Sustainability Policy and Objectives

The Compound Company B.V. and its subsidiaries

Version 1.0, September 2026

Purpose and scope.

This policy sets out how The Compound Company (TCC) manages the environmental and social topics that matter most in the development and production of speciality thermoplastic compounds and adhesive resins, and which objectives we pursue for the period 2026 to 2030. It complements our Corporate Policy Statement (KWH-01), our Quality and Environmental Policy (TCC.MGT.003), our Corporate Social Responsibility Policy (KWH-07), our Codes of Conduct and our CSR Charter. Where those documents describe our principles, this policy describes our commitments per topic and the targets we hold ourselves to.

The policy applies to all entities and locations of The Compound Company B.V.: the production sites and headquarters in Enschede, the production site of CMP Cologne GmbH in Cologne and the office in Geleen. It applies to all employees and to temporary workers under our supervision. Our expectations towards suppliers are laid down in the Suppliers Code of Conduct.

Our commitment.

We are committed to upholding the highest standards of quality, minimising environmental and social impacts, driving circularity and maintaining ethical practices. We follow a step by step approach, one compound, one application, one innovative solution at a time, and we prefer measurable improvements that can be validated and scaled across the group over abstract long term promises. We comply with all applicable laws, permits and customer requirements at every site, and we go beyond compliance where our double materiality assessment shows that our impact or our exposure is material.

Our management systems are certified to ISO 9001:2015 (quality, all operating entities) and ISO 14001:2015 (environment, Enschede and Cologne), complemented by ISO 50001 energy management at the Cologne site, ISCC Plus chain-of-custody certification for bio-based and bio-circular feedstocks and RecyClass certification for recycled content at Enschede. Our sustainability performance is assessed annually by EcoVadis.

Energy and climate.

We operate an environmental management system certified to ISO 14001:2015 at Enschede and Cologne and an energy management system certified to ISO 50001 at Cologne. We measure our energy consumption per site and report our greenhouse gas emissions in scope 1 and scope 2 in line with the GHG Protocol Corporate Standard, using both the location based and the market based method. In practice this means that we:

- Source renewable electricity wherever available. Enschede runs on 100 percent certified green electricity since 2025 and generates solar power on site. We will extend renewable sourcing to Cologne.
- Reduce our energy intensity through the ISO 50001 improvement cycle at Cologne and a gap analysis and improvement plan for Enschede.
- Report our carbon footprint every year and extend our inventory step by step to the most relevant scope 3 categories.

Water.

Water is used at our sites mainly for cooling of the compounding process and, at Cologne, for the gas washer serving the functional polymer lines. Our sites are not located in water stressed areas, but we treat water as a resource to be used sparingly. In practice this means that we:

- Monitor water withdrawal and discharge per site and report the figures annually.
- Reduce fresh water intake through closed loop cooling, as already in operation on production line 4 in Enschede.
- Reduce the volume of process water from the Cologne gas washer and discharge only within the conditions of our permits and contracts.

Air emissions and pollution prevention.

Prevention of pollution to air, water and soil is among our most important compliance obligations. Enschede operates under its environmental permit and prepares for the transition to IPPC facility status. Cologne operates under German air emission legislation with PRTR reporting. In practice this means that we:

- Measure our air emissions periodically, including the independent measurement of substances of very high concern carried out at Enschede in 2025 and 2026, and act on the results.
- Manage substances of concern under REACH and keep our safety data sheets current for all products.
- Prevent pellet loss to the environment as a signatory of Operation Clean Sweep, supported by the sweeping vehicles and the central dust extraction system installed in 2025.
- Report every environmental incident, investigate its cause and implement corrective measures, as we did after the 2024 process water release in Enschede.

Materials, waste and circularity.

We integrate circular economy principles into product development and production. Our Yparex operations in Enschede are ISCC Plus certified for mass balance accounting of bio based and bio circular feedstocks and our recycled content compounds are RecyClass certified. In practice this means that we:

- Increase the share of recycled, bio based and bio circular feedstocks in our portfolio and support our customers with Environmental Product Declarations.
- Segregate and register all waste streams per site, give priority to reuse and recycling over disposal and recover recyclable material such as plastic foil and cardboard.
- Reduce off spec material and residues at source through process control and raw material management.

Health, safety and working conditions.

Satisfied, healthy and well motivated employees are the backbone of TCC. Our central safety motto is simple: if you cannot do it safely, do not do it. Safety and health are managed within our integrated management system, with the QESH Manager responsible at group level and site procedures for daily operations. In practice this means that we:

- Aim for zero lost time injuries, encourage near miss reporting and act on every report.
- Maintain an up to date risk inventory and evaluation (RI&E) per site, periodic occupational health examinations and access to a confidential adviser or an equivalent contact point for all employees at every site.
- Provide fair working conditions: regulated working hours, compensated overtime and shift work, statutory social protection and wages verified against the living wage benchmark in every country in which we operate.

Training and development.

Competent people are the basis of safe and high quality production. We invest in the professional and personal development of our employees at all sites. In practice this means that we:

- Maintain up to date job descriptions for every role and a structured onboarding programme that includes safety, quality and product training.
- Register training per employee and offer every employee development opportunities in line with the annual review cycle.
- Train our employees on our Codes of Conduct, on business ethics and on information security.

Social dialogue, equal treatment and human rights.

We respect freedom of association and the right to collective bargaining. Our Cologne employees are covered by a collective bargaining agreement and represented by a works council. In Enschede we consult our employees through the works council and periodic employee feedback. In practice this means that we:

- Introduce a formal employee satisfaction survey and hold regular town hall meetings at every site to keep the dialogue with our employees open.
- Treat all employees equally regardless of gender, age, background, religion or orientation. Employees in the same job function are remunerated on the same salary scale.

- Do not tolerate child labour, forced labour, harassment or discrimination in our own operations or in our supply chain, and protect every employee who raises a concern in good faith.

Objectives and targets 2026 to 2030.

The Sustainability Report 2025 describes our step by step approach, deliberately without absolute long term targets. With this policy we take the next step and set measurable targets for 2026 to 2030, building on our current performance. The targets are adopted by the Board of Directors together with this policy and are reviewed annually. Base year is 2025 unless stated otherwise.

Topic	Target	Indicator	Deadline
Energy and climate	Reduce absolute scope 1 and scope 2 (market based) GHG emissions by 30 percent compared to 2025	tCO2eq scope 1 plus scope 2 market based	2030
Energy and climate	Source 100 percent renewable electricity at all production sites (Enschede achieved in 2025, Cologne to follow)	Share of renewable electricity per site	2028
Energy and climate	Complete a first scope 3 inventory for purchased goods and upstream transport	Published scope 3 baseline	2027
Water	Reduce gas washer process water volume at Cologne by 50 percent	m3 gas washer discharge per year	2027
Air and pollution	Zero permit non compliances and zero reportable environmental incidents	Number per year	Every year
Air and pollution	Halve pellet losses to the environment (Operation Clean Sweep)	kg pellet loss per year, base approximately 472 kg	2027
Materials and waste	Recover or recycle at least 90 percent of waste at both production sites	Recovery rate per site	2027
Health and safety	Zero lost time injuries, and at least 100 near miss reports per year across the group	LTI and near miss reports	Every year
Training	Register training hours per employee and reach an average of at least 8 training hours per employee per year	Average training hours per employee	2027
Social dialogue	Conduct a group wide employee satisfaction survey every two years with follow up actions per site	Survey completed and actions defined	First survey 2026

Responsibilities, monitoring and review.

The Board of Directors approves this policy and reviews progress against the targets at least once a year. The Managing Director is accountable for its implementation. The QESH Manager maintains the policy, coordinates the measurement of the indicators and reports progress in the annual management review of our ISO 9001, ISO 14001 and ISO 50001 systems and in the annual Sustainability Report. The owners of the three strategic pillars, Power to People, Responsible Growth and Production and Value, are responsible for the actions in their domain and report in the quarterly management cycle.

This policy is communicated to all employees, published on our website and shared with customers and suppliers on request. It is reviewed every year and updated when our activities, legislation or stakeholder expectations change.

Approved by the Board of Directors.

Enschede, 16-09-2026

Simon Put

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Managing Director, The Compound Company B.V.