed for disposal	-30%	-3.5%	17%
Absolute development of non-hazardous waste directed for disposal	-30%	-7.8%	12%



(Eco) toxic impact



Indicator	2030 target	Development 2019–2024	
		Substances fully assessed, %	
Products reaching the consumer or professional market that are chemicals of concern	0	40%	
New developed products that are safe and sustainable chemicals	100%		



2024 sustainability performance progress

Intensity reduction for all targets but waste

In 2024, we reduced the intensity in all 2030 target areas, with the exception of waste. The reductions are the result of continuous and systematic development and execution of our 2030 roadmaps. The reductions are also partly explained by the fact that production to a larger extent was located in sites with a lower footprint. Impact in absolute numbers increased in all areas as a result of higher production volumes.

The 2024 performance resulted in reaching the yearly intensity reduction targets for scope 1&2 as well as for freshwater, but not quite for scope 3 despite enabling a reduction in this area too.

Follow up of targets

Looking at Scope 1&2, implementation of reduction projects contributed to the 8% intensity reduction, e.g. the continued phase out of fossil peat as fuel for steam at our site Perstorp, Sweden, as well as the conversion

from fossil fuel oil to bio-oil at the same production site. 2024 was also the year that site Waspik managed to execute its full roadmap and reported zero emissions within Scope 1&2. Some of the intensity reduction can also be explained by the fact that a larger proportion of the production took place in our production facilities in Sweden, with lower CO2 emission intensity.

For Scope 3, the Pro-Environment product range grew further, and sales increased with 30% in 2024 compared to previous year. Pro-Environment products provide a lower Scope 3 footprint due to the use of renewable and recycled raw materials replacing virgin fossil. This raw material shift is key to reducing our Scope 3 emissions and reaching our Scope 3 target in 2030. The shift to Pro-Environment products will continue. Scope 3 is also impacted by the larger share of production that took place in Sweden.

The freshwater intensity reduced due to the implementation and optimization of our first wastewater recycling project, where we replace freshwater with purified wastewater. This led to an overall intensity

reduction of 10.4% during 2024. Further wastewater recycling projects are ongoing at several other sites. Together with reducing our water consumption, shifting to alternative water sources is the key in our water reduction roadmaps until 2023.

Waste directed for disposal increased both in absolute numbers and intensity. This is to a large extent explained by the starting up of a new production plant in India. Projects to recycle and reuse waste streams are identified in roadmaps and will continue.

The fulfilment of our toxicity targets are prerequired via a thorough assessment of our entire product portfolio, which is a time-consuming process consisting of different studies. The purpose of the assessment is to promote the safe use of all chemicals put on the market throughout the value chain, and to drive the development of risk minimization in the product portfolio. Toxicity targets also drive the transformation towards a circular society, as chemicals with a lower toxicity are easier to process and recycle.

Roadmaps for achieving targets

Perstorp has internal practices in place for driving the continuous work of realizing the 2030 targets, including clear ownership and involvement throughout the organization. The corporate targets are broken down to production site targets and actionable roadmaps until 2030. The roadmaps consist of concrete actions needed to reach the targets, and are continuously executed and developed in a rolling quarterly working process. A corresponding roadmap and governance is in place for Scope 3 on the Group level. These roadmaps are developed using analytical evaluation and planning with a life cycle assessment approach. All new projects are evaluated and analyzed with an LCA approach for calculating their impacts and finding ways of reducing them.

Progress towards the 2030 targets are followed up on a quarterly basis, helping us in the continuous work of reducing our impact.

According to our roadmaps, we are on track to realizing our targets in 2030.

Actions in the years to come cover both continuous improvements at our production sites, as well as investments in the new technology needed to transform production. Investing in new technology often has longer lead times, but with large effects when implemented.

Greenhouse gas emissions

Indicator

Absolute development of CO2 equivalents in Scope 1 and 2

Intensity development of CO2 equivalents in Scope 3

Development 2023–2024

Absolute

5%

Intensity

-8%

-0.8%

7%

Water

Indicator

Absolute development of freshwater consumption

Development 2023–2024

Absolute

3%

Intensity

-10.4%

Waste

Indicator

Absolute development of hazardous waste directed for disposal

Absolute development of non-hazardous waste directed for disposal

Development 2023–2024

Absolute

28%

Intensity

12%

15%

1%

Our approach to the double materiality assessment

Perstorp's double materiality assessment (DMA), supported by a third party, involved a comprehensive process that included value chain mapping, stakeholder engagement, and internal workshops to identify and evaluate impacts, risks, and opportunities.

Key steps in our approach included:



Double materiality assessment:

A double materiality assessment evaluates sustainability topics from two angles:

- how a company's activities affect environmental, social and governance issues (impact materiality)
- how those same issues pose financial risks or opportunities for the company (financial materiality).

1.

Analyzing the context and mapping the value chain

The aim of the first step was to analyze all the relevant internal material and identify a long list of sustainability impacts, risks and opportunities. As a part of this step, we mapped our entire value chain, including upstream, own operations and downstream as well as identified key stakeholders to ensure a holistic understanding of our impacts and dependencies.

2.

Stakeholder engagement

During this step, stakeholder insights were collected to be considered in the next steps of the assessment process. For each identified stakeholder group, we evaluated our existing knowledge, identified key sources of relevant information, and pinpointed areas where additional information was necessary. Subsequently, we gathered further insights through interviews with internal functions that possess expertise in the stakeholders' interests.

3.

Assessment

We conducted workshops with specialists from each function, supported by external experts, to assess impacts, risks and opportunities of various sustainability matters. These sessions helped us prioritize the most material sustainability topics. The assessment was aligned with our methodology for evaluating environmental risks, ensuring consistency and alignment with the overall risk management process.

4.

Validation and continuous improvement

The results were validated by the Executive Leadership Team. We maintained robust documentation of our assessment process and adopted a continuous improvement approach. This iterative process allows us to refine our strategies and enhance our sustainability performance over time.

Perstorp's double materiality assessment

Perstorp's dedication to sustainable business

In 2024, Perstorp Group undertook its first double materiality assessment (DMA) as part of our commitment to align with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The process aimed to identify, evaluate and prioritize actual and potential sustainability impacts, risks and opportunities. This assessment is a crucial step in enhancing our sustainability work and demonstrating our dedication to sustainable business.

Understanding double materiality principles

Double materiality is a guiding principle for sustainability reporting that requires companies to consider and report on two key perspectives: the impact of their activities on society and the environment, and the financial implications of sustainability matters. This involves disclosing both the broader impacts of operations on sustainable development and the sustainability-related financial risks and opportunities that could affect the company's financial position over time.

Key findings and strategic implications

Based on the materiality assessment, we identified both positive and negative impacts as well as sustainability-related risks and opportunities that have financial materiality across environmental, social, and governance topics. Detailed results from our double materiality assessment can be found in our Sustainability statement on [page 34](#).

The findings have been integrated into our sustainability strategy, guiding our efforts to minimize negative impacts and maximize positive contributions. In addition, by considering risks and opportunities, we can better navigate the evolving sustainability landscape and capitalize on emerging trends.

Contributing to the UN Sustainable Development Goals (SDGs)

What we do

Perstorp is committed to the SDGs and the 2030 Agenda for Sustainable Development. By providing more sustainable solutions that enable innovation in virtually all industries and through most value chains, the chemical industry can contribute to a more sustainable society. Our industry is critical for the global sustainability transformation. We have the ability to provide solutions that can directly support many of the SDGs. Our business has significant potential to make a meaningful positive contribution to SDGs 3, 6, 7, 12 and 13.



Target 3.9: By working actively with our production processes and products, we substantially contribute to reducing the negative impact on health from hazardous chemicals, as well as air, water and soil pollution. We have recently set new (eco) toxic impact targets on our products to ensure that our employees, customers and end users are not negatively affected by the chemicals we use and produce. Comprehensive occupational and environmental safety measures at all production sites (and similar requirements on our suppliers) also reduce the risk of both handling hazardous chemicals and causing human harm through pollution.



Targets 6.3 and 6.4: We proactively limit all kinds of pollution to water, from our production as well as our products. We work to increase water use efficiency and water recycling across all production sites and ensure that our freshwater withdrawals do not interfere with the need for safe and affordable drinking water and food production.



Targets 7.2 and 7.3: Much of the transition to a low-carbon society relies on a major switch to renewable energy within all sectors to ensure accessible and affordable clean energy for all. Perstorp contributes to this shift by switching the energy sources at the production sites to renewable alternatives, which will be accelerated in the coming years. A large proportion of our procured electricity also comes from renewable sources. Another way to meet the future increasing demand for clean energy is to improve energy efficiency, which we continuously work with in our operations. In addition, many of our products, such as synthetic lubricants and engineered fluids, are directly geared to reduce energy consumption further down the value chain.



Targets 13.1 and 13.2: As a leading chemicals company, we have a responsibility to take action on climate change. We have set comprehensive and ambitious science-based targets to reduce the climate impact of our operations and our value chain in line with the Paris Agreement 1.5 °C scenario. We also raise customer awareness on how our products can help them to reduce their carbon footprint.



Targets 12.2, 12.4, 12.6: To ensure sustainable and responsible production, Perstorp needs to transform production processes as well as natural resources used throughout the value chain. Therefore, we have set an ambition to be Finite Material Neutral.

We proactively work to improve resource efficiency in our own operations and place requirements on our suppliers. We constantly innovate to promote resource efficiency, waste minimization and the use of renewable or recycled materials and sustainable technologies. With our targets on (eco) toxic impact, we are also stepping up our management of chemicals and minimizing their adverse impacts on human health and the environment. The products we develop will have a lower environmental impact and be based on renewable or recycled resources. We increasingly offer products that promote recyclability and circularity.



Responsible business

We believe that managing our business responsibly is the basis for long-term business success. We work continuously with sustainability with the aim of making gradual progress, which often involves working on multiple fronts – including responsible sourcing, anti-corruption and sustainability governance. As a responsible business, we have to be a responsible employer, buyer, business partner and corporate citizen.

Responsible sourcing

It is essential that we co-operate and co-innovate with our value chain partners to reduce our own footprint and develop a more sustainable industry. An important part of this work is to address the risks of negative impacts or unlawful and harmful practices in our supply chains. We apply our Vendor Policy for suppliers, which is based on our Code of Conduct & Business Ethics. Raw material suppliers of large spend or with high risk are systematically assessed using a supplier evaluation tool. Around 80% of our raw material spend is covered by this systematic approach.

Innovation

Innovation drives sustainability at Perstorp

Innovation plays a pivotal role in advancing sustainable practices across industries. At Perstorp, we actively engage in research and development (R&D) collaborations with academia, subject matter experts, research institutes, and other partners in order to create more sustainable solutions for the future.

The fact that 96% of all manufactured goods rely on chemical products highlights the importance of the sustainable transition of the chemical industry. There are several approaches to enable this transformation where product innovation and process efficiency are of major importance. Through innovation we develop products and solutions with a safe and sustainable-by-design mindset. These innovations often involve renewable or recycled materials and promote circularity. In order to tackle pressing environmental challenges, topics like bio-based raw materials, defossilization, and circularity are high on our innovation agenda.

Through close collaboration with our customers and partners in our strategic segments, we are guided on where to focus and which needs to fulfill. One of our primary tasks is to understand and translate our customers' needs into innovative and sustainable solutions, helping both our customers and their clients remain competitive.

Another way to contribute to the industry's sustainable transformation is to create more effective processes. By doing so, we can minimize our environmental impact.

At Perstorp, all of our current external research collaborations, including 16 consortia and over 160 partners, and with a total R&D budget of over 500 MSEK, are executed in line with our sustainability strategy.

"Think about a life without plastics – it's impossible. Now, the ambition is to make sure to incorporate plastics into a circular system that meets our customers' sustainability and efficiency needs. To begin with, plastics is a resource efficient solution compared to many other material options and so we should avoid it ending up as 'just' waste," says Linda Zellner, Director Application Development – Advanced Polymer Solutions.



Linda Zellner
Director Application Development
– Advanced Polymer Solutions

Example of how innovation drives sustainability at Perstorp

Collaborating for safer and more sustainable polyurethane production



Vanessa Maurin
R&C Application
Development Manager

Perstorp is proud to have been part of the NIPU-EJD consortium, which brought together academic and industrial partners to explore new methods for polyurethane production without using isocyanate chemistry and incorporating biobased materials.

Polyurethanes are widely used in the chemical industry for various applications such as coatings and adhesives. Traditionally, isocyanates have been key ingredients in producing these polyurethanes. However, due to their hazardous nature, the industry is seeking safer and more sustainable alternatives.

As one of the industrial partners, Perstorp has supervised two PhD students at the Royal Institute of Technology in our Application Development lab, supported their research and provided valuable industrial experience.

"Our collaboration within the NIPU consortium is a promising step towards creating safer and more effective solutions for polyurethane production. Although the NIPU consortium has made significant progress, further efforts are needed to develop new routes that meet industry performance and production requirements."



Compliance Framework

Strengthened Corporate Compliance

In 2024, Perstorp strengthened its compliance framework by aligning with the framework of PETRONAS. With aligned compliance frameworks, Perstorp improves stability and integrity to protect our business and employees. A robust compliance framework is critical, especially with recent global changes with increased risks and vulnerabilities. In November 2024, Perstorp implemented, adopted and adapted control documents within the compliance framework and launched compliance e-learning via the PETRONAS' MyLearningX platform. The first phase covered Code of Conduct and Business Ethics, Anti-Bribery and Corruption, and Data Privacy, initially offered in English, with more languages to follow in 2025.

Code of Conduct and Business Ethics

Perstorp adopted PETRONAS' Code of Conduct and Business Ethics, with the purpose of sharing the same high standards for ethics and integrity. It applies to all Perstorp entities, board, leadership, and employees, and extends to suppliers and partners. The adoption of the PETRONAS' Code of Conduct introduces country supplements for local laws, applicable to all countries in which Perstorp operates. A dedicated intranet page offers support and links to relevant documents, which are available in all required languages.

Anti-Bribery and Corruption

Perstorp adopted PETRONAS' Anti-Bribery and Corruption Manual, applicable to all employees and third

parties, with zero tolerance for bribery and corruption. The manual introduces a "no gift" policy. It is not translated, similar to Perstorp's previous setup.

Whistleblowing

Perstorp adopted PETRONAS' Whistleblowing Policy, fully aligned with our current SpeakUp system which is compliant with the 2022 EU regulations on Whistleblowing. A new intranet page provides instructions, support, and links to SpeakUp system.

Data Privacy

Perstorp adopted PETRONAS' Data Privacy Policy, aligning with security standards and adapting to current threats. Global training has emphasized on minimizing risks, and with activities such as nano-learning for employees, during 2024, Perstorp reported zero confirmed security incidents similar to the three past years.

Competition

Perstorp adopted PETRONAS' Competition Law Guidelines in 2024, with implementation in Q1 2025 to ensure compliance and readiness for competition matters.

Sanctions and Export Control

Perstorp adopted PETRONAS' Sanctions and Export Control Guidelines, maintaining necessary stringent positions while ensuring compliance with PETRONAS' Legal Compliance Framework.

Example of learning about sustainability at Perstorp



Johanna Birkfeldt
Head of Learning
and Development

A sustainable progress

Continuous competence development and our ability to learn is key for us to continue with our sustainability transformation. During 2024, we designed a new digital learning solution for all employees in Perstorp. The learning objectives were defined to support both more recent employees with a thorough introduction to the Perstorp sustainability agenda as well as to more experienced employees. This learning solution gives all employees the opportunity to learn in their own language what influences Perstorp's sustainability efforts, how we approach them, as well as our ambitious sustainability goals and how we plan to achieve them. We want to provide a fundamental understanding of how Perstorp is working towards a more sustainable future, why it matters, and how all employees can be part of the change.

“Our ability to learn and develop new competencies is vital for driving the sustainability agenda forward. We believe in the power of learning and strive to have a variety of learning experiences to support everyone to be at their best at work.”

We believe that every individual can make a significant difference. With more than 1,500 colleagues and operations in several countries, we are still considered a relatively small company. Nobody stays anonymous at Perstorp and everyone's performance really matters.

Working at Perstorp

Perstorp is a global company with a long history and a living company culture. We aim to empower employees by providing opportunities to develop and grow, as well as giving them both the accountability and autonomy to decide what is best for our customers and our company.

Through our global presence, Perstorp's employees have the chance to work with cross-functional teams in many different ways, and connect with colleagues around the globe.

The right competencies at the right time are key to our success

At Perstorp, we are empowered by the opportunity to learn, develop and grow, both as individuals and in our professional roles. Our ability to learn, unlearn and re-learn is key to our continued success going forward, and by having the right competence at the right time, we can perform at our full potential both in the short and long term.

We continuously develop towards being a learning organization where learning is present in both the everyday and life-long. Every employee regularly reviews their performance and development needs with their immediate manager – to set and follow up targets, and to discuss their career ambitions.

Recruiting, developing and retaining talent is essential to our success as a company. The competition for

talent in our fields of interest is fierce and we want to be an attractive employer. In addition to offering fair salaries and attractive career prospects, we see that our ambitions to be a frontrunner in the transformation of our industry and our strong company culture help us attract and retain talented employees.

Diversity and inclusion

As a global company with sites and offices located from Toledo in the West (US) to Zibo in the East (China), with our parent company in Kuala Lumpur, Malaysia, and with our roots in Perstorp, Sweden, our workforce is diverse in many respects, including nationality, age and gender but also competence and background.

The employee experience

At Perstorp, we value employee engagement and want everyone to be part of improving our workplace experience. To bring in every employees views and comments we use employee surveys performed on a monthly basis. The surveys consist of a basic set of questions with some variation over time and with added questions related to topics in focus. Benchmark comparisons are made on all levels in the company, to closely monitor performance and encourage employee engagement.

Since the surveys were introduced, we have seen a steady positive trend in scores as well as in participation and the amount of comments that are made in the tool.





Health & Safety

Care in everything we do

Care is an integral part of our culture and one of our core values. We are committed to upholding the highest standards of health and safety through our Careway program, an extensive cultural transformation program which aims at developing characteristics and behaviors that contribute to a mature health & safety culture.

We know that a mature health and safety culture goes beyond keeping employees healthy, safe and happy at work – it's the foundation for an efficient, resilient and sustainable operation that can adapt to challenges and thrive in the long term.

We have a comprehensive plan to strengthen our cultural maturity. The result is followed up on through internal Careway assessments and we took important steps towards our cultural maturity goal in 2024.

Workplace safety

In 2024, the total number of OSHA recordable accidents decreased compared to the previous year and we reached an important milestone of 12 months with zero contractor recordable injuries. This is a confirmation of that our focus is right, and we will continue to address our improvement areas in 2025 in the strive towards zero injuries.

Mental well-being and preventive healthcare

In late 2023, Perstorp introduced a strengthened procedure for systematic health management to

bolster mental well-being and preventive healthcare.

This procedure serves as a practical guide for leaders and employees, equipping them with tools to manage health and safety in their daily work. It underscores the importance of ongoing monitoring of the work environment to spot and handle risks.

The procedure sets the baseline for health and safety organization, communication, participation, and workplace design. It also clearly communicates that all employees shall be encouraged to actively engage in initiatives that impact their workplace health and safety.





Sustainability statement

Chemistry is everywhere. At Perstorp, we shape the chemistry that shapes the future. Our materials support advanced manufacturing techniques like 3D printing and injection molding, enabling lightweight structures, optimized strength, and functional design freedom. Whether it's for automotive components, renewable energy, or high-performance industrial parts — our chemistry unlocks new dimensions of precision and sustainability.



Sustainability statement

Perstorp has an important role in the value chain of specialty chemicals. The company produces specialty chemicals and intermediates with focus on the markets for Resins & Coatings, Engineered Fluids, Advanced Materials and Animal Nutrition. From research and development to a final chemical product which is produced at one of our production sites, Perstorp supplies customers in a wide range of industries. Perstorp's raw materials are sourced by the company's procurement department. Perstorp has sales representation in all major markets, and further support from sales agents.

In this report, we disclose information on relevant sustainability topics throughout our operations. The disclosures are based on internal reporting guidelines developed from requirements from PETRONAS, as well as external standards. The external standards are referenced throughout the report where they have been used. The data is per 2024-12-31 and the environmental data covers all eight production sites (operating in seven countries) which were owned in part or in total by Perstorp at the end of 2024*.

These sites are:

- Perstorp, Sweden
- Stenungsund, Sweden
- Zibo, China
- Bruchhausen, Germany
- Waspik, The Netherlands
- Castellanza, Italy
- Toledo, United States
- Sayakha, India*

* New greenfield production site that went into operation during 2024.

During 2024 the work towards the 2030 target areas for Scope 1&2, Scope 3, water, waste and (eco) toxic impact has continued with the execution and development of projects such as phasing out fossil fuels, energy efficiency studied to identify potential improvements, wastewater recycling projects, introduction of new Pro-Environment products and ISCC certifications to support our customers and markets.

Furthermore, several cross-functional projects regarding topics such as responsible sourcing, diversity & inclusion, LCA capabilities and preparations for CSRD compliance have been ongoing. The development of managing more sustainability data connected to raw materials, fuels, packaging and products has been another key area of development during the year.

The work with implementation of a sustainability reporting software has been finalized and rolled out to all production sites. The software has also been extended to include reporting from the HR and Responsible Care functions regarding people data. As part of rolling out the new tool, quarterly reporting has been introduced internally to follow-up the progress towards the 2030 targets connected to the production sites (Scope 1&2, waste and freshwater consumption). Following this, a quarterly performance review process has been implemented for the production sites.

During the implementation of the sustainability reporting software, historical data was corrected. After using the system for a year it has been possible to further increase the quality of reporting and analysis. In 2024, some additional historical corrections have been possible to make due to this. Therefore some historical number can differ from previous reports. It mainly connects to the areas of waste and Scope 3.

Governance

Perstorp's Board of Directors, with three representatives from PETRONAS Chemicals Group (PCG), is ultimately responsible for our financial and nonfinancial performance, including sustainability, which is a regular

topic at Board Meetings. The strategic and operational management of sustainability is delegated to the Executive Leadership Team (ELT) and headed by the EVP Communications & Sustainable Transformation, who is a member of the ELT. VP Sustainability has the role to drive, develop and oversee the Group sustainability work. Cross-functional sustainability teams drive our ambitions and work towards targets as well as build internal processes and capabilities. Perstorp's main sustainability-related policies are PETRONAS Code of Conduct and Business Ethics, Sustainability Policy, Health and Safety Policy, Environmental Policy, Security Policy, Vendor Policy, Global Travel, PETRONAS Anti-Bribery And Corruption Manual, PETRONAS Competition Law Guidelines, Policy and PETRONAS Corporate Privacy Policy.

The Perstorp Group is third-party certified to the ISO 9001:2015 quality management system and the ISO 14001:2015 environmental management system, and applies the precautionary principle. We are also a signatory of the global chemical industry's commitment Responsible Care. Perstorp is a member of the International Sustainability and Carbon Certification (ISCC) Association and the manufacturer of Pro-Environment products which are certified according to ISCC PLUS. Since 2004, Perstorp has been a signatory to the UN Global Compact, which requires us to commit and adhere to its ten principles relating to human rights, labor, the environment and anti-corruption. Finally, Perstorp annually reports to EcoVadis and last year received a Platinum medal for its sustainability work.



Sustainability risks

As a global production company, Perstorp is exposed to a number of strategic, operational and financial risks. Over time, more and more of the Group's major risks have come to be, partly or fully, related to sustainability. Risks are assessed and managed at many different levels and locations, where the most material risks are reported to the Board. Action plans to

reduce and control those risks are developed, assigned and reviewed during the year. The results of risk assessments are also used as input to strategic processes and budget processes. Below is a list of Perstorp's major sustainability related risks.

Risk category	Exposure	Mitigation activities	Risk category	Exposure	Mitigation activities
Climate change	Rising temperatures, sea levels, fresh water scarcity and the occurrence of extreme weather events are posing risks to our production facilities, as well as many of our customers'.	The Group works to lower our carbon footprint and thereby contribute to a less severe climate change. At the same time, we perform site and issue specific risk analyses and regularly invest in new machinery and technology to increase the resilience of our sites and products.	Governance	The risk of decisions being taken on the wrong grounds or based on inaccurate information.	Perstorp's governance model and policies safeguards compliance with external and internal rules and regulation.
Renewable raw materials	Perstorp is dependent on alternative, non-fossil raw materials to reach the group's sustainability targets. Volatile availability and pricing of these may mean that enough quantities to support the transition cannot be procured.	Road map for raw material transition and innovation projects aimed at enabling future scale-up of supply. Hedging options and passthrough of raw material price increases via raw material price formulas are assessed continuously.	Regulatory & compliance	The risk of a negative impact on the Group's result or reputation arising from litigation, arbitration, disputes, claims or participation in legal proceedings. Increased operational cost and/or changes in competitive landscape due to changes in laws and regulations. Risks of individuals not complying with regulations and/or the Group's Code of Conduct.	Perstorp has routines and process to proactively develop best practice production, meeting regulatory environmental and occupational health and safety requirements. Employees are made aware of legal requirements and our Code of Conduct, through information and training. Perstorp's legal policy provides the framework and procedures for handling potential disputes.
Production disruptions	Sustainability related events such as fires, environmental accidents and other accidents with serious personal injuries may lead to major disturbances and interruptions at Perstorp's plants. This may result in loss of earnings if deliveries are delayed.	The Group has business contingency plans in place. Furthermore, as part of the Care 365 program, all Perstorp sites work systematically with safety issues, occupational safety issues and environmental issues to prevent any accidents.	People	Risk of not being able to recruit, develop and retain competent and committed employees.	Perstorp works continuously with succession planning, has zero tolerance for discrimination and harassment, and has a high focus on offering competitive terms of employment, healthy and safe work environment and work/life balance. Perstorp's own Gymnasium in Perstorp is an important recruitment base for the local site.
Safety	Chemical production plants include processes with high temperatures, high pressure and requires careful handling of raw materials as well as finished products. This does pose risks for those working at sites, the societies surrounding them and the customers when handling the products, if handled incorrectly.	Design and construction of our facilities as well as our operating procedures are based on extensive and in- depth risk level assessment and hazard analysis. We prioritize based on risk levels. We report major risks and mitigations to authorities based on Seveso legislation. The Group has invested, and continues to invest further, in the Care 365 program and the Responsible Care program, thus addressing risks related to human harm in our daily operations and in relation to the product users.	IT & cybersecurity	The risk of deficiency to or loss of availability, confidentiality and integrity of information assets caused by factors such as technical failures or deficiencies, environmental factors, unintentional activities performed by internal personnel due to lack of competence or awareness, or intentional actions caused by disgruntled employees or external individuals or organizations.	Perstorp has implemented both technical, administrative and organizational measures to prevent and remediate negative impact to the availability, confidentiality and integrity of the IT-environment. The measures are decided through risk assessments and mitigation is based on evaluation of functionality, security, complexity and compliance with rules and regulations set in relation to costs and benefits. Measures include technical measures, supporting processes, policies and guidelines combined with awareness training.

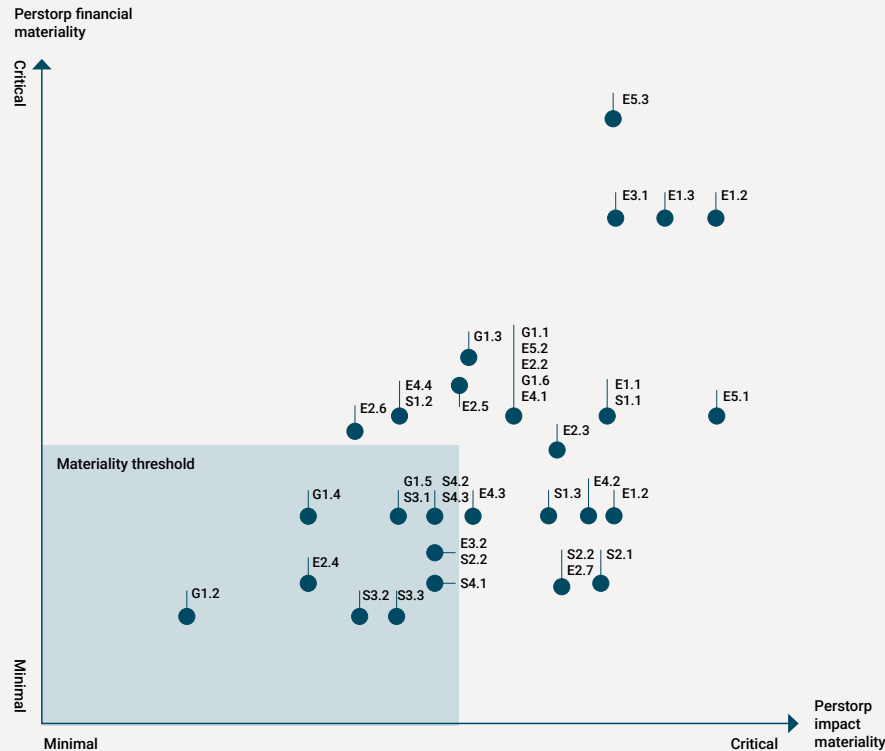
Double materiality assessment

Perstorp's materiality assessment serves as a foundation for our sustainability work and as a guide when setting targets and developing internal processes. The assessment was based on a double materiality perspective, considering aspects material to the environment and society as well as aspects material to Perstorp in terms of sustainability risks and opportunities. The previous assessment was made in 2021, and during 2024 it has been updated using the double materiality assessment methodology prescribed by the new European Sustainability Reporting Standards (ESRS), putting even further emphasis on financial sustainability risks and opportunities.

The assessment was conducted with a wide representation from the Perstorp organization, from specialist level to the executive leadership team. As a starting point the Perstorp value chain and stakeholders were mapped together with key internal specialists. Interviews and workshops with internal functional representatives were then held to map a long-list of impacts, risks and opportunities. In this process desktop research as well as material from the previous materiality assessment were also considered. In the next step the long-list was assessed through cross-functional workshops and concluded 26 material subtopics, resulting in 8 of the 10 overall topics to be material. No entity specific topics were identified.

The assessment reconfirms our longstanding priorities of working with occupational and process safety as well as the environmental and climate impact generated throughout our value chain. It also highlights a need to continuously improve our efforts ensuring high ethical standards and proactive supply chain management.

DMA result – degree of materiality from an impact and financial perspective respectively



Environment

- E1.1 Climate change adaptation
- E1.2 Climate change mitigation
- E1.3 Energy
- E2.1 Pollution of Air
- E2.2 Pollution of water
- E2.3 Pollution of soil
- E2.4 Pollution of living organisms and food resources
- E2.5 Substances of concern
- E2.6 Substances of very high concern*
- E2.7 Microplastics
- E3.1 Water
- E3.2 Marine resources
- E4.1 Direct impact drivers of biodiversity loss
- E4.2 Impacts on the state of species
- E4.3 Impacts on the extent and condition of ecosystems
- E4.4 Impacts and dependencies on ecosystem services
- E5.1 Resources inflows, including resource use
- E5.2 Resource outflows related to products and services
- E5.3 Waste

Social

- S1.1 Working conditions
- S1.2 Equal treatment and opportunities for all
- S1.3 Other work-related rights
- S2.1 Working conditions
- S2.2 Equal treatment and opportunities for all
- S2.3 Other work-related rights
- S3.1 Communities' economic, social and cultural rights
- S3.2 Communities' civil and political rights
- S3.3 Rights of indigenous people
- S4.1 Information-related impacts for consumers and/or end-users
- S4.2 Personal safety of consumers and/or end users
- S4.3 Social inclusion of consumers and/or end users

Governance

- G1.1 Corporate culture
- G1.2 Protection of whistle blowers
- G1.3 Animal welfare
- G1.4 Political engagement
- G1.5 Management of relationships with suppliers including payment practices
- G1.6 Corruption and bribery



Aiming forward

The foundational work and development projects that have been conducted during 2024 will be the basis for continued work in 2025. Perstorp will continue driving the transformation of products and developing solutions to support its customers and markets towards reduced impact and breaking fossil dependence. The execution and development of our roadmaps to realize the 2030 targets is a key to accomplishing that, and will continue to be a high priority involving many parts of the organization. Furthermore, during 2025 the work of strengthening the ways of working with Responsible sourcing will continue, as well as developing a framework for Biodiversity. Finalizing preparations for ESRS is a focus for reporting and in general, compliance will continue to be focused on the different sustainability legislations being developed and implemented within EU.

Employees

Perstorp is a global and value driven company with dedicated employees at sites and offices around the world. In order to be responsive and flexible, we strive to decentralize our human resources management to local circumstances and regulations, but always based on our core values and Code of Conduct & Business Ethics. We have global routines for recruitment, onboarding, talent management, appraisals and career development, and remuneration. 64% of our employees work at production sites or offices that are covered by formal collective agreements, regulating for example remuneration, training and career management, working conditions and procedures for joint health and safety committees.

With sites located from Toledo in the West, to Zibo in the East and with the company roots in Perstorp, Sweden, there is naturally diversity among the employees. English is the corporate language, making positions attractive for people of diverse backgrounds. A Diversity, Equity & Inclusion Policy is being developed for the Group.

After the pandemic we have taken the initiative to re-build the Learning & Development department with the ambition to drive and support leadership training and development but also drive development on a broader level. We use both internal and external facilitators and are also making good use of the digital opportunities such as e-learning. All employees take mandatory training in our Code of Conduct and Business Ethics, which covers topics such as working environment, diversity and non-discrimination, environmental considerations and business ethics and anti-corruption. Employees at our production sites (70% of total workforce) also have further mandatory training in environment and OHS. In addition, our performance management process has been improved during the year to facilitate better discussions between manager and employee with regards to health.

Rate of female employees	2022	2023	2024
All employees	29.9	30.3	30.9
Management	27.9	27.7	31.4
Senior management	30.0	25	28.6
Board		14.7	16.7

Employee Data	2022	2023	2024
Turnover	7.1	7.9	8.3
Sickness absence rate	2.7	2.3	2.6

Employment Conditions	2022	2023	2024
% of the total workforce across all locations represented in formal joint management-worker health & safety committees.	75	64	98
% of the total workforce across all locations who are covered by formal collective agreements concerning working conditions.	75	64	64
% of the total workforce across all locations who are covered by formally-elected employee representatives.	75	64	64
% of the total workforce across all locations who received regular performance and career development reviews.	No data	100	80
% of the total workforce across all locations who received careeror skills-related training.	No data	100	100
% of the total workforce that has taken training of the Code of Conduct.	100	100	100

Occupational health and safety & process safety

Perstorp is committed to safe production processes and to provide a healthy and safe work environment for all employees and contractors. As a foundation lies our commitment to Responsible Care, the global chemical industry's program for safe management of chemicals throughout their life cycle, and our Health and Safety Policy. This is supplemented by a number of topic specific minimum requirements, as well as site specific routines and guidelines. Risk assessments to fulfill internal and external requirements related to health, safety and environment, are carried out and followed up at all our sites. Perstorp is also recording Process Safety Events (PSE) in accordance with API 754.

Everyone working at or for Perstorp is expected to keep health and safety as their top priority, every day, 365 days a year. This is what Perstorp calls Care 365. Care 365 is driven company-wide and it addresses culture, leadership



and employee engagement in health and safety. It places emphasis on visible leadership from top management, a sense of urgency when it comes to incidents, clear standards and compliance management.

One of the main tools to ensure continuous development is the 'Perstorp Careway'. The Careway is a model that points clearly and specifically at success by focusing on the characteristics and behaviors of organizations with a strong health and safety culture. It is a way to display maturity in terms of health and safety practices and move upward along a maturity scale. Careway assessments are conducted yearly at sites and offices, in order to monitor performance and identify areas of improvement. Based on the results of the assessments, action plans are developed from team level and up to corporate level. The corporate Careway target for 2024 was maturity level 'Independent*', and by end of the year we could conclude that the target was reached.

Globally, the Careway continuous improvement (CI) program coordinates cross-functional improvement projects that addresses identified gaps on a global level. Projects completed 2024 include new or updated global procedures for Pre-Startup Safety Review (PSSR), Chemical Safety Management and Standard Operating Procedures.

The number of Lost Workday Cases (LWC) in 2024 was 3 and the total number of recordable injuries was 9, which is a significant decrease from 2023. The most common event type resulting in recordable incidents was contact with hazardous materials. The number of Tier 1 PSEs, i.e. process safety events of greater consequence, was 2 and the number of Tier 2 PSEs, i.e. process safety events of lesser consequence, was 6 in 2024. This is comparable to 1 and 8 for Tier 1 PSE and Tier 2 PSE respectively in 2023. The PSEs are resulting from unplanned or uncontrolled releases that have either caused injuries or had sufficient hazard potential based on chemical properties and amount released. The incident root causes have been and will continue to be addressed in 2025 through improvements in workplace and equipment design, maintenance, standard operating procedures and risk awareness focus areas.

During 2024 alignment have been made with PETRONAS on KPI reporting and the following changes have been made in this report:

- "Lost Time Accident (LTA)" has been renamed to "Lost Workday Case (LWC)", however the classification criteria remains unchanged.
- "LTA rate" has been renamed to "Lost Time Injury Frequency (LTIF)" and the multiplier has been changed from 200 000 hours to 1 000 000 hours.

- "OSHA Recordable Accident" has been renamed to "Recordable injury", however the classification criteria remains unchanged.
- "OSHA rate" has been renamed to "Total Recordable Case Frequency (TRCF)" and the multiplier has been changed from 200 000 hours to 1 000 000 hours.

*Calculated as ≥67% of our employees at sites/functions on independent level

	Employees			Contractors			Combined		
Occupational Injuries	2022	2023	2024	2022	2023	2024	2022	2023	2024
Fatalities	0	0	0	0	0	0	0	0	0
Number of Lost Workday Cases (LWC)	4	10	3	1	1	0	5	11	3
LTIF*	1.36	3.48	0.97	2.50	2.61	0	1.49	3.38	0.75
Total Lost Days	44	54	28	9	10	0	53	64	28
Number of Recordable injuries**	11	10	7	4	2	2	15	12	9
TRCF***	3.73	3.48	2.25	10.00	5.22	2.29	4.48	3.69	2.26

* LTIF = Number of LTI x 1 000 000 / number of hours worked. LTI = Lost Time Injury.
An injury sustained by a worker that resulted in Fatality, Permanent Total Disability (PTD), Permanent Partial Disability (PPD) and Lost Workday Case (LWC).

** Occupational accidents resulting in fatality, lost time, restricted work or medical treatment as defined by the Occupational Safety & Health Administration (OSHA) under the United States Department of Labor.

*** Number of recordable injuries x 1 000 000 / number of hours worked.

	Number		Rate*	
Process Safety Events (PSEs)**	2023	2024	2023	2024
Tier 1	5	2	0.3	0.1
Tier 2	14	6	0.9	0.3
Total	19	8	1.2	0.4

* number of incidents x 200 000 / number of hours worked.

** New calculation model from 2023. Please see further explanation in text chapter .
Occupational Health and Safety & Process Safety.



Customers' and downstream users' safety

We work continuously to ensure that all the chemicals we offer are safe for their intended use for humans and the environment. This is closely managed through our product stewardship processes. Since 2021 we also have (eco) toxic impact targets. According to these targets, by 2030 no chemicals of concern should reach the consumer or professional market and all newly developed products should be safe and sustainable by design, in line with EU Chemicals Strategy for Sustainability. Efforts are ongoing to assess all our chemicals against the new 'chemicals of concern' concept.

Perstorp complies with the EU REACH regulation and all our relevant substances are registered at the European Chemical Association (ECHA). All our products are accompanied with appropriate safety data sheets that provide detailed information about the product and how to use the product safely throughout the value chain. For those of our current products that have a hazard classification further communication is provided. Throughout our operations, we have processes in place to assess and document risks related to customer health and safety and we proactively interact with customers regarding the potential health and safety risks from product use. During 2024, Perstorp had zero product recalls.

	2022	2023	2024
Number of product recalls	0	0	0

Greenhouse gases

Perstorp measures and reports emission of greenhouse gases (GHG) in Scope 1, 2 and 3 according to the GHG Protocol. Our efforts to reduce these emissions is guided by our Environmental Policy, our long-term ambition to become Finite Material Neutral and our short-term science-based targets until 2030 set for all three Scopes in 2021. We will continue to define sustainability targets that ensure that we are an enabler of a sustainable transformation.

Scope 1 emissions are direct GHG emissions that occur from sources that are owned or controlled by Perstorp, including emissions from combustion of fuels for electricity, heat, or steam and emissions from physical or chemical processing.

Greenhouse Gas Emissions (GHG)

	Absolute (kT)			In relation to volume sold (T/T)		
	2022	2023	2024	2022	2023	2024
Scope 1	250	222	254	0.31	0.30	0.32
Scope 2 (market based)	129	136	123	0.16	0.18	0.15
Scope 2 (location based)	132	137	127	0.16	0.18	0.16
Scope 3	2,360	2,275	2,438	2.89	3.06	3.03
Total	2,738	2,633	2,815	3.35	3.54	3.50

Scope 3 Greenhouse Gas Emissions (GHG) per category

	Absolute (kT)			In relation to volume sold (T/T)		
	2022	2023	2024	2022	2023	2024
Scope 3 Emissions, Purchased Materials, Category 1	1,026	982	1,050	1.26	1.32	1.31
Scope 3 Emissions, Fuel and Energy Related Activities, Category 3	53	52	57	0.07	0.07	0.07
Scope 3 Emissions, Upstream Transportation and Distribution, Category 4	59	53	61	0.07	0.07	0.08
Scope 3 Emissions, Waste generated in Operations, Category 5	28	28	25	0.03	0.04	0.03
Scope 3 Emissions, End-of-life Treatment of Sold Products, Category 12	1,195	1,160	1,245	1.46	1.56	1.55
Total	2,360	2,275	2,438	2.89	3.06	3.03

Scope 2 emissions are indirect GHG emissions from the generation of purchased electricity and steam consumed by Perstorp.

Scope 3 emissions are indirect emissions from; purchased good and services, fuel and energy related activities, upstream transportation and distribution, waste generated in operations and end of life treatment of sold products.

Perstorp's GHG targets, approved by the Science Based Targets initiative (SBTi,) are for Scope 1 and 2 aligned with the 1.5°C Paris Agreement and translates to a reduction of absolute GHG emissions of 46.2% by 2030 from a 2019 base year. The target boundary includes biogenic emissions and removals from bioenergy feedstocks. Our approved targets also commit to reduce Scope 3 GHG emissions with 27.8% per ton sold product within the same timeframe.



References for GHG calculations and emission factors:

Scope 1

- Emissions from fuel combustion.
- Emissions from chemical processes: Calculated based on the actual carbon content of the substances through mass balance method.
- Emissions from leakage of Ozone Depleting Substances (ODS).
- Fugitive emissions: Global warming potential from IPCC Fifth assessment Report (AR5).

Scope 2

- Electricity: Market based approach calculated with emission factors from suppliers when available, or else using residual mix factors. Location based approach calculated with emission factors for national/regional production mixes. Sources are, for European sites: Association of Issuing Bodies; Site Toledo: EPA eGrid database; Site Zibo: values from Ecoinvent, site Sayakha: UK Government GHG Conversion factors for Company Reporting.
- Steam: Calculated based on the actual carbon content of the substances.

Scope 3

- Category 1: Emissions calculated for raw materials, utilities and tolled products. Primary sources are supplier GHG data. When complete supplier data is not available emissions are calculated in whole or in part using best matching database e.g. ecoinvent LCA:s.
- Category 3: Average data method for Upstream emissions from purchased fuels and electricity, transmission and distribution losses, generation of purchased electricity sold to customers.
- Category 4: Emission from inbound transportations and outbound transportations including transports between own production sites. Distance based method, online maps or calculations and emission factors from ecoinvent.
- Category 5: Waste generated in all production sites and treated externally, including both waste and waste water. Waste-type-specific method using emission factors for waste types and waste treatment methods.
- Category 12: Emission calculated based on that all carbon in the products is turned into CO2 at the end of life.

Other emissions to air

Releases to air from raw materials, reaction intermediates, products and by-products are often associated with our production activities. According to our Environmental Policy, each production site is required to continuously evaluate and reduce such emissions, as well as minimize noise, odor and other nuisances. Actual releases, whether accidental or planned, are catalogued, monitored, recorded and, as required, reported to

local authorities according to internal routines. All air emissions shall be handled in such a fashion as to minimize the risk of fire or explosion, and to eliminate the possibility of condensation and subsequent contamination of rivers, streams, soil and groundwater. Air emissions which cannot be captured through improved containment shall be incinerated, and those which cannot be incinerated shall always be the subject of legal permits.

Non-GHG Air Emissions	Absolute (T)			In relation to volume sold (kg/T)		
	2022	2023	2024	2022	2023	2024
VOC	107	90	99	0.13	0.12	0.12
NOx	138	117	129	0.17	0.16	0.16
SOx	3	2	2	0.0034	0.0028	0.0028

Non-GHG Air Emissions	Absolute (kg)			In relation to volume sold (kg/kT)		
	2022	2023	2024	2022	2023	2024
VOC	4,646	4,769	4,591	5.69	6.41	5.71
NOx	301	233	441	0.37	0.31	0.55



Energy

Specialty chemicals manufacturing is an energy intensive process. Perstorp uses significant amounts of energy at each of its plants, and therefore continues to focus on efficiency as well as transition to fossil free energy at the production sites. This is a prerequisite in order to reach our GHG science-based targets for 2030. Energy management is guided by our Environmental Policy and the 2030 transition roadmaps that have been developed for each site.

The sites in Perstorp and Stenungsund are supplied with electricity from hydropower and nuclear power. Since long ago, most of our sites have

also in part switched energy source to e.g. use energy reclaimed from production waste, and plans for further transition exist. Five of our eight sites have their own boilers and are equipped with waste heat recovery systems and/or a combined heat and power (CHP) unit. For the sites where our production processes involve exothermic reactions, the energy generated is recovered and used to produce steam in order to improve energy efficiency. Also other projects have been, and are, carried out at various sites in order to continue improving energy efficiency. The experience gained from all these activities will be a springboard for further actions and to reach our 2030 targets and the Finite Material Neutral ambition.

Energy Consumption	Absolute (GWh)			In relation to volume sold (MWh/T)		
	2022	2023	2024	2022	2023	2024
Exotherm recovered source*	441	375	422	0.54	0.50	0.53
Fossil	1,139	1,053	1,135	1.39	1.42	1.41
Nuclear	0	12.4	57.6	0	0.02	0.07
Renewable	453	409	433	0.55	0.55	0.54
Total	2,032	1,849	2,049	2.49	2.49	2.55
Whereof Electricity	300	277	323	0.37	0.37	0.40
Whereof Steam	1,732	1,572	1,726	2.12	2.11	2.15

* At our sites in Perstorp, Stenungsund and Toledo some of our production processes are exothermic reactions which generate energy. This energy is recovered and used to produce steam for the production at the site.

Energy Production	Absolute (GWh)			In relation to volume sold (MWh/T)		
	2022	2023	2024	2022	2023	2024
Exotherm	515	461	529	0.64	0.64	0.63
Fossil	746	673	749	0.93	0.94	0.89
Renewable	238	233	267	0.30	0.33	0.32
Total	1,498	1,367	1,545	1.87	1.91	1.84
Whereof delivered externally	163	164	173	0.20	0.23	0.21
Whereof used internally	1,335	1,202	1,372	1.67	1.68	1.63

* At our sites in Perstorp, Stenungsund and Toledo some of our production processes are exothermic reactions which generate energy. This energy is recovered and used to produce steam for the production at the site.





Water

All Perstorp's production processes use water to some extent: as a solvent for chemical reactions, as a carrier for products, as a heat-transfer medium or for cooling. As access to drinking-quality water and water fit for food production is scarce in many parts of the world, Perstorp addresses water as a part of our overall Finite Material Neutral ambition, even though it is not a finite material as such. Our ambition is to continuously work to lower the total water footprint of our products and, until 2030, reduce our absolute fresh water consumption with 30% compared to 2019.

Our work to reduce water consumption as well as emissions to water is guided by our Environmental Policy and site specific routines and guidelines. In order to consume as little water as possible, we make use of highly efficient equipment and technology, and have implemented innovative methods for reusing water. Additional water reuse projects are ongoing at our sites including the use of purified waste water instead of fresh water. To prevent contamination of soil, surface water and groundwater, each site identifies, documents and monitors the effluents arising out of its activities. Effluents are routed to waste water treatment, using methods and procedures prescribed by local law and approved by relevant authorities. Perstorp also

works proactively at several levels of production to limit polluted waste water by reusing chemicals (e.g. solvents) and water within the production, by reducing the amount of waste water and/or its pollutants leaving the production unit, by removing substances difficult to biodegrade from the waste water at source, by pretreatment when necessary before sending the waste water to biological treatment and by securing adapted and relevant biological treatment before releasing the treated waste water to receiving waters. To reduce the volume of waste sent to disposal, we also use measures to reduce the generation of sludge or use it for energy recovery in our production units.

	Absolute (millions of cubic meters)			In relation to volume sold (L/kg)		
	2022	2023	2024	2022	2023	2024
Water Withdrawal						
Surface Water (Own Extraction)						
Surface Water (Own Extraction) Fresh Water	21.46	16.67	19.51	26.27	22.42	24.29
Surface Water (Own Extraction) Non-Fresh Water	0	0	0	0	0	0
Ground Water (Own Extraction)						
Ground Water (Own Extraction) Fresh Water	0.83	0.85	0.97	1.02	1.15	1.21
Ground Water (Own Extraction) Non-Fresh Water	0	0	0	0	0	0
3rd Party Water						
3rd Party Water (Imported Steam) Fresh Water	0.35	0.36	0.29	0.43	0.48	0.36
3rd Party Water (Municipal) Fresh Water	0.83	0.81	0.75	1.02	1.10	0.93
3rd Party Water (Municipal) Non-Fresh Water	0	0	0.13	0	0	0.16
3rd Party Water (Other) Fresh Water	0.13	0.06	0.06	0.16	0.08	0.07
3rd Party Water (Other) Non-Fresh Water	0	0	0	0	0	0
Total 3rd Party Water	1.31	1.23	1.22	1.60	1.66	1.52
Total	23.61	18.76	21.71	28.90	25.23	27.02

The process for reporting water withdrawn involves measurement uncertainty (e.g. due to manual meter readings and risk of uncalibrated meters). Perstorp intend to improve quality of reporting going forward.

	Absolute (millions of cubic meters)			In relation to volume sold (L/kg)		
	2022	2023	2024	2022	2023	2024
Fresh Water Consumption						
Fresh Water Withdrawal	23.61	18.76	21.58	28.90	25.23	26.86
Fresh Water Returned Unchanged	-19.44	-14.87	-17.59	-23.80	-20.00	-21.89
Total	4.17	3.89	3.99	5.10	5.23	4.97

	Absolute (millions of cubic meters)			In relation to volume sold (L/kg)		
	2022	2023	2024	2022	2023	2024
Water Reuse						
Contaminated Water from External Source for Reuse after Own Treatment	0	0	0.2267	0	0	0.2821
Reuse of Internal Waste Water after Treatment	0	0	0.0227	0	0	0.0283
Total	0	0	0.2494	0	0	0.3104

	Absolute (T)			In relation to volume sold (kg/T)		
	2022	2023	2024	2022	2023	2024
Waste Water						
Discharge from Own Treatment	0.97	0.97	1.19	1.19	1.30	1.48
Discharge to 3:d Party Treatment	0.98	1.05	1.15	1.20	1.41	1.43
Total	1.95	2.02	2.34	2.39	2.71	2.92

	Absolute (T)			In relation to volume sold (kg/T)		
	2022	2023	2024	2022	2023	2024
Organic Pollution Before Treatment						
Chemical Oxygen Demand (COD)*	10,789	8,479	12,854	13.21	11.40	16.00

* COD are measured in the flow into the waste water treatment plant. Waste water treatment reduces the COD with over 90% and the treated water is sent to recipients. COD is calculated through conversion of the Total Organic Compound (TOC) value. It is done in this way due TOC analysis is better for the environment than COD analysis, since the COD tests uses Mercury.



Waste

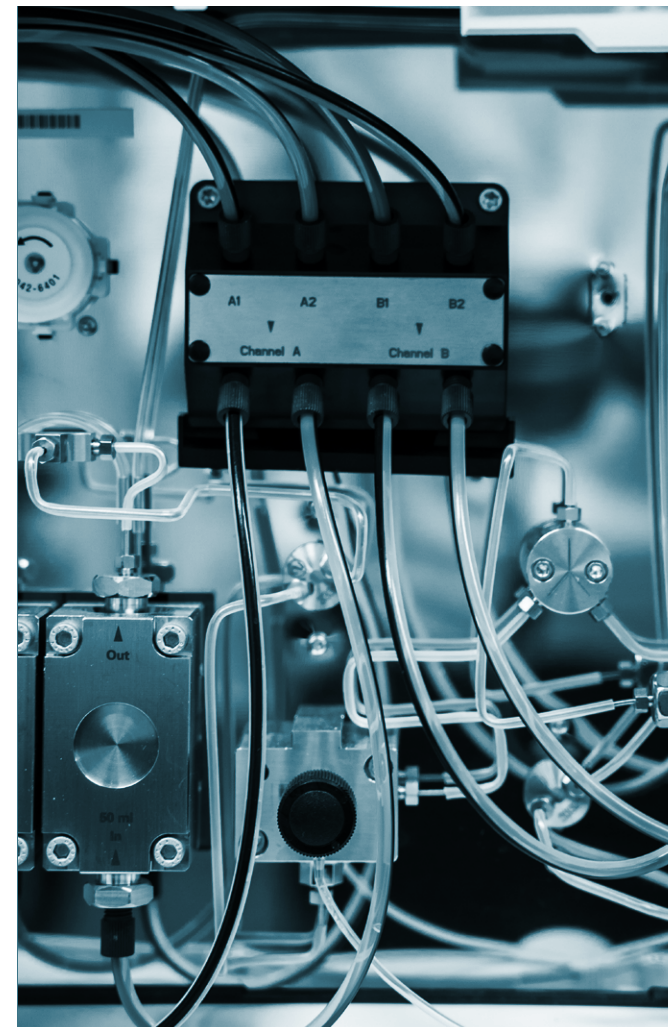
Circular product flows and minimization of waste in all phases of production remains a priority at Perstorp, and waste is one of the focus areas of the Finite Material Neutral Ambition. Our ambition is to reduce 30% of our Hazardous and Non-Hazardous waste to 2030 compared to year 2019.

The day-to-day waste management is governed by our Environmental Policy and local routines, and stipulates that all wastes shall be stored in a secure way and disposed of using methods and procedures prescribed by local law.

To avoid the generation of waste, we strive to ensure that side streams from our own operations can be reused as input somewhere else in another internal production process or sold as a product, such as our polyol residues. We also put great emphasis on quality management in our production processes to minimize output that cannot be sold. If waste is generated, it shall only be directed to disposal if there are no reasonable means of recycling or reusing it.

Waste Generated	Absolute (T)			In relation to volume sold (kg/T)		
	2022	2023	2024	2022	2023	2024
Hazardous Waste						
Diverted from Disposal (Recycled)	1,037	1,072	914	1.27	1.44	1.14
Directed to Disposal:						
– Incineration with Energy Recovery	47,442	39,959	50,047	58.07	53.74	62.30
– Incineration without Energy Recovery	74	42	18	0.09	0.06	0.02
– Landfill	6,452	6,965	6,502	7.90	9.37	8.09
– Other Disposal Methods*	4,408	2,320	6,379	5.40	3.12	7.94
Total Hazardous Waste	59,413	50,357	63,861	72.73	67.73	79.49
Non-Hazardous Waste						
Diverted from Disposal (Recycled)	1,437	1,426	1,468	1.76	1.92	1.83
Directed to Disposal:						
– Incineration with Energy Recovery	3,541	3,217	2,929	4.34	4.33	3.65
– Incineration without Energy Recovery	55	0	4	0.07	0	0.00
– Landfill	943	2,006	3,077	1.15	2.70	3.83
– Other Disposal Methods*	9	0	15	0.01	0	0.02
Total Non-Hazardous Waste	5,985	6,650	7,492	7.33	8.94	9.33
Total	65,399	57,007	71,353	80.06	76.67	88.82
Whereof Diverted from Disposal	2,474	2,498	2,382	3.03	3.36	2.96
Whereof Directed to Disposal	62,925	54,509	68,971	77.03	73.31	85.85

* Includes destruction of contaminated water and treatment of contaminated soil and sludge.





Ethical principles & anti-corruption

PETRONAS Code of Conduct and Business Ethics forms a recipe on how to live the company values. It is based on the company's four core values and has been developed in accordance with PETRONAS, the UN's Global Compact, OECD's guidelines for multinational enterprises, the chemical industry's Responsible Care program and ILO's eight fundamental Conventions on basic principles and rights at work. The Code has been developed to underline the principles that direct our relations with employees, business partners and other parties. It applies to all employees within Perstorp Group and members of the Board of Directors. Perstorp also expects its suppliers, distributors and other business partners with which it has close relations, to act according to these principles. All employees must know the content of the Code of Conduct and Business Ethics and are required to go through a web-based learning module.

In case of any suspicions of misconduct or other breaches of Code of Conduct and Business Ethics, all employees can speak up their concern without risk of retaliation. Employees are encouraged to speak up their concern with their immediate manager, manager's manager, or to the Head of HR or Head of Legal. There is also the possibility to anonymously report any suspected misconduct via phone, app or web to Perstorp's Whistleblowing Office.

Perstorp Group has a number of more specific policies addressing e.g. anti-corruption and preventing anti-competitive behavior. On a quarterly basis all areas of the business are also responsible for reporting into the Legal Risk Review, which is regulated by our Legal Policy. Any litigation, disputes or claims related to legal or regulatory violations that are material to the Group must then be reported. Any investigation by an authority (e.g. police, antitrust authority) must also be reported. In 2024 there were no suspected or confirmed cases of corruption and no other litigation issues concerning ethical conduct.

The legal department holds trainings of employees regarding certain policies and procedures on a regular basis. New e-learning modules are

continuously being developed, focusing on different aspects of business ethics and compliance. The use of e-learning enables us to better track the implementation of trainings, and also systematically ensure that such trainings are repeated in appropriate intervals, or in case of any updates of relevant legislation, regulations or policies. Several trainings are mandatory for relevant employees to take at regular intervals, such as preventing bribery and corruption and preventing anti-competitive practices.

	2022	2023	2024
Number of suspected or confirmed cases of corruption and/or other litigation issues concerning ethical conduct	1	0	0
Number of whistleblowing cases	0	0	0

Sustainable sourcing

Perstorp procurement can be divided into two main areas, each representing different risks, impacts and challenges:

- Product related material, energy, transport and services
- Non-product related material and services.

For each area, social, ethical and environmental issues are factored in when selecting suppliers. Some of our suppliers are directly linked to Perstorp's corporate sustainability ambition and targets, and are thus directly evaluated on their relevant sustainability performance. However, all suppliers are required to act responsibly in all situations. Our Code of Conduct is the overarching tool to communicating expectations to the suppliers to address sustainability issues, including human rights, labor standards, corruption and environmental impacts. Furthermore, suppliers are required to acknowledge and sign our Vendor Policy or provide evidence of internal policy commitments at a similar level. Through the Vendor Policy, the Perstorp Group more specifically requires of its suppliers to act in accordance with international principles in relation to issues such as child labor, bonded labor, occupational health and safety and freedom of association in the workplace.

The Vendor Policy further requires of suppliers to ensure that Perstorp's production and products are free of conflict minerals in accordance with the US Securities Exchange Commission Rule of Conflict Minerals. The issued Modern Slavery Statement summarizes how the company works, and will continue to work, to prevent any occurrences of modern slavery, in our own businesses and in our supply chain.

Corporate policies and procurement procedures have been adopted to address procurement risks, such as risks related to human rights and other upstream social and environmental impacts. Suppliers of large spend or with specifically high risk are systematically assessed using a supplier evaluation tool. The tool consists of a self-assessment questionnaire, addressing issues such as environmental management, human rights, labor standards and anti-corruption. 80% of our raw material spend is covered by this systematic approach. We are also assessing the need to follow-up the suppliers' selfevaluations, e.g. through audits. Perstorp's companies conduct audits of their suppliers already as of today, but then mainly focusing on management systems for quality and environment.

In 2023 a project was initiated to develop the way Perstorp work with responsible sourcing. The delivery during 2023 was to establish an ESG impact assessment in the supply chain that may be replicated when needed. This assessment gives the capability to prioritize potential ESG risks to develop appropriate routines to manage ESG risks in the supply chain. In addition, the assessment follows the methodology for human rights due diligence (HRDD) and will be used as basis if/when developing further policies in this area and/or reporting according to upcoming legal requirements. The efforts to develop responsible sourcing have continued throughout 2024 and will continue during 2025.

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