

Environment, social and governance

In 2022 we invested in reassessing Essentra's ESG progress and in particular how we could better shape and apply our strategy to a pure-play Components business. We recognise that our valued customers are seeking increasingly sustainable products, and having the trust and confidence of the people we do business with is one of our most valuable assets and a clear source of competitive advantage.

IN THIS SECTION

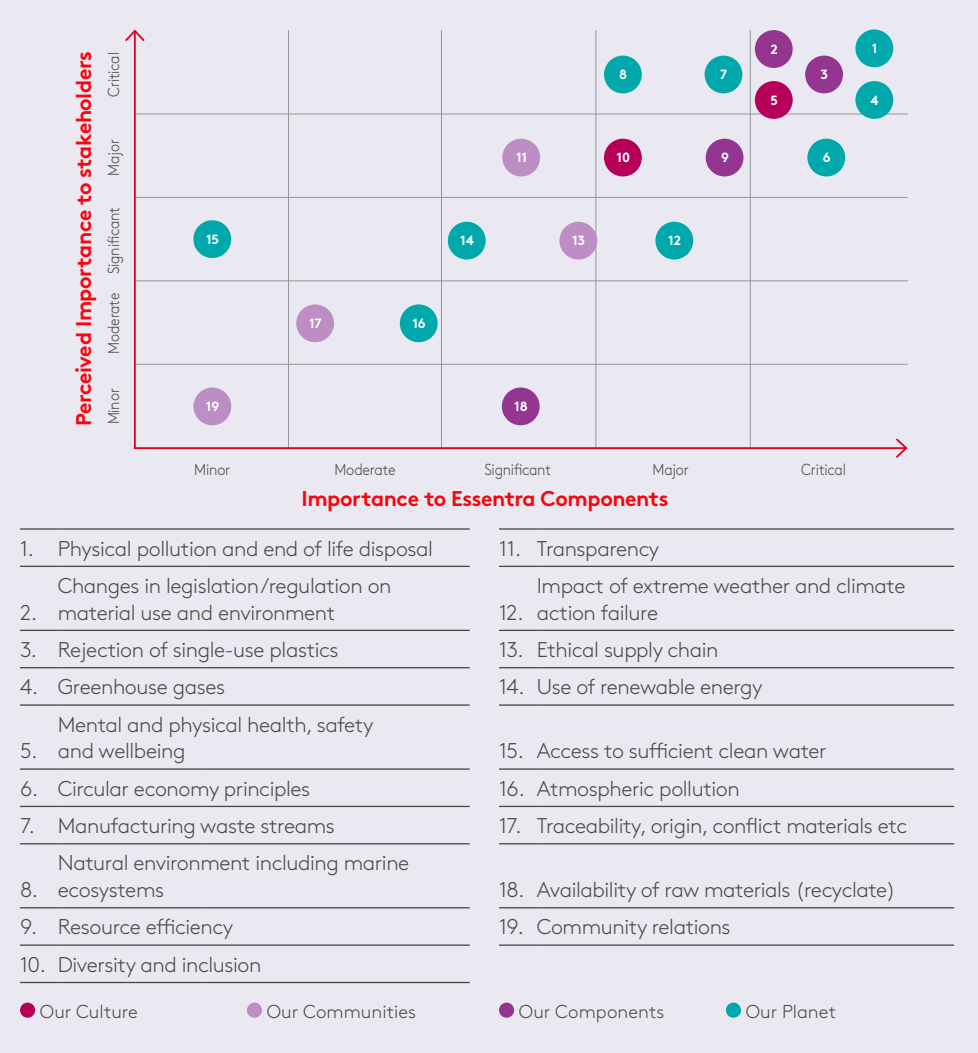
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Environmental, social and governance (ESG) topics are crucial to our ability to effectively and responsibly accelerate our potential as a pure-play Components business whilst meeting the increasing expectations of all our stakeholders, including employees, customers and investors. Indeed, for us to continue to create shareholder value and build for the future, we must secure our ability to thrive in a sustainable future. This means reducing our impact on the environment, working with customers and suppliers to innovate our products as well as maintaining our ability to attract and retain talent and ensuring their engagement and wellbeing.

In 2020, as a business at the time with three global divisions, we carried out an assessment to identify the materiality of key sustainability topics to each division. Therefore as we transitioned to a pure-play Components business we took as our starting point the Component's specific sustainability matrix as the basis for prioritisation and decision making in the formulation of our refreshed ESG strategy.

Essentra Components sustainability priority topics



The following pages set out our new ESG strategy, which is aligned to five key pillars. Within each pillar we have aligned our existing targets, and developed new targets to support our priorities within each of these key focus areas for Essentra. We recognise that we are in the early stages of our journey so having these focus areas provides a structure

around which we can engage and learn from stakeholders. Our approach to governance of ESG matters is designed to ensure that we remain true to our purpose "to help customers build a sustainable future" by creating fora for discussion and challenge, for example through a dedicated ESG Committee and as a standing agenda item on every GEC agenda.

Our refreshed ESG framework

As a response to the priority topics identified in our materiality matrix, during 2022 we created five pillars which will help us to fulfil our sustainability ambitions. Under each pillar we outline our commitments to achieving our ambitions. These pillars link closely to the UN Sustainable Development Goals (SDGs), with nine goals having a strong and direct link to Essentra's business. These are outlined below as the areas where we have the ability to make the greatest impact.



Our Planet

Driving resource and energy efficiency, reducing emissions and embracing renewables.



Our Components

Developing innovative products using renewables, recyclables, reusables and biodegradables.



Our Culture

A safe, supportive work environment that champions equality and celebrates diversity.



Our Communities

Working with suppliers to ensure ethical practices and contribute to equitable economies. Volunteering our time and supporting good causes.



Our Customers

Providing a hassle-free service that helps customers achieve their sustainability goals.

UN Sustainable Development Goals (SDGs)



Our Planet



We want to end our dependency on virgin fossil materials and fuels, making significant emissions reductions across our value chain through energy efficiency, renewables, material and transport choices.



Our mid-term targets

- Reduce our Scope 1 and 2 emissions intensity by 25% by 2025 (against a 2019 baseline)
- Reduce our Scope 3 emissions across our value chain and set a target in line with science-based thinking
- All sites to achieve Zero Waste to Landfill (ZWTL) by 2030 at the latest
- Reduce overall waste volumes by 20% by 2030 (2019 baseline)

Our progress

- Components direct emissions have reduced by 27% and emissions intensity 35% against our 2019 baseline
- We established a baseline for Scope 3 emissions and are developing our Scope 3 science-based target
- Components waste intensity has reduced 25% against 2019 baseline
- 12 Components sites achieved ZWTL in 2022

Reducing our emissions

We are committed to continuing to reduce our Scope 1 and 2 emissions, and setting a target for reducing our Scope 3 emissions. Since 2019, we have reduced our Components absolute Scope 1 and 2 CO₂e emissions by 27%. Indexed to revenue, emissions intensity has declined by 35% against our baseline year, and 23% since 2021, meeting our target set in 2020 three years early.

In 2022, as a result of our continued transition to renewable energy across our sites, renewable electricity now accounts for 31% of total electricity usage across the Components business, an increase of 15% compared to 2021. 2022 also saw our first solar project commence in Rayong, Thailand. We have also continued our energy efficiency projects, including eight machine replacements globally, energy audits and the installation of energy monitoring software at our Kidlington site.

In 2022 we also committed to resetting our near- and long-term Company-wide emission reductions in line with science-based net zero with the SBTi, including Scope 3, and plan to submit our targets for validation in 2023.

Building a net zero action plan

In August 2020 we announced our ambition to become carbon neutral in our direct operations by 2040, alongside a 25% reduction in emissions intensity by 2025.

In 2022, when reassessing our ESG strategy as a pure-play Components business, we refreshed this ambition in line with the latest scientific thinking by committing to reach net zero in our direct operations by 2040; and in our value chain by 2050, as well as a commitment to submit our net zero targets alongside new near-term emissions targets to SBTi.

This means in 2023 we will develop a new near-term absolute emissions target for 2030, alongside a Scope 3 emissions target, to reduce our direct absolute emissions and the emissions in our value chain. These targets will align to the requirements of the Corporate Net Zero Standard.

During 2023 we will also be developing the detailed plans we need to guide our progress across our manufacturing facilities, distribution centres, offices and fleet on our net zero journey.

Our disclosures and ratings

CDP

2022 ratings:

B Climate Change,
B- Water Security,
C Forests



EcoVadis

Bronze Medal 2022

ecovadis

SBTi

In 2022 we committed to resetting our near- and long-term emission reductions targets with the SBTi



MSCI

AA Rating 2021



To drive collaboration and industry-wide action, in 2022 we joined the UN Global Compact's Business Ambition for 1.5°C and the UN Race to Zero, aligning to best-practice guidelines and to drive positive change.

To support the delivery of our target, we will develop a Climate Transition Plan in line with the UK Government's new Sustainability Disclosure Requirements.

We have reviewed the Transition Plan Taskforce consultation documents and will review the standards for transition plans when published to ensure our approach is fully aligned.

We are also working on a net zero target for our Scope 3 emissions by including our products and their distribution. In 2021 we started by baselining our Scope 3 emissions, and in 2022 we developed a Components Scope 3 baseline to support the new business. In 2023 we are finalising our Scope 3 net zero targets and will be submitting these alongside our refreshed direct emissions net zero targets to the SBTi for verification.

Waste management and reduction

We aim to be Zero Waste to Landfill (ZWTL) across our operations, as well as minimising the waste we generate across the product lifecycle. In 2022 a further 12 sites achieved ZWTL, taking our total across three divisions to 34. Six of these sites are within Components, taking the new total for sites to 12 or 33% of all sites from 2023 onwards. Overall, 76% of waste is diverted from landfill across Components.

Our waste intensity in Components has reduced by 25% against our 2019 baseline meeting our 2030 target. However, it has increased significantly compared to 2021. This is mainly due to the acquisition of Hengzhu, and we are developing an action plan to reduce waste volumes further across sites in 2023.

Water usage

Water use across our manufacturing processes is low as our products do not contain water. However, we have seen an increase in total water usage across operations as site operations increased post-pandemic, and due to growth through the acquisition of Hengzhu.

Key Performance Indicators (Components)

Scope 1 and 2 GHG intensity

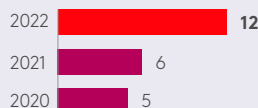
Total CO₂e per £mIn revenue



Our target

25% reduction in emissions intensity by 2025 (2019 baseline)

Number of sites at Zero Waste to Landfill (ZWTL)



Our target

All sites at ZWTL by 2030 (or sooner)

Waste intensity

Total tonnes per £mIn revenue



Our target

20% reduction by 2030, or sooner (vs 2019 baseline)

% of raw materials from sustainable sources across our polymer ranges



Our target

20% of raw materials from sustainable sources by 2025 across our polymer ranges



In 2022 we refreshed our targets to bring them in line with both our position as a pure-play Components business as well as the latest scientific thinking."

SCOTT FAWCETT
Chief Executive

CASE
STUDY**Increasing on-site renewable electricity generation**

The installation of a 6,000m² solar array at one of our largest global manufacturing sites located in Rayong, Thailand commenced in December 2022. Once complete, the solar panels will generate 824kW and provide around 20% of the annual electricity requirements of our manufacturing operations in Thailand.

This investment in providing renewable energy directly to the site reduces our reliance on fossil fuel-generated electricity. We estimate that the solar array will avoid annual greenhouse gas emissions (GHG) generated by the site by over 450 tonnes of CO₂e each year, contributing to our progress to reduce our GHG emissions intensity by 25% by 2025 or sooner, and contributing to our plan to reach net zero across our direct operations by 2040.



This exciting step forward represents progress towards our goal of net zero. Through continued investment in renewable energy we can ensure we deliver increasingly sustainable product lines to our customers."

RICHARD SEDERMAN

Strategy and M&A Director, Essentra

Reducing emissions in our manufacturing operations supports our commitment to provide products with a lower carbon intensity to our customers.

This project, together with our recycled material projects, provides us with the capability to reduce the carbon intensity in both the materials we buy and during the manufacturing of our products.



Measurement and reporting (Group)

ERM CVS has assured the following environmental data for 2022: Total Scope 1 and total Scope 2 greenhouse gas emissions, total solid and total liquid waste volumes by destination, total water usage, the percentage of raw materials from sustainable sources across our polymer ranges and the number of sites that have achieved Zero Waste to Landfill (ZWTl) status. Full details of the scope, activities, limitations and conclusions of ERM CVS' assurance engagement are included in the Assurance Statement on pages 133 and 134.

Essentra Plc Group – Streamlined Energy and Carbon Reporting (SECR) data

Tonnes CO ₂ e	2019	2020	2021	2022	% change between 2021 and 2022
Scope 1 and 2 emissions					
Scope 1	10,264	7,603	8,307	7,586	-9%
Scope 2 – Location	62,111	55,327	53,070	50,312	-5%
<i>Total Scope 1 and 2 Emissions Location</i>	<i>72,375</i>	<i>62,930</i>	<i>61,377</i>	<i>57,898</i>	<i>-6%</i>
Total CO ₂ eq per £m revenue (location)	74.3	70.2	64.4	58.4	-9%
Scope 2 – Market ²			52,581 ²	44,931	-15%
<i>Total Scope 1 and 2 Emissions Market</i>			<i>60,888</i>	<i>52,517</i>	<i>-14%</i>
Total CO ₂ eq per £m revenue Market			63.9	52.9	-17%

Scope 3 emissions	2021	Notes
Purchased goods and services	206,588	Raw materials only
Capital goods	35,633	
Fuel and energy-related activities	18,778	
Upstream transportation and distribution	59,932	Components only
Waste generated in operations	1,519	
Upstream Leased Assets	1,199	
Downstream transportation and distribution	–	Calculated in Category 1
End of life treatment of sold products	66,349	
Downstream leased assets	76	
Total Scope 3 emissions	390,074	

Zero Waste to Landfill	2019	2020	2021	2022
Number of Sites at ZWTl	8	20	22	34

Materials from sustainable sources	2019	2020	2021	2022
% of raw materials from sustainable sources in polymer ranges	2%	2%	8.5%	10.8%

Energy (MWh)		2019	2020	2021	2022	TCO₂e 2022
Total Electricity Procured	UK	22,040	19,392	18,918	14,684	545
	Global	140,454	137,457	144,567	128,338	44,931
Renewable Electricity Procured	UK	19,652	16,577	16,850	13,706	–
	Global	19,652	16,577	20,257	24,096	–
Natural Gas	UK	23,852	11,166	12,729	10,598	2,147
	Global	44,960	30,209	34,706	31,524	6,386
Fuels	UK	1197	1,027	1164	574	190
	Global	4913	6240	5420	5,111	1,200

Solid hazardous and non-hazardous waste destinations (tonnes)	2019 (1) (restated)	2020	2021	2022
Recycling	28,775	31,773	29,938	26,419
Recovery	3,043	3,415	3,632	3,583
Incineration	284	596	541	616
Landfill	2,989	1,907	1,580	1,269
Total solid waste	35,091	37,691	35,691	31,886
% solid waste diverted from landfill	91%	95%	96%	96%

Liquid hazardous and non-hazardous waste destinations (tonnes)	2020	2021	2022
Recycling	243	449	246
Recovery	519	396	339
Incineration	89	78	76
Landfill	141	106	27
Total liquid waste	992	1029	688
% liquid waste diverted from landfill	86%	90%	96%

Water (cubic metres)	2020	2021	2022	% change between 2021 and 2022
Water usage	166,301	198,220	272,968	38%

1. 2019 solid non-hazardous and hazardous waste data was restated in 2020 for recycling and recovery due to corrections of previously reported data.

2. The 2021 market based emissions has been restated due to correction of previously reported data.

The organisational boundary for this Group data is an operational control approach. It includes the top 99% electricity consuming sites in all three divisions of Essentra for the full periods where these sites were part of Essentra operations. For Packaging sites, this is up to point of sale at end of September 2022, and for the Filters division, up to point of sale at end of November 2022. Further details on our basis for reporting can be found at essentraplc.com/responsibility.

Scope 1 encompasses direct GHG emissions from energy generated from fossil fuels such as gas and oil at a small number of sites where we have reliable data.

Scope 2 location – the total GHG emissions from electricity consumed, calculated using IEA emission factors.

Scope 2 market – the total GHG emissions from electricity consumed, calculated using the GHG protocol 'market based method'

Scope 3 encompasses indirect GHG emissions in Essentra's value chain (upstream and downstream). Excluded categories were determined via a materiality threshold assessment to be either inapplicable due to no related activity, or excluded due to low significance and an inability to influence reductions. 2022 Group Scope 3 figures were not calculated due to the change in ownership structure for Filters and Packaging during the reporting year. This will be periodically reviewed.

Downstream transportation: as per the calculation methodology in the GHG Scope 3 protocol, upstream and transport and distribution is classified on the basis of financial transactions. Consequently upstream transportation includes transport we pay for including between sites and products to customers. Downstream transportation is captured in category one as part of our spend on materials and process inputs.

Measurement and reporting – Components only

ERM CVS has assured the following environmental data for 2019-2022: total Scope 1 and total Scope 2 greenhouse gas emissions, total solid and total liquid waste volumes by destination, total water usage, the percentage of raw materials from sustainable sources across our polymer ranges and the number of sites that have achieved Zero Waste To Landfill (ZWTL) status. Full details of the scope, activities, limitations and conclusions of ERM CVS' assurance engagement are included in the Assurance Statement on pages 135 and 136.

Tonnes CO ₂ e	2019	2020	2021	2022	% change between 2021 and 2022
Scope 1 and 2 emissions					
Scope 1	3,422	3,379	3,628	3,435	-5%
Scope 2 – Location	22,588	18,414	18,390	17,155	-7%
<i>Total Scope 1 and 2 Emissions Location</i>	26,009	21,793	22,018	20,590	-6%
Scope 2 – Market	18,814	15,395	16,263	12,755	-22%
<i>Total Scope 1 and 2 Emissions Market</i>	22,236	18,774	19,891	16,190	-19%
Total CO ₂ e per £m revenue (market)	74.2	69.1	62.1	47.9	-23%

Scope 3 emissions			2022	Notes
Purchased goods and services			98,789	
Capital goods			1,161	
Fuel and energy-related activities			5,215	
Upstream transportation and distribution			44,756	
Waste generated in operations			479	
Upstream Leased Assets			N/A	Included in Scope 1 and 2
Downstream transportation and distribution (downstream)			-	Included in Category 1
End of life treatment of sold products			204	
Total Scope 3 Emissions			150,604	

Zero Waste to Landfill	2019	2020	2021	2022
Number of Sites at ZWTL	2	5	6	12

Materials from sustainable sources	2019	2020	2021	2022
% of raw materials from sustainable sources in polymer ranges	2%	2%	8.5%	10.8%

Energy (MWh)		2019	2020	2021	2022	TCO ₂ e 2022
Total Electricity Procured	UK	8,055	6,560	7,359	6,477	19
	Global	48,729	43,736	46,197	42,263	16,190
Renewable Electricity Procured	UK	7,896	6,560	7,359	6,423	-
	Global	7,896	6,560	7,359	13,277	-
Natural Gas	UK	14	0	0	38	8
	Global	14,318	14,114	15,245	13,683	2,772
Fuels	UK	691	632	712	572	174
	Global	2,206	2,179	2,292	2,503	664

Solid hazardous and non-hazardous waste destinations (tonnes)		2019 ¹	2020	2021	2022
Recycling		1,374	1,464	1,734	2,232
Recovery		161	215	132	199
Incineration		66	3	36	397
Landfill		2,787	1,302	1,095	896
Total solid waste		2,247	2,984	2,996	3,724
% solid waste diverted from landfill		36%	56%	63%	76%

Liquid hazardous and non-hazardous waste destinations (tonnes)		2020	2021	2022
Recycling		66	54	69
Recovery		198	0	1
Incineration		4	3	6
Landfill		3	6	-
Total liquid waste		271	63	76
% liquid waste diverted from landfill		99%	90%	100%

Water (cubic metres)		2020	2021	2022	% change between 2021 and 2022
Water usage		135,015	139,987	158,383	13%

The organisational boundary for this Components data is an operational control approach. For 2019-2021, it includes the Components sites which were within the top 99% electricity consuming sites of Group sites, and as per the GHG protocol guidance for acquisitions, a recalculation of the emissions, energy and water data to incorporate Hengzhu into the historical data. The 2022 data includes all Components sites within Essentra's operational control, including Hengzhu. Further details on our basis for reporting can be found at essentraplc.com/responsibility.

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Scope 2 location – the total GHG emissions from electricity consumed, calculated using IEA emission factors.

Scope 2 market – the total GHG emissions from electricity consumed, calculated using the GHG protocol 'market based method'.

Scope 3 encompasses indirect GHG emissions in Essentra's value chain (upstream and downstream). Excluded categories were determined via a materiality threshold assessment to be either inapplicable due to no related activity, or excluded due to low significance and an inability to influence reductions. This will be periodically reviewed.

Downstream transportation: as per the calculation methodology in the GHG Scope 3 Protocol, upstream and transport and distribution is classified on the basis of financial transactions. Consequently upstream transportation includes transport we pay for including between sites and products to customers. Downstream transportation is captured in category one as part of our spend on materials and process inputs.

Upstream leased assets: as per the calculation methodology in the GHG Scope 3 Protocol, all emissions arising from activity in upstream leased assets are included within the scope 1 and 2 emissions categories.

Our Components



We will strive to design new products through the innovative use of renewable, reusable, recyclable and biodegradable materials. We will have a centre of excellence where we can showcase products to our customers, and provide a space for ideas to flourish into innovative new products.



CASE STUDY

Delivering sustainable and innovative products through strong commercial relationships

Air France and Essentra have built a strong commercial relationship for many years, with Air France valuing Essentra's ability to provide a reliable service, delivery of high end quality products and proximity of the supply chain.

Using Essentra's range of security seals, Air France is able to identify and secure items on board aircraft such as food trays and crew documentation.

During a new tender release in 2022, Air France shared the requirement that the next contracted products should evolve towards being more sustainable. Essentra were able to respond successfully to this requirement, with its range of plastic seals that are made using 50% post-consumer recycled material.

After product testing including lab and practical on-board tests, Essentra's products were approved by Air France and Essentra was awarded the new contract.

Essentra continue to innovate and explore the testing of recycled and bio-based materials and a number of products within the LDPE range are now manufactured almost entirely from recycled materials. We look to continue to strengthen customer relationships supporting the achievement of our customers' and our own sustainable goals.

Our focus and targets

- 20% of raw materials from sustainable sources by 2025 across our polymer ranges
- Support a circular economy by ensuring 100% of our packaging is reusable, recyclable or compostable by 2030
- 50% recycled content in our packaging materials by 2030

Our progress

- In 2022, 10.8% of our raw materials were from sustainable sources (recycled content) across our manufactured polymer ranges
- Our teams have developed reuse schemes for intra-company movements at our Nettetal and Łódź sites
- At our Kidlington, UK site all plastic packaging is 30% recycled content

In 2020 we signed up to the Circular Plastics Alliance commitment to use at least 20% recycled content in our polymer ranges by 2025. We have made excellent progress in developing our use of recycled content during the year, with an increase to 10.8% for 2022.

Our Kidlington, UK site now includes 50% recycled content as standard across most of our LDPE product range, with a number of products achieving 98% recycled content. In 2022 our Rayong plant in Thailand moved to producing polypropylene security seals with a minimum 45% recycled content, after a successful 100 million piece trial. These new seals have now been rolled-out to all our sites globally.

By delivering this improved product through a substitution programme Essentra has helped customers reduce their carbon footprint without the need for extra investment, as the recycled material reduces product emissions by 40%. We estimate this change will avoid GHG emissions of over 1,000 tonnes of CO₂e per year.

Centre of Excellence

In 2022 we invested in manufacturing infrastructure at sites in EMEA and AMERS to support our transition to using recycled content across our product range. In 2023, we are launching our Centre of Excellence to accelerate our progress. This dedicated space at our Kidlington, UK site will be used to trial a wide array of materials with sustainability benefits such as recycled and bio-based, using the latest technology.

Packaging

Packaging is an important part of our resource usage and is key to ensuring our products are delivered damage free. In 2022 we implemented a reuse scheme for cardboard packaging for product movements from our Nettetal distribution hub in Germany, avoiding the creation and recycling of over 2000 pallet boxes per year. We plan to expand this in 2023.

We have also increased the recycled content in our plastic packaging, moving to 30% recycled content at our Kidlington site. We aim to standardise our packaging globally to reduce overall volumes, and increase recycled content to reach our target of 50% by 2030.

Our Culture



This pillar focuses on creating a safe, supportive work environment that champions equality and celebrates diversity. We know that employee engagement is a key factor in ensuring our future success as an organisation. In 2022 our people remained at the heart of our journey, as we embarked on our journey to become a pure-play Components business.



83%
employee engagement
(78% in previous 2020 survey)

Our focus and targets

- Zero accidents for our people and visitors
- 100% of employees trained on Ethics Code biannually
- Healthy lifestyles campaigns at 50% of sites by 2025
- Mental health training to 80% of leaders by 2024
- 40% women in leadership teams by 2025

Our progress

- 28% reduction in days lost in Components in 2022
- Ethics training on track
- Healthy lifestyles on track for 2025
- Mental health training roll out commenced
- 28% women in leadership teams in 2022, 44% on the GEC and 38% on the Board

An engaged and positive workforce

In 2022 we launched an employee engagement survey for all Components employees. This was the first survey since 2020, as the 2021 survey was postponed given the considerable focus on the strategic reviews in the, now sold, Filters and Packaging businesses. 86% of employees responded, up from 82% in 2020. Despite a year of considerable change the overall engagement metric rose to 83% (78% in 2020) and now exceeds the industry benchmark by 7 percentage points.

This improvement reflects a general positive trend across 92% of the questions in the survey (45 out of 49) and in particular four questions that make up the engagement index. While there is some regional variance, the results are positive across all regions and are up from 2020 in Asia and the Americas, with Europe remaining relatively stable.

Championing equality and celebrating diversity

In 2022 we progressed our work to create a more diverse and inclusive workplace, continuing with global recognition of Pride and Black History Month. We also continue to embed our global Diversity and Inclusion Policy launched in 2019.

Reflecting on the results of our employee survey which was conducted in late 2022, we have improved the employee perception of diversity, equality and inclusion. Responses to *My Company has created an environment where people of diverse backgrounds can succeed* improved by 4 percentage points and takes us slightly ahead of the industry benchmark. Similarly, responses to *My organisation actively supports diversity in the workplace; recognising and respecting differences between people* improved by 3 percentage points bringing us in line with the industry benchmark.

Lost Time Incidents (LTIs)	Number of LTIs (like-for-like) Group	Number of LTIs (like-for-like) Components	% change
2020	37*	14	
2021	53**	22	
2022	42	22	-

Number of days lost	Number of days lost Group	Number of days lost Components	% change
2020	655*	168	
2021	954**	518	
2022	994	371	-28%

*excludes 3c

**excludes Hengzhu

We remain committed to providing all employees with opportunities to develop and advance, which includes giving full and fair consideration to all employment applications from disabled people. In the event of employees becoming disabled, we make every effort to ensure that the training, career development and promotion opportunities available are as far as possible identical to those of non-disabled employees.

We are also working hard to improve the gender balance across the Company and will be submitting our 2022 Gender Pay data in April 2023. Our guiding principle is to pay colleagues according to their role not their gender, providing everyone with an equal opportunity to develop and progress.

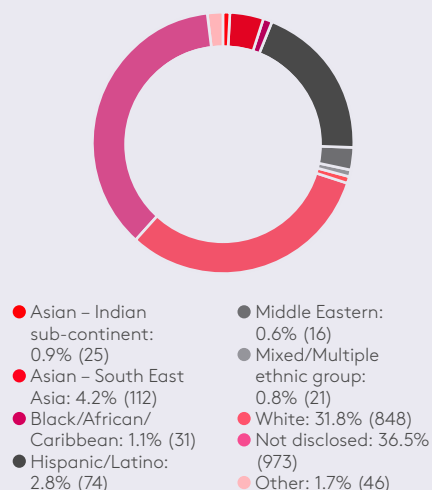
Treating our people with dignity and respect

The strategic changes we have made in 2022 have led to all of our people being impacted in different ways. For employees in the businesses that have been sold, they have now left Essentra as part of that process and are being led by new owners. Our Components employees have made appropriate adjustments reflecting that they work directly in a listed Company as opposed to a division of one.

The employees who have been impacted most significantly are our former Group employees, as we have worked in 2022 to align Group activities with the new direction of three separate businesses. We have taken all reasonable steps to secure long-term employment and/or career opportunities for these employees. Some employees were in roles that were aligned with a specific business and have moved with those businesses.

A snapshot of our employees in 2022 (Components only)

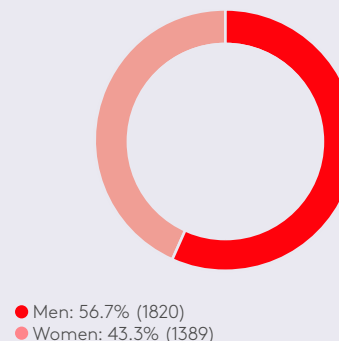
Ethnic background of employees responding to the 2022 Employee survey (2668 employees)



Alongside this, all businesses evaluated what they would need as a standalone business and any new roles were made available for Group employees to apply for, on a preferential basis.

We took the approach that open and early communication with our people was critical, even if we did not have all the answers given the complexities and challenges presented by the strategic reviews and associated work. As at 31 December 2022 we were able to secure roles for 82% of Group employees impacted.

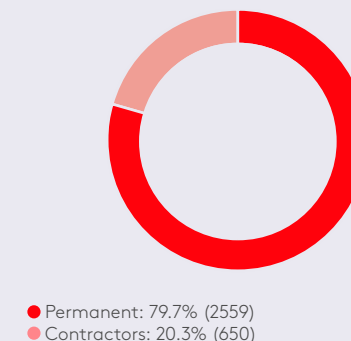
Gender split all employees (% as at 31 December 2022)



Our commitment to being an ethical employer

Our Ethics Code is the core foundation of our compliance strategy and is issued to all employees globally, supported by annual training and positive affirmation statements by employees. The Code is available in all Essentra languages both in hard copy for colleagues working in factories and online, so that employees are able to access it easily. An ethics decision tree helps guide employees who also have the opportunity to attend live virtual training sessions on the Ethics Code.

Permanent/Contractor split all employees (% as at 31 December 2022)



In addition we have specific policies relating to Anti-Bribery and Corruption, Anti-Money Laundering and Third-Party Due Diligence. These policies are made available to all employees and specifically issued for affirmation to senior leaders and other employees who hold positions where such policies are relevant to ensure best practice.

Our Right to Speak Policy and process is well established and enables any employee to report circumstances where they believe that the standards of our Ethics Code, or our wider policies and guidance, are not being upheld. We are committed to ensuring employees feel able to raise any concerns in good faith, without fear of victimisation or retaliation and with our support. Employees can report any concerns on a confidential basis online or by telephone.

During 2022, our Audit and Risk Committee received updates at each of its meetings on all Right to Speak issues raised and sought assurance from management on the issues and the response. The issues raised mainly related to employment practices that were investigated in full under HR policies and gift disclosures. Throughout our international operations we support and endorse human rights – as set down by the United Nations Declaration and its applicable International Labour Organisation conventions – through the active demonstration of our employment policies, our supply chain and the responsible provision of our products and services. This commitment includes a mandatory requirement at all our sites to avoid the employment of children, as well as a commitment to the prevention of slavery and human trafficking.

CASE STUDY

Flippin Community Projects

Employees at our Flippin site in the US coordinate a variety of community engagements throughout the year including:

- Backpack Program for Flippin Schools: the team donate 125 snack bags a few times each year to help children in need
- Clothing Drives: the team collect clothes throughout the year and sorts and distributes to local day cares, schools, thrift stores and shelters
- “School of New Hope”: Our facility in Flippin outsource some secondary processes on certain SKUs to this organisation who provide structure and training for developmentally disabled people in the local community

Ensuring our employees' wellbeing

We know from our employee engagement survey that employee perceptions of health and safety at work have improved. *My Company is safe place to work* and *My Company is an environmentally responsible company* were two of the top scoring statements at 89% and 85%, respectively.

The former improved slightly against 2020 and takes us six points ahead of the industry norm. The latter improved six points against 2020 and takes us in line with the broader industry – so this will continue to be a focus area for 2023.

We also know that perceptions of work load and work life balance have improved. *The amount of work expected of me is reasonable* was one of our most improved scores at 74% with a 10 point shift from 2020, taking us six points head of the industry norm. Responses to *I can maintain a reasonable balance between my personal and work life* is one of the highest scoring statements at 84% and is four points ahead of last year and 11 points ahead of the industry benchmark.

Focus and resource has been applied to our three sites with the highest injury rates. Third party audits were conducted at those sites and detailed site-specific plans developed. The audits completed at the focus sites and the introduction of the safety leadership commitment showed a positive trend in 2022. In Q1 Essentra saw 12 LTIs, in Q4 2 LTIs.

In addition, a new Safety Commitment for site leaders and management regarding Essentra's approach to achieving excellence in operational safety was introduced. The commitment provides clarity to leading the change in Essentra's safety culture. In H2 2022 the actions were introduced and in 2023 those objectives are embedded into the performance review process.

The driving force of a good safety performance is a strong local safety culture. Historically, Essentra's approach was centrally-driven, rather than sites driving their own programme. Today, local sites own their programmes and pull expertise from the centre.

The 2023 Essentra health and safety programme has specific approaches for manufacturing sites, hubs and warehouses with targets which include: safety supervisor training, a safety marshal program, visible safety messaging and a template for site safety committees.

Our Communities



We work with our suppliers, local communities and wider family to ensure our values, ethical practices and processes provide equitable outcomes, as well as volunteering our time supporting good causes.



CASE STUDY



Our focus and targets

- Our supplier code of conduct refreshed and launched in 2023 to all suppliers over £100k
- Top 70% of suppliers by spend actively risk monitored
- Community Engagement Policy in action with a volunteer day taken by 25% of employees during 2023

Our progress

- Code of conduct refresh on track for 2023
- All suppliers over £250k actively risk monitored
- Community engagement activities carried out at seven Components sites in 2022

Building an ethical supply chain

We collaborate with our key international suppliers as well as partner with a high volume of SMEs worldwide. These relationships are built on shared values and are often long-lasting in nature. All are fundamental to the quality of our products and the high standards we set ourselves.

To ensure we work with suppliers who share our approach to responsible business, we conduct risk-based due diligence not only when onboarding our partners but through ongoing monitoring and management via our supplier development programme.

In 2023 we will enhance and further digitalise our supplier development programme and publicise a refreshed global procurement policy which will set out our supplier code of conduct in relation to matters such as anti-corruption, human rights, anti-slavery, international trade compliance, environment and allow us to deliver further transparency across our supply chain.

During 2022, we undertook supplier development activities covering five areas: ethics, sustainability, risk, performance and commercial. We will continue to develop our methodology, supply base coverage and activities in 2023.

Supporting good causes

We engage with our local communities to create a positive impact through initiatives that positively impact those in need, improving their lives, the community and the local economy.

In February 2022 we supported the humanitarian relief effort in Ukraine with fund raising and other events happening across our businesses. We also made a donation of £100k to the Disasters Emergency Committee (DEC) Ukraine Appeal.

In early 2023 we similarly supported efforts in response to the devastating earthquakes in Turkey and Syria, donating €100k to the DEC Turkey-Syria earthquake appeal.

Supporting the relief efforts for Ukraine

Our teams in Łódź, Poland and our Mesan business in Turkey started to organise aid for Ukraine immediately after the start of the war. Employees collected funds for the purchase of essential items, organised a collection of clothes, cleaning products, hygiene products, food, milk for children, medical products and medicines.

Colleagues in Italy, Spain, France, Turkey and the UK immediately joined the action, with dozens of pallets of humanitarian aid for Ukraine being sent to our EMEA East Hub in Łódź. Supplies were then repackaged and transported to Łódź City Hall, which dealt with their direct transport to the regions most in need in Ukraine.

CASE
STUDY**Our response to the earthquakes in Turkey and Syria**

In early February 2023, a series of devastating earthquakes hit southern Turkey and north-west Syria killing over 50,000 people and injuring many more. Our Mesan manufacturing site near Istanbul was outside the impact zone, so the facility was not physically affected and all Essentra employees were unharmed.

However, many of our colleagues in Turkey had family and friends in the impact area and in the days following the earthquakes were rightly focused on moving them to safety. We supported these efforts, and in one example allocated a company vehicle to travel to the region to collect family members of an employee.

In the immediate wake of the earthquakes our business in Turkey made a donation to a local foundation providing essential clothes and food to those affected. In the following days and weeks our local employees collected nearly €900 worth of in-kind aid such as blankets, sleeping bags, heaters and power banks. These provisions were delivered directly to the impact zone by a volunteer team of seven Essentra employees, with the full support of our management team.

As soon as the earthquakes hit, our employees globally were encouraged to donate to the International Red Cross appeal and many of our colleagues globally engaged with fundraising events. In Germany our colleagues worked with customers to raise €7,000 to relief efforts and in March 2023 we made a Company donation of €100,000 to the Disasters Emergency Committee (DEC) Turkey-Syria earthquake appeal.



Our Customers



This pillar focuses on supporting our customers to achieve their sustainability goals. As the only global manufacturer and distributor of our kind, we are in a leading position to assist customers by providing products and services that have been developed to provide a hassle free sustainable choice.



CASE STUDY



Essentra Components jumped into action with advice on how we could achieve sustainability, and provided samples and other resources. The fact that the solution was off-the-shelf proved invaluable in enabling us to work without interruptions."

ALAN WEBB

Company Secretary and Director, Iracraft

Our focus and targets

- Increasing the number of products introduced with sustainability criteria

Our purpose is to help customers build a sustainable future and therefore working with them on their approach to sustainability is a key area of activity. We are committed to continuing to invest in developing new products with improved sustainability performance and lower lifecycle emissions, and providing our customers with expert advice on the most sustainable choice for their needs.

Our progress

- 29 trials completed for new products using recycled materials in 2022

In 2022 several trials were conducted with the view to increase our recycled content from 50% to 100% across our standard ranges of LDPE parts. These trials were largely successful and we now run most standard LDPE parts at 98%-100% recycled content. We also conducted trials on our nylon products using recycled material and in 2023 will progress these trials.

We are currently in discussions to support circular economy models with targeted customers, and increasing our commercial focus on ESG supportive categories such as renewable energy and electrification, to support customers' net zero transition.

Supporting our customers to achieve their sustainability goals

Iracraft, one of the UK's leading manufacturers of rigid tube assemblies for a variety of hydraulic, pneumatic and coolant applications, was tasked with helping a customer realise its sustainability strategy. Iracraft already had a long, historical relationship with Essentra and knew that as a current supplier, Essentra was capable of meeting demanding challenges and offering a hassle-free solution.

Essentra was able to support Iracraft with timely samples, CADs and material data sheets to arrive at a solution in providing LDPE tear tab caps, a low density polyethylene that was tough and flexible, making an ideal material for caps needed to protect parts from damage, dirt and moisture.



The customer was previously using non-recyclable PVC caps for protection during transportation and storage. Iracraft saw the opportunity to switch to a recyclable cap and together with Essentra was able to offer an off-the-shelf, product solution that would prevent 2.5 million parts from going to landfill, the equivalent of c.5 tonnes of waste.