

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Essentra is a leading global provider of essential components and solutions. The company operates internationally from our headquarters in Langford Locks, Kidlington and is a constituent of the FTSE 250. In 2022 the Group generated £337.9m revenue and employed 3,000 people worldwide. We are proud of our international presence in 34 countries with 12 principal manufacturing facilities, 23 distribution centres and 32 sales and service locations. This spans across Africa, Asia, Australasia, Europe, North America and South America.

In 2022 Essentra divested of its Packaging and Filters divisions, becoming a pure play components business. Essentra is the leading global manufacturer and distributor of a comprehensive range of components, used in diverse industrial applications. We serve many industries and activities including automotive, electronics, construction and agriculture and medical.

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. As we transitioned to a pure-play Components business in 2022 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.

Our new purpose is to help customers build a sustainable future, and our new ESG strategy is aligned to five key pillars. Our Planet, Our Components, Our Culture, Our Communities and Our Customers. Within each pillar we have aligned our existing targets, and developed new targets to support our priorities within each of these key focus areas. These targets span a wide range of ESG topics, aligned to the Sustainable Development Goals. The ones relevant to this questionnaire are:

NEW: Commitment to set new near term and long term Science Based targets with the SBTi

Net zero by 2040, for our direct emissions and (NEW) 2050 for our value chain

Interim target of 25% reduction in normalised Scope 1 and 2 emissions by 2025, vs 2019 baseline

All sites at zero waste to landfill by latest 2030

20% reduction in overall waste volumes by 2030, vs 2019 baseline

20% of packaging and raw materials from sustainable sources by 2025

NEW: Support a circular economy by ensuring 100% of our packaging is reusable, recyclable or compostable by 2030

NEW: 50% recycled content in our packaging materials by 2030

2022 saw good progress towards the existing targets. We increased the number of sites at zero waste to landfill from 6 to 12 sites. Our absolute direct emissions (using a market-based approach) declined to 16,190 tCO₂e, with the normalised figure being 47.9 tonnes CO₂e/£mln revenue. Normalised figures are now 35% below the 2019 baseline using a market-based approach. We are now developing our next set of near term targets for submission to the SBTi. We have also made progress with our sustainable sources material target, growing our use of recycled content material to 10.8% for 2022.

Essentra has an established governance structure for ESG from the Board through to operations. The Board level ESG Committee meets quarterly and has accountability and oversight for the overall ESG strategy, members of the Group Executive Committee, which meets at least monthly, have ownership of the various targets, and the Sustainability Steering Committee meets monthly to monitor operational progress. We have also worked closely with third-party experts and assurance providers, to develop our understanding of our climate-related risks and opportunities through the TCFD process, and to gain assurance of our environmental reporting and data.

W-CH0.1a

(W-CH0.1a) Which activities in the chemical sector does your organization engage in?

Please select

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2022	December 31 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

- Australia
- Austria
- Brazil
- Canada
- China
- Costa Rica
- Czechia
- Finland
- France
- Germany
- Hungary
- India
- Italy
- Japan
- Malaysia
- Mexico
- Netherlands
- Poland
- Puerto Rico
- Romania
- Singapore
- Slovakia
- Spain
- Sweden
- Thailand
- Turkey
- United Arab Emirates
- United Kingdom of Great Britain and Northern Ireland
- United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

GBP

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	GB00B0744359

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	<p>The direct operations of most manufacturing processes are not water intensive as our products do not contain water. We do not use water in the manufacturing process, except for a closed loop cooling system being present in some factories.</p> <p>It is important that freshwater is available for use in our indirect operations as the factories require sufficient amounts of freshwater to ensure employees have access to clean water for drinking and sanitation, so direct operations can occur successfully worldwide. Additionally, it is important across our supply chain operations because Essentra purchases from businesses that do require direct use of water within their operations such as the manufacturing of metals. Good quality water will continue to be vital in the future for indirect usage.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Neutral	<p>It is important that Essentra has access to water that can be used to be recycled around the factory for use in cooling systems as some of our manufacturing sites operate cooling processes, however it is not a requirement that this water is from recycled, brackish or produced sources.</p> <p>It is not of high materiality to Essentra that recycled water is available for Essentra's indirect use in operations for hygiene, because our facilities are not water intensive and only required for WASH facilities.</p> <p>For indirect water use in our value chain, it is of consideration that suppliers are using water responsibly and this should include using recycled water for cooling systems and other uses wherever practicable.</p>

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	As per our measurement protocol, sites provide their water data on a monthly basis for reporting purposes.	The majority of water withdrawals are from third party sources such as municipal utility networks.
Water withdrawals – volumes by source	100%	Monthly	As per our measurement protocol, sites provide their water data on a monthly basis for reporting purposes.	The majority of water withdrawals are from third party sources such as municipal utility networks.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	Not monitored	<Not Applicable>	<Not Applicable>	
Water discharges – total volumes	100%	Monthly	As per our measurement protocol, sites provide their water data on a monthly basis for reporting purposes.	
Water discharges – volumes by destination	Not monitored	<Not Applicable>	<Not Applicable>	
Water discharges – volumes by treatment method	Not relevant	<Not Applicable>	<Not Applicable>	Question not applicable
Water discharge quality – by standard effluent parameters	Not relevant	<Not Applicable>	<Not Applicable>	Question not applicable
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant	<Not Applicable>	<Not Applicable>	Question not applicable
Water discharge quality – temperature	Not relevant	<Not Applicable>	<Not Applicable>	Question not applicable
Water consumption – total volume	100%	Monthly	As per our measurement protocol, actual bills wherever possible and everywhere we have operational control. Estimates at sites where we cannot gain access to actual data.	Actual bills account for over 90% of consumption metrics with estimates making up remainder
Water recycled/reused	Not relevant	<Not Applicable>	<Not Applicable>	We do not currently have any recycled or water reuse
The provision of fully-functioning, safely managed WASH services to all workers	100%	Continuously	This is continuously monitored by our HSE advisors on site.	As per our health and safety procedures all sites have water, sanitation and hygiene facilities available to everyone on site.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	158.38	Higher	Mergers and acquisitions	About the same	Mergers and acquisitions	Our Total withdrawal volume has increased due to acquisition. We expect to continue to grow through acquisition over the next 5 years but maintain current volumes due to water efficiency improvements.
Total discharges	157.36	Higher	Mergers and acquisitions	About the same	Mergers and acquisitions	Our Total discharges has increased due to acquisition. We expect to continue to grow through acquisition over the next 5 years but maintain water discharge volumes due to water efficiency improvements.
Total consumption	1.02	Higher	Mergers and acquisitions	About the same	Mergers and acquisitions	Our Total consumption has increased due to acquisition. We expect to continue to grow through acquisition over the next 5 years but maintain Total consumption volumes due to water efficiency improvements.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	11-25	Lower	Divestment from water intensive technology/process	About the same	Mergers and acquisitions	WRI Aqueduct	We analysed our water drawn figures and established how much water was drawn from areas with "High" and "Extremely High" WaterStress Levels using the WRI Aqueduct identification tool. The accurate percentage is 17%. This analysis was conducted by the Group sustainability team with all sites included within the water usage verification process reviewed.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Question not applicable
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Question not applicable
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Question not applicable
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Question not applicable
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Question not applicable
Third party sources	Relevant	158.38	Higher	Mergers and acquisitions	Our Total withdrawal volume has increased due to acquisition. We expect to continue to grow through acquisition over the next 5 years but maintain current volumes due to water efficiency improvements.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	337900000	158.38	2133476.4490466	We anticipate we will become more water efficient as revenue grows due to optimizing our processes.

W-CH1.3

(W-CH1.3) Do you calculate water intensity for your activities in the chemical sector?

Please select

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	For each product , sites must keep an inventory of material safety data sheets. These are checked and updated regularly to ensure compliance with regulatory requirements. Each time a new chemical is required to be purchased, if it is not already within the inventory, it is reviewed by the HSE team to determine if a risk assessment needs to be done, and checked against the list of prohibited chemicals. This list is not exhaustive and is to be modified to meet local plant and applicable regulatory requirements. There are also several processes and procedures that must be followed for all chemicals and materials used on site to be registered, stored and handled appropriately. Many of our sites are certified to ISO14001 and follow that standard. Correct handling and storage prevents our raw polymer materials entering the environment.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	Yes	<Not Applicable>	<Not Applicable>
Other value chain partners (e.g., customers)	Yes	<Not Applicable>	<Not Applicable>

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact

Yes, we assess the impact of our suppliers

Considered in assessment

Basin status (e.g., water stress or access to WASH services)
Procurement spend

Number of suppliers identified as having a substantive impact

50

% of total suppliers identified as having a substantive impact

1-25

Please explain

A segmentation approach was applied to determine based on spend Essentra's most significant Tier 1 suppliers by spend and criticality. Essentra's top 50 suppliers were targeted to complete a supplier performance. Key risk and performance areas assessed by procurement, internal stakeholders and the supplier, key focus areas include: Ethics & Sustainability. The scorecard requires reporting on sourcing material from sustainable sources. In this context sustainable water usage is considered one of the environmental performance factors. 32% of suppliers that have populated the scorecard. we hope to increase to 70% by the end of 2023.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	Yes, suppliers have to meet water-related requirements, but they are not included in our supplier contracts	<Not Applicable>

W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Water-related requirement

Providing fully-functioning, safely managed WASH services to all workers

% of suppliers with a substantive impact required to comply with this water-related requirement

76-99

% of suppliers with a substantive impact in compliance with this water-related requirement

76-99

Mechanisms for monitoring compliance with this water-related requirement

Off-site third-party audit

On-site third-party audit

Supplier self-assessment

Supplier scorecard or rating

Response to supplier non-compliance with this water-related requirement

Suspend and engage

Comment

If a supplier is found to be in contravention of this requirement we would engage with them and if necessary suspend engagement until resolution has occurred.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Information collection

Details of engagement

Collect information on water-related risks at least annually from suppliers

% of suppliers by number

26-50

% of suppliers with a substantive impact

26-50

Rationale for your engagement

A segmentation approach was applied to determine based on spend Essentra's most significant Tier 1 suppliers by spend and criticality. Essentra's top 50 suppliers were targeted to complete a supplier performance. Key risk and performance areas assessed by procurement, internal stakeholders and the supplier, key focus areas include: Risk, Ethics & Sustainability. The scorecard requires reporting on sourcing material from sustainable sources. In this context, sustainable water usage is considered a key environmental performance factor.

Impact of the engagement and measures of success

32% of suppliers that had populated the supplier performance scorecard by the end of 2022. We hope to increase this figure to 70% by the end of 2023. Alongside improving the amount of supplier that are completing our supplier scorecard, we also work with current suppliers to improve key performance indicator (KPI) scores over time by working closely with the Essentra Procurement team through quarterly Performance review meetings. For Factored Goods & Raw Materials suppliers this is extended further to include proactive audits.

Comment

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder

Customers

Type of engagement

Education / information sharing

Details of engagement

Educate and work with stakeholders on understanding and measuring exposure to water-related risks

Share information about your products and relevant certification schemes

Rationale for your engagement

We have prioritized engagement with customers that have contacted us directly requesting climate-related information. We have interacted with a range of customers during the reporting year to provide company-level water withdrawal information.

Essentra also identifies water-related risk as a key strategic risk. This principal risk includes the risks brought about by climate change, which includes water risks such as flooding, drought and water quality. These risks are assessed within our taskforce for climate related financial disclosures (TCFD) reporting, which is done annually and disclosed in our annual report of accounts to our customers.

Impact of the engagement and measures of success

Customer queries and custom solutions requests aimed at improving the sustainability of our processes and product offering are actively monitored in Essentra's D365 Customer Engagement platform.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	No regulatory violations in reporting year

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	<p>Site must maintain an inventory of all chemicals used and stored on-site (including cleaning chemicals and detergents). For each material used in production including plastics, sites must also keep an inventory of material safety data sheets. Each time a chemical is required to be purchased, if it is not already within the inventory, it is reviewed by the HSE team to determine if a risk assessment needs to be done, and checked against the list of prohibited chemicals. Chemicals prohibited on site include the following:</p> <ul style="list-style-type: none">• Chlorinated organic solvents• Asbestos• Polychlorinated biphenyls (PCBs)• Heavy metals (Arsenic, Lead, Mercury, Cadmium, Silver, Chromium)• Carcinogens or suspected carcinogens• Freon and other chlorinated fluorocarbons (CFCs)• Butyl Cellusolve (found in various cleaning agents) <p>This list is not exhaustive and is to be modified to meet local plant and applicable regulatory requirements. There are also several processes and procedures that must be followed for all chemicals and materials on site to be stored and handled appropriately. Many of our sites are certified to ISO14001 and follow that standard. Correct handling and storage prevents our raw polymer materials entering the environment. We monitor number of incidents relating to spills and chemicals, as well as encouraging employees to report near misses. Our target is zero.</p>	<Not Applicable>

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Water pollutant category

Microplastics and plastic particles

Description of water pollutant and potential impacts

Microplastics are extremely small pieces of plastic debris in the environment resulting from the disposal and breakdown of consumer products and industrial waste. They can leach chemicals into the environment, and they can attract and concentrate heavy metals and organic pollutants dissolved in the water. They have been found to have detrimental impacts on wildlife on land and sea, and research is ongoing into the impact on humans.

Value chain stage

Direct operations

Actions and procedures to minimize adverse impacts

Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Industrial and chemical accidents prevention, preparedness, and response

Please explain

There are several processes and procedures that must be followed for all chemicals and materials on site to be stored and handled appropriately. Many of our sites are certified to ISO14001 and follow that standard. Correct handling and storage prevents our raw polymer materials entering the environment. We monitor number of incidents relating to spills and chemicals, as well as encouraging employees to report near misses. Our target is zero.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Enterprise risk management

International methodologies and standards

Tools and methods used

Enterprise Risk Management

IPCC Climate Change Projections

ISO 14001 Environmental Management Standard

Contextual issues considered

Water availability at a basin/catchment level

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers

Employees

Investors

NGOs

Regulators

Suppliers

Water utilities at a local level

Comment

Direct operational risks are discussed at all the main Management committees and meetings as well as the Audit and Risk Committee (ARC) and the Board. The ARC operates an annual process to review Essentra's Principal Risks and Emerging Risks, which sits within Environmental Social Governance, to understand how these should be prioritised and managed effectively in short, medium and long term horizons. The ARC meets up to six times per year, or more to review risk assessments on Principal Risks and Emerging Risks which could affect the business in the short, medium and long term. The identification and assessment of water related risks are primarily conducted at Group level and are considered by management as they are integrated into their multi-disciplinary company-wide risk identification, assessment and management process. When appropriate, they are subsequently reviewed at an increased level of detail such as at division or site level depending on the scope of the risk. Each site has their own risk register and conducts local risk assessments. All risks have mitigation put in place through Essentra's comprehensive risk management process. In addition the the impact of climate related risks posed to Essentra's global operations is managed through business continuity planning for vulnerable locations. Essentra employs an insurance company, FM Global, that uses a risk mapping tool to assess potential physical risks such as flooding.

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Enterprise risk management

International methodologies and standards

Tools and methods used

Enterprise Risk Management

IPCC Climate Change Projections

ISO 14001 Environmental Management Standard

Contextual issues considered

Water availability at a basin/catchment level

Implications of water on your key commodities/raw materials

Water regulatory frameworks
 Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
 Employees
 Regulators
 Suppliers
 Water utilities at a local level

Comment

Essentra identifies the risks that may be posed to the supply chain linked to water usage. Risk assessments are conducted on suppliers as part of the supplier on-boarding process set in place, where there is an appropriate environmental portion of the assessment. Ongoing risk is also monitored using a system which constantly monitors for any new information related to a suppliers risk performance, such as compliance with local regulations, sanctions and disclosures. Water related risks (category found within the Environmental Social Governance risk) are discussed Audit and Risk Committee (ARC) and the Board. Specifically, the ARC operates an annual process to review Essentra's Principal and Emerging Risks, to understand how these should be prioritised and managed effectively in the short, medium and long term frequency. The ARC meets up to six times per year, or more as necessary to review risk assessments on Principal and Emerging Risks which could affect the business in the short, medium and long term. The potential impact and likelihood of the risks are evaluated. These risks are discussed more than once a year.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	<p>We have chosen the scope of risk to be direct operations and supply chain as this is where the majority of any water related activities and therefore risk occurs.</p> <p>The coverage of our risk assessment is full for operations and partial for supply chain. The rationale for partial assessment of supply chain is a consideration of what level of risk the suppliers activities have inherently with regard to water, and the value of our spend with a supplier in any given year. The top 70% of suppliers by spend are included, and for the remainder any activity that has an inherent high risk to water is included.</p> <p>We use enterprise risk management framework methodology and tools to assess and rate risks. In addition we use the ISO14001 environmental management standard at our sites to ensure sites are operating policies and procedures in line with best practice to mitigate risks, and as a TCFD respondent we use IPCC climate change predictions to assess risks related to drought, extreme rainfall and flooding.</p> <p>We classify risks based on our framework of likelihood and severity, and then rate and prioritise the risks based on the outcomes of this rating. Decisions in terms of timeframes, resource and budget are then made based on these ratings.</p>	<p>We consider water availability at a basin level for our sites and key supplier sites as this is important to be able to operate effectively. We consider the contextual issues of water impacts on commodity pricing as this could impact our costs. We consider the impact to our operations and suppliers of any existing or upcoming legislation or regulations related to water. In addition, we ensure that suppliers and our operations have adequate WASH facilities as these issues could impact our ability to operate and provide products to our customers. We also consider the impact of water-related risks to provide assurance we remain compliant across the many jurisdictions we operate in.</p>	<p>For direct operations all stakeholders are considered. For supply chain a smaller group of stakeholders are considered which we have considered the most material and where we have the most ability to influence. We assess the scope periodically to ensure it remains relevant and will expand to include customers in future if deemed important to do so.</p>	<p>Direct operational risks are discussed at least monthly at the executive committee, including Water related risk, which sits within our Environmental principal risk in our risk management framework. Risks are prioritised based on likelihood and severity, and managed effectively in short, medium and long term horizons. The Board level Audit and Risk Committee (ARC) meets at least six times per year to review risk assessments on Principal Risks and Emerging Risks which could affect the business in the short, medium and long term. The ARC also operates an annual process to review Essentra's Principal Risks and Emerging Risks.</p> <p>Essentra identifies the risks that may be posed to the supply chain within our procurement function. Risk assessments are conducted on suppliers as part of the supplier on-boarding process set in place, where there is an appropriate environmental portion of the assessment. Ongoing risk is also monitored using a system which constantly monitors for any new information related to a suppliers risk performance, such as compliance with local regulations, sanctions and disclosures. These risks are rated based on likelihood and severity.</p> <p>For both these processes once risks are rated, they are prioritised in budgets and plans accordingly. Appropriate mitigation strategies are discussed, agreed upon and then communicated to the responsible functions for implementation in set timeframes.</p>

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Essentra is committed to managing risks in a proactive and effective manner to provide assurance to the Board and stakeholders.

Essentra assesses risks by their likelihood and severity. The definition of substantive financial, reputational or strategic impact for Essentra is considered to be any risk with a severity of "significant", "major" or "critical" categories and where the likelihood of such risk is assessed to be "likely" or "almost certain" to occur. Risk impacts considered are people, health and safety, the environment, community, reputation, regulatory compliance, market and financial performance. All risks are monitored using a consistent and thorough approach to ensure the successful delivery of Essentra's strategic objectives and purpose which is to help customers build a sustainable future.

Principal risks: The ARC (Audit and risk committee) is a Board level committee that has responsibility for overseeing Essentra's Principal Risks. An updated assessment is completed for each Principal Risk annually by the ARC. This assessment requires each ARC risk owner to provide analysis on material changes in the risk they manage and whether they consider it to have more or less impact during the course of the year on achievement of strategic objectives. This analysis is provided by our risk assurance function, which meets with risk owners and their teams to consider whether the risk profile and appetite of the respective principal risks has changed. The outputs from the ARC assessments are then presented to the Board for approval along with the recommendation of Principal Risks to be included in long term viability testing. The Board and ARC then evaluate the potential effects of Principal Risks to understand how they could impact the Company's long-term viability. To make this evaluation, the estimated financial impact of each Principal Risk eventuating is considered. The Board and ARC assess the potential impact on the Company's viability, based on selected severe plausible risk scenarios. These are developed in conjunction with senior management, our insurance providers and external experts, and using the latest modelling and guidance from risk specific industry and expert resources.

All principal risks are deemed as more likely to eventuate and have critical impacts, and disrupt the business significantly. Emerging risks and wider risks are also identified and monitored by Essentra. Mitigation actions in response to such risks are an integral part of divisional and enabling functions risk reporting to the ARC & Board. They have ongoing importance to the Company and its stakeholders.

Environmental risk is a principal risk, classified as a strategic risk. This principal risk includes the risks brought about by climate change, which includes water risks such as flooding, drought and water quality.

These risks are assessed within our taskforce for climate related financial disclosures (TCFD) reporting, which is done annually and disclosed in our annual report, and feeds into the principal risk.

Our TCFD risks are assessed across three scenarios, business as usual, middle of the road and low carbon. These scenarios consider different warming levels and transition pathways by 2100. Th three scenarios have been developed for Essentra, and draw on publicly available and widely accepted third-party scenarios. They combine elements from the International Energy Agency (IEA)'s 2018 and 2021 World Energy Outlook for transition changes and the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report for physical changes, alongside other literature.

The time horizons used in our analysis and disclosures are short-term (2025), medium-term (2030) and long-term (2040). The long-term time frame of 2040 is aligned with Essentra's target of reaching net zero emissions by 2040. The short term (2025) and medium-term (2030) time frames are aligned with our business continuity planning.

Each of the most material risks and opportunities are then analysed and the potential unmitigated impact on profit is classified as either low (<£1m), medium (£1m-£10m) or high (>£10m).

As an example of water risk, flooding is deemed one of the top ten risks for Essentra within our TCFD framework. This is due to its assessed likelihood and severity across our portfolio, particularly at our Ningbo and Louisville sites. This risk has been assessed as having a medium financial impact in the short, medium and long term. This assessment feeds into the Environmental Principal risk and is then managed and mitigated appropriately.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	2	1-25	2 of our sites have been identified as being exposed to substantive water risk, in relation to flooding.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

United States of America	Mississippi River
--------------------------	-------------------

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Less than 1%

Comment

This is one of our distribution sites and so business continuity plans include response to flood which includes diverting products to other distribution sites, minimising impact on revenue.

Country/Area & River basin

China	Other, please specify (China Coast - Yanhe)
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Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

1-10

Comment

This is one of our manufacturing sites in APAC, the business continuity plans include response to flood which includes diverting product manufacture to other sites, minimising impact on revenue.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

United States of America	Mississippi River
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Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	--

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

This risk relates to one of our distribution sites, which lies in a flood risk area of the Ohio river. This has the potential to cause disruption to our ability to deliver products to our customers, as our distribution site services a wide geographic region.

Timeframe

More than 6 years

Magnitude of potential impact

High

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

60000

Potential financial impact figure - maximum (currency)

1500000

Explanation of financial impact

This financial impact is the estimate of unmitigated losses. It includes the flood average annual loss and reduced revenue , as calculated by our insurers.

Primary response to risk

Develop flood emergency plans

Description of response

The site has a business continuity plan with detailed steps to follow in case of flooding, this is reviewed annually. In addition flood defence requirements are reviewed annually and additional needs entered into capex budgets. Emergency defence kits are assessed annually and items replaced as necessary

Cost of response

50000

Explanation of cost of response

This includes:

- the development of flood emergency plans based on internal risk management and operational resource
- the cost of flood defences such as concrete walls and protective infrastructure, and emergency defence kits such as sandbags and wellness resources for employees

Country/Area & River basin

China	Other, please specify (China Coast - Yanhe)
-------	---

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	--

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

This risk relates to one of our manufacturing sites, which lies in a flood risk area of the Yanhe river. This has the potential to cause disruption to our ability to deliver products to our customers, as our manufacturing site services a wide geographic region.

Timeframe

More than 6 years

Magnitude of potential impact

High

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

400000

Potential financial impact figure - maximum (currency)

1600000

Explanation of financial impact

This financial impact is the estimate of unmitigated losses It includes the flood average annual loss and reduced revenue , as calculated by our insurers.

Primary response to risk

Develop flood emergency plans

Description of response

The site has a business continuity plan with detailed steps to follow in case of flooding, this is reviewed annually. In addition, flood defence requirements are reviewed annually and additional needs entered into capex budgets. Emergency defence kits are also assessed annually and items replaced as necessary.

Cost of response

50000

Explanation of cost of response

This includes:

- the development of flood emergency plans based on using internal risk management and operational resource
- the cost of flood defences such as concrete walls and protective infrastructure, and emergency defence kits such as sandbags and wellness resources for employees

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

United States of America	Mississippi River
--------------------------	-------------------

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	--

Primary potential impact

Supply chain disruption

Company-specific description

This supplier site has been identified through our supplier risk assessment process carried out as part of our TCFD process, to have a very high risk of increased flooding, in the long-term.

Timeframe

More than 6 years

Magnitude of potential impact

Medium-low

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

20000

Potential financial impact figure - maximum (currency)

50000

Explanation of financial impact

This is an unmitigated financial impact. It includes loss of supply of raw materials for a timeframe of less than a month, and the sourcing of an alternative provider if required.

Primary response to risk

Supplier engagement	Develop supplier flood emergency plans
---------------------	--

Description of response

To mitigate this risk, the key actions are to work to develop an emergency response plan to supplier flooding. This will supplement increased supplier engagement to assess and collaborate on suppliers adaptation plans.

Cost of response

10000

Explanation of cost of response

This cost includes internal resource to develop supplier flooding response plans and collaborate with the supplier on adaptation plans.

Country/Area & River basin

Netherlands	Other, please specify (Scheldt)
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Stage of value chain

Supply chain

Type of risk & Primary risk driver

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
----------------	--

Primary potential impact

Supply chain disruption

Company-specific description

This supplier site has been identified through our supplier risk assessment process carried out as part of our TCFD process, to have a very high risk of increased flooding,

in the long-term.

Timeframe

More than 6 years

Magnitude of potential impact

Medium

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

20000

Potential financial impact figure - maximum (currency)

50000

Explanation of financial impact

This is an unmitigated financial impact. It includes loss of supply of raw materials for a timeframe of less than a month, and the sourcing of an alternative provider if required.

Primary response to risk

Supplier engagement	Develop supplier flood emergency plans
---------------------	--

Description of response

To mitigate this risk, the key actions are to work to develop an emergency response plan to supplier flooding. This will supplement increased supplier engagement to assess and collaborate on suppliers adaptation plans.

Cost of response

10000

Explanation of cost of response

This cost includes internal resource to develop supplier flooding response plans and collaborate with the supplier on adaptation plans.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Products and services

Primary water-related opportunity

Increased sales of existing products/services

Company-specific description & strategy to realize opportunity

Increased revenue from sales of components for HVAC for water saving cooling and water pipes/pumping products that improve water efficiency. Demand for water pipes and cooling components with improved water efficiency characteristics is projected to increase, thus presenting opportunities for increasing revenues from HVAC equipment for our components.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1000000

Potential financial impact figure – maximum (currency)

5000000

Explanation of financial impact

The financial impact of this opportunity has been assessed under BAU, Low Carbon and middle of the road scenarios over three time horizons. The figures stated represent short term out to 2026.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

Louisville

Country/Area & River basin

United States of America	Mississippi River
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Latitude

38.139266

Longitude

-85.893588

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

0.07

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0.07

Total water discharges at this facility (megaliters/year)

0.07

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0.07

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Essentra's Louisville facility is one of Essentra's largest distribution sites in the Americas region. Water withdrawal in an Essentra distribution facility is predominantly used for human services such as on-site bathroom and cafeteria facilities, and therefore any variances in water drawn values can be attributed to site employee head count. The water extraction rate of this facility is negligible and therefore the assumption is made that all withdrawn water is also discharged on site through domestic sewage to a third party treatment facility.

Facility reference number

Facility 2

Facility name (optional)

Ningbo

Country/Area & River basin

China	Other, please specify (China Coast)
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Latitude

29.92679

Longitude

121.80255

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

6.9

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

6.9

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

6.9

Total water discharges at this facility (megaliters/year)

6.9

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

6.9

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Essentra's Ningbo facility is a large manufacturing facility servicing the Asia Pacific region. Essentra's water withdrawal is predominantly used for human services such as on-site bathroom and cafeteria facilities, as any water requirements from the manufacturing process is contained within a closed loop system. As a result, the water extraction rate of this facility is negligible and therefore the assumption is made that all withdrawn water is also discharged on site through domestic sewage to a third party treatment facility.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

76-100

Verification standard used

ISAE3000

Please explain

<Not Applicable>

Water withdrawals – volume by source

% verified

76-100

Verification standard used

ISAE3000

Please explain

<Not Applicable>

Water withdrawals – quality by standard water quality parameters

% verified

Not relevant

Verification standard used

<Not Applicable>

Please explain

Water withdrawals are only via third party utility suppliers for human services such as on-site bathroom and cafeteria facilities. As such the water quality is managed by governmental regulations.

Water discharges – total volumes

% verified

76-100

Verification standard used

ISAE3000

Please explain

<Not Applicable>

Water discharges – volume by destination

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

Water discharges are only for human services such as on-site bathroom and cafeteria facilities, and discharged on site through domestic sewage.

Water discharges – volume by final treatment level

% verified

Not relevant

Verification standard used

<Not Applicable>

Please explain

Water discharges – quality by standard water quality parameters

% verified

Not relevant

Verification standard used

<Not Applicable>

Please explain

Water consumption – total volume

% verified

76-100

Verification standard used

ISAE3000

Please explain

<Not Applicable>

W6.1

(W6.1) Does your organization have a water policy?

No, but we plan to develop one within the next 2 years

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Board-level committee	The ESG Committee is a Board level committee that has responsibility for water issues. Some examples of recent water related decisions are: - In February 2023 they made the decision to approve all the environmental data for our 2022 annual report which includes water consumption, discharge and materiality assessments - In February 2023 the committee also approved our 2022 TCFD disclosure which includes water related risks such as flooding and drought.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
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	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Monitoring progress towards corporate targets Overseeing and guiding public policy engagement Overseeing and guiding scenario analysis Overseeing major capital expenditures Overseeing the setting of corporate targets Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation/R&D priorities Setting performance objectives	<p>The Chair of the ESG Committee (ESGC) reports formally to the full Board on its proceedings after each meeting on all matters within its duties and responsibilities and how it has discharged its responsibilities. The Committee meets at least four times a year at appropriate times in the annual review and reporting cycle and otherwise as required. The ESGC advises the Audit and Risk Committee following regular reviews of any material non-financial risks, KPIs and targets that have been identified and which are relevant for inclusion in the annual report. A statement is submitted for review and approval for submission to the Board to be included in the Annual Report concerning the activities of the Committee. There are regular reviews of all relevant non-financial Group policies, KPIs and targets for inclusion within the Annual Report. The Committee also makes recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.</p> <p>Topics covered within ESGC meetings every year include: sustainability targets review including environmental objectives/KPIs, strategy review (business plan review), sustainability annual report content, voluntary disclosures, risk/ opportunities review.</p> <p>The Committee ensures it has access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required and, at the Committee's discretion, seeks advice from external consultants. It works with and liaises as necessary with all other Board and Executive Committees. Once a year, the ESGC reviews its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommends any changes it considers necessary to the Board for approval.</p> <p>The committee also invites a guest speaker at least annually to discuss sustainability topics that can influence Essentra's business.</p>

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable>	Judged to be unimportant, explanation provided	Essentra has carried out an ESG materiality assessment both at Group level and for each of the three divisions. The outcome of the materiality assessments is that water is of low materiality. Essentra will continue to monitor the topic and if the materiality of water to the business increases then the approach will be amended appropriately.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify (Company Secretary and Head of Governance)

Water-related responsibilities of this position

- Assessing future trends in water demand
- Assessing water-related risks and opportunities
- Managing water-related risks and opportunities
- Conducting water-related scenario analysis
- Setting water-related corporate targets
- Managing public policy engagement that may impact water security
- Integrating water-related issues into business strategy
- Managing annual budgets relating to water security
- Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)

Frequency of reporting to the board on water-related issues

More frequently than quarterly

Please explain

The Company Secretary and Head of Governance has overall responsibility for ESG within the Executive Committee. They are also one of the representatives for Executive Management on the ESG Committee and a member of the Group Risk Committee, which reviews climate-related risks annually.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	We do not have a water related target or KPI as it has been assessed as low materiality to the business. As such there is no plan to introduce incentives for water related issues.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

We have employees throughout the business who engage with trade associations that align to our products and services. All employees must follow our ethics code which provides guidance on how to ensure our employees operate in a manner that aligns to our values , strategies and commitments, and sets out the internal policies and procedures that must be followed. Failure to observe the terms of the Company's Ethics Code or any of the supporting policies and guidance notes may result in disciplinary action where an employee's conduct will be subject to formal review. In the most serious cases, such review may potentially lead to the termination of employment and/or result in personal criminal or civil liability. Similarly, if you fail to report an act you are aware of, that contravenes the terms of the Company's Ethics Code, you may also be subject to disciplinary action. Any employee who knows or suspects any failure to comply with our Ethics Code must report them in accordance with the Essentra Right to Speak Policy.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)
essentra_ar_2022_interactive_2023-04-06-(1).pdf

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	Essentra has not set water-related targets as part of our ESG strategy because it has been identified as being of low materiality to the business. Executive management and the Board level ESG committee determined that there is little customer, regulatory or strategic drive for the business to prioritise water issues as there is a low risk associated with water. Water consumption is low in our operational processes. This was established by completing a materiality matrices.
Strategy for achieving long-term objectives	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	Essentra has not set water-related targets as part of our ESG strategy because it has been identified as being of low materiality to the business. Executive management and the Board level ESG committee determined that there is little customer, regulatory or strategic drive for the business to prioritise water issues as there is a low risk associated with water. Water consumption is low in our operational processes. This was established by completing a materiality matrices. However, there is a published HSE policy that encourages water stewardship and reduction in the overall water consumption.
Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant	5-10	Strategic objectives are considered each year which considers all issues facing the business including water-related issues. Sustainability is a priority across the Group and Essentra's ESG strategy identifies how best we can protect our business, be the best supplier to our customers and drive value in all that we do to be a responsible business. Therefore, discussions within the General Management Committee, Group Risk Committee and Group Sustainability Committee have led to increasing awareness of how sustainability needs more dedicated time and commitment in the company which includes water-related issues. The Group Sustainability Committee will start to provide advice to the GMC and GRC on water-related issues more frequently and will determine how to integrate water-related issues into financial planning in the future as they become more significant. The financial impact of water related projects is not materially significant, so funding for water projects are managed at site level on shorter time horizons and not aggregated at Group level.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

30

Anticipated forward trend for OPEX (+/- % change)

5

Please explain

Capex has remained the same as we have not made any significant investment in water related infrastructure or equipment in 2022. Opex expenditure was predominantly for water consumption, and water discharge charges from third party suppliers. Opex has increased through acquisitions increasing our overall global property footprint.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	A comprehensive qualitative and quantitative scenario analysis of climate related risks and opportunities was carried out in 2022. The key findings of this analysis was published within Essentras 2022 annual report, aligned to TCFD reporting requirements.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related Climate-related Socioeconomic	<p>Essentra used three scenarios to assess physical and transition risks and opportunities arising from climate change:</p> <ul style="list-style-type: none"> • Business-as-Usual (BAU) scenario, where action on climate change continues to be sporadic and uncoordinated, with some countries adopting policies and others free-riding. GHG emissions and global temperature continue to rise in the current trajectories; this leads to a temperature increase of 3.3 - 5.7°C by 2100. • Middle of the Road scenario, where policies to mitigate climate change are implemented but at an insufficient pace, leading to an increase in emissions until 2030 and then remaining around the same level until 2050; this leads to a temperature increase of 2.1 - 3.5 °C by 2100. • Low Carbon scenario, where policies are ambitious, GHG emissions are curtailed, and global temperature increase is limited to well below 2°C by 2100 in line with the Paris Agreement. <p>When looking at these scenarios a lot of qualitative and quantitative metrics were used including:</p> <ul style="list-style-type: none"> - Months/years with extreme Standardized Precipitation - Evapotranspiration Index - Number of countries with reporting obligations 	Increased operating costs at own sites due to higher water prices and potential restrictions on water consumption due to droughts.	Droughts can lead to constraints in water supply that could increase expenditure and disruption to operations. As of 2022, no Essentra sites are located in drought prone areas, but this may change in the future in certain climate scenarios. The business is to monitor this metric and factor the potential for drought into any acquisition decision making process.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

Water is not a large expenditure to the business and is not a high priority as per our materiality matrix, and so there is little urgency to reduce water consumption through internal pricing. We are investigating how we can gain better visibility of water value through our current financial and procurement systems.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Important but not an immediate business priority	Essentra does not use a lot of water in the typical injection moulding manufacturing process and as such classifying products as low water impact would be potentially accurate, but not a useful comparator or meaningful indicator for our customers.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

No, but we plan to within the next two years

W8.1c

(W8.1c) Why do you not have water-related target(s) and what are your plans to develop these in the future?

	Primary reason	Please explain
Row 1	Important but not an immediate business priority	Essentra has a comprehensive ESG strategy which was developed by undertaking a materiality assessment of sustainability related topics and how they relate to the business. This assessment identified that setting water related targets is not a key focus area. As an overall business, our water usage is minimal and there is little benefit to focus our efforts on water consumption reduction, compared to other sustainability priorities which are more material as per our materiality matrix.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water usage for 2019-2022 reporting period in cubic metres	ISAE 3000	Limited assurance of water usage data for 2020 period.
W4 Risks and opportunities	TCFD report water related risks and opportunities	ISAE 3000	Our TCFD report is verified prior to submission in our annual report and this was the data used for this CDP disclosure

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	We are a plastic component manufacturer and distributor. We create plastic components using virgin and recycled content polymers, and distribute these to customers.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain Product use phase	<p>Site must maintain an inventory of all chemicals used and stored on-site (including cleaning chemicals and detergents). For each material used in production including plastics, sites must also keep an inventory of material safety data sheets.</p> <p>Each time a chemical is required to be purchased, if it is not already within the inventory, it is reviewed by the HSE team to determine if a risk assessment needs to be done, and checked against the list of prohibited chemicals. Chemicals prohibited on site include the following:</p> <ul style="list-style-type: none"> • Chlorinated organic solvents • Asbestos • Polychlorinated biphenyls (PCBs) • Heavy metals (Arsenic, Lead, Mercury, Cadmium, Silver, Chromium) • Carcinogens or suspected carcinogens • Freon and other chlorinated fluorocarbons (CFCs) • Butyl Cellusolve (found in various cleaning agents) <p>This list is not exhaustive and is to be modified to meet local plant and applicable regulatory requirements.</p> <p>There are also several processes and procedures that must be followed for all chemicals and materials on site to be stored and handled appropriately. Many of our sites are certified to ISO14001 and follow that standard. Correct handling and storage prevents our raw polymer materials entering the environment.</p> <p>We monitor number of incidents relating to spills and chemicals, as well as encouraging employees to report near misses. Our target is zero.</p>

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Direct operations Supply chain	Please select	We report on our risks and opportunities related to ESG as part of the TCFD process. One of these risks relates to the increasing regulatory requirements associated with plastic use and creation, particularly around plastic packaging.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic polymers	Reduce the total weight of virgin content in plastic polymers Increase the proportion of post-consumer recycled content in plastic polymers	We have a target to increase the use of materials from sustainable sources to 20% by 2025. This includes increasing the use of recycled material used in our polymers ranges.

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	This activity is within our supply chain
Production of durable plastic components	Yes	We create durable plastic components
Production / commercialization of durable plastic goods (including mixed materials)	Yes	We create durable plastic components
Production / commercialization of plastic packaging	No	This activity is within our supply chain
Production of goods packaged in plastics	Yes	Our goods are sometimes packaged using plastic packaging
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	We do not supply goods and services

W10.7

(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.

Row 1

Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)

6654

Raw material content percentages available to report

% virgin fossil-based content

% post-industrial recycled content

% virgin fossil-based content

89

% virgin renewable content

<Not Applicable>

% post-industrial recycled content

11

% post-consumer recycled content

<Not Applicable>

Please explain

These numbers are in our annual report and externally assured by ERM CVS

W10.8

(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	% post-industrial recycled content	% post-consumer recycled content	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used		None	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	We are currently baselining our plastic packaging weight, recycled content and recyclability data.

W10.8a

(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

	Percentages available to report for circularity potential	% of plastic packaging that is reusable	% of plastic packaging that is technically recyclable	% of plastic packaging that is recyclable in practice at scale	Please explain
Plastic packaging sold	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Plastic packaging used	None	<Not Applicable>	<Not Applicable>	<Not Applicable>	We are currently baselining our plastic packaging weight, recycled content and recyclability data.

W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Head of Governance and Company Secretary	Other C-Suite Officer

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	337900000

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No, CDP supply chain members do not buy goods or services from facilities listed in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	Yes, for some facilities	The facilities we have collected geolocation data for are those flagged via our TCFD risk assessment as being susceptible to flooding

SW1.2a

(SW1.2a) Please provide all available geolocation data for your facilities.

Identifier	Latitude	Longitude	Comment
Ningbo	29.92679	121.80255	High unmitigated risk of flooding
Louisville	38.139266	-85.893588	High unmitigated risk of flooding

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

Requesting member

Ford Motor Company

Category of project

Relationship water assessment

Type of project

Assessing products or services' water-related impacts to identify efficiencies

Motivation

Understanding life cycle water across the relationship will allow us to pinpoint areas for improvements or further collaboration.

Estimated timeframe for achieving project

Up to 1 year

Details of project

Conducting a water relationship assessment will involve sharing of water usage data across our businesses.

Projected outcome

A better understanding of life cycle water usage and available opportunities for improvements.

Requesting member

Juniper Networks, Inc.

Category of project

Relationship water assessment

Type of project

Assessing products or services' water-related impacts to identify efficiencies

Motivation

Understanding life cycle water across the relationship will allow us to pinpoint areas for improvements or further collaboration.

Estimated timeframe for achieving project

Up to 1 year

Details of project

Conducting a water relationship assessment will involve sharing of water usage data across our businesses.

Projected outcome

A better understanding of life cycle water usage and available opportunities for improvements.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms