

				allnex ESG Report 2021
about this report 03 message from allnex CEO 04 message from GC CEO 05	allnex at a glance	our growth history global footprint company values hot topics 2021– COVID response	07 10 11 12	
	our sustainability approach	our sustainability philosophy and strategy alignment and contributions on UN SDGs our sustainability framework materiality matrix innovative product portfolio	14 15 16 20 21	
	ESG performances in 2021	co ₂ reduction energy water waste management supply chain community environmental programs employee engagement images of sustainability ethics and compliance	27 28 31 32 33 39 40	
	our operational approach	our operational philosophy and strategy our operational performance highlights digital transformation	42 44 46	
	our people	our people – our biggest asset all for diversity and inclusion women in manufacturing supporting women as leaders attract, recruit – agility and engagement help in hard times	49 50 51 53 54 56	
		imprint	57	allnex



www.allnex.com alinex

Germany



As the CEO of allnex, I am pleased to present the company's Environmental, Social and Governance (ESG) Report for 2021–2022. 2021 continued to be significantly shaped by the coronavirus pandemic, which persisted in affecting all of us on both personal and professional levels. In professional terms, allnex delivered an excellent performance, actually our all-time record performance, which is even more impressive when considering the challenging overall conditions. Thanks to the extraordinary commitment of our workforce, its continued focus and hard work, as well as the strong and sustainable quality of our business activities, we managed to combine the right ingredients for achieving these excellent results. Most of all, I would like to express my appreciation to all allnex employees for continuing to make the health and safety of colleagues and contractors, as well as the well-being of our local communities, the central focus of attention during these challenging times.

In recent years, we have taken major steps to strengthen our strategy towards green technologies, which remain our number one strategic priority. This includes formulating a sustainability framework that follows ESG principles and guides our activities across all areas. Based on this purposeful and structured framework, this report highlights the positive impact that allnex continues to have on the global environment, our industry, our society and, therefore, our shareholders.

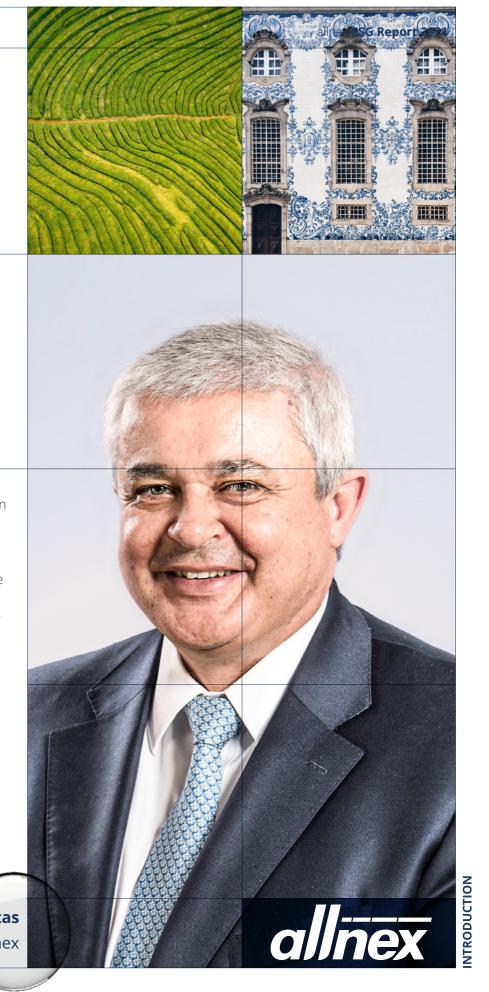
With our approach, we want to ensure that we continue to be the preferred partner for our customers when it comes to creating green solutions – today and in the future.

Across the globe, our teams are dedicated to make our products and processes more efficient and sustainable. This ESG Report is the result of those efforts, which I am very proud to share with you. All the information contained in this report will allow you to see how we continue to successfully process towards our sustainability goals.

I would like to take this opportunity to express my deep gratitude to the entire global allnex team, our customers, partners and other stakeholders: it is your active role in supporting our sustainability efforts that ultimately makes them work!

At the end of 2021, allnex became part of PTT Global Chemical. PTT GC is now our highly complementary long-term owner and strategic partner. Together, we will drive sustainability with new product developments and investments in innovative green technologies. Our joint values will be our compass and point the way for us to continue to thrive, evolving into an ever stronger organization.

Miguel Mantas
CEO, allnex



As CEO and President of GC, I am pleased to welcome allnex into the GC family. allnex's global leadership in industrial coating resins, alongside its diversified and sustainable products, sit perfectly in line with GC's commitment to "Chemistry for a Better Living."

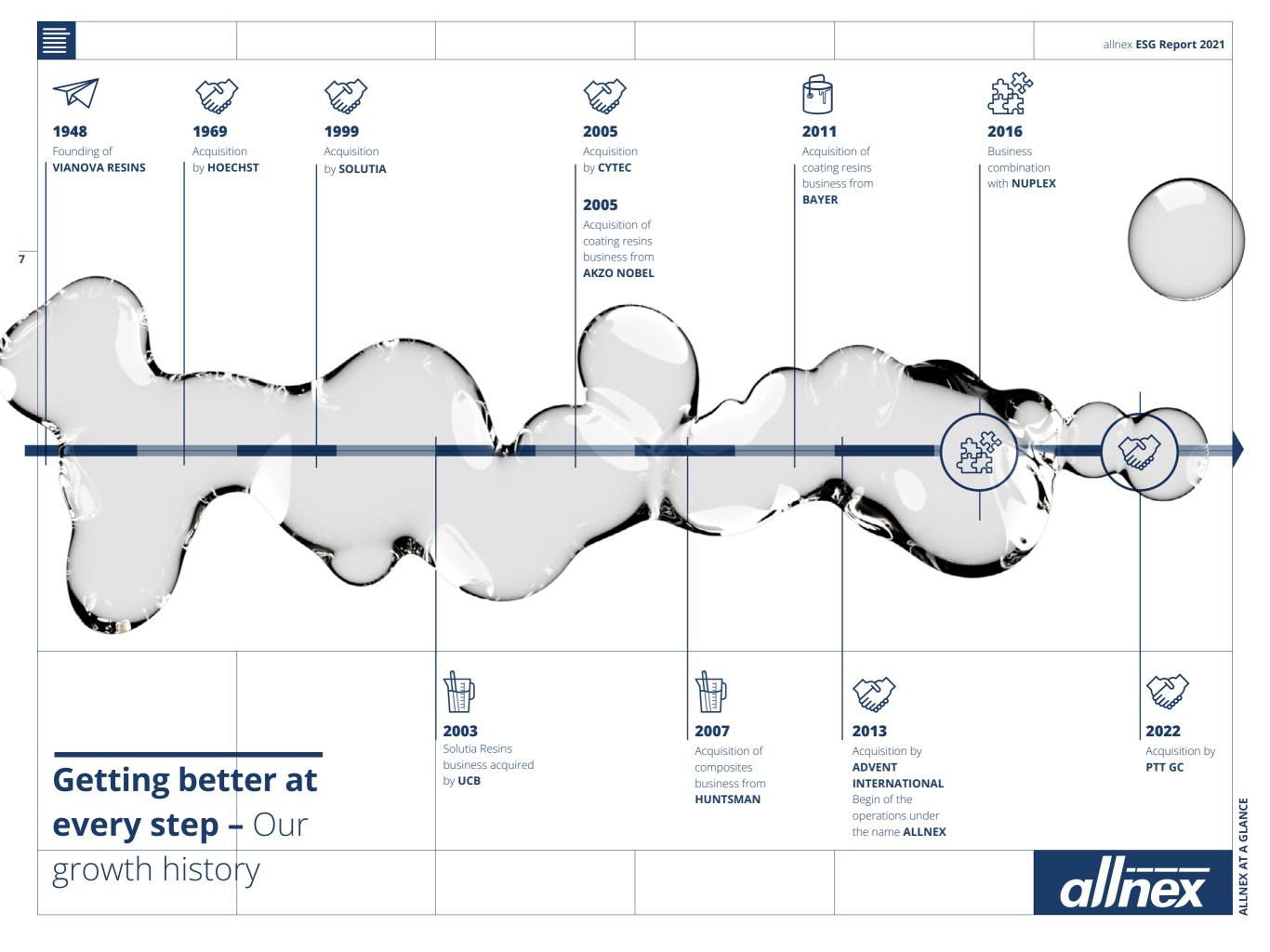
GC and allnex have a clear, shared vision for integrating ESG and the United Nations Sustainable Development Goals (SDGs) into business operations and value creation, with the companies aligning their sustainability strategies around two key frameworks: the circular economy and decarbonization.

allnex's sustainable portfolio management centered around eco-friendly solutions means the circular economy is embedded across activities ranging from raw material sourcing to product design and application development with customers. This is in line with GC's Circular Living concept, which aims to provide sustainable solutions to customers and end users spanning the entire lifecycle – from product design to end-of-life management.

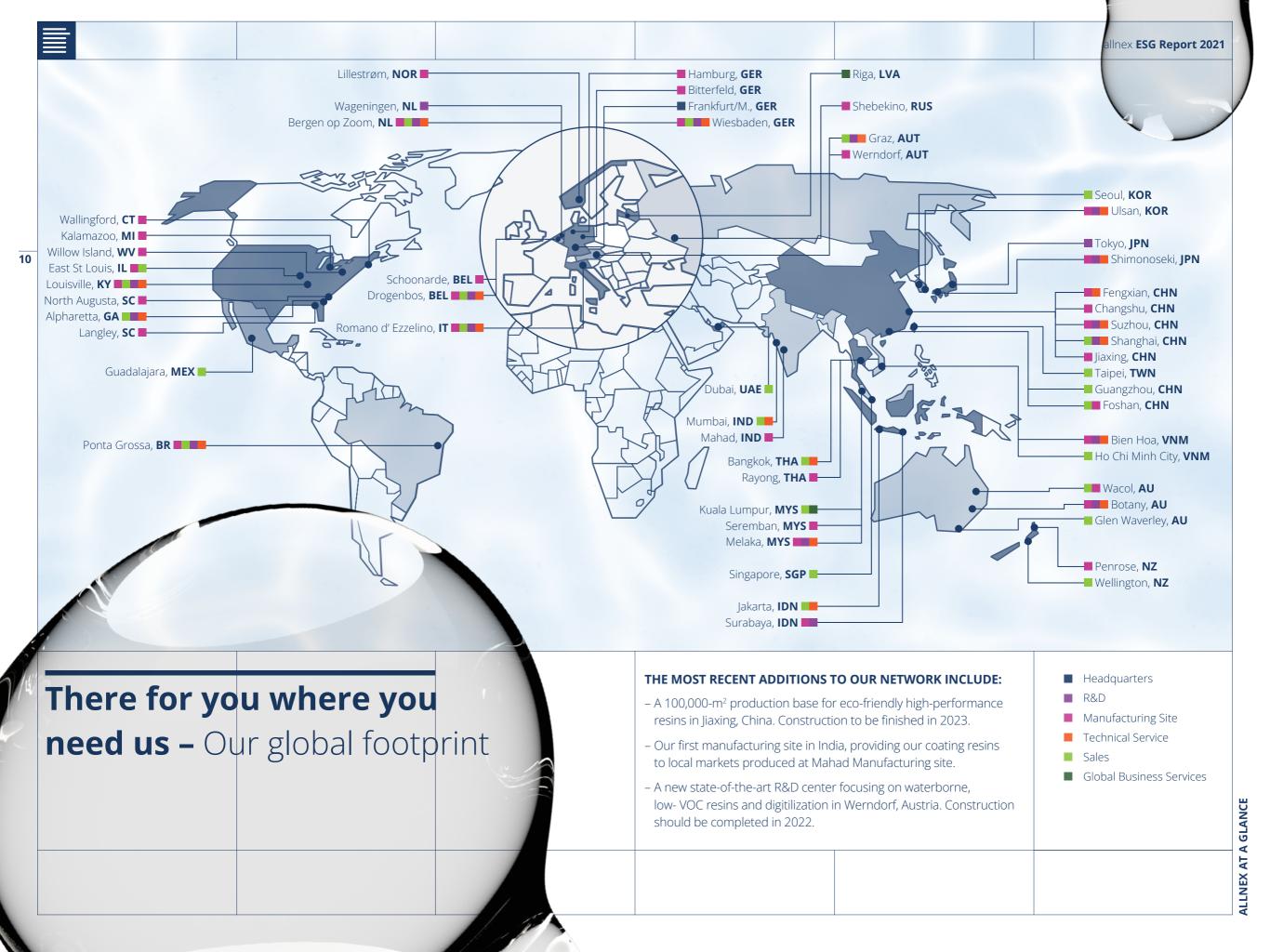
Both companies have also embarked on a clear decarbonization path, aligning with GC Group's strategy to become a net-zero company by 2050. GC and allnex are among the world's leading chemical companies; together, our shared sustainability vision and business processes will lead us on a direct pathway to achieving our collective goals.

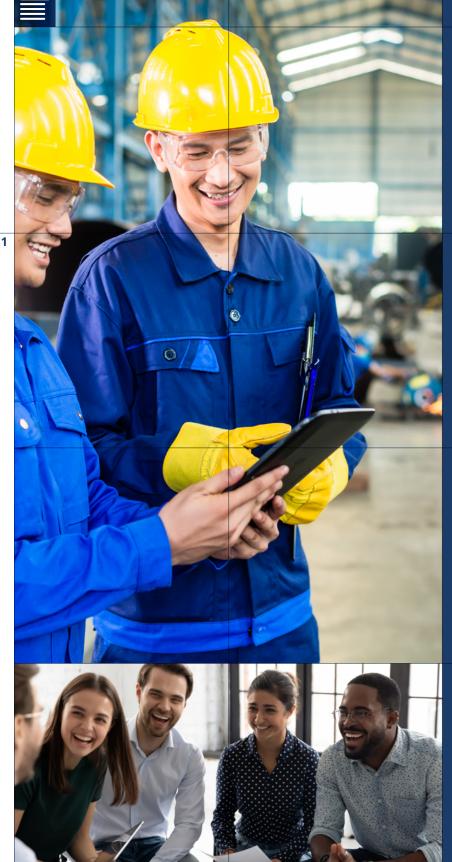
Dr. Kongkrapan IntarajangCEO and President of GC











All for respecting others -

Our core values



SAFETY

Protecting our employees, communities and environment from harm is the foundation for all of our activities.



COMPLIANCE

We comply with all relevant regulations in every country where we operate, including rules relating to safety, health and the environment.



We celebrate diversity and are committed to an environment where all colleagues contribute for the benefit of our employees, our products, and the communities we operate in.



VALUE CREATION

We strive to provide quality products to our customers and returns for our investors, as well as to give back to the communities in which we operate.



We set high value on being honest, transparent and respectful, adhering to a code of conduct which enables us to successfully navigate even challenging situations.



TEAM/COLLABORATION

We see teaming and collaboration as the most important way of engaging with upstream and downstream partners to create mutually beneficial solutions.





Standing together against COVID - Key measures in 2021

12

The COVID-19 pandemic continued to be a challenge to the world in 2021. Its impact continues to be felt in every market, across every sector, and in every home throughout the world. Our first priority is to safeguard the physical and mental health as well as the well-being of our employees and their families, while also ensuring business continuity in a challenging operating environment.

CONTINUING KEY INITIATIVES FOR OUR EMPLOYEES:

Stay informed

- Global and regional communication emails have been sent out regularly since the beginning of the pandemic to keep employees up-to-date on developments and country measures.
- Weekly and monthly meetings across functions continue in respective regions to discuss the current local rate of infection, team capacity, foreseeable challenges and actions to be taken.
- From August 2020 to July 2021, weekly surveys were sent out to all employees in the Americas to keep track of potential exposures and precautionary measures.

Stay flexible

- "The Global Work From Home" policy was further refined and established as a flexible way of working among employees eligible for such arrangements, upon discussion with their functional groups and managers.

Support community initiatives

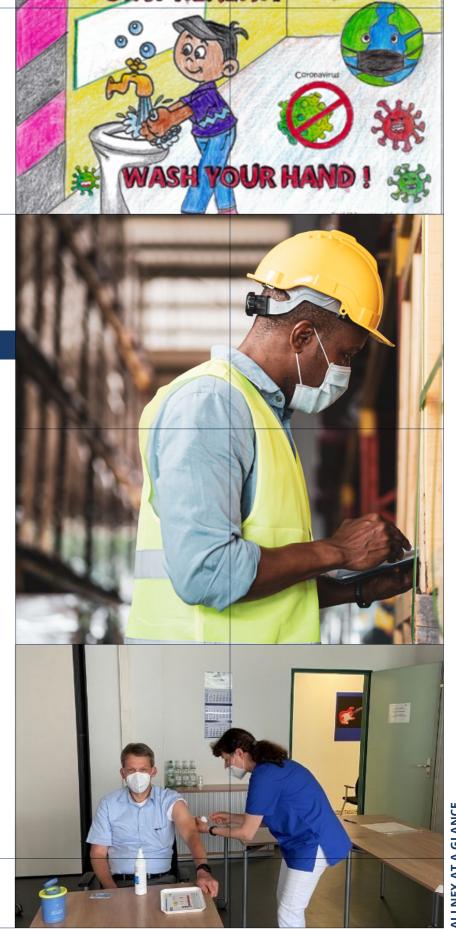
- Several sites across the globe have contributed to supplying communities with alcohol sanitizer. Below are just two examples:
- allnex Brazil donated 2,000 kg of alcohol as raw material to the local university for the production of sanitizer for hospitals.
- · allnex Wallingford in the US produced over 400 gallons of hand sanitizer according to local standards for community services.

Stay mentally and physically healthy

- Tips on how to stay mentally healthy during lockdowns were promoted over the year.
- Weekly live virtual stretching classes were offered to all upon registration.
- Regional offices organized specific activities to boost morale, such as: coloring competition at allnex Malaysia, virtual cooking show (performed by employees) in the Americas, ice cream truck event at US Alpharetta and North Augusta site, virtual Chinese New Year celebration at allnex China, and much more.

Promote vaccination and support employees

- The company approves time-offs for vaccination appointments.
- In line with local regulations, vaccination days were arranged at certain sites, with certified doctors administering the vaccination to interested employees.
- To further encourage our employees to get vaccinated, allnex granted an extra day off (country specific).
- To show our appreciation for the high workload, the flexibility of our employees and to recognize the additional stress caused by the pandemic, our employees received a special compensation award.

















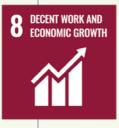




goals



NO POVERTY















By fully adopting environmental, social and governance (ESG) practices, we make the world's goals our own. While doing so in a holistic manner, there are three SDGs that lend themselves particularly to allnex's contributions.

ALLNEX ANCHORED SUSTAINABILITY IN ITS CORPORATE STRATEGY, FOCUSING ON SDG #7, #12, AND #13 TO MAKE MAXIMUM IMPACT **AFFORDABLE AND**



RESPONSIBLE CONSUMPTION AND PRODUCTION





16

A fivefold focus for a new tomorrow –

The pillars of our sustainability program

These pillars form the basis of allnex's ambitious Sustainability Program, which covers all aspects from product development, raw material sourcing and manufacturing to supply chain management and customer service. The pillars stand for the circularity that is at the core of all our considerations, defining both how we plan and execute our activities.

CIRCULAR

ECONOMY

RENEWABLE

EMISSIONS

REDUCTION

ENERGY

EFFICIENCY

SAFER

MATERIALS



AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION RESPONSIBLE AND PRODUCTION



CLIMATE



EMISSIONS REDUCTION

We work to reduce the emissions of volatile organic solvents across the product lifecycle to protect people and the environment.

SAFER MATERIALS

We are committed to making the substitution of potentially harmful chemicals by safer options as one of our guiding considerations.



We diligently explore options to limit the consumption of resources, keep them in use as long as possible, and eventually recover and recycle them at the end of service life.

RENEWABLE SOURCING

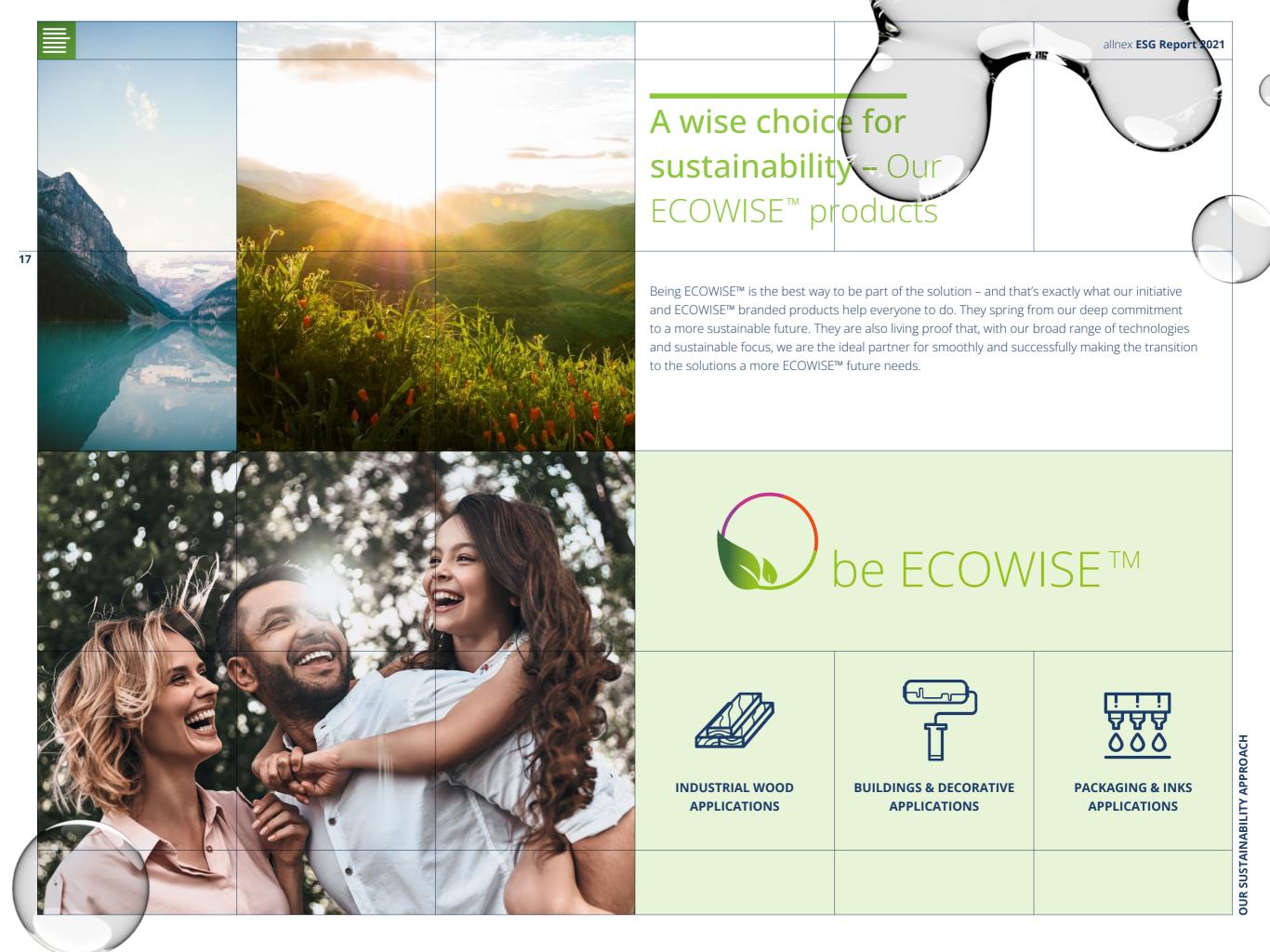
We aim at minimal use of finite resources and strive to reduce climate impacts by looking at renewable alternatives for raw materials and the energy we use.

ENERGY EFFICIENCY

We design our product and manufacturing process in a way that enables maximum efficiency in energy utilization across the product lifecycle.











assessment

METHODOLOGY

DOUBLE MATERIALITY APPROACH:

For the **internal assessment** of allnex's impact on sustainability topics (x) and the impact of these topics on allnex (y), an **online survey** was conducted.



The results define the **position** of the circles within these two dimensions

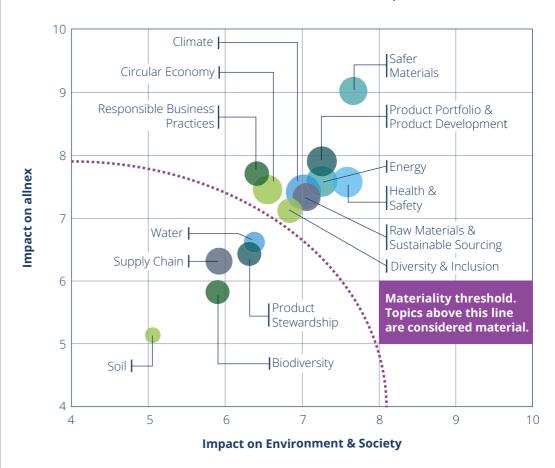
The stakeholder data was collected during two workshops with a total of ten sustainability professionals, representing customers, suppliers and society.



The relevance of the sustainability topics to external stakeholders is reflected by the size of the circles.

RESULT

MATERIALITY MATRIX - EXTERNAL STAKEHOLDER VALUES SQUARED



MAIN CONCLUSIONS

TOPICS WITH HIGH MATERIALITY FOR ALLNEX:







Circular



Raw Materials & Sustainable Sourcing



Product Portfolio & Product Development



Responsible Business Practices & Corporate Culture



Health & Safety



Materials



Energy



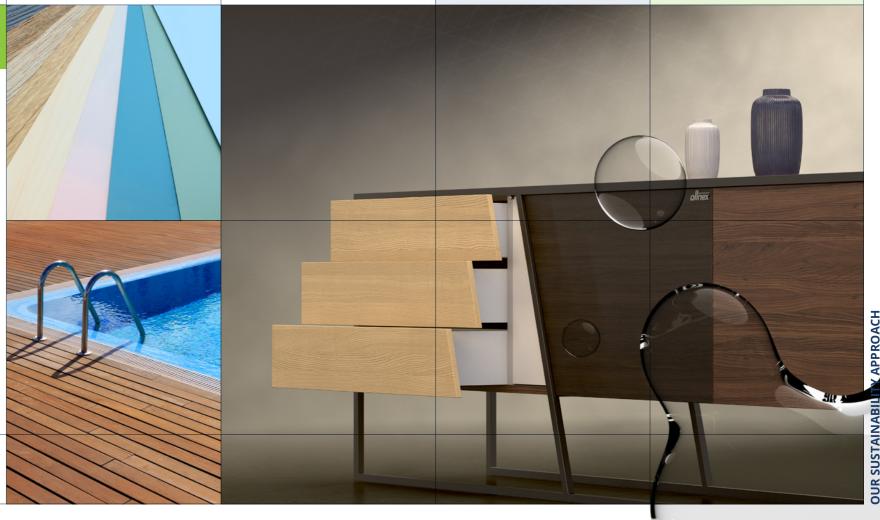
Diversity & Inclusion





Product: EBECRYL® 4690 Application: Industrial wood ECOWISE™ Product Portfolio

- EBECRYL® 4690 is one of allnex's innovative solutions reducing carbon footprint: Unlike conventional resins of this type, the aliphatic urethane acrylate has a bio-based content of 30%. This makes it the perfect sustainable choice for protecting highend industrial wood materials, both under indoor and outdoor conditions.
- The energy-curable resin is part of our ECOWISE™ CHOICE product range for industrial wood, meaning it fulfills the most stringent industry criteria for this segment.
- EBECRYL® 4690 not only offers equal performance to its fossil-based counterpart but also has the advantage of being tin-free.
 In addition, its bio-based raw materials are less subject to insecurities currently surrounding the availability of fossil-based feedstocks, ensuring reliable long-term supply.
- With EBECRYL® 4690, allnex has created a bio-based resin that is less reliant on traditional feedstock chains while providing topline coating performance.



- allnex is using recycled polymer waste streams as building blocks for powder coating polyesters to help reduce pollution from singleuse plastics. By designing our coating resins so they can repurpose post-consumer PET, we contribute to long term management of polymer waste.
- the major powder coating crosslinkers.
- Future development will focus on polyesters derived from postconsumer recycled PET as the technology evolves to strike the right balance between cost, performance and sustainability.







3 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION

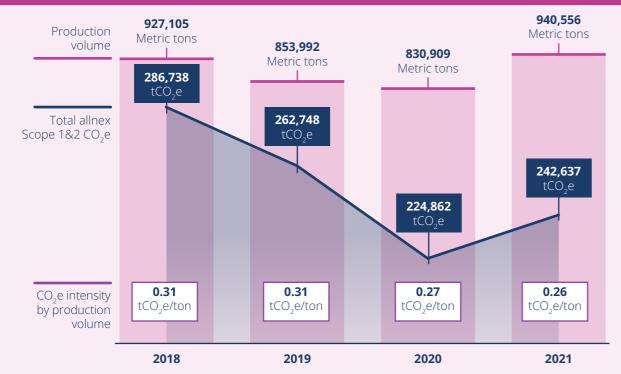




A big step forward on our way to net-zero – Our climate achievements in 2021

CO₂ EMISSIONS AND INTENSITY 2018–2021

27



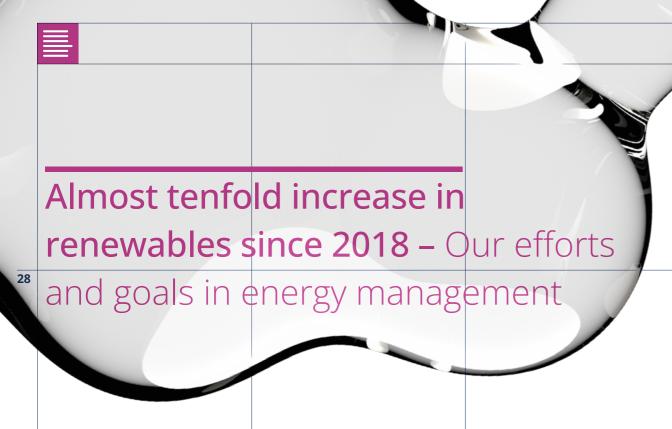
To fulfill our commitment to net-zero carbon emissions by 2050, we have set up a clear roadmap for decarbonization in our operations. By 2030, allnex will reduce 30% of its absolute CO_2 emissions (Scope 1 & 2). It is our ambition to play a progressive and innovative role in ongoing climate actions.

This goal will not only benefit the planet but also provides long-term economic and strategic advantages for our company. Building on our traditional focus on sustainability, a company-wide initiative for the reduction of our carbon footprint has already been kicked off, generating new inputs and converging the efforts from the allnex community.

KEY ACHIEVEMENTS IN 2021:

- Despite a 1.45% higher production volume, our ${\rm CO_2}$ emissions (Scope 1 & 2) fell by 15.38% compared to 2018.
- CO₂ intensity also further dropped from 0.31 to 0.26 per ton, showing that our efforts for reducing the carbon footprints of our products are moving in the right direction.
- The majority of the 15% drop in our carbon footprint comes from improvements in real time energy management, switching to renewable sources and installing energy efficient assets. ✓
- In addition, implementation of an online, sustainability data management tool has enhanced our ability to collect, analyze and react to emission data, further strengthening our evidence-based efforts for global and regional reductions.





In line with our 2030 goal of 30% lower ${\rm CO_2}$ emissions, we continue to strengthen our strategy for optimized energy use, while also expanding our investments in renewables. Since 2018, we have increased our purchase of renewable energy by nearly tenfold, substantially advancing towards our ultimate goal of climate neutrality.

KEY ACHIEVEMENTS IN 2021:

- The amount of purchased renewables and certificates remained at 85,962 MWh, accounting for over 7% of our total energy use.
- This energy strategy has greatly reduced our carbon footprint.

 ✓
- Our procurement team has been proactively driving strategy and plans for further green energy increases on the way to our 2030 ambitions.
- Achieving a greater than 15% drop in energy intensity was driven by many factors, such as real time dashboarding, LED lighting installations, heat recovery installations and volume increases.
- An example of dashboarding success comes from our crosslinkers business. The combination of advanced analytics, diligent monitoring and aggressive responses yielded a ~7% reduction in steam energy (~23000 MWH).
- Together with the installation of an economizer, LED lights at all sites and the full-year operation
 of our solar projects installed in 2020, all the above efforts have further driven down our energy
 intensity ratio by production volume from 1.32 in 2018 to 1.27 in 2021.
- In 2021, we fulfilled the goal two years early to achieve 40% our volume to be produced under an ISO50001 certificate by 2023. Though the target is fulfilled, multiple sites will undergo certification audits in 2022 further increasing our ISO50001 coverage.



allnex ESG Report 2021



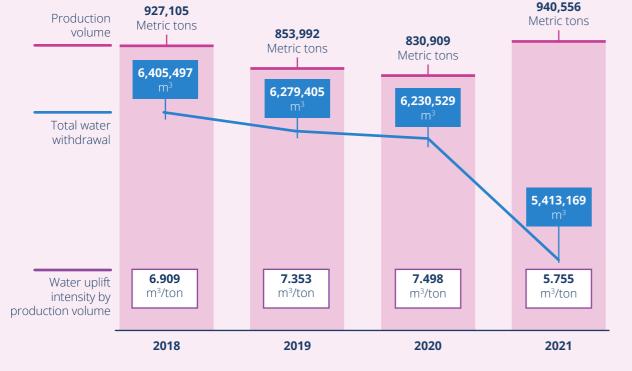
Letting ideas flow to reduce flow – Our achievements in water management

Both as a utility and raw material, water is indispensable for our production of resin coatings, in particular for making our sustainable water-based coatings and additives. To responsibly manage this valuable resource, we continuously strive to improve our water consumption as well as our ability to capture emissions from its discharge.

In 2021, water consumption was selected as the topic of our Primavera initiative 2, a companywide employee engagement program on sustainability. The converged effort from all sites, offices and colleagues in conceiving and implementing water conservation projects has significantly impacted our water consumption, and both proven and strengthened the environmental commitment of our teams.

KEY ACHIEVEMENTS IN 2021:

- Compared to 2020, the total volume of water withdrawn for operations was reduced by 13%.
- The Primavera Initiative ☑ had a special focus on water reduction in 2022. As a result over 100 improvement ideas were initiated and over 50% were completed within the course of the year. All of which significantly contributed to the success of 2021.
- These efforts have also helped to reduce our water use intensity by production volume to an all-time low of 5.755 m³/ton.
- Specific initiatives such as the rainwater recovery project for the cooling towers at the Romano site have reduced use of well water by 30%.
- Optimization of water scrubbers at the Kalamazoo site lowered costs and significantly reduced water withdrawals.
- As of 2021, total water discharge from our production at all sites is tracked to gain further insights for future actions.





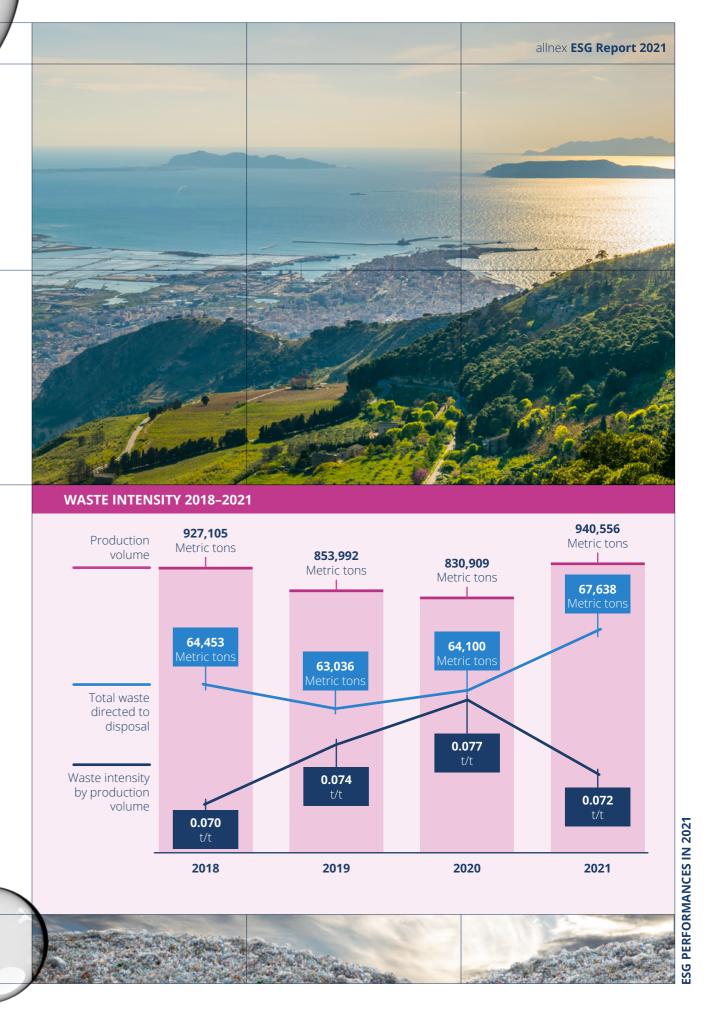




One of the pillars of our sustainability strategy is to pursue a circular economy approach in production, in order to reduce waste in manufacturing and increase the amount of product waste that can be recycled.

KEY ACHIEVEMENTS IN 2021:

- Our business systems continue to be ISO 14001 certified, showing our commitment to reduce waste globally by increasingly switching to circular processes.
- Best practices in waste reduction were collected and shared among our global sites,
 which continue to implement and improve waste reduction projects, such as:
- Use of data analytics and artificial intelligence to improve processes and reduce raw material waste
- Optimization of raw material container reuse
- Overarching initiatives to reduce pallet waste
- Communications and training workshops on waste reduction at each production stage



Creating a sustainable circle procurement

of trust – Supply chains and

The procurement of our raw materials is of strategic importance in driving our sustainability initiative and responding to our environmental and social responsibilities as a global company. We strive to establish positive long-term relationships with our suppliers and to foster a culture of true transparency, effective communication and continuous improvement in our procurement practices.

One of the major milestones in 2021 was the implementation of the allnex Supplier Evaluation Program to gain comprehensive insight into the commercial, environmental and social impacts of our key suppliers. The program is based on 3 pillars:

Evaluation
 Assesses business relationships with over 250 key direct suppliers using a consistent and objective methodology
 The 5 evaluation criteria, gauged using both quantitat and qualitative data, are:
Strategic partnershipCommercial factorsSHE qualitySustainabilityDelivery service

Global Direct Supplier

Corporate Social Responsibility **Self-assessment**

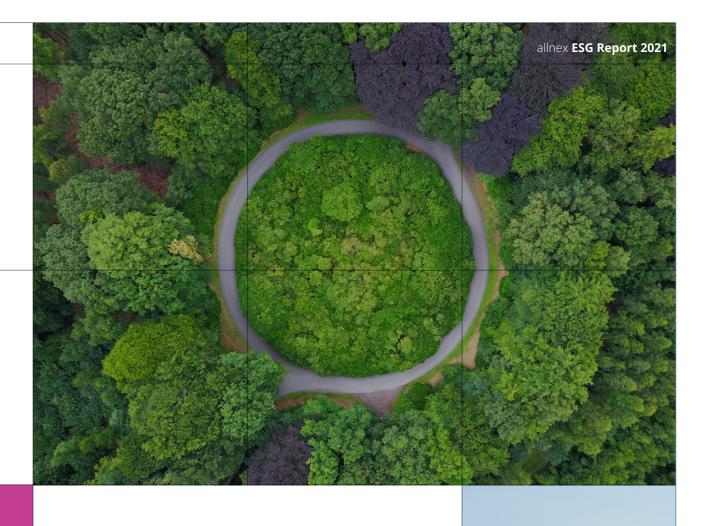
- Assesses the sustainability maturity of a large range of suppliers
- With the support of a thirdparty service provider, the suppliers were assessed on 7 themes:
- CSR maturity
- Supply continuity
- Sustainable procurement
- Respect of human rights
- Working conditions
- Business ethics
- Environmental protection

On-site Audit

- The EMEA procurement team has drawn up a supplier audit plan for 2021 to 2023 to deepen insights on some critical suppliers.
- The plan aims to cover 66 suppliers in 3 years.

OTHER KEY ACHIEVEMENTS IN 2021:

- An initiative has been launched to map regional carbon footprint reduction projects to identify the most effective levers to reduce carbon emissions from the packaging used for our finished products.
- Within the global project plan, certain projects were selected according to their impact on sustainable development and ease of implementation.
- The team is also engaging with strategic suppliers to join forces in increasing renewable raw materials content in our resins.







32

Giving back to nature and society – Environmental programs and community engagement



To realize our core values of promoting sustainable development and a safe and healthy environment, we support our employees and local facilities in participating in community projects in the following areas:

- Promoting and caring for the well-being of our local employees
- Involving and engaging the surrounding community, and/or
- Caring for the environment in accordance with our sustainable values.

On the following pages, we have gathered some examples of the many ways in which allnex employees across the globe contribute to nature and their communities. 33



allnex Germany quickly donated materials such as masks, disinfectants and gloves after the serious flood in the Ahr Valley in July 2021.

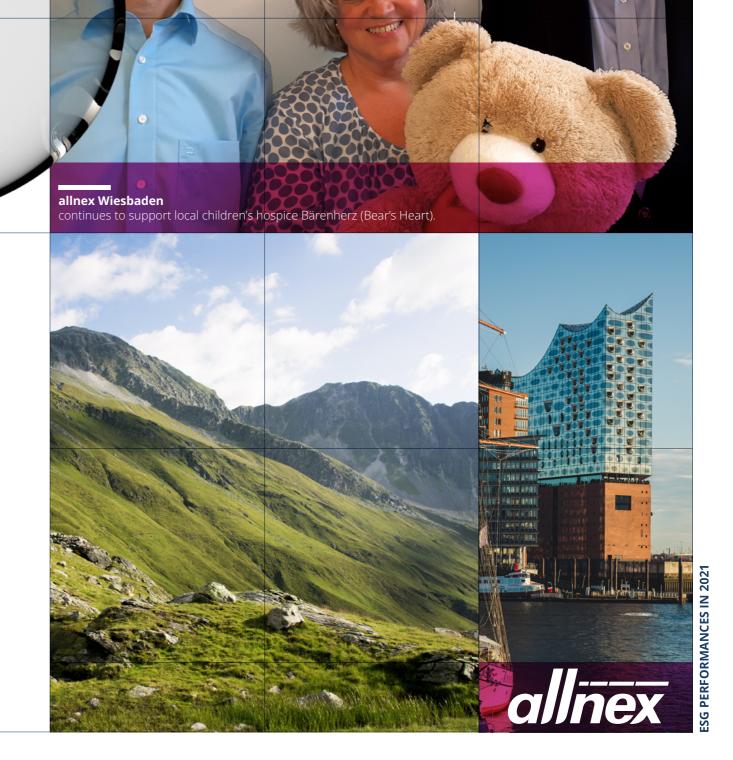
allnex Wiesbaden continues to support local children's hospice Bärenherz (Bear's Heart). The institution supports families of terminally ill children. During COVID-19, a total of EUR 3,000 was donated to the hospice to extend our assistance.

allnex Hamburg is the city of Hamburg's UmweltPartner (Environmental Partner) since 2003.

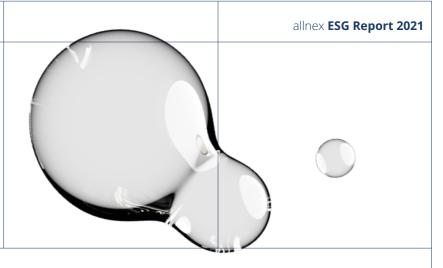
The UmweltPartnerschaft (Environmental Partnership) Hamburg is an initiative by the city's senate to promote voluntary corporate sustainability. In addition to its ISO 15001 certification, **allnex Hamburg** has proved its dedication to the surrounding community and environment through various projects over the years.

Some notable examples include a cooperation with a local school for physically challenged children to build insect hotels for biodiversity; installing bike loading stations at the Hamburg site and promoting bike commuting among the local employees.

As an UmweltPartner, the Hamburg site also receives support from the city government and the Hamburg Chamber of Commerce for the purpose of making further positive impacts on various sustainable topics in the community.



Festivals, soccer and sustainable colors – Further activities in EMEA



allnex Italy participated in the Festival of Sustainability (Radici Future 2030) in Bassano by offering workshops for students and giving a public presentation at the Pirani Foundation to educate the public and students on sustainability.

The site also sponsored other community activities, such as: Bassano Calcio (the local soccer team), the literary festival Resistere, and the International Musical Masterclass at Villa Morosini (Cartigliano).

In addition, the site closely collaborates with local schools and organizations to promote kindness and support children with disabilities and people in poverty.

allnex Netherlands, in partnership with the Natuurpodium foundation, organized an educational program about nature and sustainability. The modern and varied program offers outdoor lessons, workshops on technology and sustainability and discovery tours for primary and secondary school students in the region (4–16) years. Together with Natuurpodium, allnex developed the workshop "The Paint Lab," which became part of the program.



Energie (transitie)

Groep 6-8, VO

Leerdoelen
- Werking van de molen
- Duurzame energiebronnen
- Energieverbruikers
- Menselijk lichoam en energie

Program

De leerlingen leren over energie en de overgang naar duurzame energie. De energiebronnen, -gebruikers en opslag van energie. Ze brengen een bezoek aan een molen en programmeren ozobots om groene energie te

Het verflab

Groep 6-8, VO

De leerlingen leren over de geschiedenis en de toekomst van verf (coating) en het belang van recycling. Ze doorlopen zelf het fabrieksproces en maken

fabrieksproces en maken duurzame verf.



Leerdoelen

- Wat is verf?
 Geschiedenis van verf
- Duurzame oplossingen

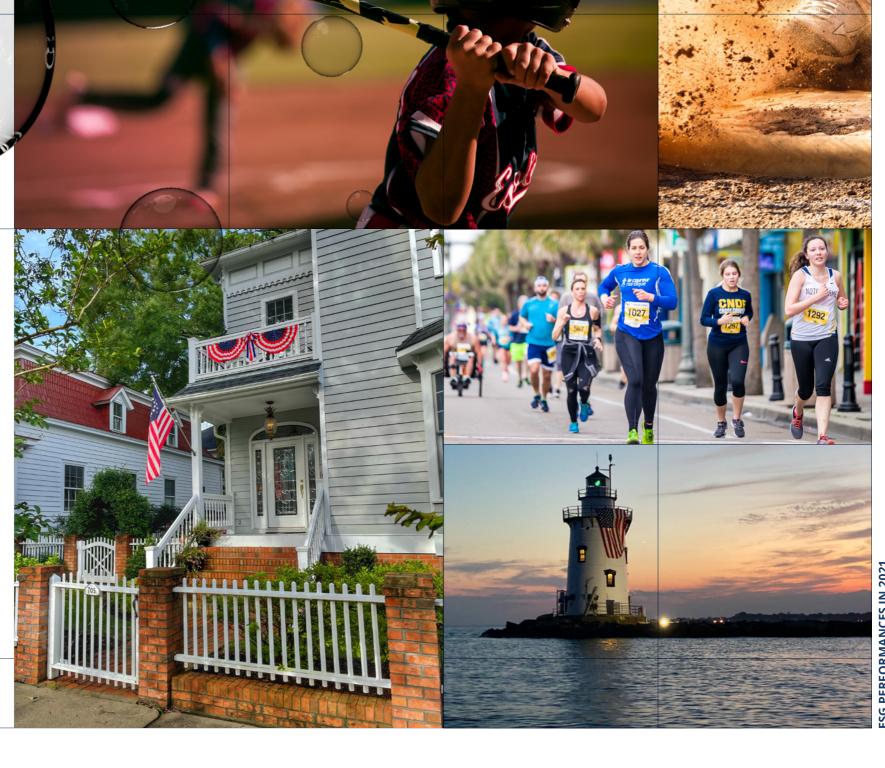
ESG PERFORMANCES IN 2021





A special collection drive was organized for Toys for Tots, a program distributing gifts to less fortunate children at Christmas, and Master's Manna food pantry, to support those who are facing food insecurity.

To reach out and nurture innovative talents among the younger generation, members of the site have also participated in the Wallingford Invention and Connecticut Invention Conventions to share their experience and technical knowledge.







Charitable donations and beach cleanups – Further activities in ASIA

allnex Indonesia, located in Surabaya, has continued its efforts for poverty reduction. The team supports 21 communities with monthly donations of IDR 50,000. On occasion of 2021's Idul Fitri, Indonesia's end-of-Ramadan celebration, a further donation of IDR 80,000 donation was made to over 300 members of the community. For Idul Adha, another important date, 50 packs of meat were donated to the local community.

allnex Japan started a volunteering initiative in April 2021, letting employees choose among activities from four categories to give back to the community: environmental protection, support, interaction and service. Some of the major projects consisted in beach cleaning and weeding with the Neighborhood Association. One of the participants spent a total of 16 hours on 23 activities in 9 months last year!





Just our cup of tea – Charity events and recycling in Australia

Join us on Wed 26th May | 10.30am Admin Building

allnex

Biggest Morning Tea

BBQ - \$2 Gold Coin Donation \$5 per raffle ticket or 5 for \$20

38

Homemade Cake for Auction

To donate a Cake for the Auction let Kristina/Daphney know by 24 May

Please come and support the life-saving work of the Cancer Council.

allnex Botany in Australia hosted the Biggest Morning Tea event to show support for those affected by cancer in 2021. Our colleagues shared food, baked cakes and donated generously with the community to raise over AUD 2,116 for the Cancer Foundation. allnex Botany matched half of the money to increase the donations.

The site has also been running the Earn and Return Program for 3 years in a row to recycle aluminum cans, cardboard papers, plastic containers and glass bottles. The money received from the program is given back to activities on site to engage and improve our colleagues' well-being.

Furthermore, the site joined the March Dignity Drive to support females experiencing homelessness and fleeing domestic violence with items and money donations. A special donation box was set up at the reception for the cause.



allnex

Making sustainable ideas
"SPRING" to life – Our
company-wide Primavera

"How i feel with and without water."

Ryan Augustyn (12) Louisville, USA



"Ocean: the home and source of life."

Bui Minh Triet (6) Ho Chi Minh, Vietnam



initiative



"Water is a whole world that needs you, and you need it!!"

Roman Poltoretsky (13) Belgorod, Russia



"Water provides for all living things. The earth is dead without water."

Summer Chen (8) Changshu, China

First launched in 2019, Primavera (Italian for "spring") is our internal engagement initiative for sparking discussions in the allnex community on how we, as both a commercial entity and a group of global citizens, can drive best practices around key sustainability topics. Each year a topic is chosen to draw our colleagues' attention to its specific environmental impacts, as well as to challenge our global manufacturing sites and offices to identify improvement actions in that particular area.

In 2021, the key focus was water conservation. Over 88 actions were submitted from our sites to conserve over 327,000 tons of water . Since the start of the year we held campaigns on Yammer, our internal social media, to educate our employees on the importance of water conservation. The highlight of the year was definitely the "#Water2Me Drawing Contest" for the next generation of our allnex members.

In June of the same year, more than 35 events were held across our global sites and offices to celebrate and further promote the Primavera initiative among our colleagues. Town halls, quizzes, tree planting and community cleanups are just a few examples of the many events organized.



2019: ENERGY FOCUS



2020: WASTE REDUCTION



2021: WATER CONSERVATION



Running in 2022: CO₂ REDUCTION, WELL-BEING AND D&I













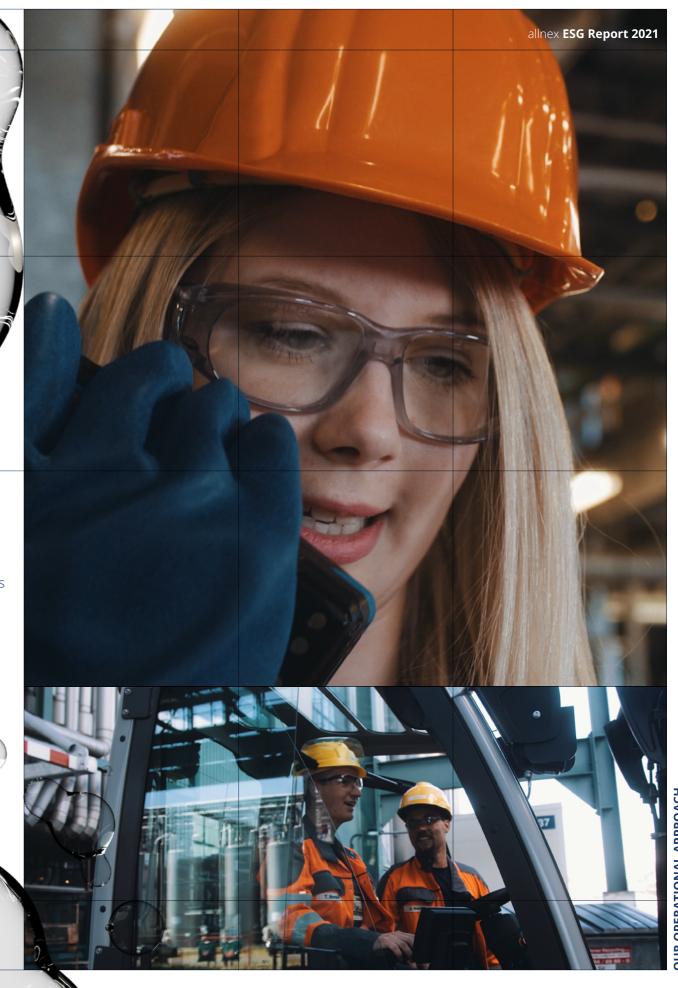
At allnex, we continually invest in strengthening every step of our process and strive for excellence. Our global network of manufacturing sites allows us the flexibility to offer a wide and constantly evolving range of products anywhere in the world and in close proximity to our customers.

Our production activities are conducted in accordance with safety, health, environment, quality management (SHEQ) and sustainability priorities. Governed by a certified and integrated management system, new programs are implemented annually in accordance with high SHEQ and energy-saving standards across all functions.

The performance of different resin technologies is constantly being compared, disseminated and adapted around the world to achieve annual efficiency improvements. Automation and digitalization as well as operational excellence and process improvements are major optimization factors.

Work processes in our plants are shifting from physical tasks to equipment monitoring, process control and quality checks. Our factory shift workers have greater access to state-of-the-art digital technology to ensure high-quality products 24 hours a day, 7 days a week.

The increased use of recycled and biomaterials as building blocks for our products requires new recipes and the adaptation of production equipment, which is part of our commitment to contribute to a more circular and sustainable society.



GOOD HEALTH AND WELL-BEING WENDT allnex's Ponta Grossa site celebrated 700 days of zero accidents on December 14, 2021

A true SHE-first culture – How we foster a safety mindset at our site

Protecting safety, health and environment (SHE) is one of our core commitments. We are dedicated to protecting our employees, communities and the environment from harm in all our production and business activities.

OUR COMMITMENT

Our global SHE team goes by the motto that "one incident is one too many." Safety at allnex is ensured through high standards in SHE management and operational reliability. Clear procedures for process safety management (PSM) are in place, and all sites are ISO 45001 certified. Regular efforts are made to raise awareness for safety topics both among employees and contractors.

KEY SHE ACHIEVEMENTS IN 2021:



Employee recordable injury rate (RIR) of 0.5, exceeding our target of 0.6*



Zero serious process safety incidents



Improvement of 2% in process hazard assessment, which covers process safety as well as environmental hazards



All 34 locations are certified to ISO 45001 for occupational health and safety, and ISO 14001 for an environmental management system



Focused measures to improve contractor safety, with topics including maintenance, electrical safety and driver safety

2022 OUTLOOK:

To push our SHE standards to an even higher level, the following initiatives are set for this year:

- Global SHE target set at 0.65 for total recordable injury rate (TRIR), including both employees and contractors
- Extensive activities planned to reset SHE expectations and strengthen process safety among employees and contractors
- Improvement programs will be launched at targeted sites
- Mechanism to leverage the best practices among different sites will be implemented









projects

At allnex, we take our responsibility for the environment, communities and natural resources very seriously. We work closely with local authorities in long-term remediation projects to preserve nature and soil quality.

Dedicated allnex project teams around the world help to create comprehensive soil and groundwater assessments of our sites, and we are committed to providing sustainable remediation measures even if contaminations stem from historical use preceding our operations. Measures include removal of contamination from local sources, containment, and bioremediation techniques, and are applied with least possible additional nuisance to the environment and communities.

Following this, the teams continue to work with local authorities and experts to monitor groundwater and soil quality in the areas concerned.











Currently, operations in IT systems (e.g. process orders in SAP) run separate from OT systems (e.g. the DCS, or distributed control system) and physical assets (e.g. sensor data). In addition, many operational activities are recorded manually on paper batch cards.

Digitalization will bring these worlds together through digital workflows (e.g., digital batch cards will replace paper versions). This will reduce the manual effort required to collect and document data, create a new dimension of real-time process transparency, and generate useful new data. On the DCS side, for example, data from reactor sensors will be automatically integrated into the digital batch cards, while on the IT side material consumption will instantly flow into SAP.

Digital tools will enable real-time operational data collection, thereby enabling greater transparency and collaboration between departments and real-time identification of bottlenecks. Other tools, such as recording the causes of downtime and deviations, automatic OEE detection, simplified GMP checks, etc., will help increase asset throughput. At the same time, the change will relieve onsite staff by reducing documentation and manual data entry, enabling more value-adding activities to be performed at the reactor.

Major parts of the digital platform are nearing completion, such as the digital workflow tool, interfaces to SAP, and the implementation of a data historian for real-time data collection from sensors and batch recipes from DCS. Large elements can be reused at other sites. Rollout to the operations team is scheduled for the end of the second quarter of 2022.

Industry 4.0 in the spotlight – Our Project Lighthouse

and the implementation be reused at other sites.







All for diversity and inclusion – Shaping

the company culture at allnex

At allnex, we believe diversity is a strength. We strive to create an environment in which personal uniqueness is celebrated and everyone's contribution is recognized and valued.

KEY D&I ACHIEVEMENTS IN 2021:

- allnex joined the D&I sessions organized by the United Nations Global Compact to further strengthen adoption of Sustainable Development Goals (SDGs)
- Diversity & Inclusion networks created in the US (2020) and EMEA (2021)
- Regional metrics put narrow gender gap and nurture junior talent in both regions, as well as encouraging racial diversity in the US network
- D&I awareness training launched
- Partnership joining Communication, Talent Development and Recruitment Team to create collaborative D&I initiatives and promote culture of D&I in the company





Quadrupling female share in manufacturing

by 2030 – What will take us from 4% to 16%?



5 GENDER EQUALITY



"Don't limit yourself. You can go as far as your mind lets you. What you believe, you can achieve!"

Monica Pollard Production Operator, Louisville, USA



SUPPORT:

- Providing attractive pay and benefits
- Offering flexible work practices
- Removing the gender pay gap



PARTNERING:

 Working with local schools and colleagues to attract new talents



MENTORS:

Developing mentorship and appreciation programs



EMPOWERMENT:

- Boosting the visibility of female leaders
- Sharing stories of successful women in manufacturing

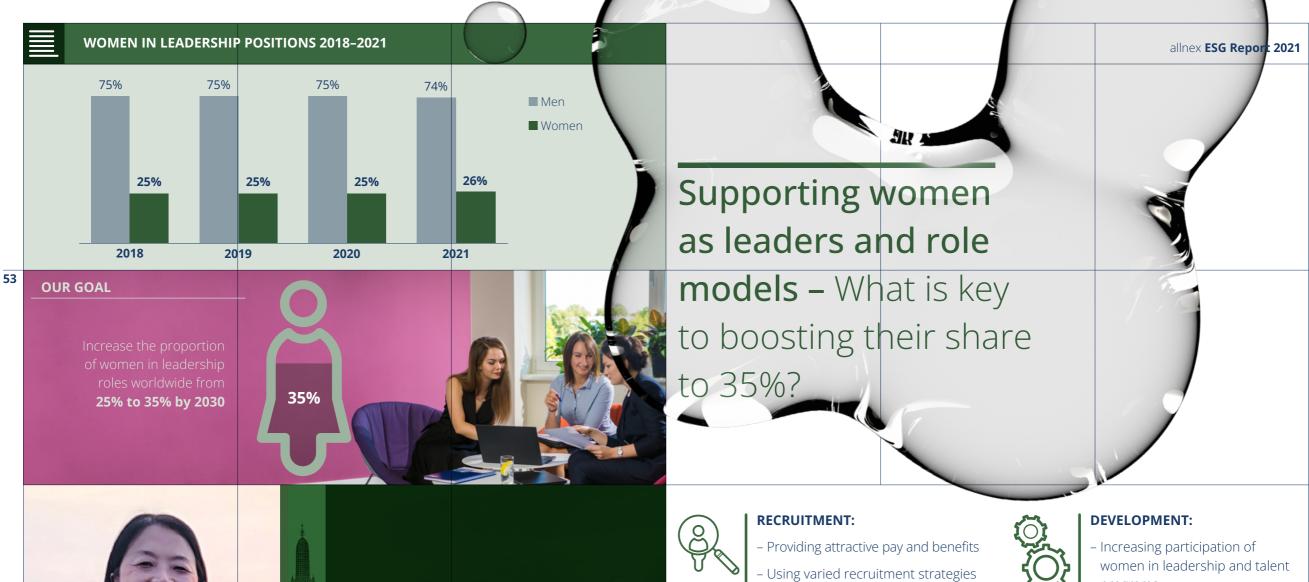


"I like being a part of a multinational company and working with a wide range of professionals from different backgrounds.

The environment is really stimulating, and I appreciat the high level of knowledge and enthusiasm for continuous improvement."

Michela Rizzi Process Engineer, Bassano, Italy

UR PEOPLE





"I joined allnex from the Americas as regional director for the Radcure businesses and was given responsibility of global procurement a few years later. Besides experience, a key factor was my background in oil and gas. The appointment is a good example of allnex's management philosophy, which is based on merit, not gender, nationality or race. That this essential value is held so high throughout the company makes me proud to be a member of the team."

Tanya Niu, **Vice President Procurement**

- Offering flexible work practices
- Building a reputation as employer of choice for women
- Working with local partners to attract female talent



- programs
- Establishing specific networks dedicated to female leaders



SUPPORT:

- Educating and training managers around stereotypes, assumptions and biases
- Incorporating a focused review of female talent into succession planning



RETENTION:

- Fostering an inclusive culture
- Boosting the visibility of female leaders













Attract, recruit and inspire – Our talent

strategy

54

KEY ACHIEVEMENTS IN RECRUITMENT AND TALENT DEVELOPMENT IN 2021:

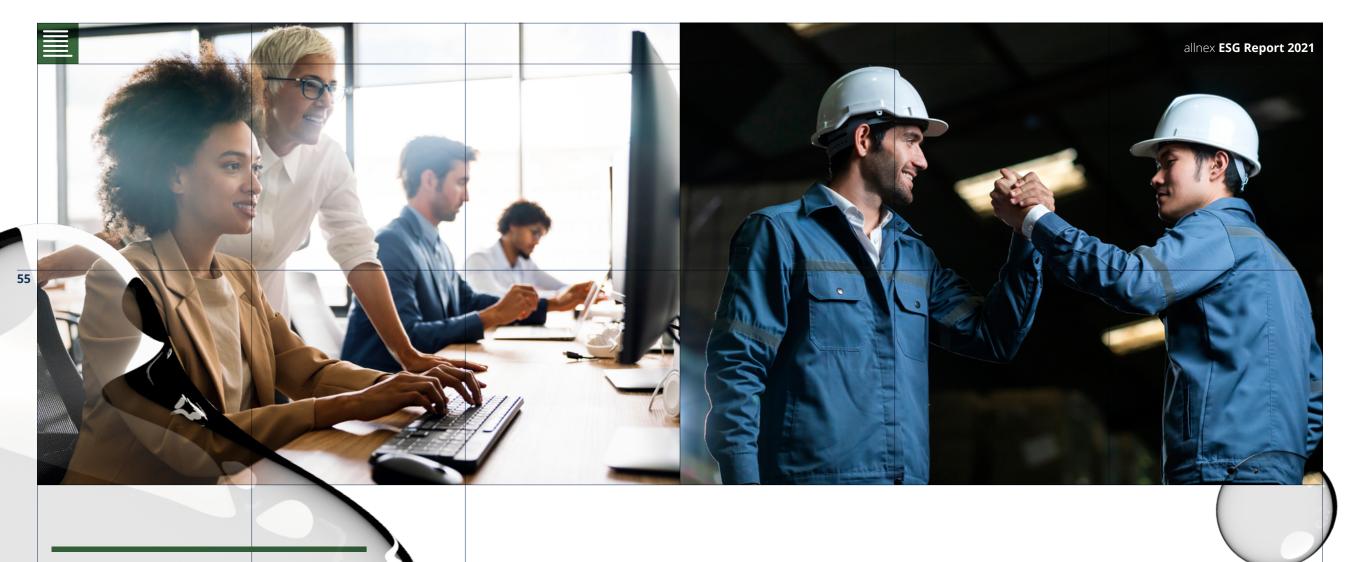
- Despite the pandemic, global and local recruitment continued with a focused effort on virtual career fairs and online recruitment campaigns
- Employment branding campaign launched on social media and company website with authentic employee stories to offer potential candidates a glimpse of #lifeatallnex
- Global onboarding program for newcomers established on our virtual platform, featuring interactive design and gamification elements
- Tailored regional recruitment via diversified channels, adapted to local context and specific audience
- E.g. school enterprise initiative in China, combining college lessons on theory with practical on-job training in our facilities
- Use of highway billboards to reach potential manufacturing team members in the US

OPPORTUNITIES TO LEARN, EXCHANGE IDEAS AND THRIVE!

We believe everyone at allnex deserves a development path leading to personal and professional growth. Through our EXPLORE platform, our employees have access to over 22,320 courses and videos. Topics range from professional and technical knowledge to self-care, teamwork and emotional support. In addition, we offer several platforms for the exchanging experiences and know-how, including The XCHANGE and MysteryCoffee.

The XCHANGE allows colleagues to work on skills as a guide or learner by regularly meeting remotely in pairs. Currently over 280 users learn from each other on topics such as business, team building, cultural awareness and more.

MysteryCoffee complements this with a platform for casual networking. It has over 140 users and is especially popular among younger staff and interns, who see it as a fun chance for getting to know the company culture and meet with colleagues of all walks from around the globe.



Always ready - Our commitment to agility and engagement

To stay in the lead in a highly competitive field, we also work on becoming ever more agile and attentive in our customers relations, while keeping our ears and minds open internally to foster the engagement of employees.

AGILITY PROGRAM

Goal: Anchor a culture of agility in the company to stay ahead of quickly growing competition, enabling even faster and easier collaboration with customers and partners.

Measures: Agility survey conducted among all employees in management positions (~500). The results are being analyzed to determine focus areas and potential actions. Another survey is planned for 2022.

ENGAGEMENT SURVEYS

Goal: Establish constant flow of feedback in the company to identify areas for potential improvement and take necessary actions.

Measures: Two local pilot surveys conducted among employees. Global survey to follow in 2022.

alinex on the source of the so

- Partnership entered with Optum, a global health service provider, to offer 24/7 hotlines for each site and internet access for support materials.
- All counseling and use of services is strictly confidential and free of charge for employees.
- Since its launch in May 2021, the EAP hotline has been accessed 35 times across our organization.
- The Optum services, ranging from emotional counseling and legal advice to mediation services and well-being tips, were engaged 1,209 times.
- New promotional plan launched in Q1 2022 to increase awareness for EAP.



