

2024,
2025

2M Sustainability Report



2M Holdings Ltd.



Group of Companies

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Letter from the CEO - Mottie Kessler OBE

Dear Stakeholders,

I am pleased to introduce our 2024/25 Sustainability Report, which provides a transparent view of our progress over the past year and outlines the steps we are taking to strengthen the long-term resilience of the 2M Group of Companies. Sustainability remains central to our strategy, underpinning how we operate, innovate, and grow.

This year, we continued to build on the foundations laid in previous years. A major milestone in this effort was the rollout of our ERP platform, which now provides a more integrated and reliable system for order processing and capturing and managing information across our global operations. This investment strengthens our governance, supports future digital transformation, and enables us to measure our environmental impacts with greater accuracy.

We have also made encouraging progress in reducing carbon emissions across our operations. Through efficiency improvements, enhanced operational controls, and targeted investments, we continue to advance towards our 2028 reduction targets. While we recognise that more must be done, we are committed to maintaining strong momentum in the years ahead.

Our achievements this year are driven by the dedication and expertise of our people. Across the Globe, our teams continue to demonstrate resilience, creativity, and a shared commitment to responsible growth. Their efforts enable us to serve our customers safely and reliably, while contributing positively to the communities in which we operate.

As we look forward, we remain focused on embedding sustainability into every aspect of our business, through lower-carbon operations, our STEM outreach programmes, sustainable product portfolio and continuous improvement. We will continue to invest in the technologies, capabilities, and partnerships that support our long-term ambition and ensure that sustainability remains a source of value and innovation for 2M.

Thank you to our employees, partners, and customers for your ongoing collaboration and support, as we strive to build a healthier life today and a better world tomorrow.

Sincerely,

Mottie Kessler OBE

Chief Executive Officer

2M Group of Companies

Executive Summary

The 2024/25 reporting year marks a pivotal stage in the 2M Group's sustainability journey, reflecting substantial progress in environmental performance, social value creation, and governance maturity. Sustainability remains central to our mission of delivering innovative materials and life sciences solutions that enhance human wellbeing while ensuring the long-term health of our planet. Guided by the eight UN Sustainable Development Goals identified as most material to our operations, the Group has continued to strengthen its strategic approach, deepen stakeholder engagement, and enhance the quality and consistency of its ESG data and reporting.

Environmental Performance

This year, the Group achieved its most significant emissions reductions to date. Through a combination of renewable-energy procurement, operational efficiencies, and improved data accuracy enabled by new digital systems, Scope 1 and 2 emissions fell by 26.3% compared with the 2023 baseline. Market-based emissions saw particularly strong improvement in the UK, driven by an expansion of REGO-backed electricity contracts from increasing to approximately 59% of total supply. Global Scope 1 and 2 emissions also decreased under both reporting methodologies despite increased operational activity, reflecting strong alignment between strategy and site action.

While direct emissions represent only a small proportion of 2M's overall footprint due to the Group's limited manufacturing activity, Scope 3 emissions remain the most material component of our environmental impact. In 2024/25, total Scope 3 emissions decreased by 2.1%. This reduction was driven by improved product-level data, refined methodologies for upstream and downstream emissions categories, increased efficiencies in global transport, and a reduction in emissions associated with purchased goods and services. The continued maturation of our Scope 3 data collection provides a stronger foundation for future target setting, supplier engagement, and long-term decarbonisation planning.

Energy consumption across the Group rose slightly to reflect the integration of new subsidiaries and full-year reporting for others. Despite this increase, renewable-energy consumption grew significantly from 3.4% to 19% of total energy use. This shift was achieved through the expansion of renewable electricity contracts, and the transition to zero-carbon gas at key sites. These efforts strengthen the Group's resilience to future regulatory changes and contribute meaningfully to reductions in operational emissions.

Waste management remained a major area of focus following the establishment of a Group-wide baseline in the previous year. In 2024/25, total waste decreased by 3.6%, while the Group's waste-intensity ratio improved by 5.8%, outperforming the linear trajectory required to achieve the 2030 waste-intensity reduction target. Improved waste-stream segregation across sites allowed 54% of all generated waste to be recycled or recovered.

Circularity has become an increasingly important aspect of our environmental strategy. Reuse systems for industrial containers, closed-loop solvent-handling technologies, and investments in sustainable packaging have reduced the Group's reliance on single-use materials. Notably, the partnership with Morro™ on packaging coating technology, was commercially launched via Just Eat in Germany (Lieferando) providing the market with a plant-based, biodegradable alternative to plastic food packaging. These achievements underscore the Group's commitment to scaling practical, high-impact circular solutions across industries.

Social Responsibility

Investing in people remains central to our sustainability agenda. The Group maintains a commitment to fair pay, professional development, and inclusive working environments. All employees across the Group are paid at or above the living wage, and women now represent 51% of the workforce and 25% of the Board. The 2M Academy continued to expand its suite of development pathways, including leadership programmes, mentoring, apprenticeships, and targeted initiatives to support women's progression into senior roles.

Employee wellbeing remains a core priority. Initiatives this year included enhanced access to mental-health support through the confidential Spill platform, an extended network of trained Mental Health First Aiders, and campaigns designed to reduce stigma and raise awareness. Physical-health programmes grew through our partnership with Active Teams, offering employees tools and challenges to support healthy lifestyles, while annual health checks and flu vaccinations further strengthened our preventative health offering. The 2025 Wellbeing Survey revealed that 69% of employees rated their wellbeing positively and 80% expressed satisfaction with their work-life balance, though feedback also highlighted areas for improvement in workload management.

The Group also continued to expand its contribution to communities, particularly through educational outreach. More than 2,900 students engaged with 2M through school workshops, science demonstrations, work-experience placements, and collaborations with universities. Programmes such as Molecule2Market™, Children's Science Day, and STEM partnerships with the Catalyst Science Discovery Centre exemplified our commitment to inspiring the next generation.

Governance and Ethics

The Group's governance framework continued to strengthen throughout 2024/25. Our EcoVadis assessment resulted in a Gold Medal with a score of 80/100. For the third consecutive year, the Group recorded zero cases of corruption, bribery, or whistleblowing. These results demonstrate the strength of our compliance systems, ethical culture, and long-standing commitment to responsible business practices.

Digital transformation through Project Horizon has continued to modernise how the Group manages information, supports decision-making, and ensures accurate ESG reporting. The integration of a single enterprise-wide system has improved data consistency, reduced reliance on manual processes, and enhanced governance oversight. Complementing this, our cybersecurity framework remains robust, and no information-security incidents have been recorded over the past three years.

Looking Ahead

As we prepare for the next stage of our sustainability journey, including mandatory compliance with the EU-CSR and the introduction of the UK Carbon Border Adjustment Mechanism, our focus will remain on deepening data quality, strengthening supplier collaboration, and embedding sustainability more fully into strategic decision-making. Planned efforts include continued enhancement of Scope 3 emissions methodologies, further expansion of renewable-energy procurement, heightened attention to waste-reduction opportunities, and ongoing investment in our people and culture. The progress achieved in 2024/25 demonstrates that the Group is well positioned to meet future challenges and continue delivering meaningful value to customers, communities, and the environment.

Our Vision at 2M

Sustainability and Environmental, Social, and Governance (ESG) principles are at the heart of 2M's values. We believe these commitments are essential not only for long-term business success but also for creating a better world for future generations.

At 2M, our mission is to lead within the materials and life sciences industries by delivering innovative products and services that promote healthier lives today while safeguarding the planet for tomorrow.

We uphold rigorous ESG standards across all our operations and collaborate closely with our supply chain partners to ensure these principles are embedded throughout the value chain. To drive meaningful progress, we have aligned our strategy with eight United Nations Sustainable Development Goals (SDGs) that are most relevant to our business. These goals guide our priorities and focus areas for continuous improvement.

This Sustainability Report outlines our environmental, social, and governance performance for the reporting period. It has been prepared *with reference to the Global Reporting Initiative (GRI) Standards*, ensuring our disclosures follow internationally recognised principles for transparent and comparable sustainability reporting. A GRI Content Index is included in the Appendix. This report is not externally assured.

Recognition

Two-Time Winner: King's Award 2024 and Queen's Award 2019 for Enterprise in International Trade

The 2M Group of Companies is proud to have been honoured with the King's Award for Enterprise in International Trade in 2024, marking the second time we have received this prestigious recognition.

The King's Award programme, now in its 58th year, is the UK's most distinguished business accolade, granting recipients the privilege of using the esteemed King's Awards emblem. This achievement follows our success in 2019, when we were awarded the Queen's Award for Enterprise in International Trade.

This award celebrates our significant export growth and recognises our commitment to investing in the next generation through the 2M STEM Programme, launched in 2016 to provide young people with greater access to careers in science, technology, engineering, and mathematics.

During the 2024/25 financial year, we were also nominated for several other notable awards, including:



DEMETER AWARDS
CELEBRATING EXCELLENCE IN THE BIO-BASED SECTOR

[Winner] BBIA Demeter Collaboration Award UK 2024



[Shortlisted] Chemicals Northwest Shortlisted for CSR Award 2026



2M Group Targets

Removal of Previous Target

We have removed the target to annually increase the ratio of sustainable products in our portfolio by at least 10% as a group-level sustainability objective due to the diverse nature of procurement practices across our global operations, which makes a standardised approach challenging. However, we remain committed to advancing our internal goals to improve the chemicals we offer by introducing safer and more sustainable alternatives. This work continues to be a priority within our product development strategy. For further details on these initiatives, please refer to the Products section of this report.

2M therefore has chosen to set two new public KPIs to replace our procurement target. These have been set across; three areas we believe are of high importance to our operations and workforce base.

KPI 1. Emissions Reduction

To reduce carbon emissions (scope 1 & 2) by 10% in 2028 compared to 2023 and to achieve this despite future organic & acquisition growth. This is split into the following sub targets:

- 1a. To reduce carbon emissions (Scope 1) by 10% by 2028 compared to 2023
- 1b. To reduce carbon emissions (Scope 2) by 10% by 2028 compared to 2023

Over recent years, the Group has strengthened its decarbonisation pathway through sustained investment in renewable electricity and green gas procurement, the electrification of onsite operations, and targeted energy-efficiency initiatives across manufacturing, warehousing, laboratories, and office sites. These operational improvements—combined with improved data capture from the deployment of enhanced digital tools—have played an important role in reducing both Scope 1 and Scope 2 emissions.

From FY2024/25 onwards, the Group is reporting Scope 2 using both the location-based and market-based methods, in full alignment with the GHG Protocol Scope 2 Guidance and GRI 305-2. This approach provides a more comprehensive and transparent representation of our emissions profile:

Ton CO ₂ e	Target 2028
Scope 1	1129.0
Scope 2	452.3
Scope 1 & 2	1581.0

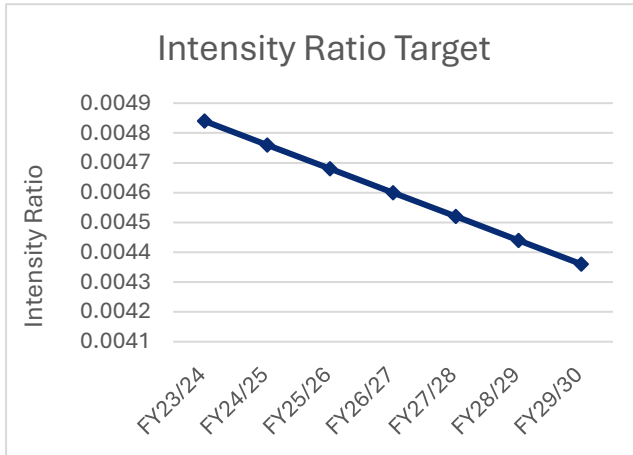
- The location-based method reflects our reliance on the actual carbon intensity of the national grids in which we operate.
- The market-based method captures the impact of our renewable energy procurement, including the expansion of REGO-backed contracts across the UK and Europe.

This dual-reporting transition enables 2M Holdings to more accurately demonstrate the combined effect of structural grid decarbonisation and company-driven procurement choices, ensuring that progress toward our 2028 emissions-reduction target is measured and communicated with clarity and integrity.

Continued work to move UK site onto renewable sources and ongoing infrastructure projects across 2M Group globally, has allowed 2M to reach its Scope 1 and 2 target more than 3 years in advance. Despite this the Sustainability Committee remains cautious about the potential impact of further business growth and acquisitions; the Board may look reset the KPI to a more ambitious target in 25/26.

KPI 2. Reduce Waste Intensity* by 10% by 2030

***amount of waste generated per unit of output (£ Revenue) vs 23/24 Baseline**



Using readily available data collected for the 23/24 reporting period we have set a base level of Global waste, which equates to an intensity ratio of 0.00484 with a Target of 0.00436 by 2030, reflecting our commitment to continuous improvement in waste management.

Work is underway to reduce waste intensity across the business through several initiatives. These include the implementation of an internal ERP system designed to manage precise quantities within blends, minimizing waste and reducing errors in the chemical manufacturing process.

In 2024/25, all UK sites transitioned to a system that collects Hazardous Waste, General Waste, Dry Mixed Recycling, and Food Waste separately. This approach enables better sorting and reduction at the site level, improving recycling rates and reducing landfill dependency.

Additionally, we are collaborating with waste management partners to adopt circular solutions that safely divert waste from landfill. Our approach prioritizes treating waste as high up the waste hierarchy as possible, ensuring maximum recovery and reuse. This includes laundering packaging and treating or diverting waste materials for reuse, reinforcing our commitment to resource efficiency and sustainable operations. See Page 26 for progress in Year one.

KPI 3. Achieve Year-on-Year Improvement in Employee Sustainability Engagement

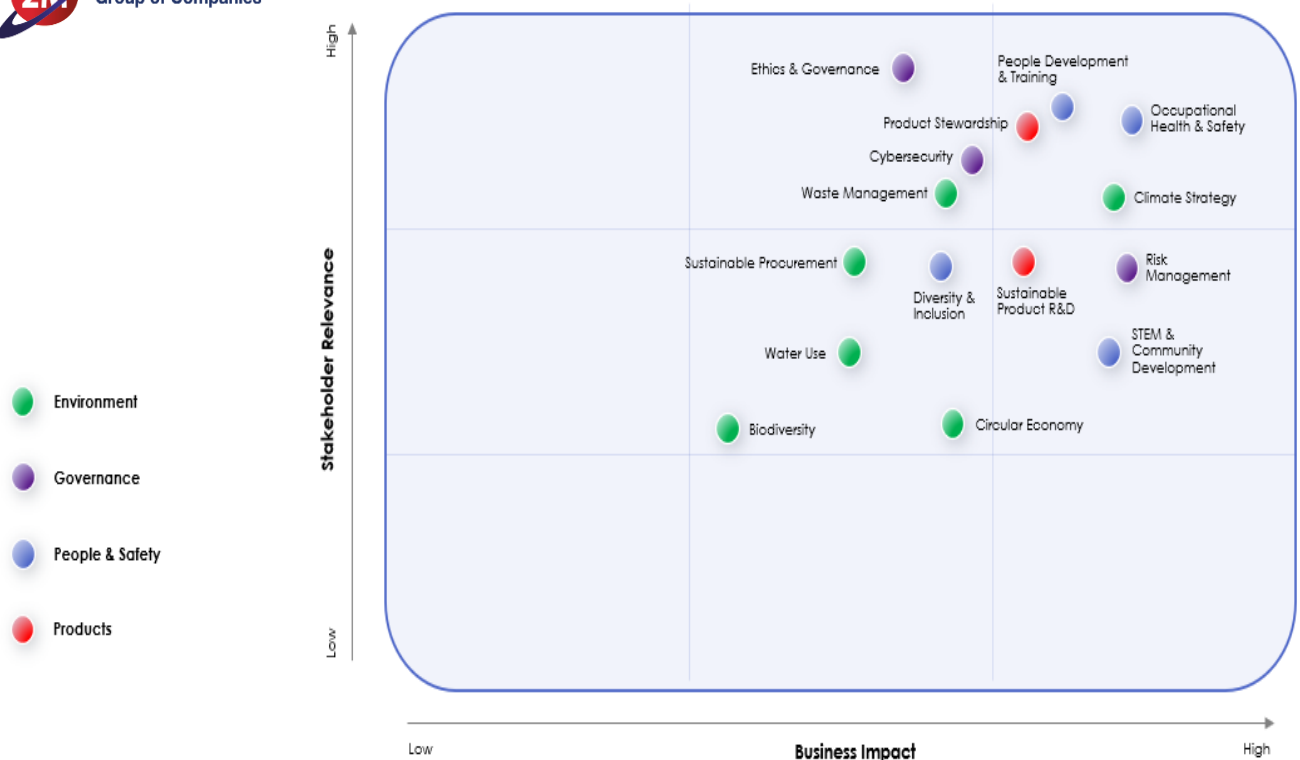
We have introduced a new KPI to achieve year-on-year improvement in employee sustainability engagement, reflecting our belief that people are central to driving meaningful change. This target focuses on building awareness, encouraging participation, and fostering behavioural change across the organization. During 2025, we are developed a methodology to measure engagement through metrics such as training completion rates, event participation, and adoption of sustainable practices. Establishing a reliable baseline is a key priority, and we are working closely with HR and IT teams to gather accurate data and create a transparent reporting framework. Progress will be tracked annually, with results shared through dashboards and internal communications to ensure accountability and continuous improvement, further information on the ongoing baseline assessment is included in methodology section of this report appendix.

Our Materiality Matrix

Materiality Assessment

At 2M, we recognize that our activities have an impact on society and the environment, and these impacts can, in turn, influence our business performance and resilience. As part of our sustainability outreach efforts, we conducted a Sustainability Survey in September 2024 during the reporting year to gather insights from employees, managers, and investors. By engaging with these key stakeholders and incorporating their perspectives, we ensure that our sustainability approach reflects the values, priorities, and concerns of both our workforce and the wider business community. This feedback plays a critical role in shaping our ESG strategy, informing materiality assessments, and guiding the development of meaningful targets and initiatives.

Materiality Matrix

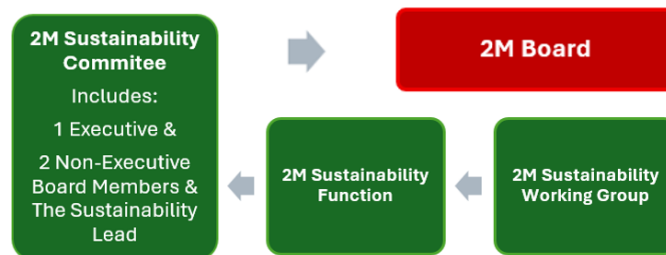


2M is actively working to understand the requirements for performing a double materiality assessment in line with the Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS) for 25/26. While our survey contributed to an initial materiality assessment, adapting our processes toward CSRD compliance involves updating previous assessments to incorporate the concept of double materiality. This means that when evaluating which ESG topics are most important to 2M, we must consider both financial materiality and its impact on the business, and impact materiality, the impact on society and the environment as a whole and look to engage a broader range of stakeholders.

In our assessment, the Sustainability Working Group identified 43 potential ESG topics relevant to 2M. Of these, 15 were classified as material categories and integrated into our corporate sustainability strategy. To capture wider input, we launched a Sustainability Materiality Survey during a quarterly staff call. Responses informed the Stakeholder Relevance score on the y-axis of our materiality matrix, while feedback from investors and senior leadership—collected through our Enterprise Risk Management system—informed the Business Impact score on the x-axis. This matrix guided KPI setting, prioritization, and ESG strategy implementation, combining both perspectives for 2M’s first materiality assessment. Looking ahead, we plan to update this assessment as required, starting in FY 2026/27, and strengthen the process with additional support from senior management and external expertise to ensure full CSRD alignment despite changes in the scope of effected businesses.

Topic	Business Impact (1-10)	Stakeholder Relevance (1-10)
Biodiversity	4	4
Water Use	5	5
Circular Economy	6	4
Waste Management	6	7
Climate Strategy	8	7
Sustainable Product R & D	7	6
Product Stewardship	7	8
Sustainable Procurement	5	6
Risk Management	8	6
Cybersecurity	6	7
Ethics & Governance	6	9
Diversity & Inclusion	6	7
People Development & Training	7	8
Occupational Health & Safety	8	8
STEM & Community Development	8	5

Organisational Structure - Sustainability



Sustainability Working Group - The Sustainability Working Group is a cross-functional team of individuals from various business areas who champion a culture of sustainability within the organisation. The group develops projects that address key environmental and social issues. Members were selected for their broad expertise and demonstrated commitment to sustainability.

Sustainability Committee - The Sustainability Committee comprises three 2M board members (two non-executive and one executive) along with the Sustainability Lead for the Group. This committee makes strategic decisions and reports directly to the board. It reviews inputs from the Sustainability Working Group and the wider organisation, prioritising actions for implementation. Meetings are held quarterly, following the working group sessions.

Sustainability Department - The Sustainability Team assesses the environmental and social impacts of 2M operations and its supply chain. The team works to ensure the group achieves high standards in sustainability to meet stakeholder expectations. To do this, they set targets, develop the company's sustainability initiatives, assume responsibility for delivering on those initiatives, and embed sustainability into day-to-day operations.

Sustainable Packaging Technologies - In 2024 2M has launched our sustainable packaging solutions business offering bio-based polymers as alternative to traditional fossil fuel-based polymers who also work closely with the working group and sustainability function as required.

Strengthening our Sustainability Reporting

As we move towards integrated reporting of our financial and non-financial performance, we are committed to ensuring that we collect comprehensive and consistent sustainability data from across our company that can be collated and analysed to provide accurate sustainability reporting. The following is a list of the relevant bodies we report to annually.



UK SECR

This year marked the second consecutive year that the Group calculated Scope 1, Scope 2, and Scope 3 emissions across the business globally. Both UK and worldwide figures were reported in line with SECR requirements. Over the past year, sites in the UK, Italy, France, Germany, Spain, and China were successfully integrated into the Group-managed data collection hub, ensuring greater consistency and accuracy in emissions reporting. Please note that several smaller sales sites outside the UK, each with fewer than 5 employees, were excluded under the de minimis rule, as these locations are estimated to contribute less than 5% of total Group emissions.



EcoVadis

The 2M Group of Companies carries out an annual EcoVadis assessment at group level, using improvement points following each assessment to make improvements to the sustainability programme in the organisation. In August 2025, the 2M Group of Companies achieved a Gold Medal from EcoVadis, placing us in the top 5% of companies, an improvement from Silver in 2024. Our German subsidiaries—Ce-O2 Trockeneis GmbH and Surfachem Deutschland GmbH—received Platinum Medals for 2025.



United Nations
Global Compact

United Nations Global Compact (UNGC)

2M is signatory to the UN Global Compact, the world's largest corporate sustainability initiative to align strategy with universal principles on human rights, labour, environment, and anti-corruption. Through our double materiality assessment, 2M has identified 8 of the UN Sustainable Development goals which are highly material to our business. These include SDG 3 (Good Health and Well-Being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), ; SDG 8 (Decent Work and Economic Growth), DG 9 (Industry, Innovation, and Infrastructure), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action).



Responsible Care®
Good Chemistry at Work

Responsible Care

As a member of the Chemical Business Association (CBA), 2M adheres to the principles of Responsible Care®, ensuring the highest standard of health, safety and environmental standards across the chemical distribution network. This commitment drives our continuous improvement efforts, with a focus on reducing reportable injuries, environmental incidents, dangerous occurrences, enforcement actions, and overall waste and environmental impact. We monitor our performance through annual indices and strive for year-on-year improvement, reinforcing our dedication to responsible operations and sustainable growth.



Round Table for Sustainable Palm Oil (RSPO)

2M is a proud member of the Roundtable on Sustainable Palm Oil (RSPO), a global, not-for-profit organization dedicated to driving positive change within the palm oil industry. By collaborating with over 4,000 stakeholders worldwide, RSPO works to promote the production, sourcing, and use of certified sustainable palm oil. Our membership reflects 2M’s commitment to responsible sourcing and supporting industry-wide efforts to reduce environmental and social impacts associated with palm oil production.



Bio-based and Biodegradable Industries Association (BBIA).

2M has joined the BBIA, this significant milestone underscores our commitment to sustainability, innovation, and excellence within speciality chemicals. By joining this prestigious association, 2M Sustainable Packaging Technologies will have the opportunity to collaborate with industry leaders, influence policy, and drive the adoption of sustainable practices across the biotechnology sector.



International Chemical Trade Association (ICTA)

As a member of the ICTA, 2M has adopted the Responsible Distribution® programme, which commits us to the highest standards of safety, sustainability, and ethical practices throughout the chemical supply chain. This framework ensures that our operations prioritize health and safety, environmental stewardship, and responsible business conduct, while promoting continuous improvement and transparency across all aspects of chemical distribution.

Our Roadmap Towards Integrated Reporting

During the last financial year, we expanded the scope of our emissions reporting to include the majority of our non-UK sites within our emissions reporting, strengthening the accuracy and completeness of our global carbon footprint data. In order to maintain the accuracy of the data collected, respondents are being managed via a SharePoint set up by the group sustainability department to ensure data integrity, local teams are responsible for coordinating data collection, and uploading, and working with the sustainability team to verify and validate information before submission to external reporting partners named in the previous section such as SECR.

We have also established a baseline for Scope 3 emissions within the 23/24 report, providing a foundation for setting future reduction targets. Currently, Scope 3 reporting relies on estimates across all categories, but we are committed to improving the quality and accuracy of these assumptions through enhanced data collection and centralization. This process will help identify carbon hotspots and inform targeted reduction strategies. In addition, we have used the information collected to set a baseline for the two new KPIs agreed with the board and will continue to manage these via the SharePoint collection Hub.



Preparing for EU CSRD Compliance

The European Union's Corporate Sustainability Reporting Directive (CSRD) is reshaping how companies disclose information about their environmental and social performance. In late 2025, the EU introduced significant changes through the Omnibus I simplification package, raising reporting thresholds and narrowing the number of companies that fall under mandatory CSRD requirements. These changes substantially reduce the number of multinational companies in scope and as a result 2M Group does not meet the updated EU thresholds for mandatory CSRD reporting. To ensure we continue meeting stakeholder expectations and remain aligned with best practice, 2M is taking the following steps:

- **Strengthening Our Reporting Frameworks** - We are developing a roadmap that aligns our internal processes with the structure and principles of international reporting standards. This enables us to build compatible systems even if reporting remains voluntary.
- **Integrating Sustainability into Financial Reporting** - 2M is working toward a more integrated approach to reporting, bringing together financial and non-financial information to provide a clearer view of our long-term performance and value creation.
- **Updating Materiality Assessments** - We are incorporating the EU's "double materiality" lens, considering both our environmental and social impacts and the financial risks and opportunities associated with them to guide our sustainability priorities.
- **Advancing Climate Risk and Impact Analysis** - We continue to assess climate related risks and opportunities in line with leading global frameworks, supporting long term resilience planning and transparent climate reporting.

Preparing for UK-CBAM Compliance

UK Carbon Border Adjustment Mechanism (CBAM) represents a major shift toward carbon accountability in global trade, it is a forthcoming regulation designed to place a carbon price on imported raw materials, preventing carbon leakage and ensuring a level playing field for domestic producers. Originally aligned with the EU CBAM timeline, the UK government has confirmed implementation is expected by 2027, following a grace period for businesses to prepare.

For 2M, this legislation is particularly significant because it will affect the cost of urea imports for AdBlue, a key product within our portfolio. The introduction of CBAM tariffs is projected to increase operational costs for products with high embedded carbon emissions, requiring proactive measures to maintain competitiveness. Therefore, 2M are analysing the financial and supply chain implications of CBAM, including potential cost increases and alternative sourcing strategies. Work is underway to ensure 2M becomes UK-CBAM compliant during the grace period, which includes:

- Mapping carbon intensity of imported raw materials.
- Engaging suppliers to obtain verified emissions data.
- Exploring lower-carbon alternatives and regional sourcing options.



2M

Environment

"Driving environmental excellence across every site and system."

Environmental

2M strives for continual improvement in environmental performance, embedding sustainability into every aspect of our operations. We track progress annually through a combination of voluntary and regulatory audits, including ISO 14001:2015, Streamlined Energy and Carbon Reporting (SECR), EcoVadis assessments, and our internal 2M Integrated Management System (IMS). These frameworks ensure that we maintain robust environmental management practices and identify opportunities for improvement.

Over recent years, we have made significant strides in understanding our environmental footprint, particularly in the areas of water usage, waste generation, and direct and indirect emissions. This insight has enabled us to implement targeted reduction strategies, such as optimizing chemical blending processes to minimize waste, improving energy efficiency across sites, and collaborating with partners on circular waste solutions. These actions reflect our commitment to protecting the planet, reducing resource consumption, and supporting global climate goals.

Monitoring and Reducing Our Emissions – Dual Reporting

The greatest contribution we can make in the fight against climate change is to reduce our greenhouse gas emissions. We monitor our Scope 1 and 2 emissions, which are largely under our operational control, and our Scope 3 emissions, indirect emissions related to our upstream and downstream activities.

Greenhouse gas emissions are categorized into three scopes under the GHG Protocol, providing a comprehensive framework for measuring and managing climate impact:

Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organisation, such as direct emissions from fuel combustion.

Scope 2 emissions come from where the energy each site purchases and uses is produced, for example the emissions incurred from electricity use.

Scope 3 emissions are the result of activities the organization indirectly affects in its value chain, encompassing the emissions in products, transport, waste treatment, and other activities upstream and downstream of operations.

Where possible, actual consumption data is used to calculate these figures. In cases where data is unavailable, robust estimation methods are applied to ensure completeness and transparency.

In previous reporting years, Scope 2 emissions were reported using a market-based approach for sites supplied under REGO-backed electricity contracts. For last year’s report, only one site was supplied under a renewable electricity contract. As part of improving alignment with the GHG Protocol Scope 2 Guidance and GRI 305-2, the Group has retrospectively calculated both location-based and market-based Scope 2 emissions for FY23/24 & FY24/25.

Greenhouse Gas Emissions

Scope 1



Direct GHG emissions from sources that are controlled or owned by an organisation.

Scope 2



Indirect GHG emissions from the generation of purchased energy.

Scope 3



Other indirect GHG emissions that occur across an organisation.

UK Scope 1 & 2 Emissions

Market Based Ton CO ₂ e	FY 24-25	FY 23-24	FY 22-23
Scope 1	868.8	882.6	-
Scope 2	135.3	290.0	-
Scope 1 & 2	1,004.1	1172.6	-

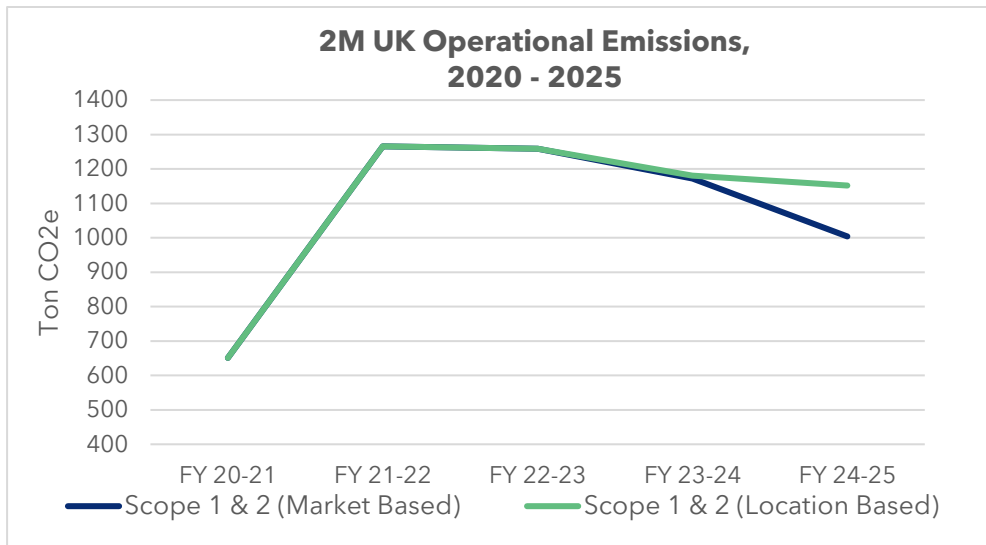
Location Based Ton CO ₂ e	FY 24-25	FY 23-24	FY 22-23
Scope 1	868.8	882.6	981.5
Scope 2	282.5	297.7*	277.0
Scope 1 & 2	1,151.3	1180.3*	1258.5

UK Scope 1 emissions decreased modestly, this was primarily driven by ongoing fleet electrification and the increased use of biofuels in production processes, notably at Stowlin, where biofuel consumption has expanded due to Clean Air Blue manufacturing. While total UK energy consumption increased slightly (0.35%), Scope 2 emissions followed very different trajectories under the two reporting methods.

Market-Based Perspective: Scope 2 emissions fell sharply by 53.3%, driven primarily by a major increase in renewable electricity procurement. REGO-backed supply rose from 12% to approximately 59%, substantially lowering the market-based emission factor applied to purchased electricity. This reduction was further supported by improved data completeness and granularity enabled by the Dynamics ERP system and Sustainability Hub.

Location-Based Perspective: Scope 2 emissions fell more moderately, decreasing from a 5.1% reduction in one year. This trend was driven primarily by two factors: UK grid decarbonisation; the national grid emission factor decreased by approximately 15%, reflecting the continued transition away from fossil fuel generation. Improved data capture; enhanced reporting for previously under reported or partially covered sites – including Crafted, Surfachem Labs – alongside full year reporting for Warwick Equest, contributed to a more accurate and complete emissions profile.

Taken together, the location based and market based results provide a balanced and transparent view of 2M's progress. The location based method reflects the organisation's real world dependence on the national grid and captures the structural decarbonisation occurring across the UK electricity system. In contrast, the market based method highlights the tangible impact of 2M's procurement decisions, demonstrating how the expansion of REGO backed renewable electricity has materially reduced the emissions associated with purchased power. Viewed alongside each other, these two perspectives confirm that Scope 2 emissions are declining for both system wide and company driven reasons, reinforcing the effectiveness of 2M's approach to emissions reduction.



UK Total Scope 1 & 2

Across the UK, total emissions continued to decline under both reporting methodologies, underscoring the substantial impact of the Group’s renewable-energy sourcing strategy. The market-based method reflects the benefits of expanding REGO-backed electricity procurement, while the location-based method captures the effects of ongoing UK grid decarbonisation. Together, these trends demonstrate that the UK remains the strongest contributor to the Group’s overall emissions progress and is helping to build strong early momentum toward achieving the 2028 targets ahead of schedule.

Looking ahead, 2M will continue to increase its use of renewable electricity, strengthen energy-efficiency initiatives across operations, and expand dual reporting to ensure transparent and credible progress toward its long-term climate ambitions.

Global Scope 1 & 2 Direct Emissions

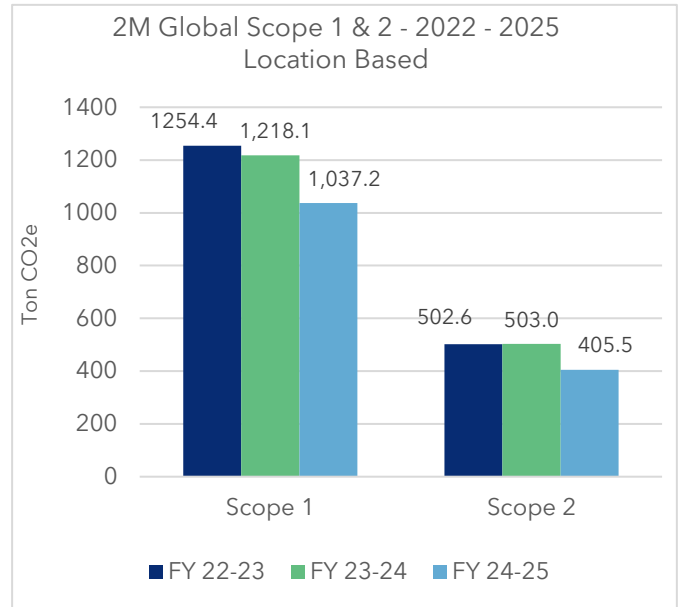
Location Based Ton CO ₂ e	FY 24-25	FY 23-24	FY 22-23	Target 2028
Scope 1	1037.2	1218.1	1254.4	1129.0
Scope 2	405.5	503.0	502.6	452.3
Scope 1 & 2	1442.7	1713.4	1757.0	1581.0

Market Based Ton CO ₂ e	FY 24-25	FY 23-24	FY 22-23	Target 2028
Scope 1	1037.2	1218.1	-	1129.0
Scope 2	258.3	495.3	-	452.3
Scope 1 & 2	1295.5	1713.4	-	1581.0

Notably, this marks the third financial year with global consumption and emissions figures available for the full group of companies, as UK sites account for 77.5% of 2M's global energy and fuel consumption. Global figures now serve as the baseline for establishing reduction targets for 2M's Scope 1 and Scope 2 emissions.

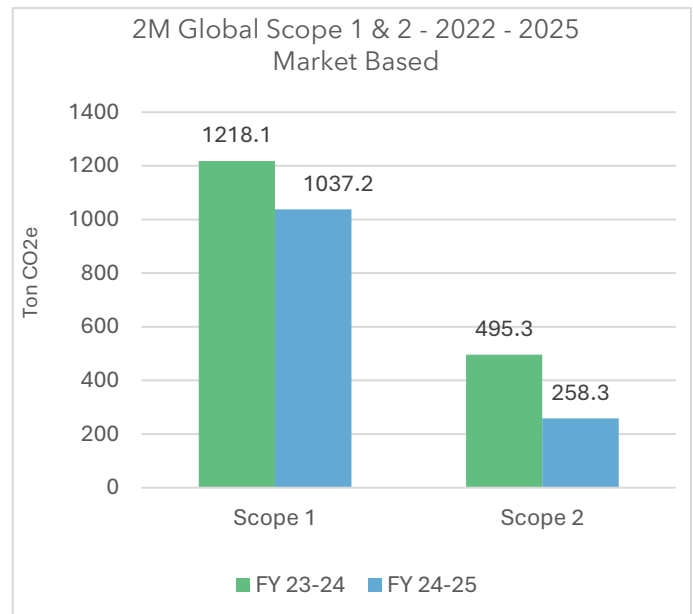
Location-Based Reporting

In FY 2024/25, location-based Scope 1 and 2 emissions continued their downward trend, reflecting the combined effects of lower-carbon electricity grids and improved fuel efficiency across key operating regions. These reductions occurred despite a modest increase in global energy consumption, demonstrating that operational efficiencies and cleaner energy systems are increasingly offsetting the impact of higher activity levels. Based on current progress under the location-based methodology, the organisation remains firmly on track to meet its 2028 emissions-reduction target.

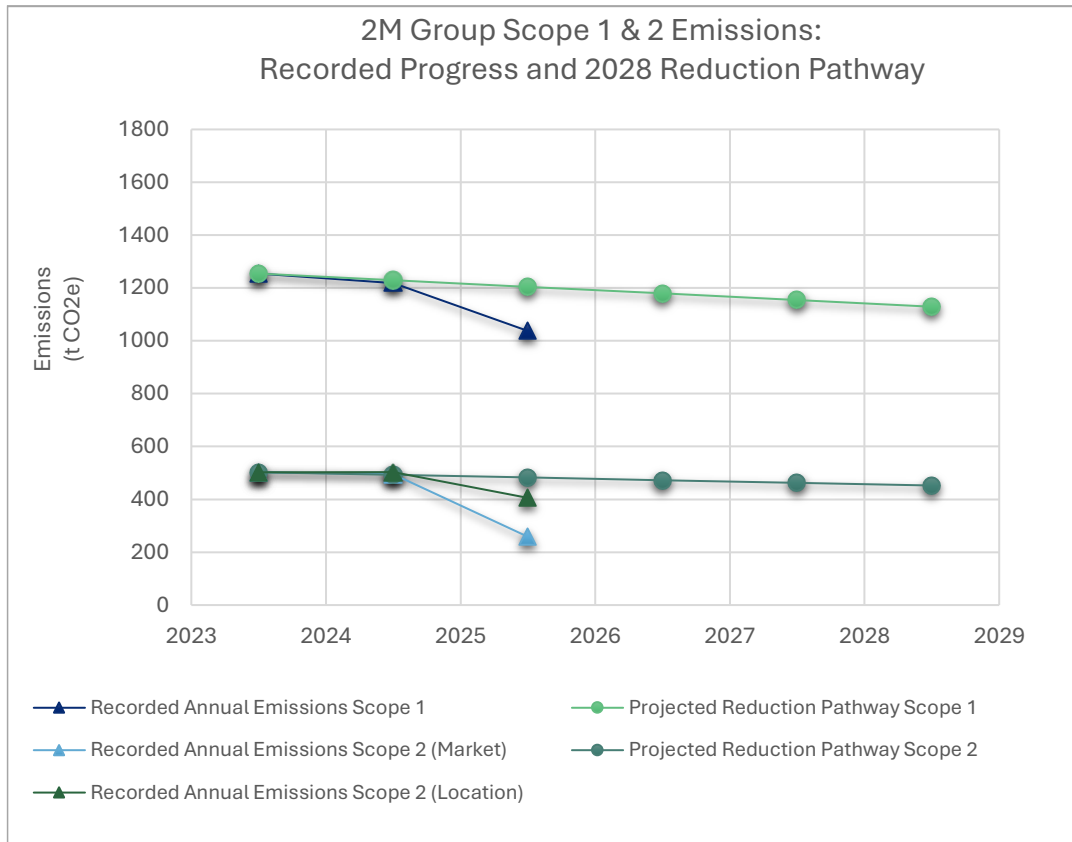


Market-Based Reporting

Under the market-based methodology, total global Scope 1 and 2 emissions continued to decline significantly, reflecting the impact of cleaner electricity procurement, strengthened data-collection processes, and the wider adoption of renewable-energy contracts across the Group. Market-based reductions were particularly influenced by the expansion of REGO-backed renewable electricity within the UK, which substantially lowered the market-based emissions factor applied to purchased power. Combined with ongoing reductions in fuel use, this strong performance indicates that 2M is well-positioned to exceed its 2028 emissions-reduction target ahead of schedule.



Progress Against Scope 1 & 2 KPI



Since 2023, we have implemented a series of targeted carbon-mitigation measures to accelerate progress toward our Scope 1 and Scope 2 reduction goals. These measures include transitioning sites to renewable fuels, installing onsite solar generation, expanding the use of renewable electricity, electrifying material-handling equipment such as forklifts, and improving operational efficiencies across high-consumption locations.

These initiatives have delivered sustained reductions for the third consecutive year. Combined Scope 1 and Scope 2 emissions have now fallen by 26.3% compared to the 2023 baseline, enabling us to meet our 2028 reduction targets more than three years ahead of schedule. UK sites have been a major driver of this progress, supported by REGO-backed renewable electricity contracts that now cover around 50% of the UK estate.

Alongside these operational achievements, we have also strengthened engagement with suppliers, logistics partners, and internal teams to begin addressing Scope 3 emissions. This includes improving data coverage across our global portfolio and laying the groundwork for setting more ambitious long-term decarbonisation targets with the 2M Board.

Carbon Intensity Ratios 2022 - 2025

Carbon Intensity Ratio - FY 24-25	Location	Market
Intensity Ratio per Global Revenue (metric tonnes CO ₂ e per total £m in sales revenue) Scope 1, 2	8.2	7.4
Intensity Ratio per Global Revenue (metric tonnes CO ₂ e per total £m in sales revenue) Scope 1, 2 & 3	2573.1	2,572.3
Intensity Ratio per Capita (metric tonnes CO ₂ e per number of employees) Scope 1, 2	2.7	2.5

Location-based carbon intensity showed a positive trajectory. Operational emissions per unit of revenue decreased under this methodology as well, reinforcing the underlying trend of operational decarbonisation across key regions. The consistency between market-based and location-based trends demonstrates that reductions were driven not only by renewable-energy procurement, but also by improvements in energy efficiency and operational practices.

Full value-chain carbon intensity under the location-based method also declined year-on-year, closely mirroring the market-based trend. This alignment further confirms that both methodologies tell a coherent story of sustained emissions reduction across the Group.

Location-based per-capita intensity improved as well, reflecting enhanced emissions efficiency relative to staffing levels, even with a reduced workforce. This demonstrates that operational decarbonisation efforts are delivering measurable improvements across multiple performance indicators.

Market-based carbon-intensity performance improved significantly during the reporting year, reflecting a meaningful reduction in operational emissions relative to revenue. This improvement occurred despite only modest growth in global sales, demonstrating that emissions fell at a much faster rate than financial activity. The decline in intensity was driven by sustained reductions in Scope 1 and Scope 2 emissions, supported by the continued rollout of renewable-energy sourcing and the strengthening of emissions-data accuracy across the Group.

When considering the full value chain, combined Scope 1, 2 and 3 carbon intensity also improved year-on-year, reflecting a reduction in total market-based emissions. Although the improvement was more modest than that seen for operational emissions alone, it nonetheless indicates progress in managing upstream and downstream impacts, even as value-chain complexity and reporting coverage continue to expand.

Per-capita operational carbon intensity also decreased, with emissions falling at a faster rate than headcount. This indicates that operational efficiency strengthened across the Group, supported by initiatives in energy management, logistics optimisation, and site-level fuel and electricity improvements.

Focusing on Scope 3 Emissions

2M has a limited manufacturing footprint, over 99% of our greenhouse gas emissions occur indirectly in our value chain (Scope 3). Measured in line with the Greenhouse Gas Protocol, analysis shows that around 95% of these emissions are embedded in purchased goods and services, and in the end-of-life treatment of products we help produce.

For the second year, 2M Group has presented its carbon reporting to include Scope 3 emissions, covering the broader emissions associated with our products and activities both upstream and downstream. Examples include transportation to and from 2M Group sites and emissions incurred during upstream manufacturing processes.

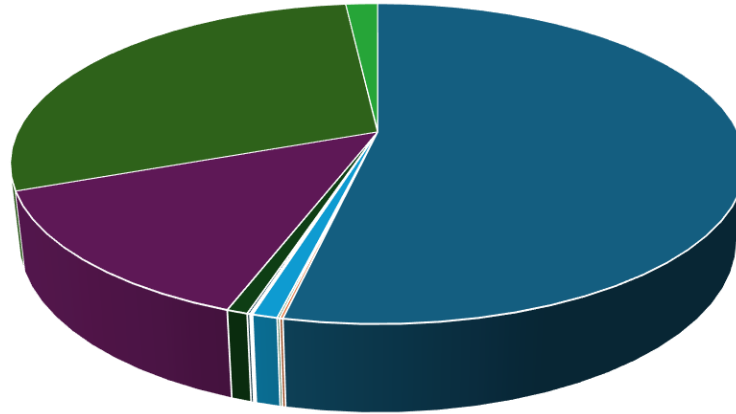
Calculating and recording these emissions required significant resources and collaboration across the business, reflecting our commitment to understanding and managing our wider environmental impact. In line with carbon accounting best practice and the Greenhouse Gas Protocol, Scope 3 emissions have been quantified across relevant categories, with immaterial categories noted in the accompanying table.

Scope 3 Indirect Emissions Breakdown

Category	Description	2024-25 (t CO ₂ eq.)	%	Material
1	Purchased Goods & Services	240,375.1	53.40	Yes
2	Capital goods	532.1	0.12	No
3	Fuel- and Energy- related activities	403.1	0.09	Yes
4	Upstream transport	4,160.3	0.92	Yes
5	Waste generated in operations	142.4	0.03	No
6	Business Travel	297.9	0.07	Yes
7	Employee Commuting	472.7	0.11	Yes
8	Upstream leased assets	-	0.0	No
9	Downstream transport	3,483.6	0.77	Yes
10	Processing of sold products	<i>Exempt*</i>		
11	Use of sold products	61,519.1	13.67	No
12	End-of-life sold products	131,088.1	29.12	No
13	Downstream leased assets	-	0.0	No
14	Franchises	-	0.0	No
15	Investments	7,644.0	1.70	No
Total Scope 3 Emissions		450,118.3		

*For a chemicals company like 2M, most products sold are intermediates that undergo multiple reaction steps before reaching end-use industries. Estimating Category 10 emissions is highly complex, so this category was exempted in line with WBCSD Chemical Sector Standard guidance for chemical companies.

2M Group of Companies - Scope 3 2024/25

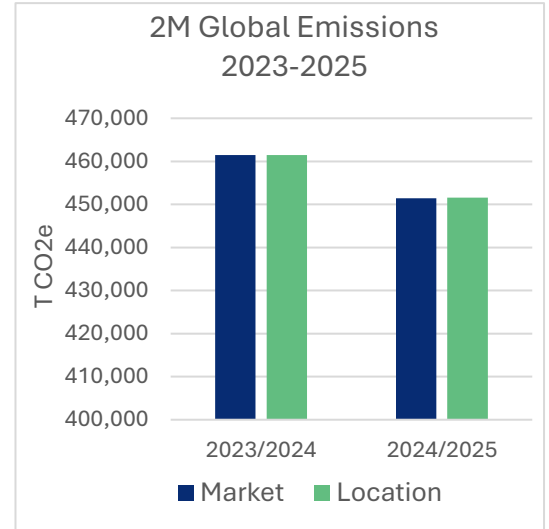


Purchased Goods & Services (Category 1) remains the most material contributor to 2M's Scope 3 footprint, as it reflects the lifecycle impact of the products we distribute and continues to be a key focus for lower-carbon collaboration with suppliers. Business Travel and Employee Commuting (Categories 6 and 7) also remain material, with ongoing efforts to reduce carbon-intensive travel and expand flexible working. Emissions linked to product movement—captured in Categories 3, 4 and 9—are being addressed through improved data accuracy, logistics efficiencies, and the increased use of lower-carbon transport options such as HVO. While Categories 1, 11 and 12 reflect the broader environmental impact associated with manufacturing, use, and end-of-life treatment, improvements in supplier data and lower-carbon raw materials are expected to reduce future emissions. As current Scope 3 calculations rely heavily on financial and sales-based estimates, no KPIs will be set until data reliability increases; further detail on the methodology is provided in the Scope 3 Methodology section.

As a distribution-led organisation with limited manufacturing, more than 99% of 2M's emissions occur within the value chain. In 2024/25, total Scope 3 emissions decreased by 2.1%, driven primarily by a 22% reduction in Purchased Goods & Services following more improved product level calculations and expanded emissions tracking. Fuel and energy-related activities fell by 88% due to the refined methodology, and transport-related emissions declined, including a 53% reduction in upstream logistics from efficiency gains and HVO adoption, and a 14% reduction downstream. Waste-related emissions also decreased by 10%. In contrast, business travel and commuting increased due to expanded reporting coverage, and product-use and end-of-life emissions rose as a result of higher volumes and improved methodology. These shifts reflect both improved data quality and evolving operational patterns. Overall, emissions for material Scope 3 categories are expected to decline over time as reduction strategies mature, while other categories will remain largely outside 2M's direct control. The Sustainability Department continues to monitor all categories in line with UK and EU regulatory requirements.

2M Overall Carbon Footprint

2M Group's total global emissions were shown a 2.2% reduction in our first year of work. As expected for a distribution-led organisation, the majority of emissions occur outside our direct operations, with Scope 3 accounting for 99.7% of the total. Scope 1 (0.2) and 2 (0.1) emissions represent just 0.3% combined, reflecting our limited manufacturing footprint. While our operational emissions remain low, we continue to monitor and work toward meeting our Group targets for Scope 1 and 2 reductions, aiming for a 10% decrease by 2028, even as the business grows. At the same time, we are collaborating with suppliers, logistics partners, and other stakeholders to reduce emissions across our value chain, recognising that most of our footprint lies outside our direct control. These efforts are essential to lowering overall emissions and achieving long-term climate goals.

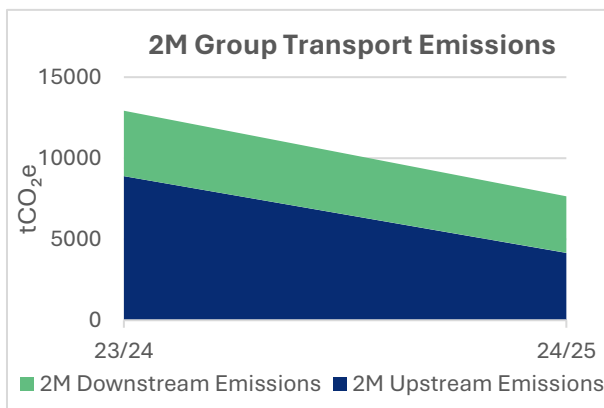


Sustainable Transport & Fuel

Reducing transport-related emissions remains a key priority for 2M Group. In early 2024, we partnered with Schenk to introduce HVO fuel for our Packed Chlorine operations, delivering a 26.6% emissions reduction for that service. Building on this success, we expanded HVO adoption in 2025 by working with XPO Logistics—our largest transport partner—to switch all UK deliveries for Banner and Surfachem to 100% HVO, achieving an estimated 80% reduction in emissions for this project. Collectively, these initiatives helped reduce UK transport-related Scope 3 emissions by 41% in 2024/25.



We plan to extend this approach further by partnering with Stowlin in 2026 to convert its fleet to 100% HVO, a change that will generate direct Scope 1 reductions as Stowlin operates its own vehicles. Beyond freight, our updated company car policy now permits only hybrid or electric vehicles, reinforcing our commitment to lowering emissions across all aspects of mobility.



Upstream logistics emissions fell by 53% in 2024/25 due to improved efficiencies and the wider use of HVO, while downstream transport emissions decreased by 14%, reflecting continued collaboration with partners to adopt lower-carbon fuels. Together, these measures demonstrate meaningful progress in decarbonising our distribution network and improving transport efficiency across the value chain.

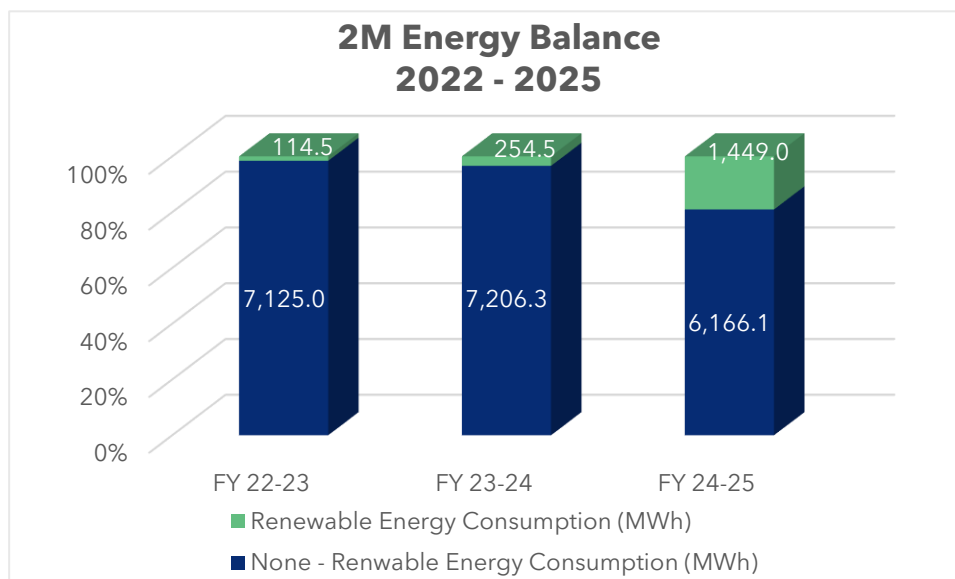
Greener Power Consumption

During the reporting year, 2M took steps to ensure that a higher percentage of our electricity now comes from REGO backed supplier or renewable sources equating to 19% of all total 2M Group energy consumption globally.

While we do not currently have a formal target for sourcing renewable energy, we actively encourage all parts of our business to transition to renewable energy wherever feasible. We are conducting a site-by-site review of energy usage and working to move sites onto renewable electricity contracts wherever possible.

Energy Consumption, 2M Group

Category	FY 24-25	FY 23-24	FY 22-23
Energy Consumption (MWh)	7,615.1	7,460.8	7,239.5
Renewable Energy Consumption (MWh)	1,449.0	254.5	114.5
% Renewable Consumption	19.0 %	3.4 %	1.6 %



Total energy consumption for the group has increased for the third consecutive year, this rise reflects our growing operational scope with the inclusion of additional entities such as Crafted, Surfachem Labs as well as full-year reporting for Warwick Equest. 2M focus has been on sourcing renewable electricity, which has driven a significant improvement in our renewable share now 19%. While we do not have a formal renewable energy target, we are prioritizing site-by-site transitions to renewable electricity contracts and will continue this momentum into 2025/26 to further expand renewable sourcing across our operations, in 2026 our focus will be on scope 1 fuel substitutions and further investments in our sustainable infrastructure.

Investing in Sustainable Infrastructure

Other than the HVO projects and renewable energy purchasing, we have made other necessary changes to embed sustainability within the infrastructure of 2M's operations.

Sustainable Infrastructure

Progress on our forklift electrification project has resulted in all UK sites with exception to one moving to fully electric vehicles, the remaining has plans to be moved to HVO within 2026, this project has saved approximately 6000L of Diesel or 4.6 tCO₂e in 2024/2025 illustratively equivalent to avoiding around 5 one-way long-haul passenger flights between London and New York (Source: UK Government GHG Conversion Factors 2025). Upcycled plastic drums were repurposed to protect installed chargers as part of the installation in Banners Middlesbrough in 2025.



We installed an efficient 'wood pellets from waste' steam boiler to support the endothermic reaction needed production of our Ad-Blue, removing the need for using diesel oil used traditionally saving approximately 469.2 T CO₂e to atmosphere, equivalent to the carbon uptake of around 1.56 hectares of newly planted UK native woodland over 50 years (Source: Forestry Commission, Woodland Carbon Code).



Solar Panels installed at the Surfachem DE site have generated 151.8 MWh of renewable energy from April 2023 - May 2025 offsetting 35.7 tCO₂e, the equivalent to avoiding approximately 136,000 miles of petrol car driving (Source: UK Government GHG Conversion Factors 2025). 2M are currently in the design stages for an additional solar panel installation project at one of our UK sites.

The engineering team works closely with site staff to implement energy efficiencies onsite. In June 2024, a project was started on pressure control and timing improvements for the gas boiler at 2M Manufacturing. This saved over 329 MWh of energy in its first 12 months, enough to power approximately 122 UK households for a year (Source: Ofgem, Typical Domestic Consumption Values, 2025). This also prevented 54.4 tCO₂e from being released before the site switched to zero-carbon gas in May 2025.

Across the UK, we've installed LED lighting and motion sensors in our warehouses and offices to improve energy efficiency and reduce unnecessary power use. At our Teesside site, a major electrical upgrade is underway to tackle voltage inefficiencies between process instrumentation and the site's power supply. Once complete, this turnkey project is expected to significantly cut wasted energy at one of 2M's most energy-intensive locations.

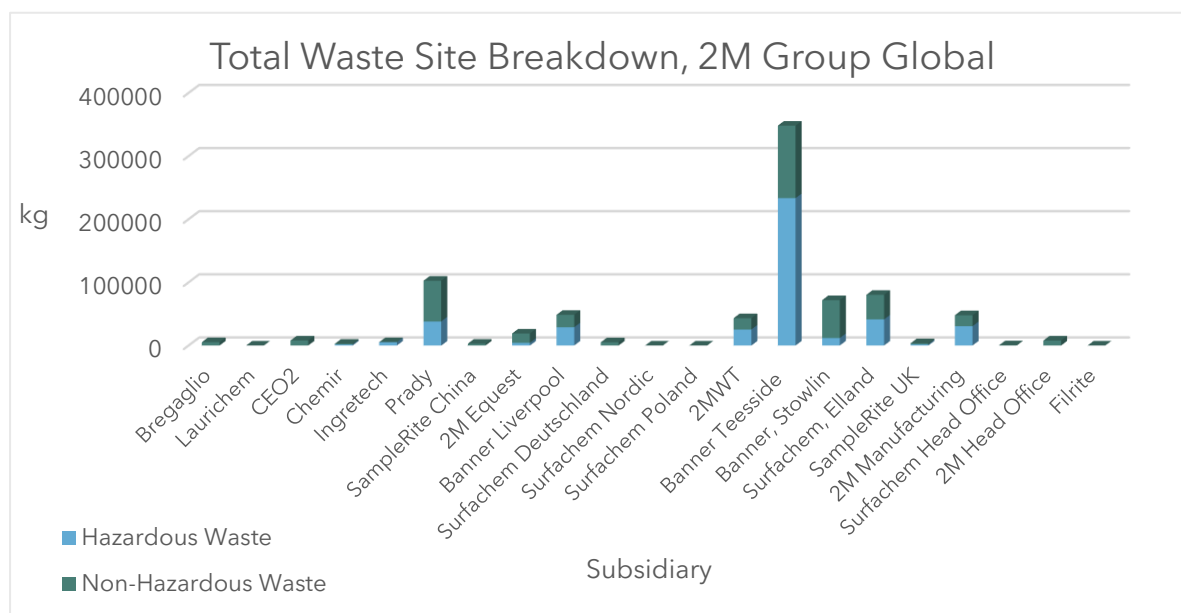
These initiatives form part of 2M's wider energy efficiency and decarbonisation programme and support progress against its Scope 1 and 2 emissions-reduction targets. Transport and household equivalencies are provided for illustrative purposes only. Actual emissions vary by technology, usage, load factor and methodology.

Waste Management

After setting a worldwide baseline for our hazardous and non-hazardous waste use in 2024, we have set a 2M Group waste intensity Target from 24/25 of 10% by 2030. In 2025, we advanced this commitment by introducing all sites to our Group Sustainability Hub, enabling centralized data collection on Energy, Waste, and other key sustainability KPIs

2M Global Waste Profile

2M Global Waste Profile	FY 24-25	FY 23-24
Total Weight of Hazardous Waste	422,991	486,871
Total Weight of Non-Hazardous Waste	380,380	343,312
Total Weight of Waste Recovered or Recycled	430,318	0
Total Waste Consumption	803,371	830,184



In 2024/25 Hazardous waste accounted for approximately 53% of the Group’s total waste profile, reflecting 2M’s core business focus on chemicals manufacturing and distribution and the associated use of hazardous substances and raw materials. The handling of these materials necessitates robust controls, compliance measures, and protective systems across operations.

High-volume cosmetics manufacturing businesses, including Prady and Surfachem Sites, also reported significant levels of non-hazardous waste in 2024/25, as reflected in the overall waste breakdown (47%). These waste streams are primarily associated with packaging, production residues, and ancillary manufacturing activities.

Despite the high proportion of hazardous waste, the Group achieved strong waste recovery performance during the year. The Group also recovered or recycled 430,318 kg of waste during the year, representing 54% of all waste generated and demonstrating ongoing progress in diversion from disposal, and recycling were possible, demonstrating the effectiveness of existing waste segregation, treatment, and recovery processes which are now being recorded via the sustainability hub.

Across the Group, the Teesside operation is the single highest contributor to total waste generated, (43%), reflecting its role as one of 2M’s largest chemical distribution and processing hubs. The site manages substantial volumes of regulated materials and consequently produces a disproportionately high share of hazardous waste compared with other business units. This concentration of activity makes Teesside a critical focal point for the Group’s future waste-reduction strategy. Going forwards the site will be the subject of targeted improvement efforts, including enhanced waste stream mapping, increased recovery opportunities, and strengthened contractor performance monitoring.

Waste Intensity KPI - Year One Progress

Year 1 represents the first full reporting period against the Group’s new Waste Intensity KPI, measured as total waste generated per £ of revenue. This year also marks a step change in data quality and coverage, with improved site engagement and more consistent waste reporting aligned to GRI 306 requirements.

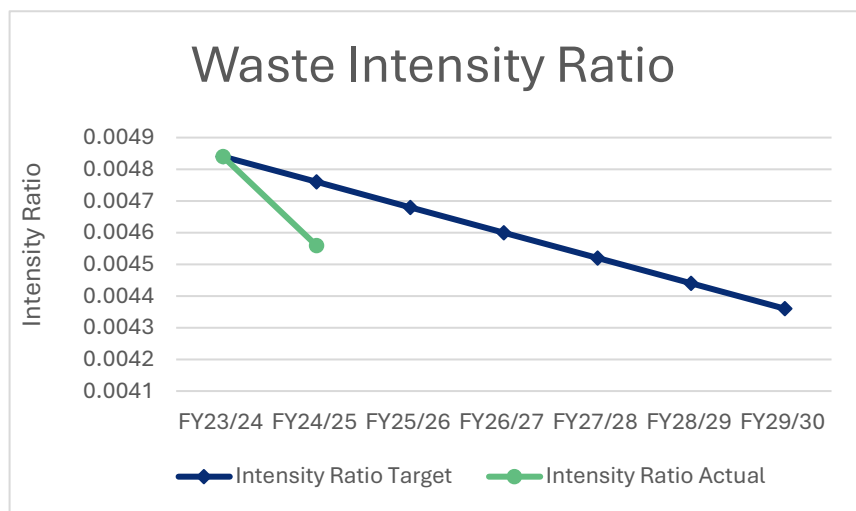
Year	Intensity Ratio Actual
FY23/24	0.00484
FY24/25	0.00456

In FY24/25, total waste generated across the reporting boundary represented an overall reduction in absolute waste of approximately 3.6%. Over the same period, Group revenue increased, which has positively influenced the intensity outcome for this reporting period. As a result, waste intensity improved 5.8%, placing the Group ahead of the linear trajectory required to achieve the 10% reduction target by 2030.

The improvement in Year 1 has been driven by a combination of factors, including reductions in hazardous waste at several high-volume manufacturing and processing sites; and Improved waste segregation and contractor reporting, leading to more accurate classification between hazardous and non-hazardous streams.

It should be noted that Year 1 data still includes partial coverage and estimates for a small number of sites, as indicated in the dataset, and several de minimis locations remain excluded in line with the Group’s reporting methodology. As data maturity improves and remaining sites transition to full reporting, some year-on-year variability is expected.

Overall, Year 1 performance demonstrates a strong starting position for the Waste Intensity KPI and provides confidence that the Group is on track to meet its long-term reduction target. The focus for Year 2 will be on improving data completeness, identifying site specific waste reduction opportunities, and increasing diversion from disposal through enhanced recycling and recovery practices.



Circular Waste & Reuse Systems

A major part of 2M’s approach to waste reduction is centred on circularity—keeping materials in use for longer, reducing reliance on single-use packaging, and minimising the generation of hazardous waste. By focusing on reuse and closed-loop systems, we are steadily moving away from linear “use-and-dispose” models and embedding more sustainable practices across our operations.

Laundering and Reuse of Packaging

Across several business units, including Banner Chemicals and 2M Water Treatment, we operate structured return programmes for empty IBCs, drums, and other containers. Once collected, these containers are professionally laundered, restored to specification, and reintroduced into circulation. This approach significantly reduces plastic consumption and avoids unnecessary manufacturing of new packaging. It also ensures hazardous residues are handled safely and in a controlled setting, allowing for both improved environmental performance and safer working conditions. The continued expansion of these laundering and reuse systems strengthens our efforts to reduce waste intensity and supports progress towards our 2030 target.



Solvecare™ Closed-Loop Solvent Handling

Banner Chemicals a subsidiary of 2M also utilises the Solvecare™ Solvent Handling System, which provides a safer and more sustainable approach to managing solvent deliveries, use, and returns. The system forms a closed loop that allows solvents and empty containers to be transferred, stored, and returned with reduced risk of spills, vapour exposure, or contamination. Customers can return residual solvent and packaging through the same system, ensuring materials are either recycled, treated appropriately, or prepared for reuse.

By integrating Solvecare™ into our operations, we help customers reduce their hazardous waste footprint while improving overall safety and compliance. It also ensures that valuable materials remain within a managed cycle rather than becoming disposal waste.



Building a 2M Circular Waste Model

Together, these initiatives support a gradual but meaningful shift toward circularity across the Group. By extending the life of packaging, improving solvent lifecycle management, and strengthening waste control, we are reducing environmental impact while increasing operational efficiency. As we continue to deepen our understanding of waste streams through improved data collection, we are also identifying new opportunities to further expand closed-loop and reuse systems across additional sites in 2025/26.

Green Packaging

2M continues to advance its commitment to sustainable packaging by reducing reliance on virgin plastics, increasing recycled content, and supporting the development of innovative low-carbon alternatives. Working closely with suppliers and partners across the value chain, we are integrating greener materials into existing product lines and helping bring new packaging technologies to market. The initiatives outlined below highlight our recent progress and demonstrate how packaging improvements contribute to both carbon reduction and broader sustainability goals.

CleanAirBlue® 30% Recycled Content Packaging

In 2023, 2M and its subsidiary Banner Chemicals began working with our packaging supplier to introduce greener packaging into the CleanAirBlue® business. As a high-purity solution used in diesel engines to reduce nitrous oxide emissions, AdBlue must be stored and transported in materials compliant with ISO-22241, which strictly limits contamination to protect SCR system performance. To meet these requirements while still increasing recycled content, suppliers such as Schutz have developed an innovative three-layer composite Drum design, in which the inner contact layer remains virgin plastic to ensure product purity, while the middle and/or outer layers incorporate recycled material. Our AdBlue small packs now contain more than 30% recycled plastic, and "green layer" IBCs with over 30% recycled content are now available. In the period January to December 2025 the company 23,326 kg plastic and 36,553 kg CO₂-Emissions.

Morro™ Coating Success Story

2M Sustainable Packaging Technologies partnered with Just Eat Takeaway's German platform, Lieferando, to launch the world's first plastic-free takeaway packaging using Morro™ Coating. Developed by Xampla and manufactured at scale by 2M, Morro™ is a plant-based, biodegradable barrier coating that is free from harmful chemicals and fully recyclable. This innovation replaces PET plastic with coated paper, ensuring compliance with the Single Use Plastics Directive (SUPD) while maintaining rigidity, heat retention, and suitability for greasy foods.



The pilot rollout began with selected restaurant partners in Hamburg, Essen, Munich, and Wiesloch, and the full range is now available to 41,000 restaurant partners via the Lieferando Partner Webshop. This initiative follows earlier UK trials and supports Just Eat Takeaway's commitment to reducing plastic waste in food delivery. By adopting Morro™, Lieferando is offering a high-performance, sustainable alternative to plastic, driving significant progress toward eliminating unnecessary plastics in the sector.

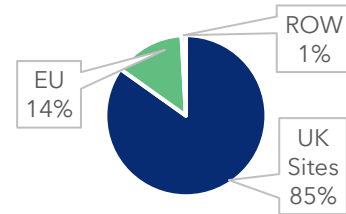
Together, these initiatives demonstrate 2M's commitment to reducing environmental impact through practical, scalable packaging innovation. By increasing recycled content, adopting advanced multi-layer designs that uphold strict standards, and partnering on next-generation materials, we are actively transitioning toward lower-carbon, circular packaging systems. These early successes reflect meaningful progress and provide a solid foundation for further improvement as we continue to collaborate with our suppliers, customers, and technology partners to drive more sustainable packaging solutions across the Group.

Water

Water is a critical resource for both our operations and the communities we serve, making it a cornerstone of our sustainability and ESG commitments at 2M.

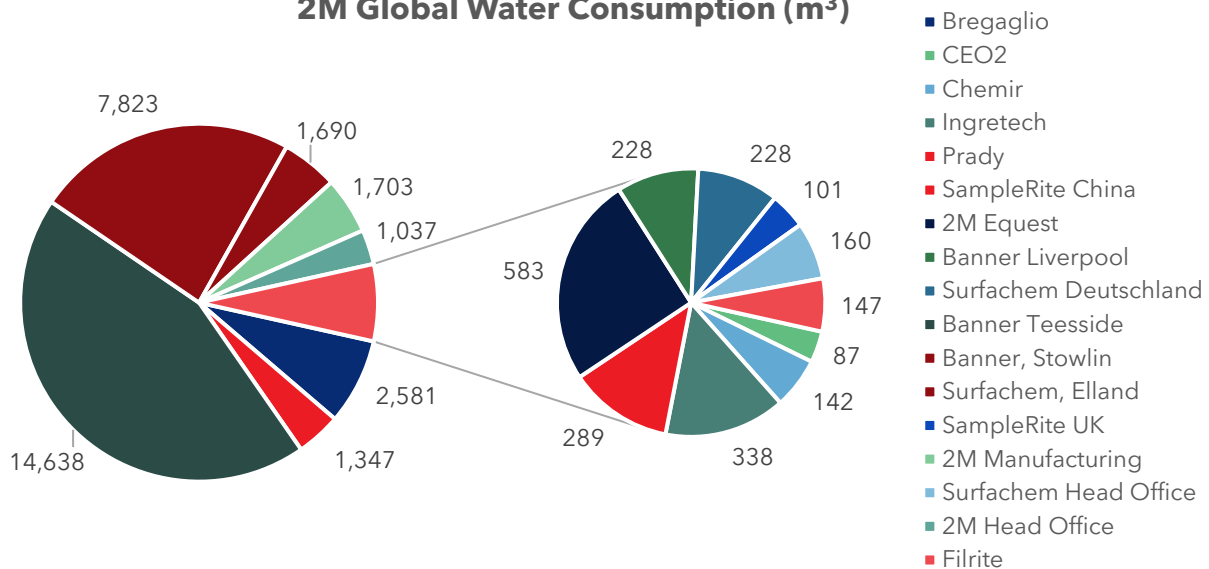
Although we are not a major consumer of water and water scarcity is not a major risk in our operations, we do measure our water consumption and monitor trends. According to our assessments, we do not have a significant impact on local ecosystems. Our water consumption is reported below.

2M Global Water Split



2M Water Profile	FY 24-25	FY 23-24	FY 22-23
Total Water Consumption (m ³)	33,122	32,866	--
Total Non-Potable Water Consumption (m ³)	2,857	2,804	--
Total amount of water recycled and reused (m ³)	0 (0%)	0 (0%)	--

2M Global Water Consumption (m³)



Total water consumption increased slightly in 2024/25, largely due to changes in reporting boundaries. Ingretech, previously excluded as a de minimis site, was added to the Group's reporting scope after exceeding the employee threshold, accounting for most of the year-on-year uplift. Water use at Teesside continues to represent the largest share of Group consumption. Its onsite borehole, which supplies a significant proportion of non-potable water (8.6%), has further reduced reliance on mains supply and strengthened operational resilience. The system remains an important driver of efficiency across one of our most water-intensive locations. Water consumption at the two highest-use sites is elevated because water is a key ingredient in AdBlue production, where large volumes of water are required within the solution.

Looking ahead, we will continue to strengthen water stewardship across the Group by improving data quality, optimising processes at high-consumption sites, and prioritising efficient water use. These actions support 2M's broader ESG commitment to responsible resource management and reduced environmental impact.

Pollution, Biodiversity and Ecosystem Protection

	2024/25
Operational sites in or near protected areas	5/8

Five of our eight UK operational sites are located within 2 km of areas designated Sites of Scientific Interest (SSSIs), with one immediately adjacent. As part of our environmental permitting process and environmental management certifications, these sites undergo Environmental Risk Assessments to evaluate potential impacts on biodiversity and local ecosystems. This process ensures that potential environmental hazards are systematically identified, evaluated, and mitigated, reinforcing our commitment to responsible operations in sensitive areas.

Following our materiality assessment, we have determined that, in terms of pollution, our impact on biodiversity is: Moderate. Nevertheless, we recognize the critical importance of preserving the variety of life on Earth and remain committed to minimizing our ecological footprint.

Beyond compliance, we actively contribute to environmental and social well-being through our clean water business, which helps provide safe, clean drinking water via advanced water treatment solutions. This work supports global efforts to protect ecosystems and human health by reducing waterborne pollutants and ensuring sustainable water resources.

We encourage all stakeholders within our value chain, including principals, customers, and employees, to respect biodiversity always. This includes prioritising sustainable sourcing practices and supporting initiatives that protect natural habitats and species diversity.

Our approach reflects our broader sustainability strategy, which integrates biodiversity considerations into decision-making and promotes responsible stewardship of the environment.

Improving Environmental Performance in our Acquisitions

Once we have acquired new businesses, we look at how we can help make improvements to their environmental performance as part of our post-merger program. Wherever countries have environmental or sustainability standards that are below those which we maintain within the 2M group; we aim to bring newly acquired businesses up to our standards.

As a first step we integrate all new acquisitions into our internal reporting regime for environmental data, known as the IMS (Internal Management System). This often reveals issues that need immediate attention and allows us to identify areas for improvement. Thereafter we monitor the environmental impact of our acquisitions just as closely as their financial performance and ensure their environmental data is fully consolidated into our reporting scope. The IMS is being consolidated across the UK sites before being rolled out to sites abroad, and each year the scope expands which helps to align the standards of our portfolio.

As the internal management system for 2M expands, water, waste, and broader ESG data will become more readily available and cover a wider range of categories, improving the global awareness and reporting quality of our system in its compliance to material topics within ESG.

Our Contribution to the UN SDGs



What We Have Done So Far

- Helped provide safe, clean drinking water via our water treatment business.
- Established monitoring systems for waste, energy and water consumption groupwide.
- Set an actionable KPIs of 10% Waste intensity Ratio

What We Plan To Do

- Continue to expand the water treatment business and serve municipalities.
- Improve quality of waste and water data and reporting software.
- Set up initiatives to lower waste and water usage groupwide in line with new target.



What We Have Done So Far

- Completed infrastructure projects including HVO fuel, solar design, renewable energy purchasing.
- Purchased green packaging across several business units.

What We Plan To Do

- Maintain climate change mitigation by investing in sustainable infrastructure.
- Roll out HVO adoption across several other business units, lowering Scope 1 emissions.
- Build additional solar farms across the Group.
- Continue to assess the energy mix and purchase renewable electricity where available.
- Increase levels of green packaging purchased.



What We Have Done So Far

- Received 80/100 score (Gold) for our commitment to EcoVadis.
- Set Scope 1 emissions reduction target. (10%)
- Set Scope 2 emissions reduction target. (10%)
- Established global energy consumption levels, and direct & indirect emissions.
- Documented Scope 1,2,3 emissions reductions for 2M in 24/25

What We Plan To Do

- Maintain Our Ecovadis score at Gold.
- Evaluate progress against emissions reductions targets year on year.
- Evaluate Scope 3 data and improve estimates before declaring a baseline.



Products

“Shaping the future of the chemical industry through responsible innovation.”

Products

As a group, we aim to leverage our portfolio of sustainable products, services, practices, and technologies to support our customers' sustainability journeys. Innovation is a core value that drives our commitment to sustainability. As a company, we recognize that developing environmentally friendly products and solutions is not only essential for reducing our environmental impact, but also crucial for meeting the evolving needs of our customers and society.

Sustainable Materials, Ingredients & Technologies

Through sustainable product innovation across our portfolio, we aim to create safer, greener alternatives that replace harmful materials, reduce waste, and conserve resources. 2M offers a range of sustainable and environmentally friendly products including but not limited to:



Our CleanAirBlue® offers a solution for diesel engines that helps capture nitrous oxide exhaust and remove harmful emissions from the environment.



2M Sustainable Packaging Solutions has been working with our Partners Xampla on the Morro™ Coating is a coating technology allowing plastic packaging alternatives for food containers.



2M Water Treatment, a 2M Group company, offers an extensive range of speciality ingredients for making drinking water safe, and to the municipal water treatment including oxygen and acid scavengers, corrosion inhibitors, foam control agents and biocides.



CE-O2 Trockeneis has worked to develop a more sustainable dry-ice production by commissioning low energy equipment in production, and via KPIS on renewable carbon dioxide sources, for dry-ice production from diverting waste carbon streams from power and biogas sources in the local region.



Banner Chemicals have been working to develop and source alternative, safer, more sustainable formulations for its products and raw materials. Offering cleaning chemicals with non-hazardous components, reformulating to remove carcinogenic ingredients where possible, to meet a customer requirement to move away from traditional solvents and detergent cleaning formulations. Product ranges such as Eco-Degreaser, Bioink Cleaner, BioLife, BioGrav and BannerSolve® Eco, offer bio-derived, sustainable, alternatives that can have a significant impact on carbon emissions without compromising quality. Pigmentan® offers anti-corrosion protection based on green technology and replacing the use of zinc and heavy metals. Banner Chemicals' Solvents business now provides a range of Mass Balance solvent products as part of their Clean. Circular. Certified. sustainable offerings. These solutions allow customers to access solvents made with renewable or recycled feedstocks while maintaining identical performance to conventional grades.



Surfachem

2M GROUP OF COMPANIES

Surfachem is a life science ingredient distribution partner, connecting customers with innovative materials and technologies from leading suppliers to support more sustainable product development across home care, personal care and industrial applications. Working in close partnership with manufacturers driving raw material innovation, Surfachem brings forward ingredient technologies that enable formulators to create effective products with improved environmental profiles, supported by technical expertise and application insight. Through its extensive portfolio of ingredients Surfachem helps customers translate innovation into practical, high-performing formulations. The business also promotes formulation strategies such as concentrated and low-water systems, helping reduce transport emissions, packaging requirements and overall product footprint, while demonstrating these approaches through practical formulation concepts. In addition, Surfachem supports customers in meeting recognised sustainability standards by providing access to raw materials aligned with certifications such as RSPO, Vegan, Ecocert and COSMOS, alongside the knowledge needed to apply them effectively.

Bregaglio

A SURFACHEM COMPANY

Bregaglio's product offering centres on innovative, sustainability driven cosmetic raw materials, with a strong focus on upcycled, natural and biotechnology-derived ingredients. Their portfolio includes SeaBalance, the world's first upcycled seaweed-based cosmetic emulsifier, created from Sargassum algae through Carbonwave's regenerative technology, transforming an environmental waste stream into a high-value functional ingredient for beauty formulations. In addition, Bregaglio distributes a broader range of algae-derived biomaterials and plant-based actives from Carbonwave designed to reduce environmental impact while supporting high-performance cosmetic applications. Their product development is further guided by the company's Eco-Surrealism & Naturalia 4.0 sustainability philosophy, which merges natural plant-based materials with advanced technology to deliver next-generation, environmentally conscious formulations.

Chemir

A SURFACHEM COMPANY

Chemir a Spanish manufacturer and distributor of cosmetic raw materials, supplying functional ingredients, actives, and colourants across skincare, haircare, dermo-pharmaceutical, and wider cosmetic applications. Their extensive portfolio includes extracts, essential and vegetable oils, emulsifiers, preservatives, antimicrobial systems, peptides, exosomes, and a broad range of colourants. Chemir offers high-quality, naturally aligned solutions such as plant-based actives, natural preservatives and antimicrobials, antioxidants, functional systems, and eco-friendly colourants. With a strong emphasis on natural profiles and environmentally conscious performance ingredients, Chemir positions itself as a provider of materials that balance safety, efficacy, and sustainability while meeting modern formulation needs.

Ingretech

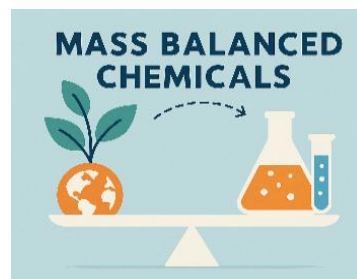
A SURFACHEM COMPANY

Ingretech operates within the French cosmetics sector, supplying a broad portfolio of naturally derived ingredients that help brands reduce reliance on petrochemical inputs. Their catalogue includes a wide range of natural materials and is strengthened by their role as a key distributor of biosurfactants—low-impact, fermentation-derived surfactants supplied through a partnership with Holiform, enabling formulators to replace conventional surfactants with biodegradable, renewable alternatives. Ingretech also partners with sustainability-focused suppliers such as KahlWax, Chemyunion, and Ephylla, providing access to natural waxes, plant-based actives, and marine or botanical ingredients widely used in clean-beauty and green-chemistry formulations. Altogether,

this portfolio of natural actives, waxes, biosurfactants, and RSPO-compliant materials supports French cosmetic manufacturers in creating high-performance, environmentally responsible formulations.

Bio-based Solutions in the Supply Chain

At 2M, we are committed to advancing sustainability across the chemical and cosmetic supply chain. As part of this mission, we collaborate closely with innovative suppliers to reformulate products and integrate greener raw materials into our portfolio of products. We work with strategic partners to deliver alternative bio-based ingredient ranges, including:



Evonik - Pioneering the use of enzymatic esterification to produce high-performance cosmetic emollients. This green chemistry process is energy-efficient, operates under milder conditions, and significantly reduces the carbon footprint compared to traditional synthesis methods.

Kalichem - Offering a diverse portfolio of sustainable cosmetic and personal care ingredients, with a focus on upcycled materials, biodegradable components, and water-saving technologies. Their innovations include postbiotics and biomimetic solutions that align with circular economy principles.

Holiferm - Utilizing natural fermentation and renewable feedstocks to manufacture non-toxic biosurfactants and ingredients for industrial and consumer applications. Their approach provides environmentally friendly and economically viable alternatives to petrochemical-derived substances.

These bio-based solutions not only reduce environmental impact but also empower our customers to enhance the sustainability of their own product ranges. Through these partnerships, we help our clients meet the growing market demand for greener, more responsible formulations.

Mass-balance chemicals support bio-based solutions in the supply chain by blending renewable and fossil feedstocks within existing production systems while ensuring that the certified bio-based share is transparently tracked and allocated, enabling customers to access lower-carbon alternatives without compromising performance or supply-chain continuity.

Celebrating New Achievements

Fragrance Kick-Off at Bregaglio



In line with our commitment to innovation, we launched our first fragrance training session in collaboration with KEVA, a leading Indian fragrance company, at our Bregaglio office in Italy. This initiative opens new business opportunities and introduces a unique sensory dimension to our portfolio.

The session highlighted the critical role of fragrance in product development—enhancing functionality, application, and emotional connection. Through an olfactory journey, participants explored the art and science behind fragrance creation, reinforcing our focus on innovation-driven growth and expanding expertise in specialized markets.

Sharing Knowledge with our Customers

2M advances sustainability by empowering customers with actionable knowledge. Our technical guidance and training on responsible sourcing, safer chemistry, process efficiency, and energy-saving solutions help customers reduce waste and emissions while improving performance. By supporting informed product selection and enabling best-practice implementation, we contribute to SDG 4 (Quality Education), SDG 9 (Industry Innovation), SDG 12 (Responsible Consumption & Production), and SDG 13 (Climate Action), building long-term partnerships grounded in data, transparency, and continuous improvement.

Collaborative Events

The Group hosts numerous annual webinars, conferences and events to build relationships with its suppliers and customers, and to also share knowledge and expertise to the wider industry.

Ceramides 30th Anniversary



Surfachem UK hosted a Ceramides workshop at 2M Manufacturing in Milton Keynes, in partnership with Evonik, to mark the 30th anniversary of their Ceramides portfolio. The event featured educational sessions on the role of Ceramides in skin biology, marketing trends, and hands-on lab demonstrations, enabling guests to explore sustainable formulation techniques. This collaborative initiative highlights 2M's commitment to innovation, knowledge sharing, and supporting responsible product development within the personal care industry.

Surfachem Polska Get Involved

Surfachem Polska participated for the first time in two major industry events: the XII International Conference for Detergent Industry and the International Conference for Cosmetic Industry. These conferences, attended by around 400 professionals, provided a platform to showcase Surfachem's commitment to innovation and sustainability in ingredient distribution for home care, institutional cleaning, and cosmetics. Highlights included a presentation on "Green components in formulations: selection and performance," reinforcing the company's focus on sustainable solutions and emerging trends.



Ingretech Eco-Friendly Solutions in Cleaning

Ingretech France hosted a homecare customer seminar in collaboration with its trusted supplier, Innospec. The event focused on the theme "Eco-Friendly Solutions in Cleaning", creating a platform for key customers, partners, and industry stakeholders to discuss the future of sustainable homecare formulations. The seminar highlighted the growing importance of environmentally responsible cleaning solutions and provided insights into innovative approaches that align with sustainability goals. By partnering with Innospec, Ingretech reinforced its commitment to delivering advanced, eco-conscious technologies to the homecare market.



Stowlin Exhibits at Surface World



Stowlin Ltd, showcased its expertise at Surface World, the UK's leading exhibition for surface treatment and coatings technology, with over 75 years of combined experience, Stowlin demonstrated its innovative cleaning solutions, surface treatment chemicals, and bespoke formulations. The event highlighted our commitment to sustainability, technical excellence, and customer-driven innovation. By engaging with industry leaders and potential partners, Stowlin reinforced its focus on developing new technologies, enhancing service offerings, and delivering tailored solutions to meet evolving market needs.

Surfachem's attended the 56th Cosmoprof Worldwide in Bologna

This year marked Surfachem's first participation at Cosmoprof Bologna, where the team explored emerging trends in sustainability, personalisation, wellness-focused solutions, and innovative technologies shaping future product experiences. As one of the world's leading cosmetics industry events, Cosmoprof brings together global brands, suppliers, and innovators across its three integrated showcases: CosmoPack, Cosmo Perfumery & Cosmetics, and Cosmo Hair, Nail & Beauty. Attendees were able to tour more extensive international pavilions, gaining valuable insights into evolving consumer expectations and the latest developments influencing the beauty sector.



In-Cosmetics Global 2025



The Surfachem Group exhibited at in-cosmetics Global 2025 in Amsterdam, Netherlands. This premier event brought together Surfachem UK & Ireland, Surfachem Deutschland, Surfachem Polska, Ingretech, Surfachem Nordic, Chemir, and Breggalino, showcasing our cutting-edge ingredient technologies and sustainable formulation solutions. The exhibition served as a strategic platform to engage with global partners, suppliers, and customers, strengthen existing relationships, and explore new opportunities across international markets. This collaborative effort reflects our commitment to innovation-driven growth, leveraging science and sustainability to deliver value for customers and stakeholders worldwide

Active Day 2025

Active Day 2025 showcased 2M's commitment to building strong relationships and sharing knowledge with our customers and partners. The event brought together stakeholders for a day of collaboration and informal networking, creating an environment where ideas and experiences could be exchanged outside the traditional business setting. By offering both golf and walking activities, Active Day encouraged inclusivity and participation from a wide range of attendees, fostering conversations that strengthen mutual understanding and trust.

The day concluded with a three-course dinner and an awards ceremony, providing further opportunities for dialogue and recognition of contributions. These interactions go beyond social engagement—they help deepen partnerships, promote transparency, and support knowledge sharing that drives innovation and sustainable growth across our industry. Active Day is an example of how 2M invests in meaningful connections, ensuring that collaboration with customers remains at the heart of our approach.



At 2M, sharing knowledge is more than an initiative, it's a cornerstone of our commitment to sustainability, innovation, and partnership. Through collaborative events, technical guidance, and open dialogue, we empower customers to make informed decisions that drive efficiency, safety, and environmental responsibility. By continuing to invest in education and engagement, we strengthen relationships, inspire progress, and create lasting value for our customers and the wider industry. Together, we are building a future where knowledge fuels sustainable growth.

Strengthening Supply Chain Transparency



We are dedicated to developing partnerships with suppliers who share our principles of ethical trading and social responsibility. To aid in this from 2026, we are partnering with EcoVadis IQ+, a leading ESG intelligence platform, to gain comprehensive insights into our global supply chain. Alongside this, we are leveraging EcoVadis Vitals and Supplier Sustainability Ratings system in a hybrid method, which will serve as a foundation for targeted engagement.

Our focus will be on actively managing our key top 20 suppliers, via the ratings system, ensuring they meet our sustainability standards and supporting them in continuous improvement. Whilst continuing to monitor all suppliers by combining IQ+, Vitals, and ratings platforms, we aim to enhance transparency, mitigate sustainability risks, and ensure our procurement practices align with our commitment to responsible and ethical operations. All 2M suppliers must also sign as Supplier Code of Conduct outlining 2M's expectations for all suppliers to operate ethically, uphold human rights, and comply with all relevant legislation, including strict prohibitions on bribery, corruption, child labour, and modern slavery. More details are in the Governance section of this report. The top 20 suppliers are selected based on annual spend, criticality to operations, and relevance to raw material categories. Engaging suppliers through EcoVadis and the Supplier Code of Conduct supports the development of more accurate Scope 3 emissions data and identifies reduction opportunities within the supply chain.

Supplier Engagement	24-25	23-24
% of top 20 suppliers covered by an EcoVadis assessment	55%	90%
% of top 20 covered suppliers engaged in corrective actions	81.8%	90%
% of top 20 covered Suppliers with Bronze, Silver or Gold	81.8%	85%

We are engaging with our suppliers to encourage EcoVadis corrective actions and continuously identify areas of improvement and will look better understand our supply chain in line with coming regulations. Corrective actions may include policy updates, emissions reporting, labour practice improvements, or implementing an ESG management system.

2M Group Ecovadis Rating

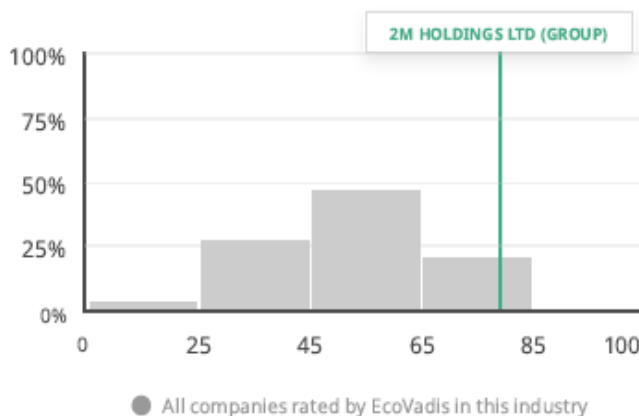
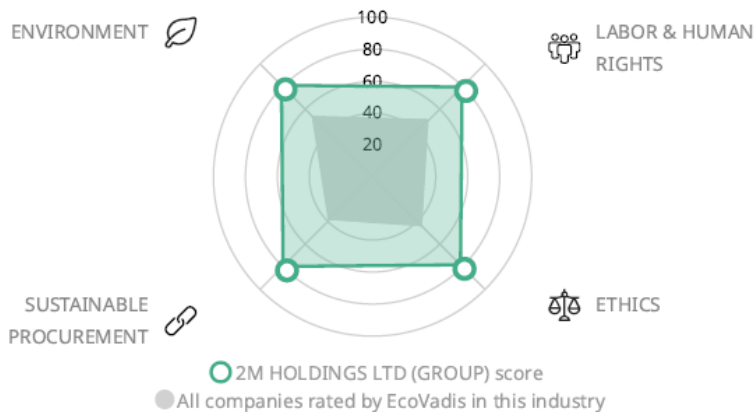
The 2M Group of Companies carries out an annual EcoVadis assessment at group level, using improvement points following each assessment to make improvements to the sustainability programme in the organisation.

In August 2025, the 2M Group of Companies achieved a Gold Medal (80/100) from EcoVadis, placing us in the top 5% of companies top 2% in our industry, an improvement from Silver in 2024 (69/100). Our German subsidiary Ce-O2 Trockeneis GmbH has received Platinum Medal (94/100) for 2025. From 2026 CE02 Trockeneis will be the only 2M subsidiary with their own individual rating, all others have been incorporated into 2M.

Beyond communicating our expectations and assessing suppliers via the EcoVadis platform, we recognize that we must be proportionate in our actions and perform additional due diligence where appropriate. Where we identify additional supplier due diligence to be appropriate, 2M initiates dialogue to conduct on-site assessments and audits of supplier locations, especially for business units facing ESG conscious clientele.



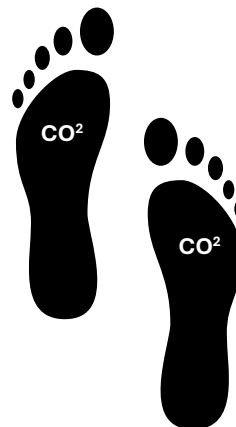
Theme score comparison



Product Carbon Footprints

Due to regulatory and consumer pressure, key customers are becoming more conscious of the embedded carbon in their products, which is driving their purchasing decisions. As an intermediate in the supply chain, 2M is working with the customers and industries they serve to pass on carbon data where appropriate and engaging the manufacturers earlier on in the supply chain to provide this data for customer requests, where appropriate.

The 2M Sustainability Team works with its customers to provide product carbon footprint data (PCFs) and life cycle assessment data (LCAs) in line with customer requests. This is a cross functional process requiring collaboration from purchasing, transport, and operations teams to understand the embedded carbon in the components, the fuel burnt to transport the raw materials, and the energy required to process the product onsite, respectively.



Carbon Footprint Progress, 2M	2024-25	2023-24	2022-23
Number of Products with Carbon Footprints	182	86	0
% of Global Products with Carbon Footprints	3%	1%	0%

During FY2024-25, the Sustainability Team significantly expanded its Product Carbon Footprint (PCF) programme, increasing coverage from 86 products to 182. This reflects growing internal capability and increasing demand from customers, suppliers, and commercial teams for product-level carbon data.

The PCF methodology developed in 2023-24 has now matured into a consistent, repeatable process that supports the gradual creation of a full PCF inventory across the Group. This work remains critical to improving the accuracy of Scope 3 Category 1 calculations by providing clearer visibility of upstream embedded emissions within 2M's product portfolio.

As carbon transparency becomes more accessible throughout the chemical supply chain, and as environmental information increasingly influences purchasing decisions, the need for dedicated resources to support PCF assessments continues to grow. Strengthening this programme in 2026 will help ensure that 2M remains competitive, meets emerging regulatory expectations, and can respond effectively to customer sustainability requirements.

Circular Economy - 2M Group

A circular economy focuses on keeping materials in use for longer, minimising waste and maximising resource efficiency, and 2M’s service model directly supports these principles by ensuring chemicals and materials move through the supply chain in a controlled, low-waste and resource-efficient way. The 2M Group of Companies offers a comprehensive suite of operational, technical and logistical services that underpin global chemical supply chains while strengthening the organisation’s wider ESG commitments.



SampleRite

SampleRite UK & EU delivers high-precision sample preparation and small-pack repacking across the chemical, personal care, food ingredient, dye and specialty chemical sectors. Its controlled facilities, ISO-aligned processes and global distribution capabilities ensure fast, accurate and compliant sampling, enabling suppliers to maintain high

standards of product stewardship and reducing waste associated with inefficient or inconsistent sampling. This focus on precision and traceability supports responsible production practices and waste minimisation while contributing to improved Scope 3 emissions transparency through tighter control of logistics and material flows. SampleRite China extends these capabilities across the Asia-Pacific region, offering both on-site and off-site sampling models. Its teams operate directly within customer facilities, supporting real-time sample preparation, adherence to customer SOPs, and improved lead times, all underpinned by clean-zone operations and full batch traceability.



2M Equest provides a specialised service supporting performance testing within the detergent and fabric-care industries. Supplying industry-standard and bespoke stained test fabrics, including AISE-referenced and IKW-recognised stains, Equest enables manufacturers, laboratories and

claims-testing bodies to assess product performance with consistency and scientific credibility. These materials facilitate responsible product development by ensuring environmentally efficient formulations can be verified and benchmarked against industry expectations. Through custom stain development and multi-stain monitors, Equest helps advance innovation, reduce unnecessary over-formulation and promote more sustainable consumer products, supporting both resource efficiency and responsible consumption throughout the value chain.



Across the wider organisation, 2M Services & MP Storage & Blending provides toll blending, warehousing, repacking, drumming, filling, contract packing and laboratory support, positioning itself as the operational backbone of the chemical industry. These services optimise supply-chain logistics, improve compliance and minimise waste by consolidating handling activities within controlled, auditable environments.



This operational infrastructure also contributes directly to 2M's group-wide sustainability objectives, including its commitment to reduce Scope 1 and 2 emissions reductions, supported by investments across energy efficiency, renewable energy integration and improved operational processes.

Together, these services contribute to enhanced responsible production and more transparent supply-chain governance across the 2M Group. This interconnected service offering reinforces 2M's role as both a reliable operational partner and a leader in sustainable chemical supply-chain practices.

Our Contribution to the UN SDGs



What We Have Done So Far

- Set KPIs to drive sustainable product innovation
- Invested in R&D across the portfolio driving greener formulation and product design.
- Set up new business unit Sustainable Packaging Technologies to commercialise cutting edge bioresearch.

What We Plan To Do

- Establish a baseline for the ratio of sustainable products across the Group.
- Continue to pursue ambitious R&D projects and adopt greener chemistries.
- Commission one of the first tonne-scale bio-plastic manufacturing facilities in the EU.
- Establish reporting framework and KPIs for sustainable procurement.



What We Have Done So Far

- Received 80/100 score (Silver) for our commitment to Ecovadis
- Established uniform supplier due diligence process.
- Shared knowledge and expertise with thousands of customers and suppliers across the Group.

What We Plan To Do

- Improve our Ecovadis score annually.
- Innovate and develop capacity in our supply chain for development of sustainable products, and monitoring carbon footprints of key products.
- Build a defined Sustainable Procurement program to embed ethical decisions into procurement.



Social

"Empowering every colleague to grow, contribute, and thrive."

Social

"At 2M, we believe our colleagues thrive when they're supported to grow both personally and professionally, while also having the flexibility to be present for the people who matter most. Our policies reflect this belief, consistently going beyond statutory requirements to create a truly supportive and inclusive culture.

We provide a wide range of family-friendly benefits, including compassionate leave and enhanced paternity leave, alongside tailored support through our menopause champions and mental health first aiders, ensuring help is always close at hand.

We're equally committed to development at every stage of the career journey. From early careers initiatives such as our unique work experience programme, Molecule2Market, to our retirement transition programme, My Legacy – which has been a tremendous way to help colleagues ease into retirement while continuing to share their expertise and valuable contribution to 2M – we're proud to foster an environment where everyone can grow, contribute and flourish." - Liran Kessler, MA FCIPD (Group Director of HR)"

Decent Work & Economic Growth

Employment Stats	2024-25	2023-24	2022-23
Number of Employees, 2M	525	599	480

We have around 525 employees across the 2M Group of Companies worldwide. Our teams of experts are located all over the globe, including Benelux, China, France, Germany, Italy, Nordics, Poland, Spain, UK & Ireland and USA, as seen below. As we expand our geographical presence, we continue to provide economic growth and even more jobs.



Investing In Our People

Our people are our greatest asset and the foundation of our success. We are committed to attracting top talent, supporting professional development, and retaining our workforce, while fostering a culture of diversity, inclusion, and well-being. These efforts reflect our dedication to being an employer of choice within the Chemical industry.

Training & Development

At 2M, we recognize that sustainability is driven not only by systems and processes but by people. Empowering our workforce with the knowledge and skills to embed sustainable practices into daily operations is central to achieving our long-term goals. Through targeted training programs, continuous professional development, and awareness initiatives, we aim to foster a culture of responsibility and innovation across all levels of the organization.



Our approach ensures that employees understand the environmental, social, and governance (ESG) priorities that shape our business strategy. By integrating sustainability into onboarding, role-specific training, and leadership development, we equip teams to make informed decisions that support our commitments to the UN Sustainable Development Goals and our carbon reduction targets. This investment in people strengthens resilience, drives operational excellence, and positions 2M as a leader in sustainable growth.

The 2M Academy



The 2M Academy serves as the central hub for training and development across the 2M Group, acting as an umbrella for all talent initiatives. Its core mission is to provide equal and fair learning opportunities for every employee, leveraging both in-house expertise and external resources. All training programs are tailored to

support career growth within our organisation, ensuring that development is accessible, relevant, and impactful. We continue to strengthen the 2M Academy by offering a diverse range of programs designed to empower our people. These include accelerator courses, women's leadership initiatives, people management training, flexible career pathways, STEM apprenticeships, post-retirement employment options, as well as mentoring and secondment opportunities. Through these initiatives, we aim to nurture talent, foster leadership, and create a culture of continuous learning that supports both individual aspirations and organizational success. From 2026 onward, we will begin tracking employee training in alignment with GRI standards, including the Average Number of Training Hours per Employee (2M) and Total Hours of Training (2M).

2M Academy - Team Builders

Team Builders is a dedicated training programme designed for employees who actively manage teams. The course focuses on developing essential leadership capabilities alongside practical, day-to-day people management skills.



2M Academy - Accelerator Programme

Previously known as Future Leaders, the Accelerator programme was founded in 2016 to give staff within our Group the chance to learn all they need to progress at 2M and has seen much success with previous cohorts. The Accelerator Programme has been designed for colleagues to learn about both Operational and Commercial functions, with over half of the participants from an Operational background. This programme provides the tools and knowledge for participants who want to grow their leadership potential and move into a new field of expertise or area within the business. As an ever-popular programme, we have completed 4 different cohorts since its inception and the last group was the largest cohort we've had to date, with 16 members coming from 9 different companies within the Group. A new cohort is due to start their journey in 2026.



2M Academy - Hig-her

Higher is an 18-month development programme designed for mid-management and senior women within the business. The programme aims to strengthen leadership capabilities, enhance impact and presence, and provide participants with the tools and confidence to seize leadership opportunities. Through tailored learning experiences, Higher supports career progression and fosters a culture of inclusion and empowerment across the organization.



2M Academy - My Legacy

When staff decide to retire within the next two years, we have strategies in place to ensure a smooth and supportive transition. Our succession planning process helps mitigate potential knowledge loss while preserving their professional legacy within the organization. We also recognize the importance of maintaining strong social connections for overall well-being during retirement. As part of our approach, we encourage continued engagement and provide resources to support optimal health outcomes, helping employees transition confidently into the next chapter of life.



2M Academy - Your Path

Your Path is designed to identify individual training needs through the PPMP (Personal Performance Management Process). This approach helps us understand the specific skills and development opportunities each employee requires to achieve their goals. By mapping out the right path for you and providing the necessary resources, we ensure that every team member has the support to grow and succeed within the organization.



2M Academy - Mentoring

Our mentoring programme is a group-wide initiative open to all employees. Participants are paired with a senior member of staff from a different part of the group, creating opportunities for cross-functional learning and collaboration.

The programme is designed to help individuals achieve their goals, unlock their full potential, and gain a deeper understanding of the business. Through this supportive relationship, employees can develop new perspectives, enhance their skills, and accelerate their career growth.



2M Academy - Apprenticeships

The 2M Group actively supports apprenticeships, offering opportunities across a variety of functions including IT, Laboratory, Finance, and HR. These programmes provide valuable hands-on experience and a pathway into rewarding careers within our organization. In addition to hiring new apprentices, we also deliver apprenticeship training for existing employees, enabling colleagues to upskill and advance their professional development.

This dual approach ensures we nurture talent both within and outside the business, fostering growth and building a skilled workforce for the future.



'I began my journey at Bregaglio with a thesis project, which then developed into an apprenticeship and ultimately led to a permanent contract and continued professional growth.

Throughout this path, I have been supported by the team. The company and 2M Group have invested in my development through both internal and external training opportunities, allowing me to strengthen my skills and broaden my knowledge.

This support has helped me gain confidence in my skills and encouraged me to take on increasing responsibilities. Being in contact with colleagues within Bregaglio, as well as colleagues from different companies across the Group, each with different backgrounds and career paths, has been a valuable source of inspiration to continue improving and developing professionally'. - Alice Guidubaldi



Commitment to Language Learning



As the 2M Group of Companies continues to expand across the world, the importance of communication and accessibility has become ever more prevalent across the business. We understand that there is a need for more options for communication, and therefore, the 2M Group launched a subscription to Babbel, an interactive language learning platform, in 2025. 467 Hours of Learning was completed and 50 new staff signed up.

2M Value Awards - Celebrating Excellence

In addition to our training and development initiatives, the annual Values Awards serve as a cornerstone of our recognition culture. These awards celebrate employees who consistently demonstrate and embody the 2M Group's core values in their daily work. By highlighting individuals who go above and beyond, we reinforce the behaviours and principles that drive our success and sustainability goals. The Values Awards not only acknowledge outstanding contributions but also inspire others to embrace these values, fostering a sense of pride and belonging across the organization. Through this initiative, we aim to create a positive, inclusive environment where achievements are recognized, and continuous growth is encouraged. This commitment to recognition strengthens engagement, supports retention, and ensures that our values remain at the heart of everything we do.



Knowledge Sharing

Since 2022, the Group have completed an annual knowledge exchange event where current work in different areas of the business is discussed, this event also includes training and advocacy on key CSR issues (for example, bribery and corruption) as well as being a further forum to improve social dialogue in addition to our periodic virtual 'open-stage calls'. We also have a Knowledge Sharing Library, a dedicated space for our team across the 2M Group of Companies to access recordings and live sessions on various key topics.

As 2M is run decentralised there are few centralised functions, presenting a great opportunity for individuals to learn from how business is done in different regions and industries. The Group regularly hosts inter-company training days, so that subsidiaries can benefit from each other's expertise across sales, engineering, and technical functions, including subsidised travel between countries. To foster continuous learning and collaboration across our organization, we have introduced a Knowledge Sharing Library through Microsoft SharePoint. This platform is designed to support knowledge exchange, enabling employees to stay informed on sustainability topics, share best practices, and enhance expertise. By centralizing resources and insights, the library strengthens cross-functional engagement and promotes a culture of innovation and informed decision-making.

Open Stage Call

The 2M Open Stage Call is a group-wide session open to every employee across the business, bringing us together to share key updates and important developments from across 2M. It provides a platform for leadership to communicate openly about how the business is performing, where we are heading, and the opportunities and challenges ahead. Each call also features a key speaker presentation focused on news or topics that impact us all, helping to build understanding and keep everyone informed. By creating a space for transparent communication and shared learning, the Open Stage Call ensures every colleague feels connected, valued and part of the wider 2M journey.

Social Impact: Volunteering and Local Action

Our commitment to sustainability extends beyond environmental stewardship to creating positive social impact in the communities where we operate. Through volunteering initiatives and local partnerships, we empower employees to contribute their time and skills to projects that support education, health, and well-being. In the past year, our teams have participated in community clean-ups, educational workshops, and charity events, collectively dedicating significant hours to causes that matter. These efforts not only strengthen community resilience but also foster a culture of responsibility and collaboration within our organization. To support this, every colleague is gifted two paid volunteering days each year, empowering our teams to contribute their time and skills to causes that matter.

King's Trust Placement - Workplace and Lab Skills Placement



Kiyan McDermott worked at the Liverpool site, including the 2M Innovations Lab on a six day placement in March 2025. This was part of King's Trust Enterprise Programme. His work placement at our Liverpool site and 2M Innovations Lab provided a unique opportunity for Kiyan to get hands on and build confidence.

Kiyan worked with The King's Trust, which helps to develop skills and confidence in young people to find a job or start a business. Kiyan worked in the Liverpool Site Lab learning to formulate products and foster laboratory skills. He worked on the filling line under close supervision and discussed marketing, design and photography with the Marketing Team.

' I really enjoyed my 6 days working at Liverpool. I learned skills which will greatly increase my confidence. I really enjoyed making the formulations in the lab and working with the team. I would like to thank 2M Group for giving me this opportunity.' - Kiyan McDermott

Volunteering in Local Communities

Volunteering remains an important part of 2M's commitment to supporting the communities in which we operate. Employees across the Group are encouraged to take dedicated time away from their usual duties to participate in volunteering activities, whether individually or as part of site-led initiatives. Each site and entity is invited to identify local causes that align with community needs and staff interests, ensuring that volunteering efforts are both meaningful and relevant at a local level. We operate a match-funding scheme where they double money raised by employees for local causes, and sponsor various sporting & STEM activities internationally.

We also aim to strengthen collaboration with charities and community partners, creating clearer pathways that connect our volunteers with the people and organisations who need support most. Looking ahead to 2026, we aim to strengthen how we communicate volunteering opportunities across the Group and improve the way we track participation, impact, and funds raised, helping to build a clearer picture of our collective contribution.



All 2M Staff are gifted two days per year away from their normal day job to undertake volunteering in their local community.

Our Dedication to STEM

2^M
Group of Companies

6
S
Science

11
T
Technology

12
E
Engineering

80
M
Mathematics

Throughout the 24/25, School Calendar we reached approximately 2,990 students via our STEM outreach and promotion efforts, reflecting our commitment to one of our central values – promoting STEM across the next generation.

Promoting STEM in Schools

2M partnered with the Catalyst Museum in Liverpool to deliver educational outreach programs aimed at inspiring students aged 11-16 to explore careers in chemistry and STEM. Through a series of talks, lectures, and live demonstration experiments, including interactive Q&A sessions, students from local schools gained valuable insights into the 2M Group's business structure, current roles, and future career opportunities.

One of the highlights was the Chemiluminescence experiment, which captivated the audience as the team demonstrated how chemical reactions can produce light. The students' enthusiastic reactions underscored the impact of hands-on science in sparking curiosity and engagement.

In total, over 368 students were reached during the Chemistry at work week in January 2025, and this commitment with the Catalyst for STEM education and community engagement remains ongoing. These sessions not only showcased key areas of interest within the chemical industry but also emphasized the diverse skills required to succeed in the field.



Molecule to Market - Work Experience Placement Week



The Molecule2Market™ Round-Up was a week-long work experience programme hosted by the 2M Group of Companies in 2025 at 2M House. The initiative is designed to give young people aged 15 to 19 real-world exposure to careers in science and business, regardless of their background. emphasized throughout the day the importance of nurturing the next generation of talent in the industry.

The programme featured hands-on activities such as live science experiments, sessions on marketing and sustainable chemistry, and insights into logistics, supply chain operations, finance, health and safety, and cyber security. Students also learned how companies like 2M champion sustainability and had the chance to interact with professionals across different departments to explore diverse career paths. The experience concluded with a “Dragons’ Den” style challenge where students worked in teams to create, brand, and pitch a new product idea to a panel of judges, testing their creativity, collaboration, and presentation skills.

What I enjoyed most about the placement was being able to create my own shampoo and hair dye. It was interesting to see how carefully ingredients are measured and combined to make products people use every day. Being hands-on made it much more engaging and helped me understand the science behind it.

During the week, I gained confidence working independently and asking questions. I also learned how important precision, safety, and teamwork are when developing products.

Overall, the experience changed my view of the chemical industry. I realised it's not just about chemicals in a lab there are many different sectors involved, from production and quality control to marketing and business. It gave me a better understanding of how broad the industry is and made me more open to working at 2M in the future. - Molecule to Market Attendee (Age 16)

Children's Science Day | - Halloween 2025

As part of our commitment to social sustainability and fostering future talent in science, technology, engineering, and mathematics (STEM), the 2M Group of Companies hosted its annual Children's Science Day in 2025 at 2M House. An event led by Dr Maggie Kessler OBE, Co-Owner, we welcomed young scientists and children of Banner Chemical's staff to our head office in Runcorn for a fun packed science day.



The event welcomed children aged 4 to 15, offering a dynamic program of hands-on activities designed to ignite curiosity and creativity. Highlights included:

- Spooky Science Experiments - Fun, themed experiments to make science exciting and accessible, including Experiments on, pH, Chemiluminescence and reactionary chemistry
- Escape Van Challenge - Encouraging problem-solving and teamwork.
- Yoga & Personality Profiling - Promoting well-being and self-awareness alongside scientific learning.
- Halloween Trick-or-Treat Around the Office - Adding festive fun to the learning experience.

The day concluded with a closing speech celebrating the enthusiasm and creativity of participants, reinforcing our mission to nurture a lifelong love of science and support the industry's future. As Dr. Maggie Kessler, OBE, expressed:

"May this day shine brightly for our children—our second generation—sparking their curiosity and nurturing a lifelong love for science."

This initiative reflects our broader commitment to STEM education, ensuring that the next generation is inspired to pursue careers in science and innovation. Through events like these, we aim to strengthen the pipeline of talent and contribute to a sustainable future for our industry.

Collaborating with Universities

At 2M, we recognize the importance of nurturing the next generation of STEM professionals and actively support this through our engagement in several career fairs each year. These events allow us to inspire young talent and provide insights into careers that shape a sustainable future. In addition, the students always show great interest throughout the day with lots of questions about their career prospects, with particular interest in our Year in Industry programme. They had lots of questions regarding the day-to-day responsibilities of our staff and left with an understanding of the 2M Group of Companies and the industry.



University of Liverpool Grow Your Future Event

2M attended the *Grow Your Future 2025* Environmental Sciences Careers Fair, hosted by the University of Liverpool in 2025. The event brought together students and professionals passionate about shaping a sustainable future through careers in STEM (Science, Technology, Engineering, and Mathematics). Our team engaged with aspiring environmental scientists, engineers, and data analysts, sharing insights into how STEM disciplines are driving innovation in sustainability. From emissions reporting and data systems to circular economy strategies, we showcased the real-world impact of STEM careers in tackling climate challenges



Representatives from 2M Group also attended the University of Liverpool Science and Engineering Year in Industry Bootcamp 2025 for the third consecutive year. The event, aimed at second-year science and engineering students, primarily chemistry majors, focused on industry placements and career opportunities. During the morning session, 2M engaged with students about chemistry careers, STEM activities, and year-in-industry roles, while the afternoon featured mock interviews where quick feedback was provided. The day was highly productive, fostering strong interest in 2M's opportunities and paving the way for future student enquiries.

University of Bradford Meet 2M Group of Companies for Careers Day

2M Group of Companies participated in a Careers Day at the University of Bradford. In the morning, students were given presentations on the different careers available within 2M and the broader chemical industry. In the afternoon, students moved into the lab to create their very own hand and body cream with help and guidance from staff at Surfachem, including Dana Smith, Laboratory Manager, and Ella Kerry, Laboratory Supervisor. Students had the opportunity to mix their formulas with a fragrance of their choice, and package it up to take home.

These collaborative fairs are a fantastic opportunity to connect with the next generation of changemakers and STEM ambassadors and reinforce our commitment to supporting talent development in STEM-focused roles.

Year In Industry Programme

2M also hosts interns and industrial placement students across our facilities, offering hands-on experience in R&D, sustainable practices, marketing and industry-leading projects. This not only supports the students' professional growth but also strengthens 2M's commitment to fostering innovation and sustainability through education and skill development.

Jacobs story below showcases how a placement opportunity with the 2M Group provided invaluable experience and created exciting career opportunities within STEM.

My name is Jacob and since September 2025 I have been working at banner chemicals completing my year in industry placement. I am originally from the North-East, but I moved to Liverpool to study chemistry at the University of Liverpool. During my first two years of study, I honed my practical and theoretical chemistry skills, and found I had a passion for sustainable organic chemistry. This prompted me to apply for the year in industry placement at 2M as I felt my personal goals aligned with the company's.

I have been primarily working in the 2M innovation lab developing plant-derived, bio-degradable, plastic-free, bio-coatings. I have been assessing the feasibility of incorporating various biopolymers into coating formulations, from both a chemistry and a commercial point of view. Alongside bio-coatings, I have also been developing various industrial solutions, from aerospace formulations to eco-friendly degreasers.

The standout aspect of my time in the 2M innovation lab, is how sustainability orientated it has been. I have been able develop my skills in formulating environmentally conscious products, and my knowledge of sustainable products, on the market, has grown massively. STEM communication has been a significant part of my time at 2M. I have had the chance to travel to various universities, science centres and conventions across the north of England. I have had the chance to talk about the company and my work, to PHD students, and I have had the opportunity to teach school age children about the world of chemistry. This is immensely improved my public speaking and communication of science. It has undoubtedly facilitated some of my proudest moments at 2M.

My time at Banner Chemicals has opened my eyes to the world of chemistry outside of the textbook. From the logistical challenges of bringing a product to scale to the industry wide connections that can aid with seamless product development, my first few months at 2M has redefined the way I view the industry. My commercial awareness has been massively improved, which has opened my eyes to the opportunities that are available within the industry. I feel the direction I would like my career to move in, has been established during my time here which will be hugely beneficial post-graduation.

Once my placement has concluded, I am looking forward to taking my experience in an industrial setting back to the undergraduate labs. More than anything, this year has developed my character and confidence, and I am excited to finish my degree as a more well-rounded chemist and individual. For this I am extremely thankful to all at 2M who have made my time here so enjoyable.



Wellbeing

At the 2M Group of Companies, we place the highest priority on the physical, social, financial, and emotional wellbeing of our employees. We believe that a healthy, supported workforce is essential to driving innovation, productivity, and long-term success. Our approach to wellbeing goes beyond compliance, it is embedded in our culture and designed to create an environment where every individual can thrive.



Through a combination of proactive initiatives, resources, and support systems, we aim to promote balance, resilience, and inclusivity across the organization. From health and safety programs to mental health support, financial planning tools, and social engagement activities, our wellbeing strategy ensures that employees have access to the tools and opportunities they need to lead fulfilling lives both inside and outside of work.

Commitment to Mental Health

The 2M Group of Companies is committed to supporting the mental health of all employees through a range of confidential services and resources. We believe that mental wellbeing is essential for a healthy, productive workforce and have implemented initiatives that provide accessible, inclusive, and stigma-free support.

One of our key offerings is Spill, an online counselling and mental health support service that is completely confidential, even from HR. Employees can access Spill directly through Microsoft Teams, making it easy to seek help when needed. Spill provides practical exercises, an "Ask a Therapist" feature, one-off sessions, and structured therapy courses ranging from six to twelve sessions. This service is available in multiple languages across our European subsidiaries, ensuring that support is inclusive and accessible to all.



In addition to Spill, we have a network of Mental Health First Aiders across the group. These trained individuals act as empathetic points of contact, offering early intervention and promoting mental health initiatives throughout the organization. Their role is vital in reducing stigma and encouraging open conversations about mental wellbeing and held a mental health awareness week in May 2025, during which individuals are encouraged to reflect on their own mental well-being.

To complement our internal mental health programs, we also provide links to country-specific mental health resources for employees across our international sites, these resources ensure that employees have access to local support networks and information tailored to their region. These include workplace wellbeing platforms, crisis helplines, and community support networks such as Minding Your Head and Health in Mind in the UK, Som Salud Mental 360 in Spain, Psychology Space in China, Psycom in France, Mindwork in Italy, Telefon Seelsorge in Germany, and Centrum Wsparcia in Poland. These initiatives offer services ranging from online counselling and self-help tools to peer support and emergency assistance, ensuring employees have comprehensive mental health support wherever they are based.



Commitment to Physical Health

The 2M Group of Companies places the physical wellbeing of our employees at the heart of our health strategy. We believe that supporting physical health not only improves individual quality of life but also fosters a positive, engaged, and productive workplace culture. Throughout the year, we implement a variety of initiatives designed to encourage healthy habits and provide accessible resources for all staff.

In 2025, 2M became a smoke free workplace, and to promote regular exercise, we have partnered with Active Teams, an organization that helps employees achieve the NHS-recommended target of 150 minutes of moderate activity per week. Through interactive dashboards, fitness challenges, and beginner running courses, Active Teams inspires our workforce to stay active and reap the benefits of improved physical health and wellbeing.

As part of our commitment, permanent employees who successfully complete their six-month probation period are offered a Garmin fitness watch, a gesture that reinforces our dedication to health and encourages ongoing engagement in physical activity. This benefit is provided free of charge, with any tax implications fully covered by the company.

We also prioritize preventive health measures. Many of our operational sites offer annual health checks to all employees and additional checks can be arranged via HR referrals to external occupational health services. To further safeguard employee health, we provide annual flu vaccinations at no cost. Where on-site vaccinations are not possible, employees can claim reimbursement for vaccinations obtained elsewhere.



As part of our ongoing commitment to wellbeing, we've teamed up with LATUS Group to provide expert advice and practical insights. Their webinars, open to everyone across the 2M Group of Companies, cover a range of topics to support your health and wellbeing.

By investing in these programmes and resources, we aim to create an environment where physical wellbeing is supported and celebrated, ensuring our employees have the tools they need to lead healthier, more fulfilling life.

Menopause Support

Navigating menopause can present unique challenges, and at the 2M Group of Companies, we are committed to providing resources that help employees manage this important life stage with confidence and care. Our Menopause Support initiatives include practical tools such as downloadable symptom trackers, designed to help individuals monitor physical, emotional, and cognitive changes. These resources offer a simple and effective way to understand patterns and seek tailored support when needed. By making these tools accessible, we aim to foster an inclusive workplace where health conversations are normalised, and employees feel empowered to prioritize their wellbeing. This initiative reflects our broader commitment to supporting all aspects of employee health and creating a culture of understanding and respect.

In addition, we have Menopause Champions, who serve as advocates and confidential points of contact for employees navigating menopause. These champions raise awareness, provide guidance, and help normalize conversations around menopause, contributing to a healthier and more empathetic workplace culture.

Employee Wellbeing Survey 2025

Employee wellbeing is a cornerstone of social sustainability. By listening to feedback and implementing targeted initiatives—such as improving communication, reducing workload stress, and providing equitable access to resources—the Group strengthens its commitment to UN Sustainable Development Goals, particularly SDG 3 (Good Health and Wellbeing) and SDG 8 (Decent Work and Economic Growth). They provide actionable insights into morale, engagement, and wellbeing; factors that directly influence productivity, retention, and organizational resilience. From a sustainability perspective, these surveys help foster a culture of care and inclusivity, aligning with social sustainability goals and supporting long-term business success. 2M has been committed to annual Satisfaction Surveys since 2023, to help addressing employee concerns proactively, reduce turnover, enhance mental health, and create a more stable and motivated workforce.



In 2025, the 2M Group conducted its annual wellbeing survey, achieving an increased response rate of 36% of all employees Globally. This engagement reflects a growing commitment to transparency and continuous improvement.

Overall, 69% of employees rated their wellbeing as good or very good, while 31% rated it as fair or below. Work-life balance remains a strong point, with 80% of employees satisfied or very satisfied. Stress levels continue to be a concern, with high levels of employees reported feeling stressed sometimes. Line manager support was highlighted as a strength, with 89% of employees satisfied with the support they receive.

Positive feedback emphasized strong teamwork, supportive colleagues, high job satisfaction, approachable managers, and improved stability following Project Horizon. However, areas for improvement include excessive workload, ongoing system issues affecting morale, and low engagement in some sites.

Employees suggested better communication regarding salary and bonuses, consistent access to wellbeing resources across all sites, additional support during winter months, and addressing financial wellbeing concerns, as 60% reported being affected by financial worries.

Living Wage

Since 2023, the 2M Group of Companies has implemented an annual salary benchmarking process using independent third-party software. This initiative ensures that all employee compensation remains competitive within our industry and consistently exceeds the National Living Wage, reinforcing our commitment to fair pay and economic wellbeing across the workforce. Our benchmarking process covers all employees and provides transparency and equity in pay practices. By aligning salaries with market standards and maintaining compliance with living wage requirements, we support financial security and foster trust within our organization.

	2024-25	2023-24
% of all 2M employees paid below living wage	0%	0%
% of 2M employees covered by a living wage benchmarking analysis	100%	100%
% of 2M Group indirect employees paid below living wage	0%	0%
% of 2M Group by average wage gap for employees paid below living wage (assessed against benchmarks)	N/A	N/A

Equality, Diversity & Inclusion

Equality, diversity, and inclusion are at the heart of everything we do. As part of this, we are committed to supporting women's progression in the workplace.

In 2024, 2M launched an ED&I Policy and Anti-Harassment Training initiative, where the Group employees were trained in the principles of FREDIE, Fairness, Respect, Equality, Diverse, Inclusion and Engagement. The Group also updates its Equity, Diversity, and Inclusion Policy, and Anti-Harassment Policy, on a yearly basis, underscoring our commitment to fairness in the workplace, and a positive culture. 2M has been reassessed for the Investors in Diversity Bronze Award UK, in 2025, achieving recognition of the strong foundation we have built to embed Diversity & Inclusion into our organisation.

During the reporting period of 2022-23, 2M's HR department has started recording its gender representation at a groupwide and board level, respectively. Working is ongoing with the HR department to record a variety of additional metrics to comply with the EU-CSR directive and EcoVadis.

	2024-25	2023-24
Percentage of women, 2M	51%	49.7%
Percentage of women, 2M Board	25%	33%
Percentage of Managers Trained in ED&I	100%	100%

Health & Safety First

Monitoring health and safety compliance is a fundamental component of our sustainability strategy. To foster a safety-conscious culture across all workplaces, we have adopted the STAR Principles, which promote safe behaviours through awareness, understanding, responsibility, and accountability. Employees are encouraged to Stop, Think, Act, and Review as part of their daily routines at every operational location, ensuring that health and safety remain an integral part of our organisational practices.

2M acknowledges its responsibility to provide a safe and healthy workplace in compliance with the Health and Safety at Work Act (HSAWA) 1974. We are committed to developing and maintaining effective Occupational Health and Safety (OH&S) systems that address the specific risks associated with our industry. This commitment is delivered through the implementation of the international management standard BS EN ISO 45001:2018, ensuring a structured and proactive approach to health and safety across all operations.

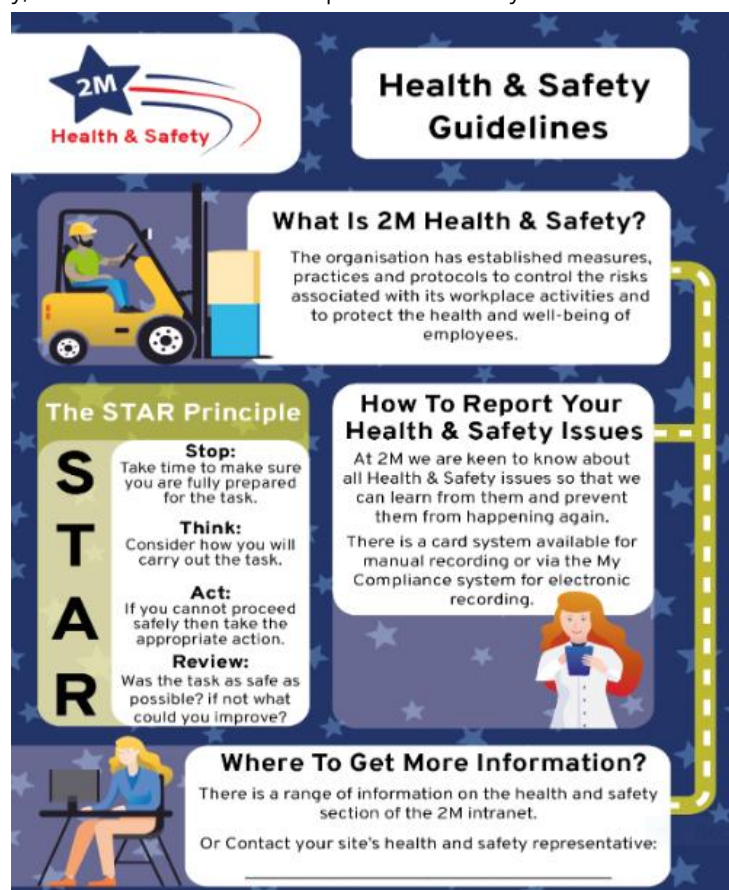


As a member of the Chemical Business Association (CBA), 2M adheres to the principles of Responsible Care®, ensuring the highest standard of health, safety and environmental standards across the chemical distribution network. This commitment drives our continuous improvement efforts, with a focus on reducing reportable injuries, environmental incidents, dangerous occurrences, enforcement actions, and overall waste and environmental impact. We monitor our performance through annual indices and strive for year-on-year improvement, reinforcing our dedication to responsible operations and sustainable growth. Further details are provided in the 2M Occupational Health & Safety Policy, which is reviewed and updated annually.

Shared Responsibility

Management is responsible for ensuring adequate resources are available to meet health and safety obligations, maintaining effective communication and consultation with key stakeholders, implementing processes to resolve work-related health and safety issues, and minimizing the impact of any incidents.

Employees share responsibility by adhering to all health and safety policies, procedures, and practices, safeguarding their own wellbeing and that of others, assessing workplace hazards and risks, and promptly reporting accidents, incidents, and potential hazards.



2M Health & Safety

Health & Safety Guidelines

What is 2M Health & Safety?
The organisation has established measures, practices and protocols to control the risks associated with its workplace activities and to protect the health and well-being of employees.

The STAR Principle

S **Stop:** Take time to make sure you are fully prepared for the task.

T **Think:** Consider how you will carry out the task.

A **Act:** If you cannot proceed safely then take the appropriate action.

R **Review:** Was the task as safe as possible? If not what could you improve?

How To Report Your Health & Safety Issues
At 2M we are keen to know about all Health & Safety issues so that we can learn from them and prevent them from happening again. There is a card system available for manual recording or via the My Compliance system for electronic recording.

Where To Get More Information?
There is a range of information on the health and safety section of the 2M intranet.
Or Contact your site's health and safety representative:

Implementing Health & Safety



Accidents, Incidents & Hazard Spots

HAZARD SPOT



Hazard Spot – Any source of 'potential' damage, harm or adverse effect on something or someone

INCIDENT



Incident – Something has happened, but no one was harmed

ACCIDENT



Accident – Any event which results in injury



These international principles were adhered to via the following strategies:

Training - We have developed OH&S competency through effective and regular safety training for staff and leadership to embed standard at all levels of the organisation. Implemented role-specific competency development to ensure personnel are equipped to manage the hazards associated with their duties. Complete periodic refresher sessions and toolbox-talks to reinforce critical safety behaviours and maintain a high standard of OH&S knowledge across the workforce.

Plant Safety - We provided, maintained, and improved safe plants and equipment via a preventative maintenance regime designed to reduce equipment-related failures and ensure all machinery operates within defined safety parameters. Engineering controls and safety-critical upgrades aligned with industry best practice and applicable legislative requirements. Collaborative engagement with operators and maintenance teams to identify improvement opportunities and enhance equipment safety features.


Audit - Facilities across the portfolio have a robust internal audit schedule and are externally to ISO-45001 Principals to determine the effectiveness of the OH&S management system.

Hazard Reporting - As part of 2M's safety conscious culture, we are committed to the reporting and learnings associated with all accidents and incidents. 2M strongly emphasises the proactive reporting of potential issues through a hazard spotting process, with targets set as part of a continuous improvement initiative.


Root Cause Analysis - All accidents and incidents are thoroughly investigated, with appropriate action taken to correct practices and prevent recurrence. Regular monitoring of the Group's hazard spot performance takes place to determine if any trends are evident, enabling appropriate action to be introduced to avoid escalation into something of more significance.

Target Setting & KPIs






OH&S performance is reported on quarterly and as part of the 2M Annual Management Review. All facilities across the group have a series of leading and lagging KPI targets assigned to them for the month. Performance is monitored against these targets on a weekly basis. Targets were assigned by considering the number of people as well as the hazards and risks at each facility, to ensure the results are comparable. The facilities which are a part of the Control of Major Accident Hazard Regulations also have PSPI targets set and monitored, as seen below.



2M H&S KPIs & Targets



Lagging Indicators

-  0 - Accidents
-  0 - Lost Time Accidents
-  0 - Incidents
-  0 - Lost Time Incidents
-  0 - RIDDOR Accidents/Incidents

Health & Safety Key Indicators

KPI	2025	2024	2023
<i>All non-fatal injuries - Injury incidence rate</i>	0.0174	0.0183	0.0167
Incidence of over-7-day absence injury (RIDDOR)	1	1*	3
Incidence rate of over-7-day absence injury per 100 000 workers	190	166*	625
Number of days lost to work-related injuries, fatalities and ill health	9	7*	20
Number of work-related incidents (loss of containment) Loss Over >1 ltr)	12	53	20
Number of Incidents reportable to Environment Agency	0	0	0

In 2025, the overall non-fatal injury incidence rate showed a slight improvement compared with 2024 and remaining broadly consistent with longer-term performance. This indicates that overall workplace injury levels remain stable year-on-year and reflect continued adherence to safe working practices across the business.

Over-7-day absence injuries recorded under RIDDOR remained low, with one incident in 2025; the same as 2024 and a significant improvement compared with 2023. The corresponding incidence rate per 100,000 workers increased slightly to 190, up from 166 in 2024. However, this change is due to the smaller workforce size in 2025 and not an actual rise in RIDDOR-reportable events. Overall, serious injury performance remains strong, with only a single over-7-day injury recorded for the second consecutive year. A total of 9 days were lost due to work-related injury and ill health, representing a small rise but still significantly lower than those reported in 2023. Variations at this

level are typical where incident numbers are low, and the business continues to maintain minimal disruption from workplace injuries.

There was a notable and positive reduction in loss-of-containment events greater than 1 litre, falling to 12 incidents in 2025 a reduction of 31 incidents. This substantial improvement demonstrates the impact of strengthened operational controls, enhanced spill-prevention measures, and continued focus on proactive reporting within the IMS system. Capturing incidents at this low threshold ensures early intervention and minimises the risk of chemical releases beyond site boundaries.

For the third consecutive year, there were zero reportable incidents to the Environment Agency. This ongoing zero-harm performance highlights the effectiveness of containment infrastructure, employee training, and emergency response procedures in preventing environmental damage. As a chemical distributor, the business continues to place strong emphasis on safe storage, handling, and transfer of products, utilising engineered controls such as retention systems to mitigate the impact of any potential releases.

Our contribution to the UN SDGs



What We Have Done So Far

- Introduced hybrid working across the Group, allowing for increased flexibility.
- Established mental health support and exercise programmes for all employees.
- Created policies authorizing enhanced paternity and maternity leave.
- Provided life & critical illness insurance cover to all employees.
- Trained mental health first aiders and menopause champions to increase awareness.

What We Plan To Do

- Roll out Employee Satisfaction Survey to understand employee concerns.
- Continue to review and add policies benefiting employees, where appropriate.
- Further build and embed programmes raising awareness on workplace mental health and wellbeing.
- Identify and set groupwide social sustainability targets.
- Transition to a 2M approach for safety culture and reporting, and review of current 2M HSE performance against industry performance.



What We Have Done So Far

- Reached 2,500 students via STEM outreach.
- Initialised platforms for language learning and cross functional knowledge sharing groupwide.
- Established mentoring and career mobility programmes such as HighHER and Accelerator to upskill employees.

What We Plan To Do

- Continue to expand STEM outreach activities as the Group grows.
- Build further educational and online training opportunities for employees.
- Establish reporting system for average number of training hours per employee.
- Continue expanding 2M Academy and other programmes promoting mentorship and career development.
- Translate policies, programmes and platforms into European languages



What We Have Done So Far

- Expanded the 2M Equity, Diversity & Inclusion Policy and Anti-Harassment Policy in 2025.
- Trained workforce on diversity and inclusion.
- Established baselines for living wage analysis groupwide.
- Established baselines for gender diversity in the workforce.
- Set up HighHER programme to promote women in senior positions.

What We Plan To Do

- Establish metrics for % of women in managerial positions.
- Continue to promote women to leadership positions where appropriate.
- Continue to implement procedure and policy as tools to prevent discrimination in hiring and promoting.
- Improve social reporting by capturing additional metrics groupwide.



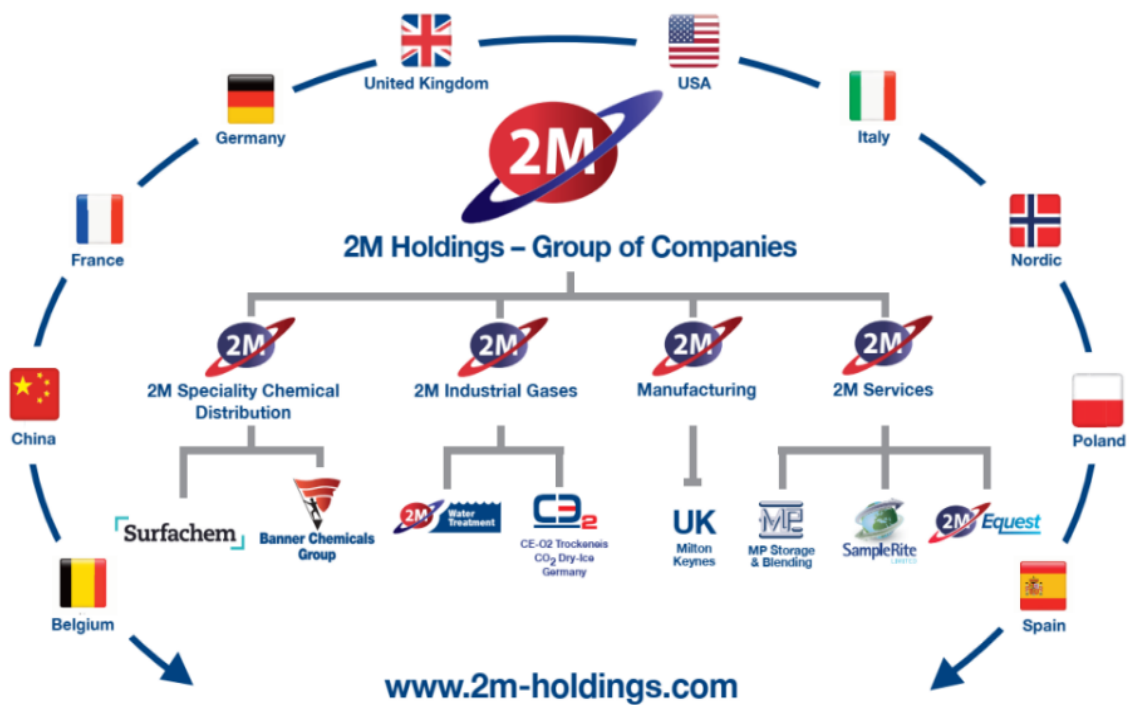
Governance

“Ensuring responsible growth through robust governance.”

Governance

At 2M, we are committed to the continuous improvement of our corporate governance and transparency. The business is built on trust and integrity, and this vision is shared by our stakeholders. We have zero appetite for non-ethical business practices, reflecting our responsibility to global security and human rights.

2M Group Structure



The 2M Group of Companies operates through a diversified portfolio of specialised businesses spanning chemical distribution, manufacturing, formulation, water treatment, cosmetics, and sustainable packaging technologies. This decentralised structure enables each company to maintain its entrepreneurial agility while benefiting from shared governance, digital systems, and strategic oversight at Group level. Together, the companies form an integrated value chain that supports customers across multiple industries, enhances operational resilience, and ensures that innovation, safety, and sustainability are embedded consistently throughout the organisation.

Code of Conduct & Business Ethics

2M's Code of Conduct and Business Ethics framework is reinforced through mandatory employee training, supplier onboarding requirements, and the governance controls embedded into our wider sustainability and digital systems. The Group applies zero-tolerance principles to bribery, corruption, fraud, and engagement with financially sanctioned entities, with all suppliers required to sign the Code of Conduct confirming adherence to these standards. These commitments are supported by a confidential whistleblowing mechanism and oversight from the Business Risk Committee, which reviews ethical and compliance risks across the organisation. Together, these measures ensure consistent ethical conduct across all business units and align with 2M's broader commitments under the UN Global Compact and our CSR & Governance Policy Handbook.



Our Code of Conduct

2M maintains a strict zero-tolerance policy toward bribery, corruption, fraud, and any engagement with financially sanctioned countries or individuals. To uphold these commitments, all suppliers are required, at a minimum, to sign a Supplier Code of Conduct, confirming adherence to these and other ethical and compliance principles. Each individual business, has its own Code of Conduct which are signed before any purchasing can be agreed as part of the supplier onboarding process, reflecting enhanced expectations around ethical business practices and ESG standards.

In 2025 2M has begun a renewed engagement process with all transport suppliers to ensure that a current, fully signed updated Code of Conduct is on file, and can be tracked when requirements change. This process is ongoing and forms a core component of our broader supplier governance and compliance framework and will be rolled out to non-transport suppliers in 2026/27.

Code of Conduct	2024-25	2023-24
% of targeted non-transport suppliers who have signed the supplier code of conduct	100%	100%
% of transport suppliers who have signed the supplier code of conduct	58%	--

Sustainability Policies

The group has added to its list of policies falling under the umbrella definitions of sustainability and CSR. Many of these have been combined into a single 'CSR & Governance Policy Handbook' which is available on our [website](#).

Sustainability Training	2024-25	2023-24
% of Employees Trained on CSR, 2M	69.9%	86.3%

During the financial year, over 360 of our employees were reached via presentations and sustainability outreach and education on CSR issues and directed to our policies. As the sustainability function grows, this number will continue be recorded and improved as sustainability awareness grows throughout the organisation and will tie back into the new sustainability engagement KPIs set by group.

Privacy & Intellectual Property

2M continues to value data protection & privacy with dedicated cybersecurity function. We are committed to safeguard and make only appropriate use of confidential information and ensure that all employees and business partner's privacy and intellectual property rights are protected.

Fair Competition & Equal Opportunity

Our business is conducted in line with open and fair competition and in accordance with all applicable anti-trust laws. Guided by our Fair Competition Policy, found in our broader CSR & Governance Policy, we operate and compete ethically and transparently, ensuring our practices support innovation and growth in the wider chemical industry.

We guarantee the equal treatment of all employees regardless of race, national origin, gender, age, physical characteristics, social origin, disability, union membership, religion, family status, pregnancy, sexual orientation, gender identity, gender expression or any unlawful criterion under applicable law. We are also committed to creating a workplace environment free from all forms of harassment and psychological or physical bullying, as outlined in our policies.

Child Labour & Modern Slavery

We do not tolerate the inclusion of child labour, human trafficking or modern slavery labour (forced, bonded, compulsory) within our supply chain, and suppliers are required to adhere to these principles by undergoing audits and an approval process.

Suppliers of our business units must confirm compliance to all these principles before transacting, by signing our Code of Conduct. We will continue to evolve our policies and position statements in line with the progress of our environmental, social, and governance program while considering changes to our business, emerging regulation, and current sustainability trends.

Business Risk

We recognize that effective risk identification and management are essential to maintaining ethical conduct and long-term resilience across our business. Through our global Enterprise Risk Management (ERM) framework, we systematically assess commercial risks, macroeconomic trends, evolving supplier and customer dynamics, as well as operational, policy, and environmental risks and opportunities. Our approach uses a structured system that evaluates each risk based on its severity and likelihood, ensuring that management focuses on the most significant threats and opportunities.

The ERM framework provides a foundation for proactive risk response, maintaining risk levels within defined tolerance thresholds while enabling sustainable business growth. At the group level, our Business Risk Committee (BRC) oversees the ERM process, consolidating severe risks identified by local entities and evaluating their potential impact on business continuity. This integrated approach strengthens governance and supports informed decision-making across the organization.

Our ERM process is aligned with our commitments under the UN Global Compact, particularly in upholding principles of ethical business conduct, environmental stewardship, and responsible supply chain management. By embedding these principles into risk management, we ensure that sustainability and corporate responsibility remain central to our strategic decision-making.

Business Risk Key Metrics	2024-25	2023-24	2022-23
Number of High-Profile Risks Identified in 2M	13	22	--
No. of Business Units Covered by ERM System	29	20	16

As at the end of 2025, the BRC committee identified 13 risks as 'high profile' across 12 impact categories, based on severity and likelihood assessments. Key risk areas continue to include supplier and customer relationships, geopolitical developments, and cybersecurity. The Risk Committee reviews and updates the central risk register quarterly, ensuring that mitigation actions, ownership, and progress measures remain clearly defined.

The number of high-profile risks at the 2M level decreased to 13, reflecting the resolution of several risks and the reassignment of others to specific business units as part of a more localised risk management approach. During the year, the legacy risk reporting process was further streamlined at a Group level to reduce over-aggregation and ensure that medium-level category risks could be decentralised and managed more effectively by each business.

The Group has also continued to embed its ERM framework into recently acquired businesses. Reporting quality has improved, and a clearer procedure has now been established for ERM implementation. This year, the system was rolled out to an additional four units, bringing the total number of business units covered to 29.

By strengthening our overall risk management capability, the Group has enhanced operational resilience and business continuity, supporting our commitment to responsible and sustainable growth.

Fighting Bribery & Corruption

2M maintains a robust governance framework designed to uphold ethical standards and ensure compliance across all operations.

Over the last five years, 2M has continuously strengthened its governance practices. We updated our Code of Conduct and policies to include a provision against engaging with financially sanctioned parties, complementing our existing grievance, whistleblowing, anti-corruption, and anti-bribery policies. Employees receive regular training on these topics and are directed to CSR policies for guidance. To promote transparency, we maintain a gift registry for any gifts valued over £50.

As of 2025, the Group has recorded zero incidents of corruption, bribery, or other breaches, and we remain committed to maintaining this performance. Our supplier onboarding process includes rigorous due diligence, screening for corruption, bribery, human rights, and other CSR-related issues. The sustainability team has delivered governance-related presentations to over 100 employees across all business units.

In 2025, we further enhanced our governance framework by updating the Code of Conduct for suppliers and customers and introducing new governance requirements for suppliers, ensuring alignment with our ethical standards and sustainability objectives. These updates reinforce our commitment to responsible business practices throughout our value chain.

From 2026, we are partnering with EcoVadis IQ+, a leading ESG intelligence platform, to gain comprehensive insights into our global supply chain. Alongside this, we are leveraging EcoVadis Vitals and the supplier sustainability ratings system, which will serve as a foundation for targeted engagement. By combining IQ+, Vitals, and ratings, we aim to enhance transparency, mitigate sustainability risks, and ensure our procurement practices align with our commitment to responsible and ethical operations.

The 2M Compliance team conducted a Corruption & Bribery Risk Assessment to identify and mitigate risks within business processes. Findings from this assessment will inform continuous improvements for a more compliant and ethical business environment.

Our whistleblowing policy provides clear guidance on reporting malpractice and ensures that employees, partners, and stakeholders can make confidential reports in their native language at any time. From 2023 to 2025, we received zero reports of misconduct.

Misconduct Category	2025	2024	2023	2022
Number of Incidents of Corruption, 2M	0	0	0	-
Number of Whistleblowing Cases, 2M	0	0	0	-

Digital Transformation - Project Horizon

Project Horizon represents a significant step forward in how 2M Group operates, supporting a more agile, data-led, and sustainable organisation. Delivered in partnership with KPMG, the programme implemented a modern ERP and CRM platform, centred on Microsoft Dynamics 365, and has now been live across the Group for approximately 18 months.

The core objective of Project Horizon was to introduce greater consistency and standardisation across 2M by replacing fragmented legacy systems with a single, integrated digital platform. This has established a common operating framework, enabling colleagues across different business units to work in a more aligned way, access consistent information, and share best practice more effectively.



Since go-live, the system has delivered the beginning of operational improvements. There has been a meaningful reduction in manual, spreadsheet-based reporting, with a growing proportion of operational and finance reporting now delivered through standard system outputs and Power BI dashboards. Reliance on manual data entry has decreased in several core processes, supported by automated workflows within order management, pricing, and invoicing. Data consistency and reliability have improved, reducing the need for rework and manual adjustments during routine reporting cycles. Additionally, teams now have more timely access to management information, enabling faster, more informed decision-making.

From a sustainability perspective, Project Horizon has begun to reduce the Group's environmental impact through increased digitisation. There has been a noticeable reduction in paper-based processes, particularly in order processing, approvals, reporting, and audit documentation. The progressive retirement of legacy systems and local databases is helping to reduce duplication and inefficiencies in system usage, though this remains a work in progress. Reduced administrative rework has also limited unnecessary repetition of tasks and associated resource consumption.

The introduction of a single ERP platform has strengthened governance and accountability across the business. Standardised data structures and system controls now provide improved auditability and traceability of transactions and decisions. Clearer ownership of processes and data supports accountability and consistency, while more consistent performance monitoring enables leadership teams to track operational and sustainability-related indicators over time.

Project Horizon has established a scalable foundation for further improvement. As system adoption continues to mature, the platform will increasingly support more accurate measurement of sustainability and efficiency metrics, identification of process inefficiencies and waste, and further automation and optimisation initiatives aligned to 2M's ESG priorities. While the full benefits of Project Horizon will continue to develop over time, the programme has already started to deliver meaningful structural change, creating a more connected, efficient, and environmentally responsible operating model for 2M Group.

Reducing Cybersecurity Risks

Through ongoing investments in cybersecurity, we are strengthening the trust placed in us, supporting our long-term stability, and reinforcing a sustainable digital ecosystem for all stakeholders. 2M has a dedicated cybersecurity team, a detailed Information Security Policy, a Cyber Incident Response Plan (CIRP), and other policies that underpin and support the daily actions of the entire group. The CIRP acts as a baseline framework for security staff to identify, categorise, contain and learn from security incidents, every incident from minor to critical is logged and stored securely for security staff to revisit where necessary. The Information Security Policy serves to establish guidelines and procedures that protect 2M Group’s information assets from unauthorised access, misuse, or damage.



Misconduct Category	2025	2024	2023	2022
Number of Information Security Incidents, 2M	0	0	0	0

The 2M IT Team have systems in place to protect data from being compromised such as endpoint protection, email security, and firewall monitoring and protection services. To date, no security incidents have been recorded across the Group.

Endpoint / MDR Security

During the financial year, particular advancements have been made regarding endpoint security. 2M Group now benefits from 24/7 Managed Detection and Response (MDR), meaning that any live threat within our environment can be immediately contained and removed at any time. This reduces the need for additional cybersecurity staff by around 5-8 people, preserving digital expenses.

MDR Category	FY 24-25	FY 23-24
Escalated Cases	1	7
De-escalated Cases	0	6
Total Cases	1	13
Cases Requiring Action, 2M	0	0

The above are extracted from the third-party endpoint protection system, which went live in 2023. Notably, none of the cases amounted to a security incident and were all identified as false positives, which do not require any action or mitigation measures.

Email Security

Threat Category	FY 24-25	FY 23-24
Phishing	407	1152*
Spam	139,228	111,758*
Malware	518	755
Average Daily Spam Threats, 2M	1557	1263

In addition to MDR, the Group has improved email security. During the reporting year, the cybersecurity team have made changes to email security configuration to reduce the amounts of spam, impersonation and phishing we receive daily. This involved implementing a VIP impersonation protection list, improving spam scanning for public facing email addresses, and improving scanning for users that experience a high volume of spam.

Workforce Cybersecurity Training

Misconduct Category	FY 24-25	FY 23-24
% of Total Workforce Trained on Cybersecurity, 2M	86%	82%
% of Total Workforce Trained on Cybersecurity, Industry Average	43%	42%
% of Correct Responses First Time, after Training	74%	79%

As part of our proactive defence against cyber threats, 2M has a dedicated cyber security training programme for all employees, which must be completed every month. The training is provided by our email security vendor and is completed via an online portal.

Our contribution to the UN SDGs



What We Have Done So Far

- Established reporting baselines for corruption and IT incidents.
- Updated policies against fraud, bribery, corruption, and slavery.
- Trained workforce on IT security, corruption and bribery.
- Carried out Corruption & Bribery Risk Assessment.
- Created cybersecurity department in 2M Digital Team.
- Implemented endpoint and email protection

What We Plan To Do

- Improve reporting capabilities across governance issues in line with EcoVadis compliance.
- Continue to update, add, and improve policies across all governance areas.
- Roll out automated educational software to all employees on business ethics, CSR issues, and on corruption and bribery.
- Review and improve cybersecurity measures as appropriate

Appendix

1. List of 2M ESG Indicators

GRI Requirement	Metric	Unit	FY 24-25	FY 23-24	FY 22-23
Environmental					
305-1	Scope 1 GHG Emissions	tCO ₂ eq.	1037.2	1218.1	1254.4
305-2	Scope 2 GHG Emissions <i>Location Based</i>	tCO ₂ eq.	405.5	503.0*	502.6
305-2	Scope 2 GHG Emissions <i>Market Based</i>	tCO ₂ eq.	258.3	495.3*	--
305-3	Scope 3 GHG Emissions	tCO ₂ eq.	450,118.3	459,732.7	--
305-3	3.1 - Purchased Goods & Services	tCO ₂ eq.	240,375.1	308,408.9	--
305-3	3.2 - Capital goods	tCO ₂ eq.	532.1	479.1	--
305-3	3.3 - Fuel- and Energy- related activities	tCO ₂ eq.	403.1	3,421.0	--
305-3	3.4 - Upstream transport	tCO ₂ eq.	4,160.3	8,890.9	--
305-3	3.5 - Waste generated in operations	tCO ₂ eq.	142.4	158.1	--
305-3	3.6 - Business Travel	tCO ₂ eq.	297.9	27.1	--
305-3	3.7 - Employee Commuting	tCO ₂ eq.	472.7	384.7	--
305-3	3.9 - Downstream transport	tCO ₂ eq.	3,483.6	4,037.6	--
305-3	3.11 - Use of sold products	tCO ₂ eq.	61,519.1	36,879.2	--
305-3	3.12 - End-of-life sold products	tCO ₂ eq.	131,088.1	90,469.0	--
305-3	3.15 - Investments	tCO ₂ eq.	7,644.0	6,577.0	--
KPI 1	Scope 1 Emissions - 2028 Target	tCO ₂ eq.	1129.0		
KPI 1	Scope 2 Emissions Location Based - 2028 Target	tCO ₂ eq.	452.3		

305-4	Intensity Ratio per Global Revenue (metric tonnes CO ₂ e per total £m in sales revenue) Scope 1, 2 (<i>Location Based</i>)	tCO ₂ eq.	8.2	10.0	8.7
305-4	Intensity Ratio per Global Revenue (metric tonnes CO ₂ e per total £m in sales revenue) Scope 1, 2 & 3 (<i>Location Based</i>)	tCO ₂ eq.	2573.1	2690.6*	-
305-4	Intensity Ratio per Capita (metric tonnes CO ₂ e per number of employees) Scope 1, 2 (<i>Location Based</i>)	tCO ₂ eq.	2.7	2.9	3.5
305-4	Intensity Ratio per Global Revenue (metric tonnes CO ₂ e per total £m in sales revenue) Scope 1, 2 (<i>Market Based</i>)	tCO ₂ eq.	7.4	10.0	-
305-4	Intensity Ratio per Global Revenue (metric tonnes CO ₂ e per total £m in sales revenue) Scope 1, 2 & 3 (<i>Market Based</i>)	tCO ₂ eq.	2,572.3	2,690.6 *	-
305-4	Intensity Ratio per Global EBITDA (metric tonnes CO ₂ e per total £m in EBITDA) Scope 1, 2 (<i>Market Based</i>)	tCO ₂ eq.	210.8	156.1*	-
305-4	Intensity Ratio per Capita (metric tonnes CO ₂ e per number of employees) Scope 1, 2 (<i>Market Based</i>)	tCO ₂ eq.	2.5	2.9	-
302-1	Total Energy Consumption	MWh	7,615.1	7,460.8	7,239.5
302-1	Total Renewable Energy Consumption	MWh	1,449.0	254.5	114.5
302-1	% Renewable Consumption	%	19%	3.4 %	1.6 %
306-2	Total weight of hazardous waste	kg	422,991	486,871	--
306-2	Total weight of non-hazardous waste	kg	377,102	343,312	--
306-4	Total Weight of Waste Recovered or Recycled	kg	430,318	--	--
306-2	Total weight of waste produced	kg	800,093	830,184	--
306-3	Waste Intensity (waste / £ revenue)	KG / £	0.00456	0.00484	--
KPI 2	Waste Intensity (waste / £ revenue) - 2030 Target	KG / £	0.00436		
303-5	Total Water Consumption	m ³	33,122	32,866	--
303-5	Total Non-Potable Water Consumption	m ³	2,857	2,804	--

308-1	% of top 20 suppliers covered by an EcoVadis assessment	#	55%	90	--
308-2	% of top 20 covered suppliers engaged in corrective actions	#	81.8%	90	--
414-1	% of top 20 covered Suppliers with Bronze, Silver or Gold	#	81.8%	85	--
308-1	% of non-transport suppliers who have signed the supplier code of conduct*	%	100	100	100
308-1	% of transport suppliers who have signed the supplier code of conduct	%	58%	--	--
--	Number of Products with Carbon Footprints	#	182	86	0
--	Number of work-related incidents (loss of containment/spills - Loss Over >1 ltr)	#	12	53	20
307-1	Number of Incidents reportable to Environment Agency	#	0	0	0
304-1	Operational sites in or near protected areas	#/8	5	--	--
Social					
2-7	Number of Employees, 2M	#	525	599	480
202-1	% of all 2M employees paid below living wage	%	0%	0%	--
202-1	% of 2M employees covered by a living wage benchmarking analysis	%	100%	100%	--
202-1	% of 2M indirect employees paid below a living wage	%	0%	0%	--
405-1	% of women, 2M employees	%	51%	49.7%	--
405-1	% of women, 2M Board	%	25%	33%	--
--	% of Managers Trained in ED&I	%	100%	100%	--
403-9	<i>All non-fatal injuries - Injury incidence rate</i>	#	0.0174	0.0183	0.0167
403-9	Incidence of over-7-day absence injury	#	1	1*	3

403-9	Incidence rate of over-7-day absence injury per 100 000 workers	#	190	166*	625
--	Number of days lost to work-related injuries, fatalities and ill health	#	9	7	20
--	Students Reached Via STEM Events & University Outreach	#	2919	2500	--
--	Students Reached Via Catalyst Partnership	#	368	500	--
Governance					
205-2	% of Employees Trained on CSR, 2M	%	69.9%	86.3%	--
--	Number of High-Profile Risks Identified, 2M	#	13	22	--
102-14	No. of Business Units Covered by ERM System	#	29	20	16
205-3	Number of Incidents of Corruption, 2M	#	0	0	--
205-3	Number of Whistleblowing Cases, 2M	#	0	0	--
418-1	Number of Information Security Incidents, 2M	#	0	0	0
410-1	% of Total Workforce Trained on Cybersecurity, 2M	%	86%	82%	--
--	% of Total Workforce Trained on Cybersecurity, Industry Average	%	43%	42%	--
--	% of Correct Responses First Time, after Training	%	74%	79%	--

The Compliance and Internal Audit teams at 2M maintain a verified Internal Management System (2M-IMS), which collects operational sustainability data across environmental, health and safety, and energy-related metrics. For foreign subsidiaries not yet incorporated into the 2M-IMS, data is gathered through the Sustainability Reporting Regime to ensure consistent groupwide coverage.

As the 2M-IMS continues to expand, a broader set of ESG indicators will become available, enhancing global visibility and further strengthening the quality, reliability, and completeness of 2M's reporting against its material ESG topics.

*Sites marked with an asterisk have been corrected for with more accurate figures. These adjustments were made in line with the GRI Principles of Accuracy, Completeness and Reliability. During the 2024/25 reporting cycle, several sites provided updated or more complete activity data for the previous year, allowing for the refinement of historical emissions and waste calculations. In accordance with GRI 2: General Disclosures and GRI 305: Emissions methodology guidance, 2M applies retrospective corrections when new or improved data

sources become available, ensuring that reported figures reflect the best available evidence. These revisions enhance year-on-year comparability, strengthen the consistency of our dataset, and support transparent disclosure of methodological improvements. All corrections are limited to data quality enhancements only and do not reflect changes in organisational boundaries, calculation methods, or reporting scopes.

2. Waste & Water Subsidiary Data, FY 24-25

	Water Consumption (m³)	Hazardous Waste Consumption (kg)	Non-Hazardous Waste Consumption (kg)
Bregaglio	2581.0	0	5360
Laurichem	DM	DM	DM
CEO2	87.0*	0*	8,019*
Chemir	142.0	1740	1134
Ingretech	337.5	5350	0
Prady	1347.0	38106	64473.3
SampleRite China	289.4	0	2,878.80*
2M Equest	583.0	4242.43	14790
Banner Liverpool	228.0	28861.4	19755.2
Surfachem Deutschland	228.0	0	5208
Surfachem Nordic	DM	DM	DM
Surfachem Poland	DM	DM	DM
2MWT	0.0	25360	17965
Banner Teesside	14638.0	233417	114761
Banner, Stowlin	7823.0	11894	59976
Surfachem, Elland	1690.0	41360	38970
SampleRite UK	101.0*	2040	1485
2M Manufacturing	1703.0	30620	17305
Surfachem Head Office	160.0*	0	400
2M Head Office	1037.0	0	7900
Filrite	147.3	0	0
TOTAL Water	33,122.18	422,990.8	380,380.3
		TOTAL Waste	803,371.1

* Sites marked with an asterisk have partial coverage for the reporting year or are using estimates from local intensity ratios reporting to calendar year over FY.

DM - refers to sites that are de minimis, with less than 5 employees.

3. Energy & Emissions Subsidiary Data

***Rounding note:** Site-level figures are shown to 1 decimal place for readability. Totals are calculated from full-precision values (not by summing the rounded components) and may not equal the sum of displayed components due to rounding.

Subsidiary	Scope 1 GHG Emissions (tCO ₂)			Scope 2 GHG Emissions (tCO ₂)			Total Operational Emissions (tCO ₂)		
	FY 24-25	FY 23-24	FY 22-23	FY 24-25	FY 23-24	FY 22-23	FY 24-25	FY 23-24	FY 22-23
Bregaglio	18	13.4	8.8	29.4	39.7	37.7	47.4	53.1	46.5
Laurichem	DM	DM	DM	DM	DM	DM	DM	DM	DM
CEO2	48.7	41.4	38.7	0.5	45.5	107.3	49.2	86.9	146
Chemir	0	14	41.8	16.4	21	16.5	16.4	35	58.3
Ingretech	0	DM	DM	4.3	1.1	N/A	4.3	1.1	N/A
Prady	0	7	41.7	51.9	77.9	39.2	51.9	84.9	80.9
SampleRite China	29.9	27.8	2.8	16.6	10.2	2.8	46.5	38	5.6
Surfachem Brazil	Closed	DM	DM	Closed	DM	DM	Closed	DM	DM
2M Equest	41.5	29.2	N/A	0	0	N/A	41.5	29.2	N/A
Banner Liverpool	0	0	14.3	14.8	15.3	9.8	14.8	15.3	24.1
Surfachem Deutschland	71.8	87.4	51.4	7.5	9.9	15.2	79.3	97.3	66.6
Surfachem Nordic	DM	DM	DM	DM	DM	DM	DM	DM	DM
Surfachem Poland	DM	DM	DM	DM	DM	DM	DM	DM	DM
2MWT	2.1	8.7	0.7	4	4	N/A	6.1	12.7	0.7
Banner Teesside	326.2	265.8	360.7	27.7	123.4	107	353.9	389.2	467.7
Banner, Stowlin	107.4	256.6	318.2	6.4	29.8	29	113.8	286.4	347.2
Surfachem, Elland	149.5	138.8	61.4	3.8	17.4	16.8	153.3	156.2	78.2
SampleRite UK	4.8	0	0	1.6	6.8	9.5	6.4	6.8	9.5
2M Manufacturing	130.8	181.9	221.6	58.2	60.1	62.8	189	242	284.4
Surfachem Head Office	0	0	0	5.2	5.6	15.5	5.2	5.6	15.5
2M Head Office	0	0	0	5	22.6	21.2	5	22.6	21.2
Filrite	1	1.7	6.6	4.5	5.1	5.4	5.5	6.8	12
Company Vehicles	105.6	144.5	85.4	-	-	-	105.6	144.5	85.4
TOTAL	1037.2*	1218.1	1254.4	258.3*	495.3	502.6	1295.5*	1713.4	1757

Subsidiary	Energy Consumption (MWh)		
	FY 24-25	FY 23-24	FY 22-23
Bregaglio	190.4	172.5	140.7
Laurichem	DM	DM	DM
CEO2	577.6	326.8	550.3
Chemir	58.8	74	77.4
Ingretech	13.5	23.3	N/A
Prady	185.8	205.7	130.7
SampleRite China	92.8	124.7	14.3
Surfachem Brazil	Closed	DM	DM
2M Equest	305.3	196.4	N/A
Banner Liverpool	83.6	73.8	104.1
Surfachem	321	526.8	320.2
Surfachem Nordic	DM	DM	DM
Surfachem Poland	DM	DM	DM
2MWT	31.1	55.2	55.7
Banner Teesside	1948	1677.6	1967.3
Banner, Stowlin	1201	1218.7	1410.2
Surfachem, Elland	691.8	648.9	314.3
SampleRite UK	63.1	32.6	49.3
2M Manufacturing	1043	1284.6	1432.9
Surfachem Head	29.1	26.9	80.2
2M Head Office	112.3	108.9	109.6
Filrite	29.4	31.6	52.3
Company Vehicles	613.4	651.8	430.1
TOTAL	7615.1*	7460.8	7239.5

4. Renewable Energy Projects, 2M

Renewable Electricity Total Consumption	Consumption (kWh) 24-25	Consumption (kWh) 23-24
Biomass Boiler - Stowlin	647400.00	1,395.40
Solar Panel Farm - Germany	75912.00	75,912.00
2M-UK Renewable REGO Contract	251092.40	-
Renewable Energy Contract - 2M Equest	78263.20	37,055.00
CEO2	396352.16	140,139.00
TOTAL Renewable Energy Consumption	1,449,019.76	254,501.40
% Renewables Use of Electricity Use	32.6%	12.2%
% Renewables Use of All Energy Use	19.0%	3.4%

Methodology & Changes

Note that the qualitative and quantitative data disclosed in the Appendix and the Report covers the financial period of **30th April 2024 - 1st May 2025, unless otherwise stated**. The scope of the reporting covers all 2M global subsidiaries, unless discounted as *de minimis* under the GHG Accounting Protocol, or explicitly stated otherwise in a deviation from the global scope

Scope 1 & 2 Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines using the 2025 UK Government's Conversion Factors for SECR reporting for any estimates produced in June 2025.

- Electricity Data (Scope 2)** was collected directly per site from the online platforms of energy suppliers for each site. Of the company's 23 sites, 4 did not have electricity data available, (Surfchem Office, Packed Chlorine, Filrite, Crafted/Surfchem including 3M University Labs) as part of larger areas and under long term leases. These sites were estimated using office and warehouse area, and energy intensity values local to the region.
- Transport Data (Fleet vehicles and company cars - Scope 1)** was calculated from the litres of fuel consumed per site and distance travelled in the financial year as per expense records.
To calculate diesel, petrol, gas oil or kerosene emissions in kgCO₂ equivalent, use the following formula: **Annual Fuel Emissions (kgCO₂eq.) = Annual Fuel Consumption (l) x Fuel Specific Emissions Factor (kgCO₂eq./l)**. For Mileage on Business Fleet a report was run using our HR software (Cascade) to give expensed mileage from grey-fleet and business vehicles for the first portion of 24/25 to November, the remaining miles were taken from dynamics (new ERP System) for the months November - April, Grey fleet was discounted and added to scope 3 calculations. **Annual Company Car Emissions (kgCO₂eq.) = Annual Company Car Mileage (miles) x Car Emissions per Mile (kgCO₂eq./miles)**
- Natural Gas Data (Scope 1)** natural gas emissions were calculated using energy consumption data from invoices from suppliers. To calculate natural gas emissions in kgCO₂ equivalent, use the following formula: **Annual Natural Gas Emissions (kgCO₂eq.) = Annual Gas Consumption (kWh) x Emissions Factor (kgCO₂eq./kWh)**
- Gas Oil (Gas Oil Boiler and FLT's - Scope 1)** data on litres of gas oil purchased for the gas oil boiler and Forklift Trucks (FLT's) is recorded by site management.
To calculate diesel, petrol, gas oil or kerosene emissions in kgCO₂ equivalent, use the following formula: **Annual Fuel Emissions (kgCO₂eq.) = Annual Fuel Consumption (l) x Fuel Specific Emissions Factor (kgCO₂eq./l)**.
- Wood Pellets (Scope 1)** energy consumption readings were taken directly from a meter connected to the biomass boiler. To calculate biogas or wood-chip emissions in kgCO₂ equivalent, use the following formula: **Annual Bio Emissions (kgCO₂eq.) = Annual Biofuel / Gas Consumption (kWh) x Biofuel Specific Emissions Factor (kgCO₂eq./kWh)**
- F-Gas / Refrigerants** Taken directly from waste records for disposal and engineering maintenance and gas top up records. Note 0 for 24/25 reported.
To calculate refrigerant emissions in kgCO₂ equivalent, use the following formula: **Annual Refrigerant Emissions (kgCO₂eq.) = Annual Refrigerant Release (kg) x Refrigerant Specific Emissions Factor (kgCO₂eq./kg)**

Scope 3 Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines using the 2025 UK Government's Conversion Factors for SECR reporting for any estimates produced in June 2025.

Extrapolation of Data - a sample size is used where data is available and extrapolated to include the totality of 2M using the following equation: **2M Emissions = Business Unit Emissions ((kgCO₂eq.) / (Business Unit)) x (2M Revenue (£)) / (Business Unit Revenue (£))**

- Products (Scope 3, Category 1)** - 2M's new ERP system (Dynamics), data analytics software was used to calculate the total volume of product moved, and to find the top 15 products.
For the selected sample of the top 15 products by revenue, the total emission for each product is calculated using the following: **Product Emissions (kgCO₂q.) = Carbon Footprint (kgCO₂eq / kg) x Product Volume (kg)**

Carbon footprint values are either taken from the EcolInvent database, or via carbon footprints from suppliers, or carbon footprints calculated in house. The total emissions for the top 15 products are then extrapolated outwards to the entire product list using revenue, as follows:

$$\text{Product List Emissions} = \text{Top 15 Emissions (kgCO}_2\text{e)} \times \frac{2\text{M Revenue (}\pounds\text{)}}{\text{Business Unit Revenue (}\pounds\text{)}}$$

The total emissions for that product list or list of supplies is then extrapolated outwards to include the rest of the businesses not covered by the list and the entire 2M as above.

2. **Capital Goods (Scope 3, Category 2)** - Spend based calculation for capital goods, based on 3 emissions sources; Capex / Project Spending; Fixtures, Fittings & Equipment (FF & E) Spend; and IT Spend. **Category 2 Emissions** = Total FF&E Spend (£) x FF&E Emissions Factor (kgCO₂e/£) + Total IT Spend (£) x IT Emissions Factor (kgCO₂e/£)
3. **Upstream Fuel & Energy (Scope 3, Category 3)** - Using the Climate Partner tool and the UK Government's Carbon Conversion factors 2025 in combination with Scope 1,2, and all transport data, the upstream impact from fuel and electricity use was calculated.
For UK subsidiaries, to calculate the upstream electricity emissions, the following formula is used: **Upstream Electricity Emissions** = Power Usage (kWh) x Upstream Electricity Emission Factor (kgCO₂ / kWh)
4. **Transport (Scope 3, Categories 4 & 9)** - Broadly, there are 2 types of transport across the business, shipping imports and exports, and land transport via tanker or truck.
Land - Requests for data are sent to the hauliers who operate on behalf of 2M. The total intra-UK emissions is calculated by each taking hauliers Scope 3 calculations and adding the total emissions together for all hauliers for the 12-month reporting period. The emissions total is then extrapolated outwards via spend to include non-UK BUs, and the 4 UK BUs who handle their own transport. This data is currently assigned as a split of 50:50 upstream to downstream.
Shipping Imports - shipping imports and exports, the sample used last year was Banner Group. For imports, this included the Chlorinated Solvents, Calcium Chloride, Urea Imports, Bulk Imports, Packed Imports, and CASE Imports BUs. For each of these BUs, the following formula is used: **Annual Shipping Imports Emissions** = Distance of Journey (km) x Emissions Factor (kgCO₂/kg/km) x Volume Shipped (kg) x Shipments Per Annum. The distance of the journey can be calculated using online distance data provided the starting and unloading destinations are known. Note that this excludes transport in the UK, to avoid double counting emissions from the intra-UK calculation above. Volumes and shipments per annum are collected from the 2M Transport Team. The total emissions across all BUs are then extrapolated to include the entire 2M by revenue.
5. **Waste (Scope 3, Categories 5)** - Waste and water usage figures are recorded using 2M's IMS (Integrated Management System), allowing the UK waste and water treatment environmental impact to be measured and extrapolated across the group. Waste emissions consist of 3 sources: **Middlesborough Water Borehole supply emissions** (emissions to purify water extracted): **Borehole Water Supply Emissions** = Total Water Used (m³) x Water Supply Emissions Factor (kgCO₂ / m³) Total annual borehole water used is available from 2M environmental reports. Water supply emissions factors are annually updated by the government. **Effluent Treatment Emissions: Effluent Treatment Emissions** = Total Water Discharged (m³) x Water Treatment Emissions Factor (kgCO₂ / m³). Annual water discharged in the UK is available from 2M IMS data collection spreadsheet. Water treatment emissions factors are annually updated by the government. **Waste Consumption Emissions: Waste Treatment Emissions** = Total Waste Incinerated (kg) x Waste Combustion Emissions Factor (kgCO₂ / kg) + Total Waste sent to Landfill (kg) x Landfill Emissions Factor (kgCO₂/kg) Total annual waste sent to landfill / incineration is available from 2M IMS data collection spreadsheet. Waste treatment emissions factors are annually updated by the government. Total Emissions for Waste Treatment = Borehole Water Supply Emissions + Effluent Treatment Emissions + Waste Treatment Emissions *Data is extrapolated from IMS sites to 2M Group Total* from 2026 data will be collected for all sites for more accurate figures for waste.
6. **Business Travel (Scope 3, Category 6)** - A report was run using our HR software (Cascade) to give expensed mileage from grey-fleet and business vehicles for the first portion of 24/25 to November, the remaining miles were taken from dynamics (new ERP System) for the months November - April. Direct Emissions for all (Minus Business fleet included in scope 1) and upstream emissions for all were applied from government conversion factors from the 2ghg-conversion-factors-2025-full-set. From the Gov.UK Website. **Total Car Business Mileage** = Non-Company Cars (Scope 3) + Company Cars (Scope 1) + Fuel Card Mileage (Scope 1)
Grey Fleet (Direct Emissions) = Grey Fleet Total Mileage (miles) x Vehicle-Based Emission Factor (kgCO₂ / mile). **Business & Grey Fleet (Upstream Emissions)** = Total Fleet Total Mileage x Upstream Vehicle-Based

Emission Factor (kgCO₂ / mile). Rail & Air and Taxi travel was also included using expenses costs from 24/25 from the cascade system extrapolated for the year using government figures on kg CO₂ vs Spend from the Conversion_factors_kgCO2_per__spent__by_SIC_code. From the Gov.UK Website. **(Rail/ Taxi/Flight) Emissions kg CO₂** = Spend £ (Rail/ Taxi/Flight) * UK emission factor by SIC code Emissions kg CO₂ / Emission Conversion Factor (passage per km) = Total KM * Upstream Emission Factor = Upstream Vehicle-Based Emission (Rail/ Taxi/Flight) Total is adjusted for UK vs Global using equation from section 1 and is calculated with equation: **Total Scope 3 Category 6 Emissions** = Grey Fleet (Direct Emissions) + Business & Grey Fleet (Upstream Emissions) + Taxi Tavel Emissions (Direct & Upstream) + Train Travel Emissions (Direct & Upstream) + Air Travel Emissions (Direct & Upstream)

7. **Employee Commuting (Scope 3 Category 7)** - HR Provided data on employees per site and work from home. Using survey traffic data from a provider, the average emissions per commute for each city were calculated for the sites. The calculation also factored in hybrid working arrangements and average amount of holiday taken in each country.

Commuting - Emissions factor data per day for a commuter from the closest cite data set are used. **Commuting Emissions Per Business Unit (kgCO₂ / year)** = Number of Employees x Average Commuting Emissions per Day per Employee (kgCO₂e / day) x No. of Days in Office

Home Working - For the sites with the 3-day work week, home working emissions apply. To calculate home working emissions per year, the following equation is used for each business unit: **Homeworking Emissions (kgCO₂/ year)** = Full Time Equivalent (FTE) Hours Home-Working (FTE hours/year) x Homeworking Emissions / FTE Hour (kgCO₂e / FTE hours). Homeworking Emissions / FTE Hour (kgCO₂e / FTE hours) is available in the government emissions factor directory. Total emissions are then summed up using Scope 3 Category 7 Emissions (kgCO₂e) = Total 2M Commuting Emissions + Total 2M Home Working Emissions

11. **Use of Products (Scope 3 Category 11)** - Analysis of the 2M portfolio showed 3 product groups that emit on use. **Ad-Blue & Urea** Ad-Blue is used in exhaust, and the urea mixture reacts with nitrous oxide (Nox) in the exhaust to form nitrogen but also decomposes to give carbon dioxide as a byproduct. $\text{CO}(\text{NH}_2)_2 + \text{H}_2\text{O} \rightarrow 2 \text{NH}_3 + \text{CO}_2$ (pre-hydrolysis of ammonia) $4 \text{NO} + 4 \text{NH}_3 + \text{O}_2 \rightarrow 4 \text{N}_2 + 6 \text{H}_2\text{O}$ (Nox removal) So, while Ad Blue removes Nox emissions, it still emits carbon dioxide upon use, although the emissions avoided by using Ad-Blue are 425x larger than the emissions released in the engine during the process. Since for every 1kg of diesel injected into an average engine, around 0.06 kg of AdBlue are used, the equivalent emissions from urea per 1 kg of AdBlue use were found (0.312 kgCO₂e / kg Ad-Blue). Annual Emissions from Ad-Blue Use = Total Annual Amount of Ad-Blue Sold x 0.312. As opposed to direct sale of Ad-Blue, some urea is sold on to a 3rd party called Top Blue who manufacture the Ad-Blue on behalf of 2M. This also produces emissions downstream on use. Therefore, the equivalent amount of Ad-Blue made from that urea is calculated using: **Annual Emissions from Urea Sale** = (Annual Amount of Urea Sold (kg) / 0.325) x 0.312.

Solvents NMVOC Emissions per kg of Downstream Solvent Use refers to an estimate of how much NMVOC escapes from a solvent containing product or formulation based on government records and environmental modelling for NMVOC emissions across the EU.

Annual Solvents Use Emissions = Annual Solvents Total Sold (kg solvent) x NMVOC Emissions per kg of Downstream Solvent Use (kg NMVOC / kg solvent) x NMVOC GWP Emissions Factor (kgCO₂e / kg NMVOC). **Dry-Ice** This is pure CO₂ so is simply: Annual Dry-Ice Use Emissions = Amount of Dry Ice Sold (kg)

12. **End Of Life Treatment of Sold Products (Scope 3 Category 12)** - Using a method developed by Evonik one of our strategic partners, we begun to assess end of life treatment for our top 15 products from Category 1. Stoichiometric carbon content in every product is calculated and then assume it biodegrades fully in the ecosystem to release all the embodied carbon of that product that year, as per the geographic carbon cycle. End of life treatment of the product is determined by its use, cosmetics and lubricants will biodegrade in the oceans to release their carbon; REACH classified substances with specific industrial cleaning applications, and so will be eventually disposed of via incineration; and others will use emissions factors for carbon dioxide in a landfill site. **Carbon Content:** Carbon Content = (Molecular Weight of all Carbons ÷ Total Molecular Weight). **Incineration:** Carbon Bio-Degraded (Incineration / Biogenic Ocean) = Stoichiometric Carbon Content (kgCO₂e / kg product) x Annual Volume Sold (kg). **Waste Water:** End of Life Wastewater Treatment Emissions = (% Disposed) x Annual Volume Sold (kg) ÷ Product Density (kg/m³) x Wastewater Treatment Emissions Factor (kgCO₂e / m³). **Landfill:** End of Life Landfill Waste Emissions = (% Disposed) x Annual Volume Sold (kg) x

Landfill Waste Emissions Factor (kgCO₂e / kg). The total emissions for the top 15 products is then extrapolated outwards to the entire product list using revenue, as follows: Product List Emissions = Top 15 Emissions (kgCO₂e) × (2M Revenue (£))/(Business Unit Revenue (£)) Total emissions are then summed up using: Scope 3 Category 12 Emissions (kgCO₂e) = Carbon Bio-Degraded (Incineration / Biogenic Ocean) + End of Life Wastewater Treatment Emissions + End of Life Landfill Waste Emissions

13. **Investments (Scope 3, Category 15)** - only the pensions emissions were calculated as investments, using: **Pension Related Emissions** = Financial Year Pension Value (£) x Pension Related Emissions Factor (kgCO₂e / £). Where the pension value provided was from the CFO / Finance Team. The emissions factor used was from Zero Bees.

KPI2 - Waste Intensity - Reduce Waste Intensity* by 10% by 2030

Total waste represents the sum in kilograms of all waste leaving 2M sites for treatment or disposal, measured at the point of transfer to the waste contractor and evidenced by Waste Transfer Notes, in line with GRI 306-3, with waste intensity calculated **as total waste (kg) divided by revenue (£)**; the organisational boundary includes all consolidated entities within 2M's environmental reporting scope, consistent with GHG and IMS boundaries, while excluding sites with fewer than five employees under the de minimis rule, waste generated off-site by downstream customers, and third-party waste not attributable to 2M activities such as out-of-date third-party stock or samples stored on 2M premises, in accordance with GRI reporting principles; packaging sent off-site for cleaning and return for reuse is tracked operationally but excluded from reported waste totals and only classified as waste once declared unusable and sent for treatment or disposal, with performance reported annually on a May–April financial year basis using FY 2024/25 as the baseline year and tracked annually for five years through to a 2030 target year. **% improvement=(Baseline-Actual)/(Baseline) X100**

KPI3 - Achieve Year-on-Year Improvement in Employee Sustainability Engagement

The Sustainability Engagement Score is designed to quantify how effectively employees understand, participate in, and adopt sustainability practices across the organisation. It provides a consistent, data-driven measure to track cultural change over time and inform targeted interventions.

The scoring methodology is structured across three dimensions; each dimension contains measurable metrics and an assigned weight reflecting its contribution to overall engagement.

Dimension	Metric Example	Weight
Awareness: Measures how well employees understand sustainability principles and company goals.	<ul style="list-style-type: none"> % completed sustainability /CSR training % who can correctly answer sustainability quiz questions (Annual) # who accessed sustainability resources from 2M 	40
Participation: Tracks engagement in sustainability-related activities beyond training	<ul style="list-style-type: none"> % attended sustainability events # volunteering days used # contributing ideas to sustainability forums 	35
Behavioural Change: Assesses actual changes in habits and practices aligned with sustainability.	<ul style="list-style-type: none"> % adopting green practices (Survey) % Reduction in paper usage per employee % using sustainable commuting options 	25

$$\text{Engagement Score} = (\text{Awareness} \times 0.40) + (\text{Participation} \times 0.35) + (\text{Behavioural Change} \times 0.25)$$

Occupational Health & Safety Reporting Methodology

The HSE gives methodologies for estimates on the levels of workplace injury. All estimates are based on an individual's most recent workplace injury in the 12-month reference period, and exclude injuries caused by road accidents since they fall outside HSE's authority. Information is presented as incidence and rates of all non-fatal injuries, and over-7-day absence injuries where we have reported to RIDDOR: [Measures of workplace injury: Definitions and formulae - HSE](#)

Injury incidence rate is defined as the injury incidence estimate divided by the estimated average number of people in employment in the 12-month reference period. Note: The estimate of the number of people in employment from the LFS is consistent with the International Labour Organisation (ILO) definition of employment. Under this definition employment includes both those who are in work during the reference period and those who are temporarily away from a job (for example, because they were on holiday or off sick). All non-fatal injuries include all self-reported workplace injuries (excluding injuries caused by road accidents). Over-3-day absence injuries include those self-reported injuries resulting in more than three consecutive (working and non-working) days away from work (not counting the day on which the accident happened). Over-7-day absence injuries include those self-reported injuries resulting in more than seven consecutive (working and non-working) days away from work (not counting the day on which the accident happened).

$$\text{Injury Incidence rate} = \left(\frac{\text{non - fatal injuries}}{\text{Empoyees}} \right)$$

The formulae used to calculate the incidence estimate and rate of over 7-day absence injury relating to individuals working in the last 12 months:

$$\text{Incidence rate (over - 7 - day absence)} = \left(\frac{\text{Incidence of over - 7 - day absence injury}}{\text{Emplpyee Numbers}} \right) \times 100,000$$

Methodology for Equivalency Statements

Equivalency statements (such as households powered, passenger flights avoided, or vehicle miles displaced) are provided for illustrative purposes only to help contextualise reported carbon savings. All equivalencies are derived by first calculating verified emissions reductions in tonnes of carbon dioxide equivalent (tCO₂e) using the UK Government GHG Conversion Factors (2025) and then converting these savings into reference activities using UK-recognised or internationally accepted factors (including Ofgem Typical Domestic Consumption Values and ICAO-aligned aviation estimates). Equivalencies represent indicative averages and do not reflect exact or site-specific outcomes; actual emissions may vary by technology, usage patterns, load factors, and methodology. These statements do not represent carbon offsetting, removals, or the generation of carbon credits, and figures are rounded to avoid overstating precision.

Annex - Key Definitions

Acronym	Definition
BBIA	Bio-based & Biodegradable Industries Association
BRC	Business Risk Committee
CBA	Chemical Business Association
CCA	Climate Change Agreement
CEO	Chief Executive Officer
CIRP	Cyber Incident Response Plan
CSR	Corporate Social Responsibility
DMSO	Di Methyl Sulf-Oxide
DM	De Minimis
ED&I	Equality Diversity & Inclusion
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
ESG	Environmental Social Governance
ESRS	European Sustainability Reporting Standards
EU-CSR	European Union Corporate Sustainability Reporting Directive
FREDIE	Fairness Respect Equality Diversity Inclusion & Engagement
FY 22-23	Financial Year 2022 - 2023
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HR	Human Resources
HSAWA	Health & Safety at Work Act
HSE	Health & Safety Executive
HVO	Hydrogenated Vegetable Oil
IBC	Intermediate Bulk Container
IMS	Internal Management System

ISO	International Organization for Standardization
KPI	Key Performance Indicator
LCA	Life Cycle Assessment
LED	Light Emitting Diode
MDR	Managed Detection & Response
MEC	Mono Ethylene Chloride
OH&S	Occupational Health & Safety
OSHA	Occupational Safety and Health Administration
PCF	Product Carbon Footprint
R&D	Research & Development
RC	Responsible Care
REACH	Registration, Evaluation, Authorisation, and Restriction of Chemicals
RSPO	Roundtable for Sustainable Palm Oil
SECR	Streamlined Energy & Carbon Reporting
STAR	Situation Task Action Result
STEM	Science Technology Engineering & Mathematics
UK-CBAM	United Kingdom Carbon Border Adjustment Mechanism
UN SDG	United Nations Sustainable Development Goal
UNGC	United Nations Global Compact
VIP	Very Important Person
WBCSD	World Business Council for Sustainable Development