Nouryon

Reporting Principles

for the Nouryon Sustainability Report 2025

This document explains the reporting principles of sustainability performance indicators presented in the Sustainability Report 2025 and on the corporate website. This document is to be read in conjunction with the Sustainability Report 2025.

Last update: April 21, 2026

1. Reporting Context

1.1 Organizational Boundaries and Changes

The reporting of our performance indicators is based on financial reporting in alignment with the Financial Control approach outlined by the Greenhouse Gas Protocol: operations and activities, fully owned or with more than 50% ownership by Nouryon are 100% included in the reporting process. Operations and activities that are owned 50% or less by Nouryon are not included in this reporting. Our integrated supply chain uses specific criteria[1] when reporting the total number of manufacturing sites, which may differ from the Financial Control approach in select cases due to competitive or organizational reasons.
Acquired operational activities are included in our performance reporting as of the month in which financial consolidation takes place. Divested activities cease reporting as of the month in which financial consolidation takes place. Exception: the Fort Amanda Specialties Joint Venture, does report only on Safety as the employees operating the production facility have a Nouryon contract while the Environmental indicators are part of facility owned by the Joint Venture which is 50% owned by Nouryon and not part of the reporting process.
Offices and research facilities (except for our Deventer Innovation Center) are excluded from reporting in Energy and Environment but included in Scope 3, Category 8 Leased Assets. The three warehouses which we own are excluded in the Energy and Environmental reporting as their contribution to the company total is considered immaterial (historically, it was confirmed to be below the minimum reporting limits). However, they report on Health Safety and Security.

Changes in Nouryon Metrics reporting entities 2024 - 2025

Changes to Health, Safety and Security (HSS) reporting entities:

L1	L2	L3	L4	Change	As of
Nouryon	Americas	Chicago Office	L4 Chicago Office Organization NA	Merged into other RE	jan-25
Nouryon	Americas	Projects Americas	L4 Project Americas Astrea	New construction project	nov-25
Nouryon	Americas	Projects Americas	L4 Project Americas Savanna	Project closed	jan-25
Nouryon	Americas	Ribas do Rio Pardo	L4 Ribas do Rio Pardo Organization	New Site	feb-24
Nouryon	Asia	Shanghai Office	L4 Shanghai Office Organization NA	Merged into other RE	jan-25
Nouryon	EMEA	Dublin Office	L4 Dublin Office COR Organization	New Office	nov-25
Nouryon	EMEA	Gothenburg Office	L4 Gothenburg Office Organization NA	Merged into other RE	jan-25
Nouryon	EMEA	Poznan	L4 Poznan Non-Manufacturing Organization	Split-off from Poznan RE	jan-25

Specifics:

- We combined a number of reporting entities in the Chicago, Shanghai and Gothenburg offices, so the ones mentioned above stopped reporting as of January 2025.
- We split the original Poznan Organization reporting entity into a manufacturing and non-manufacturing reporting entity as of January 2025.
- The new Ribas do Pardo manufacturing site started reporting as of February 2024.
- The Savanna construction project stopped reporting as of January 2025.
- The new Astrea construction project starts reporting as of November 2025.

[1] Example criteria for what are considered sites when speaking about our manufacturing operations and activities could include: 100% wholly owned sites, sites that perform some unit operation for raw material conversion to finished goods, sites where Nouryon staff are operating the assets, in cases where Nouryon finances the inventory and capex, or where end product serves Nouryon' s customers. Sites meeting these criteria could be less than 50% owned by Nouryon and/or not reporting HSE performance indicators.

New and closed Energy and Environment reporting entities:

L1	L2	L3	L4	Change	As of
Nouryon	Americas	Paulinia	L4 Paulinia Metal Alkyls Plant	New RE	Q-4 2024
Nouryon	Asia	Singapore	L4 Singapore Manufacturing Additional	New Additional RE	Q-1 2025
Nouryon	Asia	Taixing	L4 Taixing MCA Plant Additional	New Additional RE	Q-1 2025

Specifics:

- A dedicated entity for the Paulinia site was created starting in the fourth quarter of 2024 but reported 2024 FY data in that one quarter.
- In order to facilitate different electricity reporting to the Singapore and Taixing sites, additional reporting entities were created for these sites as of the first quarter of 2025. Like all other additional reporting entities, these are only used for electricity reporting.

Newly acquired sites will be enrolled in an onboarding process to comply with the Nouryon internal HSE procedures for the first year in operation. During this first year, the HSE Safety performance will not be included in the Nouryon HSE performance.

1.2 Reporting Criteria

We assess our greenhouse gas (GHG) emissions annually with the aim to align as much as possible with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and Corporate Value Chain Accounting and Reporting[2]. Our footprint is measured across our value chain – including Scopes 1, 2 and Scope 3.
Where relevant, we align metrics with the Sustainability Accounting Standards Board (SASB) Chemical sector reporting requirements. In addition, for a subset of metrics, we report with reference to the Global Reporting Initiative (GRI).

1.3 Health, Safety and Environmental (HSE) performance indicators

Reporting Systems:

For tracking and reporting health, safety, and environmental related performance indicators we use a software system, Enablon. This system includes several integrated modules. Performance indicators used for external reporting are tracked in the Metrics Module.

Reporting Process:

Health Safety and Security reporting is done on a monthly basis. Energy and Environment reporting is done on a quarterly basis. With the mentioned frequencies, questionnaires (datasheets) are generated and sent to representatives of the selected reporting entities. These questionnaires are partly prefilled with data extracted from other Enablon modules, and site representatives enter the remaining data. Automatic calculations are done within the Enablon system for consolidation. Calculations are explained in internal system documents. The Enablon system can generate reports in different forms, periods, and cross sections of the company.
HSE data are entered at the reporting entity level data by a designated contributor who sends the completed questionnaire on to a validator (usually the site manager). After completion of the Q3 reporting campaigns, an extended data integrity check is executed involving Regional and Corporate HSE experts. This exercise is repeated after the closing of the Q4 reporting campaigns for the year end.

[2] The following standards: GHG Protocol. A Corporate Accounting and Reporting Standard Revised edition. WRI and WBCSD 2004., GHG Protocol Scope 2 Guidance. An amendment to the GHG Protocol Corporate Standard. WRI and WBCSD 2015., GHG Protocol. Technical Guidance for Calculating Scope 3 Emissions Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard, 2013.

1.4 Suppliers acknowledging our Business Partner Code of Conduct

The progress on signed Business Partner Code of Conduct declarations across Nouryon is reported on a yearly basis using our Ariba Purchase Order system. Nouryon's Business Partner Code of Conduct is embedded in our General Terms and Conditions as well as all Contract Templates. Supplier acknowledgement is executed via Purchase Order acceptance or signed contract agreement as standard practice.

Data on suppliers covered by the Business Partner Code of Conduct are consolidated at corporate level with the percentage by spend covered extracted from our Ariba Purchase Order system and reviewed annually.

1.5 Site certifications

Nouryon tracks ISO, OHSAS, and related certificates for all manufacturing sites.
Many of the certificates are combined regional certificates (e.g., we have an ISO14001 management system standard for sites in South America). Certificates are available on our public Nouryon.com site.
ISO information per site such as certificate type and expiration date are collected yearly and consolidated at the corporate level. Our ISO certification percentage metric includes sites that have been in our portfolio for one year or more. This is to allow sufficient time required for activities reviewed by the certification process (*e.g.,* pre-start up safety reviews, management reviews, production, and/or internal audits if relevant). Any exceptions will be identified.

1.6 Human Resources (HR) Data

Nouryon uses SuccessFactors as a global HR system for managing employee data, including talent and performance management, recruitment and learning data. The system stores a range of personal and job information, including reporting line, salary, job history, etc. SuccessFactors is a real time system running Nouryon's processes and forms the basis of monthly or quarterly internal reporting as well as HR reporting in the sustainability report. Data is entered and authorized at defined levels in country and business organizations.

2. Metrics

2.1 Production Quantity

The Production Quantity of a reporting entity is the number of metric tons of commercial products produced and leaving the reporting entity on an "as-is" basis. This means that solvents which are added to the reactive components are included in this amount. If a commercial product from one reporting entity is used as a raw material for another reporting entity this quantity is still included. This is not the case with non-commercial intermediates like nitriles in our product line Amines Surfactants: these are not included in the production quantity, because the volumes are included in the resulting end products.

Intensity-based metrics are based per unit of production.

2.2 Health and Safety

2.2.1 People Safety

Hours worked

Hours worked are used in the calculation of the OSHA Incident Rate (OIR), and the Lost Time Injury Rate (LTIR).

In Sweden, The Netherlands and the US, we record working hours for our own employees with the Kronos system. These three main countries represent approximately 50% of Nouryon employees. Kronos system configurations are aligned to local regulations and may differ by location. In other countries, working hours are tracked at the site level. There is no central system – each site office is responsible for establishing one. Many sites use a badge or card-based registration system to track the presence on the workplace. Employee work locations are recorded in the Success Factors system.

Hours worked for temporary workers and contractors need to be collected at site level. The hours for temporary workers are usually submitted by the employment agencies to the sites. The hours for contractors can be generated in different ways depending on the situation on site and the activities executed.
Data in these systems are consolidated to allocate the correct hours worked to different reporting entities in Enablon.

OIR

All injuries are as much as possible reported following OSHA[3] guidelines. In countries outside the US, substantiated deviations may occur on an exception basis. Recordable injuries are reported as Medical Treatment, Restrictive Work, Lost Time Injuries or Fatalities.

The OSHA Incident Rate (OIR) is the total number of recordable injuries per 200,000 hours worked. This is reported as the OIR for (1) Nouryon employees and temporary workers, and (2) for contractors.

Total OSHA incident rate (OIR) for employees and temporary workers

The OSHA Incident Rate (OIR) for employees and temporary workers is the total number of recordable injuries per 200,000 hours worked.

Total OSHA incident rate (OIR) for contractors

The OSHA Incident Rate (OIR) for contractors is the total number of recordable injuries per 200,000 hours worked.

Note: OIR is equivalent to Total recordable incident rate (TRIR) included in the SASB standards.

LTIR

The Lost Time Injury Rate (LTIR) is the number of Lost Time Injuries (including Fatalities) per 200,000 hours worked. This is reported as the LTIR for (1) Nouryon employees and temporary workers, and (2) for contractors.

Lost time injury rate (LTIR) employees and temporary workers

The Lost Time Injury Rate (LTIR) is the number of Lost Time Injuries (including Fatalities) of employees and temporary workers per 200,000 hours worked.

Lost time injury rate (LTIR) contactors

The Lost Time Injury Rate (LTIR) is the number of Lost Time Injuries (including Fatalities) of contractors per 200,000 hours worked.

[3] US Occupational Safety and Health Administration

2.2.2 Process Safety

Process Safety Events (PSE)

Process Safety Events are reported according to the API RP 754 guidelines. The incident investigations of PSE level 1 (PSE1) and level 2 (PSE2) incidents are supported by the Process Safety Management (PSM) expert team.

Process Safety Incident Count (PSIC)

The Process Safety Incident Count (PSIC) is the total number of Process Safety Incidents. Process Safety Total Incident Rate (PSTIR) is the count per 200,000 hours worked. These metrics are reported as follows:

Count:

(1) PSIC for PSE1 incidents
(2) PSIC for PSE2 incidents
(3) Total PSIC (incidents combined (PSE1+PSE2)

Rate:

(1) PSTIR for PSE1
(2) PSTIR for PSE2
(3) Combined PSTIR (PSE1+PSE2)

Process Safety Incident Severity Rate (PSISR)

Defined as the cumulative (annual) severity weighted rate of process safety incidents.

2.3 Environmental

Environmental indicators are obtained in many ways using different measurements: weight, volume, flow, concentration, process information systems, and Nouryon calculations. They are described in our internal KPI documents. Where possible, internal measurements are aligned with external measurements: invoices from utility suppliers (electricity, steam, water) and service providers (waste handling, wastewater treatment facilities). Sites define how primary inputs are obtained (governed by our HSE procedures). In many cases, reporting overlaps with reporting required for regulatory authorities.

2.3.1 Emissions factors

Several emission factors are refreshed annually to ensure that accurate and up-to-date factors are used over the year.

NOx values have been updated based on updated emission factors (expressed in kg NOx per TJ of fuel for all reported fuels) for all years back to 2019[4]. This re-baselining provides a consistent basis for comparing performance on NOx versus the base year.

CO2e emissions from other greenhouse gases (GHGs) CH_4, N_2O, HFCs have been included in our emissions inventory since 2024. Data has been updated for prior years, back to our base year of 2019. This re-baselining provides a consistent basis to track performance against our 2030 GHG target.

4 Factors are based on “Non-CO2 emissions from stationary combustion”, Annex 1, “The aggregated emission factors”, table 4 “NOx default (uncontrolled) emissions factors (kg/TJ).
https://www.ipcc-nggip.iges.or.jp/public/gp/bgp/2_2_Non-CO2_Stationary_Combustion.pdf

2.3.2 Direct absolute GHG emissions (Scope 1), K Metric tons CO2e

Direct CO2e from Fuels

We identified the following standard fuels used in Nouryon operations: natural gas, LPG, fuel oil, and coal. The consumed quantities are multiplied by a Lower Heating Value (standards provided but sites are to enter site specific factors if available). The resulting Fuel Energy measured in TJ is multiplied by a Fuel Emission Factor (registered in our internal KPI documents) to calculate the Direct CO2e from Fuels. In case a non-standard fuel is consumed, sites need to provide the related Lower Heating Value and Fuel Emission Factor for the energy and Direct CO2e calculations.

Direct Process CO2

For processes where CO_2 is generated as a result of a chemical reaction (excluding combustion), - for example during the production of Ethylene Oxide - the resulting CO_2 quantities are calculated by the reporting entities and entered in the Enablon Environmental Questionnaire under Direct Emissions.

Direct Process CO2e emissions from other greenhouse gases (GHGs)

Starting in 2024, we include CO2e emissions from other greenhouse gases (GHGs) CH_4, N_2O, HFCs in our emissions inventory (PFCs are not used in our manufacturing processes). The calculation methods and assumptions are described in our internal KPI documents. Data has been updated for prior years, back to our base year of 2019. This provides a consistent basis to track performance against our 2030 GHG target.

2.3.3 Indirect absolute GHG emissions (Scope 2)

Aligned with the GHG Protocol, we report market- and location-based emissions and apply the GHG Protocol's emission factor hierarchies

Indirect GHG emissions location-based (Scope 2), K Metric tons CO2e

Location-based emissions reflect Scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations including local, subnational, or national boundaries.

Indirect GHG emissions market-based (Scope 2), K Metric tons CO2e

Market-based emissions reflect Scope 2 GHG emissions based on GHG emissions emitted by the generators from which Nouryon contractually purchases energy.

Indirect CO2 related to Electricity Purchase

Indirect CO2e related to electricity is calculated from the quantity of purchased electricity and emission factors. Aligned with the GHG Protocol, we report market and location-based emissions and apply the GHG Protocol's emission factor hierarchies. Allocation of our purchased Energy Attribute Certificates (EACs for example Renewable Energy Certificates (RECs) or Guarantees of Origin (GOs)) is included in this procedure.

Other greenhouse gases emissions

Starting in 2024, we include CO2e emissions from other greenhouse gases (GHGs) CH_4, N_2O, for electricity generated with 100% biomass. Calculation methods and assumptions are described in internal KPI documents. Data has been updated for prior years, back to our base year of 2019. For market-based scope 2 emission factors,

in cases where energy attribute certificates, renewable contracts or supplier-based emissions factors are not available, we use eGrid for grid average emission factors in the US for 2023 (released June 12, 2025) and for Europe, we use the residual grid factors from the Association of Issuing Bodies (AIB, version 1.1. published August 11, 2025). Where residual grid factors are not available and in other regions, we use national electricity emission factors from the International Energy Agency (IEA). For 2025 data, this was based on IEA 2023 final data published and purchased in October 2025 (see the table below showing which yearly data we used per year). Scope 2 market and location-based CO2e emissions do include emissions from CH4 and N2O except where AIB residual grid factors are applied.

Reporting year							
	2019	2020	2021	2022	2023	2024	2025
National Grid factors bought in 2023	IEA data 2017 final	IEA data 2018 final	IEA data 2019 final	IEA data 2020 final			
National Grid factors bought in 2025					IEA data 2021 final	IEA data 2022 final	IEA data 2023 final

Indirect CO2e related to Steam Purchase

The Indirect CO_2 related to Steam is calculated from the energy content of the purchased steam and a carbon emission factor for steam (from our internal emissions factor document). This steam emission factor depends on the type of fuel used to generate the steam and how it is generated (for example: steam boiler or Combined Heat Power unit). In case steam is generated by using biomass, one emission factor representing Black-Liquor is used. This factor is also used for our site Kvarntorp where steam is generated from Wood-pellets. The deviation in using the Black-Liquor factor instead of the factor for Wood-Waste is negligible on site and company level. The calculation methods and assumptions are described in our internal documents.

2.3.4 Emissions related to biomass

As of 2024, we report GHG emissions from purchased electricity and steam generated from biomass. CO_2e emissions from CH_4 and N_2O will be reported in Scope 2. Biogenic CO_2 emissions are reported as a separate category, outside of scopes 1, 2, and 3 – in accordance with the GHG Protocol.

2.3.5 Energy and Electricity

Total Energy Consumption

The Total Energy Consumption in GJs is the sum of Energy Fuels, Energy Electricity, Energy Steam and Energy Hot Water (condensate).

As of 2024, we also report the total energy consumption by source being fossil, nuclear, renewable (from Solar, Hydro, Wind, and Biomass), and self-generated.

Energy consumption from unbundled RECs

The total Energy consumption from unbundled RECs is the total amount of RECs retired and expressed in MWhs. The RECs are retired on our behalf for utility supplied renewable electricity and other contractual instruments from utilities and other partners.

Total Energy Intensity

The Total Energy Intensity is expressed in GJ/Metric Ton of production and is calculated by dividing the total energy consumption by the total metric tons of end products produced by Nouryon.

Renewable Electricity consumed

The Renewable Electricity % is the ratio of external electricity from renewable (wind, solar, hydro and biomass) sources and total electricity consumption. For sites that have a zero or near zero emission factor from a mix of low carbon electricity sources (e.g. renewable, and nuclear), we include the portion that is from renewable sources, excluding nuclear.
In reference to the GHG hierarchy for Scope 2 market-based emissions as mentioned in chapter 2.3.3, in case RECs are purchased and retired on a site, the equivalent MWhs are included in the Renewable Electricity calculation.

Renewable Energy

The renewable Energy % is the sum of external electricity from renewable (wind, solar, hydro and biomass) sources as stated in the renewable electricity % definition, and external steam supply from renewable (biomass) sources and renewable fuel (biomass) relative to the Total Energy Consumption.

2.3.6 Air Emissions

NOx absolute emissions

The Total NOx emission in Metric tons is the sum of Direct NOx emissions from processes and Fuel Related NOx from combustion of fuels.

For chemical processes that generate NOx, the resulting NOx quantities are calculated by reporting entities and entered under Direct. Direct NOx emission is a manual input provided by reporting entities based on measurements or calculations as described in our internal KPI documents. NOx related to fuels is calculated based on emission factors specific to each fuel type (described in our internal KPI documents) which has been updated in 2024. All NOx emissions until 2019 were updated by using these updated emission factors. If a site has primary data available (for example based on stack measurements), sites are requested to use these measured values.

NOx emissions intensity

The NOx emissions intensity is expressed in Kg/Metric Ton of production and is calculated by dividing the total absolute NOx emissions by the total metric tons of end products produced by Nouryon.

SOx absolute emissions

The Total SOx emission in Metric tons is the sum of Direct SOx emission and Fuel Related SOx.
For chemical processes that generate SOx, the resulting SOx quantities are calculated by reporting entities (based on measurements or calculations) and entered under Direct Emissions.

SOx related to fuel, is calculated based on the sulfur content of the fuel. Reporting entities enter the mass % of sulfur within the quantities of fuel oil and/or coal from which the SOx emission is calculated in Enablon on a mass balance basis.

SOx emissions intensity

The SOx emissions intensity is expressed in Kg/Metric Ton of production and is calculated by dividing the total SOx absolute emissions by the total metric tons of end products produced by Nouryon.

VOC / HAP

VOC (Volatile Organic Compounds) and HAP (Hazardous Air Pollutants) emissions in Metric tons to air are calculated by the reporting entities based on either spot measurements, modelling, or mass balance. This method and calculations are described in our internal KPI documents.

2.3.7 Waste

Reported waste is waste related to normal operations and shipped off site during the reporting period. The reported waste is grouped in 8 different categories related to hazardous and non-hazardous classifications, reusable and non-reusable destinations, and the waste processing method. Hazard classification follows local regulations. In many cases, our sites utilize certified external waste handling contractors that manage waste, aligned with local and regional regulations.

Exclusions:
Project waste such as construction demolition or soil remediation projects is not included as this waste is not generated from normal operations.

Total absolute waste

Total absolute waste, expressed in Metric tons, is the sum of all 8 different waste categories

Absolute Hazardous waste

Total absolute Hazardous waste, expressed in Metric tons, is the sum of all 8 different waste categories related to hazardous classifications.

Percentage hazardous waste reused (recycled)

As a % of total absolute hazardous waste, hazardous waste that is reused, reclaimed or remanufactured shall be considered within the scope of recycled. Recycled, reused, reclaimed and remanufactured hazardous waste is defined in accordance with the applicable jurisdictional legal or regulatory frameworks where the waste was generated.

Absolute non-hazardous waste

Total absolute non-hazardous waste, expressed in Metric tons, is the sum of all 8 different waste categories related to non-hazardous classifications.

Total waste intensity

The total waste intensity is expressed in Kg/Metric Ton of production and is calculated by dividing the total reported total absolute waste by the total metric tons of end products produced by Nouryon.

2.3.8 Water

Fresh water intake

Fresh water intake is reported as intake from Ground water, Surface water, or provided by a supplier (Potable and Process). Total Fresh Water Intake in 1000 m^3 is the sum of these indicators.

Fresh water use

Per definition, the total Fresh water use equals the total Fresh water intake. Fresh water use is reported as Use Cooling, Use Process and Use Other.

- Use Cooling is specifically for open (once through) cooling systems where cooling water is returned to the same water body from where it was taken – the only difference being an increase in temperature.
- Use Process includes water usage for cleaning, rinsing, extraction, reaction dilution and water contained in products. Use process also includes water evaporation from cooling towers.
- Use Other is a calculated indicator[5].

Absolute Fresh water consumption

The Fresh Water Consumption is the sum of the Fresh Water Use Process and the Fresh Water Use Other and is expressed in 1000 m^3.

Fresh water consumption intensity

The Fresh water consumption intensity is expressed in m^3/Metric Ton of production and is calculated by dividing the total absolute Fresh water consumption by the total metric tons of end products produced by Nouryon.

Wastewater

Most Nouryon sites have on-site wastewater treatment facilities. In cases where facilities do not have wastewater treatment facilities, wastewater is sent to an off-site wastewater treatment facility. Reporting entities report the COD (Chemical Oxygen Demand) in metric tons in water sent to surface water and COD sent to off- site wastewater treatment facility. In the latter case, if COD measurements are not available, the reporting entity estimates the COD quantity for example by means of a mass balance approach.

2.3.9 COD

We are disclosing COD absolute emissions to surface water as well as to external wastewater treatment facilities.

COD absolute emissions to surface water

COD (Chemical Oxygen Demand) absolute emissions to surface water, expressed in Metric tons, is calculated by the reporting entities based on either spot measurements or mass balance combined with flow measurements.

COD absolute emissions to external wastewater treatment facilities

COD (Chemical Oxygen Demand) absolute emissions to external wastewater treatment facilities, expressed in Metric tons, is calculated by the reporting entities based on either spot measurements or mass balance combined with flow measurements.

5 It is calculated from the difference between the Total Fresh Water Use and the sum of the use of Cooling and Process water

2.3.10 Scope 3 Calculations

For scope 3, we strive to utilize data sources that are temporally relevant and geographically representative. Where possible, we prioritized physical quantities (mass of purchased raw materials and generated waste, miles traveled) vs. spend-based data.

Primary and Secondary Data Definitions

Per the GHG Protocol[6]

Primary Data: Data from activities within a company's value chain, including data provided by suppliers or other value chain partners. Primary activity data may be usage or spend, or emissions data calculated by suppliers specific to suppliers' activities.

Secondary Data: Data that is not from specific activities within a company's value chain. This includes industry-average data (e.g., from published databases, government statistics, literature studies, and industry associations), or financial data.

In certain cases, companies may use specific data from one activity in the value chain to estimate emissions for another activity in the value chain. This type of data (i.e., proxy data) is considered secondary data, since it is not specific to the activity whose emissions are being calculated.

2.3.10.1 Category 1 – Purchased Goods and Services, K Metric tons CO2e

Category definition: This category includes upstream emissions from the production of products purchased by Nouryon as raw materials in the reporting year as well as packaging and services. The upstream emissions are related to the extraction, production, and transportation of goods and services purchased by Nouryon in the reporting year, not otherwise included in Categories 2 – 8.

Primary data:

- Raw materials – Hybrid Method – Mass of purchases
- Packaging – Spend-based Method – Spend on purchases
- Services – Spend-based Method – Spend on purchases
- Expenses – Spend on company credit cards (P-cards)

Secondary data:

- Raw materials – Hybrid Method – Mass-based supplier-emission factor, Nouryon product carbon footprints, ecoinvent and Sphera. Supplier-emission factors verified by our procurement team and LCA manager for accuracy and Nouryon product carbon footprints calculated in alignment with TfS PCF 2 model (AR6 GWP 100-year values)
- Emission Factors (Global focused, ecoinvent 3.11 (IPCC 2021: climate change: total (excl. biogenic CO2)), global warming potential (GWP100) and Sphera GaBi 2022.1).

During 2025, an updated approach has been implemented for mapping all raw materials to supplier product carbon footprints and emission factors used in our internal Nouryon product carbon footprint calculations. The material emission factors used in Nouryon product carbon footprints are mapped per-material per-site and per-material per-site per-supplier. In the case when neither a supplier PCF nor an internal Nouryon PCF is available, secondary sources

[6] GHG Protocol. Technical Guidance for Calculating Scope 3 Emissions Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard.

like ecoinvent 3.11 or Sphera are used. In certain cases where emission factors from secondary sources do not accurately represent the particular material emission factor, proxies are taken from literature, historical primary data, and other sources.

Materials for which neither a supplier product carbon footprint nor an internal Nouryon Product Carbon Footprint is available, are assigned to material categories which are mapped to ecoinvent v3.11 or Sphera emission factors.

- Packaging – Spend-based Method – US EPA EIO factors v1.3, 2024 dataset. Released December 21, 2024.
- Services – Spend-based Method – US EPA EIO factors v1.3, 2024 dataset. Released December 21, 2024.

Nouryon's Category 1 footprint is calculated as the total of raw materials, packaging and services. Raw materials emissions are estimated by multiplying the mass of raw material purchases by supplier-specific emission factors or our internally calculated product carbon footprints (PCFs). If neither is available, we map the material with the closest matching material category which in turn is mapped to an ecoinvent or Sphera emission factor. Packaging and services emissions are estimated by multiplying packaging and services spend by emission factors with the closest matching sector label.

The following excluded material groups account for only ~0.1% of the total raw material volume:

- Filling and Packaging Equipment
- Processing Equipment
- Material handling and conditioning and storage machinery, Mining machinery, well drilling and accessories, Workshop machinery and equipment and supplies
- Catalysts
- Filter and filter aids

Some raw materials classified as catalysts were reclassified as raw materials, for example certain metals. These raw materials are included in the emission calculation.

All raw materials associated with tolling sites, except Fort Amanda Specialties, have been included in the raw material emission calculations. Fort Amanda Specialties tolling site is a joint venture and hence excluded from the scope of calculation related to raw material emissions.

There is some overlap in data (for example hotel stays) provided for P-card spend and data provided for category 6. Spend categories from the P-card data that are accounted for in category 6 are excluded from category 1 calculations. As such, there is no overlap in the calculated emissions between category 1 and category 6.

2..3.10.2 Category 2 – Capital Goods, K Metric tons CO2e

Category definition: This category includes upstream emissions from the production of capital goods (for example, plant equipment used in manufacturing) purchased by Nouryon in the reporting year. Emissions from the use of capital goods by the reporting company are accounted for in either Scope 1 (e.g., for fuel use) or Scope 2 (e.g., for electricity use), rather than in Scope 3.

Primary data:

- Spend-based Method – Spend on capital projects

Secondary data:

- Spend-based Method – US EPA EIO factors v1.3, 2024 dataset. Released December 21, 2024.

US EPA EIO Supply Chain Emission Factors with Margins have been used to account for the emissions associated with the upstream transport of capital goods since these emissions are not included in Scope 3 Category 4 Upstream Transportation emissions.

Nouryon's Category 2 footprint is calculated by multiplying Fixed assets spend by emission factors with the closest matching sector label.

2.3.10.3 Category 3 – Fuel- and energy-related activities, not included in Scope 1 or Scope 2, K Metric tons CO2e

Category definition: This category includes emissions related to the production of fuels and energy purchased and consumed by Nouryon in the reporting year that are not included in Scope 1 or Scope 2.

Activities include:

- Upstream emissions of purchased fuels – Extraction, production, and transportation of fuels consumed by the reporting company.
- Upstream emissions of purchased electricity – Extraction, production, and transportation of fuels consumed in the generation of electricity, steam, heating, and cooling that is consumed by the reporting company.
- Transmission and distribution (T&D) losses – Generation (upstream activities and combustion) of electricity, steam, heating, and cooling that is consumed (i.e., lost) in a T&D system.

Primary data:

- Quantity of purchased fuels, steam, and electricity used- Market-based methodology. The percentage mix of renewable energy (PPAs, RECs) and use LCA PCFs is used to calculate the renewable energy emissions which comes under the market-based methodology.

Secondary data[7]:

- Well to tank (WTT) for Fuel – Average-data Method – DEFRA Emission Factors by fuel type, 2025
- WTT, steam generation – Average-data Method – DEFRA 2025 Heat and steam (for all geographies)
- T&D, purchased steam – Average-data Method – DEFRA 2025 Heat and steam (for all geographies)
- WTT, steam consumption – Average-data Methods - UK-specific WTT factors from DEFRA 2025 (used as a proxy for all geographies).
- Upstream TWW for Electricity (2023) – Average-data Method – Country specific – Factors from IEA 2025 dataset
- One-time upstream generation and TWW generation for Non-combustion based Electricity – Average-data method - US NREL LCA Emission Factors for electricity generation technologies 2021 (for all geographies)
- Generation WTT for Electricity (2023) – Average-data Method – Country specific – Factors from IEA 2025 dataset
- T&D Loss factor electricity (2023) – Average-data Method – Country specific - Factors from IEA 2025 dataset

Nouryon's Category 3 footprint is calculated by multiplying fuel, electricity, and steam use by emission factors for upstream fuel extraction and transmission & distribution losses.

In 2025, the market-based methodology has been considered for calculating the Nouryon's Category 3 emissions shifting from the older location-based approach. We now consider the renewable electricity component of the electricity consumption per site (including RECs and PPAs). Additionally, for such sites with renewable electricity consumption, emission factors were considered from US NREL 2021 LCA EFs for calculating the associated TTW emissions.

[7] The T&D loss % for each country was back calculated using the emission factors for T&D losses and electricity consumption from IEA 2025. The well-to-tank (WTT) impacts of electricity T&D losses were calculated using the estimated T&D losses for each site and WTT factors for electricity consumption from IEA 2025. The tank-to-wheel (TTW) emissions from the T&D losses were calculated using the estimated T&D losses and electricity generation emission factors from IEA 2025.

For fuel related calculations, the most commonly used fuels (natural gas, LPG, fuel oil, coal) and other fuels (fuel gas) are included. Calculations for biomass fuel and other smaller use fuels (gasoline for forklift trucks) are excluded as their contributions are very minor.

2.3.10.4 Category 4 – Upstream Transport, K Metric tons CO2e

Category definition: This category includes emissions related to the transportation and distribution of products purchased in the reporting year, between Nouryon's tier 1 suppliers and its own operations in vehicles not owned or operated by Nouryon (including multi-modal shipping where multiple carriers are involved in the delivery of a product, excluding fuel and energy products).

Category 4 also includes emissions from third-party transportation and distribution services purchased by Nouryon in the reporting year (either directly or through an intermediary), including inbound logistics, outbound logistics (e.g., of sold products), and third-party transportation and distribution between Nouryon's own facilities.

Outbound logistics services purchased by Nouryon are categorized as upstream because they are a purchased service, as per the GHG Protocol.

Primary data:

- Spend-based Method – Spend on transportation, distribution, and logistics (with a breakdown by mode of transportation), including:
  - Spend on inbound transportation, logistics and warehousing.
  - Spend on outbound transportation, logistics and warehousing.
  - Spend on combined customer deliveries ("milk runs")
  - Spend on transportation between Nouryon sites.
  - Spend on leased iso tanks and rail cars.
  - Spend on leased storage tanks.

Secondary data:

- Spend-based Method – US EPA EIO factors v1.3, 2024 dataset. Released December 21, 2024.

Nouryon's Category 4 footprint is calculated by multiplying spend by mode-specific emission factors for truck, rail, air, sea, and warehousing.

2.3.10.5 Category 5 – Waste Generated in Operations, K Metric tons CO2e

Category definition: This category includes emissions from third-party disposal and treatment of waste generated in Nouryon's owned or controlled operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater.

Primary data:

- Waste-type Specific Method – Mass, region, and type of waste generated

Secondary data:

- Ecoinvent 3.11 EFs (IPCC 2021: climate change: total (excl. biogenic CO2), global warming potential (GWP100)).
- US EPA EIO factors v1.3, 2024 dataset. Released December 21, 2024

A Waste-type Specific Method is used: Nouryon's Category 5 footprint is calculated by multiplying mass of waste generated by treatment-route-specific emission factors relevant to the region.

2.3.10.6 Category 6 – Business Travel, K Metric tons CO2e

Category definition: This category includes emissions from the transportation of employees for business related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. Estimated emissions from hotel stays are also included in the footprint for Category 6 per the GHG Protocol.

Primary data:

- Spend-based Method – Spend broken down by travel category – Public transit.
- Distance-based Method – Mileage broken down by flights, personal car, and rental car.
- Hotel broken down by nights.
- Travel Expenses – Spend on company credit cards (P-cards)

Secondary data:

- Spend-based Method – US EPA EIO factors v1.3, AR6 based, 2024 dataset for spend-based category. Released December 21, 2024.
- DEFRA Flights Emission factors for flight miles from DEFRA 2025, AR5 based.
- DEFRA Hotel Emission factors for hotel nights from DEFRA 2025, AR5 based.
- DEFRA Business travel-land Emission factors for car miles from DEFRA 2025, AR5 based.
- WTT-passenger vehicles & travel-land DEFRA 2025 emission factors for WTT emissions for vehicles.
- WTT-business travel-air DEFRA 2025 emission factors for WTT emissions for flights.

Nouryon's Category 6 footprint is calculated by the sum of the following:

- Spend-based Method - Spend broken down by travel category – Public transit
- Average-data Method - Mileage broken down by flights, personal car, and rental car; Hotel broken down by nights
- Spend-based activity data multiplied by sector-specific emission factors
- Spend-based on the remaining travel expenses

2.10.3.7 Category 7 – Employee Commuting, K Metric tons CO2e

Category definition: This category includes emissions from the transportation of employees from their homes to their place of work. Estimated emissions from remote employees are also included in Nouryon's inventory.

Primary data:

- Headcount of full-time equivalent (FTE) employees by country. FTE employees from GEO locations and Delamine were excluded from the headcount of FTE employees by country as GEO location employees are not Nouryon employees legally and Delamine is a joint venture not managed by Nouryon.
- Estimated percentage of shuttle traveling per country
- Number of remote full-time employees.

Secondary data:

- For full time employees - Average-based Method:
  - DEFRA TTW Passenger vehicles & travel-land from DEFRA 2025, small car (by size), average car (unknown fuel source), average bus emission factor.
  - DEFRA WTT Business travel-land Emission factors for car and bus miles from DEFRA 2025, small car (by size), petrol as fuel source, average bus emission factor.
- For remote full-time employees – Average-based Method - DEFRA 2025 for Homeworking (office equipment + heating)
- Average employee commute distance- Average-based Method- Multiple sources

It was assumed that 100% of employees commute by car unless data was provided on use of company supplied shuttle bus or public transportation, as emission factor for passenger vehicle is most conservative when compared to other modes of transport. For public transportation, the bus emission factor was used

Numbeo.com traffic data is used as a source for average commute distances where more accurate study data is not available. The distances used are “Overall Average Travel Distance to Work” by country.

Nouryon’s Category 7 footprint is calculated by multiplying average commute distance traveled (country data) by an activity-based emission factor (DEFRA). Countries with less than 10 employees are grouped under rest of world which uses average commute distance from other countries. Select shuttle information for various countries is used where available.

For 2025, we assume all commuting (except by company shuttle) is done via car.

2.3.10.8 Category 8 – Leased Assets, K Metric tons CO2e

Category definition: This category includes emissions from the operation of assets that are leased by Nouryon in the reporting year and not already included in Nouryon’s scope 1 or scope 2 inventories. Leased assets are our offices, 3 warehouses and research facilities (except for our Deventer Innovation Center).

Primary data:

- Area information per facility

Secondary data:

- Energy intensity factors – Average method - US EIA's 2018 Commercial Buildings Energy Consumption Survey (CBECS) dataset
- TTW emission factors for natural gas and fuel oil – Average method - IEA Direct Combustion Factors 2025 (representing final factors for 2023).
- eGrid 2025 using 2023 summary tables revision 2 (AR6 based).

The emissions were calculated using actual/estimated area data from Nouryon and information/emission factors from secondary sources. The energy usage at the leased facilities was estimated using the actual/estimated square meter areas of the facilities and energy intensity factors from the US EIA's 2018 Commercial Buildings Energy Consumption Survey (CBECS) dataset. The actual square meter areas of the facilities were taken from lease agreements and in case where the square meter areas of facilities were not available in the lease agreements, the area was estimated by the facility managers. Electricity, natural gas, and fuel oil were estimated using the CBECS dataset as these are the only energy sources used at the leased facilities and included in CBECS.

2.3.10.9 Category 9 – Downstream Transport, K Metric tons CO2e

Category definition: This category includes the transportation and distribution of sold products in vehicles not owned or leased by Nouryon, after the point of sale of the product, where the transport cost is not paid for by Nouryon.

This category is not included in our scope 3 calculations.

Reasons for exclusion:

- Disaggregated data is not readily available to determine the amount in the selling price of a product that applies to transportation and distribution (customers typically pay for transportation). Warehousing costs are included in Category 4.

- Outbound transportation and distribution services that are purchased by Nouryon are excluded from category 9 and included in category 4 (upstream transportation and distribution) because Nouryon

purchases the service.

2.3.10.10 Category 10 – Processing of Sold Products, K Metric tons CO2e

Category definition: This category includes emissions from processing of Nouryon's intermediate products by third parties. Intermediate products are products that require further processing, transformation, or inclusion in another product before use, and therefore may result in emissions from processing following Nouryon's sale but before use by the end consumer.

This category is not included in our scope 3 calculations.

Reasons for exclusion:

- Nouryon sells intermediate chemical products. Given the wide variety of intermediate products sold by Nouryon and myriad of uses and applications, obtaining data for this category is prohibitive.
- The depth of data required cannot be reasonably collected with confidence. Estimates would be based on broad assumptions, lack of accuracy and lead to a potential misrepresentation of Nouryon's Scope 3 footprint.

2.3.10.11 Category 11 – Use of Sold Products, K Metric tons CO2e

Category definition: This category includes emissions from the use of goods and services sold by Nouryon in the reporting year. This includes the Scope 1 and Scope 2 emissions of end users – including for example consumers or business customers that use final products.

A product line is considered to contribute to category 11 if it is emitted, combusted, or otherwise released to the atmosphere during normal product use. Products that are emitted to the atmosphere and are considered GHGs with a GWP assigned by the IPCC AR6 report contribute to the category 11 footprint. Our only relevant product for inclusion in this category is Carbon Dioxide (a high-purity byproduct from manufacturing of Ethylene Oxide in Stenungsund) used in the beverage industry. We assume that this product is released to air during the use-phase and emissions are included.

Our product Dimethyl ether (DME) is used as an aerosol propellant but does not have a global warming potential (GWP) according to IPCC AR6 (2021). Thus, we assume no emissions from direct use-phase.

Primary data:

- Direct use-phase emissions – Sales volume by region and description of product end uses.

Secondary data:

- Direct use-phase emissions – IPCC AR6 (2021) global warming potentials

2.3.10.12 Category 12 – End-of-Life Treatment of Sold Products, K Metric tons CO2e

Category definition: This category includes emissions from waste disposal and treatment of products sold by Nouryon at the end of their life.

Primary data:

- Waste-type specific method – Sales volume by region and description of product end use

Secondary data:

- Waste fate by region - What a Waste 3.0
- ecoinvent 3.11 and Sphera MLC (formerly GaBi) emission factors (EF's) 2022.1 (with Global focus) for treatment of waste, wastewater and recycling.

- Wastewater treatment (WWT) pathways added for end of life (EOL). Information based on likely EOL pathways based on
  product sales, applications and end markets - whether WWT EOL scenarios apply.

Nouryon's Category 12 footprint is calculated by multiplying product sales volumes by waste fate by region and by treatment-route-specific emission factors. In case of dilutions in water, the product volumes have been revised to reflect the volume of active content. The water content of the products is determined by subtracting the active content of each product from the total product mass. It is assumed that the water contained in each product ends up in the wastewater stream. The water contained in each product is treated as part of the wastewater stream and an emission factor for wastewater treatment is applied to account for GHG emissions for this portion of the product. GHG emissions from wastewater treatment for product water are calculated separately from GHG emissions from the active portion of the product.

The impact of Packaging has historically been excluded from category 12 since packaging mass data is unavailable and cannot be reasonably extrapolated from the packaging expenditure data.

Products which are emitted directly to the atmosphere (DME, high purity Carbon Dioxide sold to the beverage industry) during use do not require end-of-life treatment and are excluded from the end-of-life model. Dimethyl ether (DME) is sold as an aerosol propellant and is emitted directly to the atmosphere during use. Carbon dioxide is sold to the food & beverage industry and is also emitted to the atmosphere during use.

2.3.10.13 Category 13 – Leased Assets, K Metric tons CO2e

Category definition: This category includes emissions from the operation of assets that are owned by Nouryon (acting as lessor) and leased to other entities in the reporting year that are not already included in Scope 1 or Scope 2.

This category is not relevant as Nouryon does not have downstream leased assets.

2.3.10.14 Category 14 – Franchises, K Metric tons CO2e

Category definition: This category includes emissions from the operation of franchises not included in Scope 1 or Scope 2. A franchise is a business operating under a license to sell or distribute another company's goods or services within a certain location.

This category is not relevant as Nouryon does not own or operate any franchises.

2.3.10.15 Category 15 – Investments, K Metric tons CO2e

Category definition: This category includes scope 3 emissions associated with investments, not included in Scope 1 or Scope 2.

This category is excluded as Nouryon's only investments are with other companies through joint ventures. However, data is not available due to competitive reasons.

2.4 Employees metrics

The total number of employees is extracted from the Success Factors system.

2.4.1 Employees covered by collective labor agreements, % and number

Percentage and number of employees who are covered by collective labor agreements. This is calculated by dividing the number of employees who are covered by collective labor agreements by the total headcount of FTE employees. The number of employees covered by collective labor agreements is provided manually by the HR teams and the reference point is December 31, 2025. FTE employees from GEO locations and Delamine were excluded from the

headcount of FTE employees by country as GEO location employees are not Nouryon employees legally and Delamine is a joint venture not managed by Nouryon.

2.4.2 Employees covered by Living Wage Assessment, % and number

Percentage and number of employees who were part of the Living Wage Assessment in 2025. This is calculated by dividing the number of employees which were part of the Living Wage Assessment by the total headcount of full-time equivalent (FTE) employees (see 2.4.1 for the definition). The number of employees covered by Living Wage Assessment are extracted from the latest dedicated study performed in 2025. Living wage benchmarks are based on Fair Wage Network.

2.4.3 Total workforce receiving regular performance and career development reviews, % and number

Number of employees receiving regular performance and career development reviews. This is calculated by dividing the number of employees who received regular performance career development reviews by total headcount of full-time equivalent (FTE) employees (see 2.4.1 for the definition). Reviews records are extracted from the Success Factors system. Manual training information as registered outside of Success Factors system, is included as well. Career development reviews are conducted as part of the regular performance review cycle.

2.4.4 Employees who have completed Code of Conduct (incl Anticorruption) training, % and number

Percentage and number of employees who have completed training on the Code of Conduct, including Anti-corruption. This is calculated by dividing the number of employees who have completed the Code of Conduct training by the total headcount of full-time equivalent (FTE) employees (see 2.4.1 for the definition). Training records are extracted from the Success Factors system.

2.4.5 Employees acknowledging our compliance policies, including child labor and modern slavery as part of Code of Conduct, % and number

Percentage and number of employees acknowledging our compliance policies, including child labor and modern slavery as part of Code of Conduct. This is calculated by dividing the number of employees acknowledging our compliance policies, including child labor and modern slavery as part of Code of Conduct by the total headcount of full-time equivalent (FTE) employees (see 2.4.1 for the definition). Acknowledging records are extracted from a Microsoft Forms document that the Compliance department sends out annually.

2.4.6 Employees undertaking Respectful Workplace training, number

Number of employees that have taken Respectful Workplace training is defined as the count of full-time equivalent (FTE) employees who have completed the Respectful Workplace Training module. Training records are extracted from the Success Factors system.

2.5 Governance, Procurement and Other metrics

2.5.1 Board members that the Code of Conduct/Anti-corruption policies have been communicated to, % and number

This metric represents the proportion of the total board of director members who have received and acknowledged the Code of Conduct and anti-corruption policies and procedures, expressed as a percentage and number. It is calculated by dividing the number of board members to whom these have been communicated by the total number of board members. We track this with Board of Director meeting resolutions.

2.5.2 Suppliers acknowledging our Business Partner Code of Conduct, % by spend

Defined as % Product Related (PR) and Non-Product Related (NPR) spend (measured by value in USD) with suppliers who have acknowledged our Business Partner Code of Conduct over total spend. This

excludes vendors providing services such as pension funds, tax consultants, or local authorities, and spend without a related Purchase Orders.

2.5.3 Suppliers measured on EcoVadis performance, % by spend

Defined as % external spend (measured by value in USD, including raw materials, packaging, indirect spend, Energy, Logistics) with suppliers who have been scored by EcoVadis over all external spend. Spend data is downloaded from Nouryon's spend analytics system Sievo monthly and matched with EcoVadis supplier data.

2.5.4 Suppliers screening using Risk IQ, % by spend

Defined as % external spend (measured by value in USD, including, raw materials, packaging, indirect spend, Energy, Logistics) with suppliers assessed for CSR Risk assessment using EcoVadis Risk IQ divided by total spend. Spend is downloaded from Nouryon's spend analytics system Sievo and uploaded into EcoVadis Risk IQ using a supplier's Tax ID as a unique identifier for analysis. EcoVadis Risk IQ analysis is then exported and analyzed. Nouryon Sustainable Procurement team members perform a CSR Risk assessment via this platform on an annual basis. The results from EcoVadis Risk IQ are then used to identify required critical supplier assessments and CSR performance improvements.

2.5.5 Manufacturing Sites with OHSAS-18001/RC-18001 and ISO-45001 certifications, %

Defined as the % of our sites having a valid OHSAS-18001/RC-18001 and ISO 45001 certifications at a defined point in time (for the 2025 Sustainability Report this was December 31, 2025). This is calculated by dividing the number of sites with valid certifications by the total number of sites in our portfolio. This is based on sites that have been in our portfolio for at least one year

2.5.6 Manufacturing Sites with ISO-14001/RC-14001 certifications, %

Defined as the % of our sites having a valid ISO-14001/RC-14001 certification at a defined point in time (for the 2025 Sustainability report this was December 31, 2025). This is calculated by dividing the number of sites with valid certifications by the total number of sites in our portfolio. This is based on sites that have been in our portfolio for at least one year.

2.5.7 Revenue from products containing Substances of Very High Concern (SVHC), %

Percentage of Nouryon's revenue from products containing greater than or equal to 0.1% of a Substance of Very High Concern (SVHC). An SVHC is a chemical substance (or part of a group of chemical substances) which has been proposed as a candidate for inclusion on the EU REACH Authorization or Restriction list.

2.5.8 Buyers who have received training on Sustainable Procurement, %

Percentage of buyers (category managers in the Procurement organization) who have completed training on Sustainable Procurement. This is calculated by dividing the number of buyers who have completed training on Sustainable Procurement by the total number of buyers. Training records are extracted from the Success Factors system ("My Learning").

2.5.9 Eco-Solutions

Defined as the % of our R&D New Product Innovation projects delivering Eco-solutions.

This is calculated by dividing the total number R&D NPI projects classified as Eco-Solutions by the total number of R&D NPI projects.

Criteria: The metric starts by assessing product safety and regulatory criteria – solutions are not expected to be regulated in a way that restricts their intended application over the next five years – then checks sustainability drivers. Eco-Solutions either:

1. Have a Sustainable Feedstock Index (SFI)[8] greater than 50%,
2. Are biodegradable[9], or
3. Bring a significant sustainability advancement over the full life cycle[10].

For evaluating environmental footprint performance, we focus on emissions (including climate related GHGs and other air emissions), resource consumption, energy efficiency, and toxicity.

If products meet more strict criteria, they may be considered circular[11].

Scope: The scope of the Eco-Solutions metric includes all active NPI projects in the following stages:

- Stage 3: Creation
- Stage 4: Scale-up and pre-launch

Stages 1 (Screening), 2 (Feasibility), and 5 (Launch and Monitor) are excluded. The metric is measured as the average percentage of projects per month over the past 12 months, providing an accurate representation of the NPI portfolio during that period.
The R&D projects in scope are all active/running projects in Accolade (the R&D project management system) that have passed gate 1 (Scoping) and are part of the innovation pipeline being NPI type 1, 2, and 3:

- Type 1: New product, *line extension*
- Type 2: New product, *existing* market
- Type 3: New product, *new* market

Only projects that have been assessed and validated are included (if assessments done after reporting deadlines, re-statements will be done for historical data). Projects that were stopped or put on hold are excluded.

[8] The sustainable feedstock index is calculated based on the content of the final Nouryon product and is an assessment of what share of the product is derived from either bio-based organic materials, abundant inorganic materials, and/or recycled materials.
[9] The biodegradability criteria apply to all intentionally added components in the product and is applied only for solutions that will be used in applications which have been assessed to be relevant such as home and personal care applications and agricultural applications. It does not apply for example to certain applications in which our products are used as intermediates.
[10] Sustainability advancement is the improved environmental impact of the solution as compared with the incumbent solution along the full life cycle. The improvement must be significant meaning greater than 10% when comparing the Nouryon product's cradle-to-grave impact vs. the incumbent solution.
[11] The circularity criteria are that products must have a Sustainable Feedstock Index of 100% and will be either biodegrade (i.e. mineralize), and feed into the biogeochemical cycles, or do not contain substances that inhibit the possibilities for recycling in their respective application.