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Enriching lives with care



FLAVOUR & FRAGRANCE GROUP · PERSONAL CARE

# SUSTAINABILITY REPORT

## FY 2025 / 26

Eternis Fine Chemicals Ltd. — progress on climate action, responsible sourcing, people and governance across our operations in India, the United Kingdom and Italy.

ETERNIS FINE CHEMICALS LTD.

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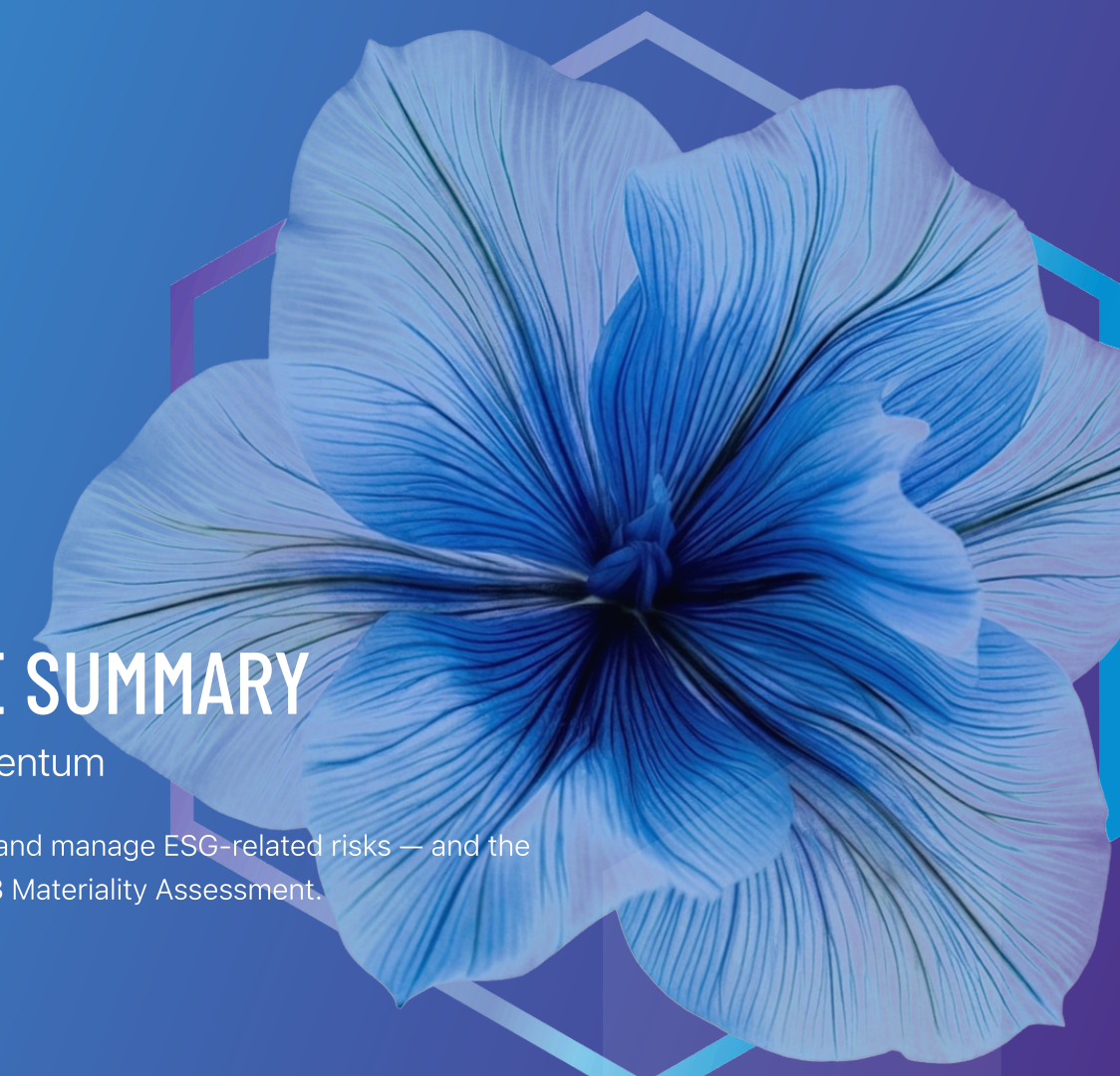
ABOUT THIS REPORT

This Sustainability Report has been prepared with reference to the GRI Standards 2021. Selected disclosures from the GRI Standards have been used to support the communication of the Company's material sustainability impacts and performance during the reporting period.



SECTION 01



# 01

# EXECUTIVE SUMMARY

## Milestones & Momentum

How we identify, assess and manage ESG-related risks — and the priorities set by our 2023 Materiality Assessment.

# OUR APPROACH

Eternis Fine Chemicals Ltd. ("Eternis") proactively identifies, assesses, and manages ESG-related risks in line with the priorities defined through our 2023 Materiality Assessment. By focusing on the issues that matter most to both our stakeholders and our business, we can allocate resources effectively, strengthen resilience, and support the long-term sustainability of our operations and strategy.

PRIORITY TOPICS 2023

- Climate change
- Human rights
- Sustainable sourcing
- Regulatory compliance
- Talent management

## MATERIAL TOPICS, ESG RISKS AND ADAPTATION MEASURES

Risk register aligned to the 2023 Materiality Assessment.

| MATERIAL TOPIC | RISK CATEGORY | IMPACT | ADAPTATION MEASURES |
|---|---|---|---|
| **Climate Change** | Physical & Transition Risk | Operational disruption from extreme weather events, resource scarcity, increased energy costs, and evolving regulatory requirements; changes in customer and investor expectations. | Commitment to Net Zero through the Science Based Targets initiative (SBTi); climate scenario analysis; energy efficiency initiatives; renewable energy procurement and emissions reduction programmes. |
| **Human Rights & Labour** | Social Risk | Reputational damage, supply chain disruptions, legal and regulatory penalties, and reduced stakeholder trust. | Supplier Code of Conduct; human rights and labour standards monitoring; global sustainability reporting through EcoVadis, achieving a score of 71, placing the Company within the top 15% of assessed organisations |
| **Sustainable Sourcing** | Supply Chain Risk | Supply disruption, resource scarcity, biodiversity impacts, and increased stakeholder scrutiny of supplier practices. | Integration of sustainability considerations into procurement processes; participation in Together for Sustainability (TfS) initiatives and supplier audits; engagement with suppliers to support emissions reduction and sustainability performance improvement. |
| **Regulatory Compliance** | Legal & Compliance | Financial penalties, market access restrictions, regulatory investigations, and reputational impacts. | Ongoing monitoring of emerging regulations; compliance management processes; alignment with applicable sustainability, environmental, and product stewardship requirements. |
| **Talent & Diversity** | Talent Risk | Skills shortages, reduced innovation capacity, lower employee engagement, and decreased competitiveness | Diversity, equity and inclusion programmes; employee development and succession planning; talent attraction, retention, and capability-building initiatives. |

01 · MATERIALITY LINK

The ESG risks outlined below correspond to high-priority topics identified in the 2023 assessment, including climate change, human rights, sustainable sourcing, regulatory compliance, and talent management. These areas represent both business-critical risks and stakeholder expectations, providing the foundation of our governance framework and risk management strategy.

**71**
EcoVadis score — top 15% of assessed organisations

**Net Zero**
SBTi-validated targets, Q4 FY25

**First**
Indian company accepted into Together for Sustainability

01 · KEY FIGURES

# KEY FIGURES

## ENVIRONMENT

**47%**

**Renewable electricity**

Electricity from renewable sources, with a commitment to increase this share over the next 3 years.

**Net Zero**

**Climate commitment**

Commitment to Net Zero through the Science Based Targets initiative (SBTi).

## SOCIAL

**0.05**

**Total Recordable Injury Rate**

TRIR reflects our continued commitment to a safe and healthy workplace.

**100%**

**Above the living wage**

Our entire workforce earned above the applicable living wage during the reporting period.

**100%**

**Product regulatory compliance**

Compliance with applicable global product regulations supports confidence, market access and responsible stewardship.

**0**

**Whistleblower incidents**

No incidents reported during the reporting period, supporting ethical conduct and accountability.

01 · SUSTAINABILITY JOURNEY

# ETERNIS SUSTAINABILITY JOURNEY

Three independent journeys — UK, India and Sharon Personal Care — progressively integrated into one global roadmap.

United Kingdom

India

Sharon Personal Care

One global roadmap

SECTION 02



# 02

# BUSINESS OVERVIEW

Company origins and evolution, global footprint, strategic acquisitions and manufacturing excellence.

**1965**
Founded as Hindustan Polyamides & Fibres

**2015**
Rebranded Eternis Fine Chemicals

**Top 10**
Global aroma chemical producer

## ORIGINS AND EVOLUTION

Eternis Fine Chemicals Ltd. (formerly Hindustan Polyamides & Fibres) was founded in 1965. Over six decades, the Company has evolved from oleochemicals into one of the world's leading producers of aroma chemicals, serving the global Flavour & Fragrance (F&F) industry with a broad and diversified portfolio.

## GLOBAL PRESENCE & MARKET LEADERSHIP

Eternis has established a robust global footprint, with manufacturing operations strategically located in India, the United Kingdom, and Italy.

These sites support customers worldwide while ensuring consistent standards of quality, safety, and environmental responsibility across our aroma chemical and personal care businesses.

To strengthen customer proximity and supply chain resilience, we also operate key distribution hubs in the United States, the Netherlands, and Singapore.

Our integrated global network reflects the Eternis DNA - Eternally Agile, Forever Customer Centric - enabling us to respond quickly to customer needs while ensuring reliable service, efficient logistics, and resilient supply chain operations across key international markets.



02 · GLOBAL PRESENCE

# ETERNIS GLOBAL FOOTPRINT

Manufacturing, R&D, hubs and commercial presence across the Group.

| # | LOCATION | PRESENCE |
|---|---|---|
| 1 | **US** | 1 Hub · Sales |
| 2 | **Latin America** | Sales |
| 3 | **UK** | 1 Mfg. plant · 1 R&D lab |
| 4 | **France** | Sales · JV for PC |
| 5 | **NL** | 1 Hub · Sales |
| 6 | **DE** | Sales |
| 7 | **Italy** | 1 Mfg. plant · 1 Center of Excellence for Application |
| 8 | **Israel** | 1 Center of Excellence for Innovation |
| 9 | **India** | Eternis Headquarter · 4 Mfg. plant · 1 Center of Excellence for R&D |
| 10 | **China** | Sales |
| 11 | **Singapore** | 1 Hub · Sales |

### MANUFACTURING

India (Pune, Nashik)
United Kingdom (Leek)
Italy

### DISTRIBUTION HUBS

United States
Netherlands
Singapore

### COMMERCIAL REACH

Nearly 90 countries
5 manufacturing sites

### FRAMEWORKS AND COMMITMENTS

EcoVadis Membership · SEDEX · LCA's · CDP · SBTi · Materiality assessment · UN Global Compact · TfSi · Annual sustainability report



# A TRANSFORMATION JOURNEY

Six decades of Eternis growth, from oleochemicals to a global specialty ingredients group.

| | |
|---|---|
| **1960s** | Pioneers in Oleochemicals · First dedicated fatty acids plant in India in 1962 |
| **1980s** | Start in Aroma chemicals · Acquisition of 1st Aroma chemical plant |
| **1990s** | Greenfield 2nd plant |
| **2000s** | Established new R&D Centre · Established fully automated hydrogen production |
| **2010s** | Started customer alliance products · Expansion of Effluent treatment system · Registered REACH for all products · Commissioned biomass boiler · Acquired AIMS (India) |
| **2020s** | Acquisition of Tennants Fine Chemicals (UK) · Construction of a new manufacturing facility in India · New International CEO joined · Acquisition of Sharon Personal Care (Italy) · JV with SO.F.I.A. Cosmetiques |

## STRATEGIC ACQUISITIONS

**2018** Strengthened our Coumarin production capabilities through the acquisition of AIMS Impex.

**2021** Acquired Tennants Fine Chemicals in the UK, now operating as Eternis UK, significantly expanding our manufacturing footprint by adding 26,000 tons of annual liquid chemical capacity and extending our commercial reach to nearly 90 countries.

**2024** Expanded our portfolio through the acquisition of Sharon Personal Care, a global provider of ingredient solutions for the personal care industry. This milestone accelerated our entry into high-growth market segments while broadening our offering of innovative ingredients designed to meet evolving customer expectations for performance, safety, and sustainability.



# SUSTAINABILITY COMMITMENT

Sustainability is embedded in our business strategy. The integration of Sharon Personal Care further strengthens our ability to deliver ingredient solutions that combine high performance with rigorous safety and environmental standards.

Across our operations, we continue to invest in technologies, manufacturing processes, and responsible practices that improve resource efficiency, reduce environmental impacts, and contribute to the well-being of our employees, customers, and the communities in which we operate.

## VISION & FUTURE OUTLOOK

At Eternis, our vision is to be a global leader in specialty chemicals by combining scientific expertise, operational excellence, and responsible innovation. By advancing sustainable chemistry and continuously improving our processes, we aim to create long-term value for our customers, support the transition toward more sustainable industries, and contribute positively to society and the environment.

OUR CARE VALUES

## ENRICHING LIVES WITH CARE.

Our CARE Values provide the foundation for our culture and guide how we conduct business responsibly, empowering our people to create lasting value for all stakeholders.




### COLLABORATIVE

We build strong teams grounded in trust. We speak openly, challenge ideas, and succeed together.




### ACCOUNTABLE

We take ownership and act with integrity. We stand behind our choices, focus on our customers, and deliver on commitments.




### RESPECTFUL

We listen, include all voices, and lead with humility. Diverse perspectives spark innovation and bring bold ideas to life.




### EFFICIENT

We act with discipline and purpose. We coordinate resources smartly, solve challenges, and deliver results — always prioritizing safety.

*The Way We Work. The Way We Lead.*



# MANUFACTURING EXCELLENCE

Eternis operates five manufacturing facilities strategically located in India, near Pune, Nashik, Leek (UK), and now in Italy through the integration of Sharon Personal Care operations. Together, these sites provide a diversified and resilient manufacturing network, supporting our global operations while maintaining high standards of quality, safety, operational excellence, and sustainability.

Our new facility near Pune, scheduled to become operational in early 2026, exemplifies our dedication to industrial growth and technological advancement. This strategic investment significantly boosts our manufacturing capacity, ensuring scalability and resilience in a dynamic global landscape.

The integration of Sharon Personal Care has significantly expanded our manufacturing capabilities and strengthened our position in the personal care industry. Building on our expertise in aroma chemicals, our portfolio has expanded to include a comprehensive range of ingredient solutions for the beauty and personal care industry, spanning active ingredients, functional ingredients, preservation systems, sun care solutions, and technologies for wet wipes. Through our dedicated Centers of Excellence for Application and Innovation and our global manufacturing network, we combine scientific expertise, formulation know-how, and advanced manufacturing capabilities to deliver innovative, safe, and high-performing solutions that meet evolving customer, consumer, and regulatory expectations.

**Portfolio.** Active and functional ingredients, preservation systems, sun care, wet-wipe technologies.

**Capability.** Centers of Excellence for Application and Innovation, global manufacturing network.

## Top 5

Aroma Ingredients Worldwide, Top Tier Personal Care Ingredients Player

## 6

Aroma Mfg facilities and 2 Personal Care Mfg facility in Italy, India

## 5

R&D/ Application Labs in UK, Italy, Israel, India

## Hubs

Strategically located Hubs closer to customers in US, EU & Singapore



SECTION 03

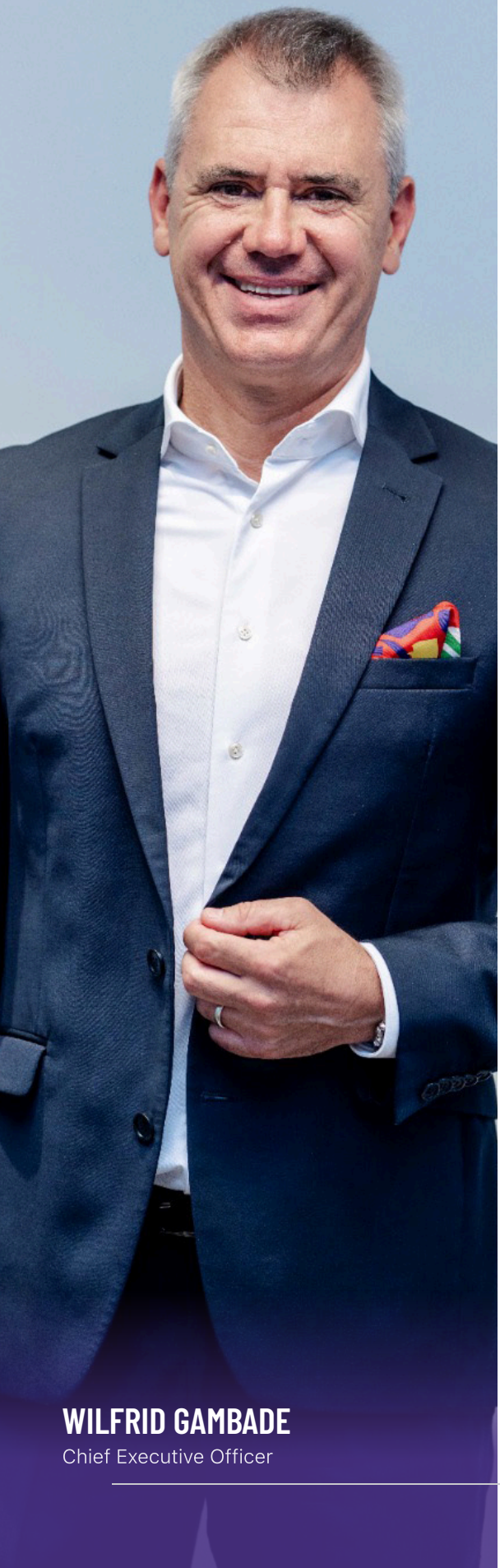


# 03

# MESSAGE FROM THE LEADERSHIP

Responsible growth, the integration of Sharon Personal Care, and the milestones that shaped this reporting year.

# MESSAGE FROM THE LEADERSHIP



**WILFRID GAMBADE**
Chief Executive Officer

At Eternis, we believe that long-term business success goes hand in hand with responsible growth. Sustainability shapes the way we innovate, invest, and operate, helping us create lasting value for our customers, our people, and the communities we serve.

This reporting year marks an important milestone with the integration of Sharon Personal Care into the Eternis Group. By bringing together complementary expertise, technologies, and capabilities, we are strengthening our position as a global provider of innovative ingredient solutions for the Flavour & Fragrance and Personal Care industries.

As we continue to grow, we remain committed to operating with integrity, reducing our environmental impact, strengthening the resilience of our operations, and providing a safe, inclusive, and respectful workplace for our people. Sustainability is embedded across our business, from responsible manufacturing and product stewardship to climate action and ethical governance.

This year, we reached two important milestones: the validation of our Net Zero targets by the Science Based Targets initiative (SBTi) and our acceptance as the first Indian company to join Together for Sustainability (TfS). These achievements reflect our commitment to advancing sustainability through climate action, responsible sourcing, and industry collaboration.

Our progress is driven by our people. Across the Group, our C.A.R.E. Values — Collaborative, Accountable, Respectful, and Efficient — guide how we work, make decisions, and build trusted relationships with our customers, partners, and communities. Together with our commitment to ethical business conduct and the Ten Principles of the United Nations Global Compact, they provide the foundation for responsible and sustainable growth.

While our sustainability journey continues to evolve, I am confident that our shared purpose, strong values, and commitment to innovation will enable Eternis to create lasting value for all our stakeholders and contribute to a more sustainable future.

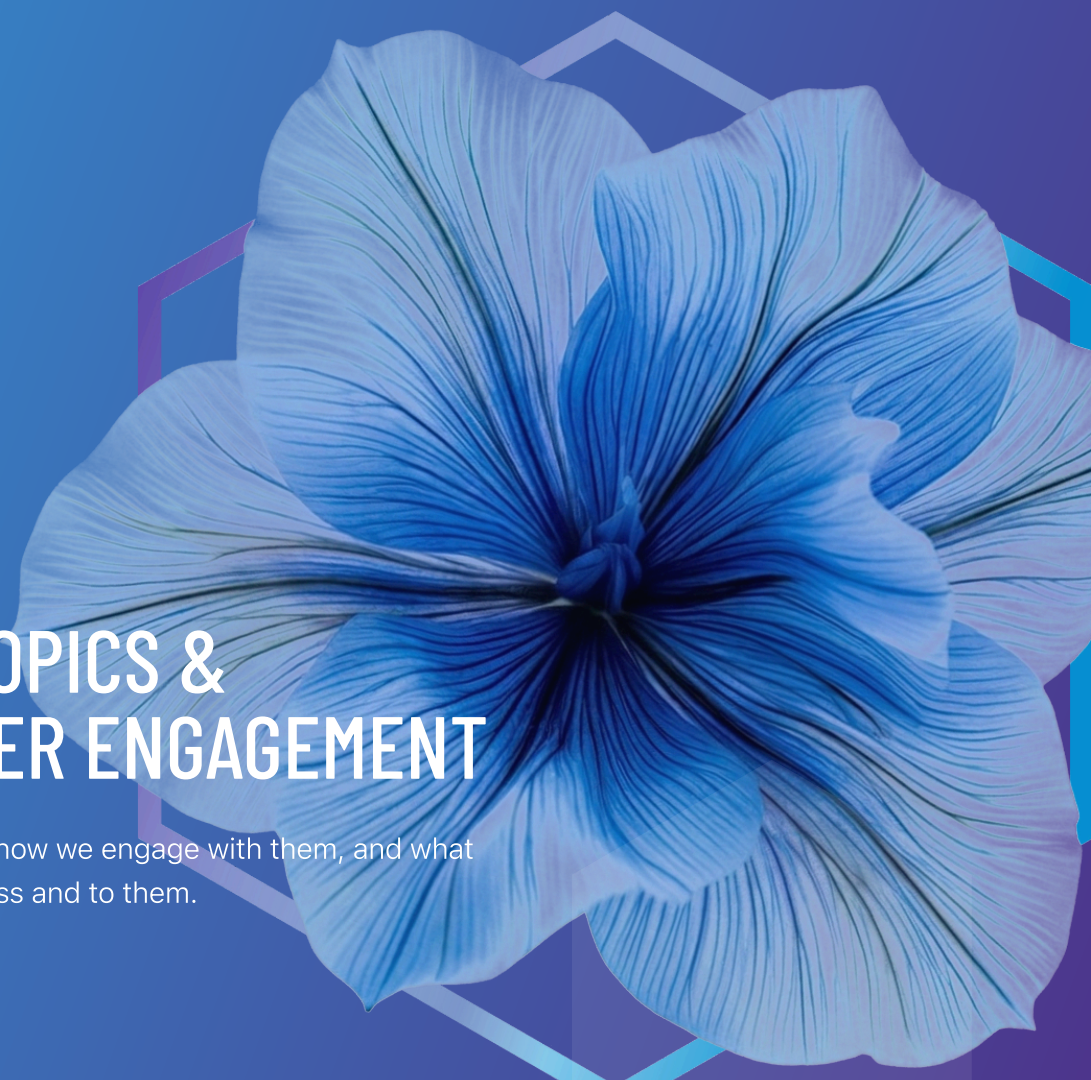
**Together, we are building a stronger, more resilient, and more sustainable Eternis.**

SECTION 04

# 04

# MATERIAL TOPICS & STAKEHOLDER ENGAGEMENT

Who our stakeholders are, how we engage with them, and what matters most to our business and to them.



# WHY STAKEHOLDER ENGAGEMENT MATTERS

Meaningful stakeholder engagement is fundamental to how Eternis creates long-term value and advances its sustainability strategy. We recognise that our stakeholders, ranging from employees and customers to suppliers, regulators and communities, provide valuable perspectives that help us identify emerging challenges, understand evolving expectations, and make more informed decisions. By listening actively and engaging consistently, we ensure our actions reflect shared priorities and contribute to a more resilient and responsible business.

## OUR STAKEHOLDERS

We prioritise open and transparent communication with our stakeholders to foster trust, collaboration, and mutual understanding. Through structured engagement, we ensure that the voices of our employees, customers, suppliers, communities, and other key partners are heard and reflected in our decision-making. The table below outlines our primary stakeholder groups, how we engage with them, and the frequency of these interactions.

| STAKEHOLDER GROUP | HOW WE ENGAGE | FREQUENCY | PURPOSE |
|---|---|---|---|
| **Employees** | Surveys, town halls, recognition programs | Annual / Quarterly | Culture, feedback, retention |
| **Customers** | Feedback platforms, NPD collaboration | Ongoing | Product development, satisfaction |
| **Suppliers** | Sustainability forums, audits | Biannual | Compliance, innovation |
| **Communities** | Outreach, education programs | Ongoing | Social impact, awareness |
| **Regulators** | Compliance reviews, consultations | As required | Legal alignment, transparency |
| **NGOs & Partners** | Joint initiatives, dialogue | Project-based | Collaboration, advocacy |

# MATERIALITY: WHAT MATTERS MOST

In FY23, we conducted a comprehensive materiality assessment aligned with global standards (GRI, IFRS S1/S2, CSRD). This process helped us identify and prioritise the sustainability topics most relevant to our stakeholders and business strategy.

**STEP 01**
Stakeholder mapping and engagement

**STEP 02**
Impact analysis across our operations

**STEP 03**
Prioritisation of topics based on relevance, risk, and opportunity

**STEP 04**
Integration into strategic planning and reporting

## LOOKING AHEAD

As we continue to strengthen our sustainability journey, 2026 will mark an important step in further integrating ESG considerations into our business strategy. Building on the outcomes of our upcoming materiality assessment, we will establish a refreshed set of sustainability objectives for 2026–2027, ensuring our priorities remain aligned with stakeholder expectations, evolving regulations, and internationally recognised best practices.

Over the coming year, we will strengthen our external sustainability commitments by increasing participation in global frameworks, including the UN Global Compact, Science Based Targets initiative (SBTi), CDP and EcoVadis.

We will also continue to evolve our governance and reporting approach. In 2026, we aim to establish a dedicated ESG Board subcommittee, to provide strategic oversight, enhance executive accountability, and monitor progress against clearly defined sustainability objectives and agreed sustainability KPIs.

Climate action will continue to be a central focus. We will advance initiatives to reduce operational greenhouse gas emissions, increase the use of renewable electricity across our operations, and improve energy efficiency while laying the foundations for future decarbonisation technologies. Alongside this, we will work across sales and procurement functions to address value-chain emissions through lower-carbon products, enhanced collaboration, and increased availability of Product Carbon Footprint (PCF) data.

Responsible sourcing will continue to be advanced through alignment with Together for Sustainability (TfS), including expanded supplier code coverage, supplier audits and improved availability of product carbon footprint data.



SECTION 05



# 05

# ENVIRONMENTAL PERFORMANCE

Progress against our environmental goals and commitments — greenhouse gas inventory, energy, waste and water.

# SCOPE 1 AND SCOPE 2 EMISSIONS

All figures in $tCO_2e$. FY 2023/24 is the baseline year.

| EMISSION SOURCES | UNITS | 2023/24 (BASELINE YEAR) | 2024/25 | 2025/26 |
|---|---|---|---|---|
| **SCOPE 1** | | | | |
| Stationary combustion fuels and equipment | $tCO_2e$ | 17,922 | 19,231 | 15,421 |
| Mobile combustion fuels and vehicle emissions | $tCO_2e$ | 12 | 21 | 51 |
| Fugitive emissions | $tCO_2e$ | 2,075 | 420 | 1,281 |
| Process emissions | $tCO_2e$ | 9,453 | 10,166 | 8,675 |
| Land-use change emissions | $tCO_2e$ | 0 | 0 | 0 |
| Exclusions | $tCO_2e$ | 0 | 0 | 0 |
| **Total Scope 1** | **$tCO_2e$** | **29,462** | **29,838** | **25,410** |
| **SCOPE 2 (MARKET BASED)** | | | | |
| Consumed electricity | $tCO_2e$ | 9,476 | 12,981 | 14,325 |
| District heating | $tCO_2e$ | 0 | 0 | 0 |
| Other heating / cooling | $tCO_2e$ | 0 | 0 | 0 |
| Other emissions source | $tCO_2e$ | 0 | 0 | 0 |
| Exclusions | $tCO_2e$ | 0 | 0 | 0 |
| Bioenergy emissions | $tCO_2e$ | 597 | 661 | 684 |
| Bioenergy removals | $tCO_2e$ | 35,700 | 38,878 | 40,836 |
| Bioenergy exclusions | $tCO_2e$ | 35,700 | 38,878 | 40,836 |
| **Total Scope 2** | **$tCO_2e$** | **10,073** | **13,642** | **15,009** |

# SCOPE 3 EMISSIONS BY CATEGORY

| CATEGORY | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|
| Category 1 | 238,524 | 297,523 | 285,422 |
| Category 2 | 3,233 | 4,689 | 2,290 |
| Category 3 | 20,468 | 23,074 | 5,502 |
| Category 4 | 20,012 | 28,659 | 13,832 |
| Category 5 | 759 | 6,680 | 72 |
| Category 6 | 266 | 544 | 512 |
| Category 7 | 597 | 614 | 386 |
| Category 8 | 0 | 0 | 0 |
| Category 9 | 0 | 0 | 4,106 |
| Category 10 | 12,728 | 14,597 | 18,143 |
| Category 11 | 0 | 0 | 0 |
| Category 12 | 12,429 | 13,347 | 15,433 |
| Category 13 | 0 | 0 | 0 |
| Category 14 | 0 | 0 | 0 |
| Category 15 | 0 | 0 | 0 |
| **Total Scope 3** | **309,016** | **389,727** | **345,718** |

SCOPE 3 BY CATEGORY, 2025/26

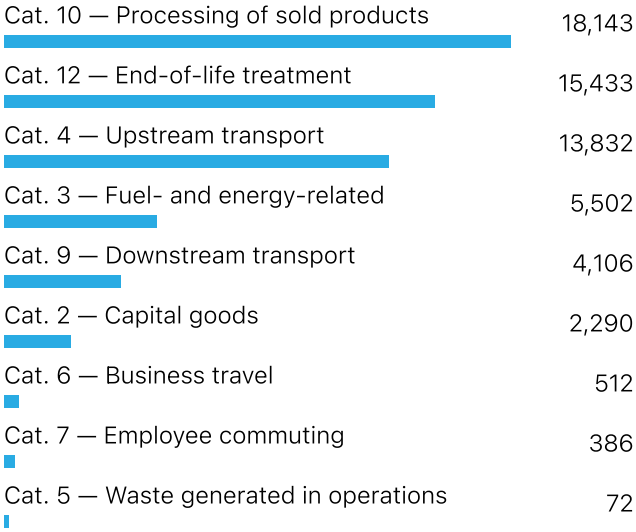
CAT. 1 — PURCHASED GOODS AND SERVICES

**285,422**

83% of total Scope 3 emissions

Total Scope 3 **345,718**

REMAINING CATEGORIES — BARS SCALED TO CAT. 10




$tCO_2e$. Category 1 and the remaining categories use different scales. Categories 8, 11, 13, 14 and 15 report zero and are not charted.

# OUR ENVIRONMENTAL FOCUS

At Eternis, sustainability is a core pillar of our business strategy. We are committed to reducing our environmental impact while safeguarding the planet for future generations. Our environmental strategy focuses on climate action, energy efficiency, air quality, water stewardship, waste management, and strong Health, Safety & Environment (HS&E) practices. By integrating these priorities into our operations, we aim to enhance resilience, drive continuous improvement, and create long-term value for our stakeholders.

## KEY ENVIRONMENTAL HIGHLIGHTS (FY25/26)

| | |
|---|---|
| Hydrogen Fuel Recovery Project | Launch of a hydrogen fuel recovery project, which entered the commissioning phase in FY25/26 and is expected to be fully operational in 2026, supporting future Scope 1 emissions reductions. |
| Renewable Energy Strategy | Approval of a renewable energy strategy to support a continued increase in renewable energy usage, including the planned expansion of certified green electricity sourcing from FY27/28. |
| On-site Nitrogen Generation | Installation of an on-site nitrogen generation system to replace purchase of liquid nitrogen, reducing our Scope 3 greenhouse gas emissions while improving operational efficiency and supply reliability. |
| Zero Liquid Discharge | Through our Zero Liquid Discharge (ZLD) system, we recovered and reused 53,528 kL of water, equivalent to 21% of our total water consumption. |
| Water Efficiency | In FY 2025/26, we achieved a significant improvement in water efficiency, reducing water consumption intensity from a baseline of 4.71 to 4.29 in the reporting year — an approximate 9% reduction, substantially exceeding our target of a 2% reduction.<br><br>This performance reflects continued focus on operational efficiency, improved water management practices and progress across our sites. |

# REDUCING OUR CARBON FOOTPRINT

Eternis is committed to achieving significant reductions in greenhouse gas (GHG) emissions across its operations. Our Flavour & Fragrance division has developed targets aligned with the Science Based Targets initiative (SBTi), validated in Q4 FY25, with plans to expand alignment across other business units.

OUR CLIMATE TARGETS

**42%**
Absolute reduction in Scope 1 & 2 by 2030 (baseline FY23)

**35%**
Absolute reduction in Scope 3 by 2034 (baseline FY23)

**90%**
Absolute reduction in total GHG emissions by 2050 — Net Zero

## TRACKING EFFICIENCY THROUGH INTENSITY METRICS

In addition to our SBTi-validated absolute reduction targets, Eternis monitors internal intensity metrics to assess operational efficiency and drive continuous improvement. These metrics provide valuable insights into performance relative to production volumes and include:

- Corporate energy consumption per ton of products manufactured.
- Water usage per ton of products manufactured.

These indicators help us evaluate progress in real-time and ensure that sustainability improvements are embedded across all levels of production, even as our business evolves.

**To support these goals, we are:**

Implementing a hydrogen fuel recovery project to reduce Scope 1 emissions.

Transitioning to renewable energy sources across key sites.

Conducting Life Cycle Assessments (LCA) for over 80% of our product portfolio to identify GHG hotspots and develop low-carbon alternatives.

Engaging suppliers and partners to reduce Scope 3 emissions through collaborative initiatives.

# ENERGY CONSUMPTION & MANAGEMENT

| EMISSION SOURCES | UNITS | 2023/24 (BASELINE YEAR) | 2024/25 | 2025/26 |
|---|---|---|---|---|
| **SCOPE 2 (MARKET BASED)** | | | | |
| Consumed electricity | KWh (GJ) | 38,404,672 (138,257) | 42,048,980 (151,376) | 42,563,191 (153,227) |
| Bioenergy removals | KWh (GJ) | 87,059,671 (313,415) | 96,421,158 (347,116) | 99,735,266 (359,067) |
| Bioenergy exclusions | KWh (GJ) | 87,059,671 (313,415) | 96,421,158 (347,116) | 99,735,266 (359,067) |
| **Total** | **KWh (GJ)** | **38,404,672** (138,257) | **42,048,980** (151,376) | **42,563,191** (153,227) |

CONSUMED ELECTRICITY, KWH






05 · WASTE

# WASTE MANAGEMENT

| ROUTE | WASTE CATEGORY | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|
| **Recycled** | Hazardous (Mton) | 1,513 | 1,540 | 9,788 |
| | Non-Hazardous (Mton) | 6,720 | 7,931 | 8,652 |
| **Disposed** | Hazardous (Mton) | 4,725 | 6,794 | 2,172 |
| | Non-Hazardous (Mton) | 0 | 0 | 826 |
| **Total** | **Mton** | **12,958** | **16,265** | **21,438** |
| **Intensity** | Mton / T product | 0.253 | 0.258 | 0.364 |

05 · WATER

# WATER MANAGEMENT

| VOLUME IN KL | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|
| Withdrawal | 340,909 | 325,039 | 324,152 |
| Discharge | 99,634 | 60,735 | 71,640 |
| Consumption | 241,275 | 264,304 | 252,512 |
| Water recovered through Zero Liquid Discharge | — | — | 53,528 |
| Intensity (withdrawal) | 6.66 | 5.15 | 5.50 |
| Intensity (consumption) | 4.71 | 4.19 | 4.29 |

**53,528 kL**

Water recovered and reused through ZLD — 21% of total consumption

**–9%**

Water consumption intensity FY25/26 vs baseline year (4.71 → 4.29)



SECTION 06



# 06

# SOCIAL PERFORMANCE

Our people, their health and safety, inclusion and engagement — with the social KPIs that track our progress.

06 · SOCIAL KPIS

# INFORMATION TECHNOLOGY & INFORMATION SECURITY

FY 2025/26.

**0**
Privacy breach incidents

**100%**
InfoSec trainings provided

**98%**
Vulnerability closure rate

| SOCIAL KPI | UNITS | 2025/26 |
|---|---|---|
| Total number of privacy breach incidents | Number | 0 |
| Average training hours — Data Privacy & DPDP trainings for eligible functions | Hours | 22 |
| InfoSec trainings provided | % | 100% |
| Effectiveness checks — phishing email simulation & behaviour-based analysis | % | 73.51% |
| Third-party risk management & assessment | % | 100 |
| ISMS policy review | % | 100 |
| Vendor issues remediated | % | 100 |
| Critical vendors assessed | % | 100 |
| Access control policy | % | 100 |
| Incident management policy | % | 100 |
| Vulnerability closure rate | % | 98 |
| Patch compliance rate | % | 97 |
| Business Continuity Planning (BCP) drills | % | 100 |
| Data backup drills | % | 100 |
| Vulnerability Assessment and Penetration Testing (VAPT) | % | 100 |
| ISO 27001:2022 audits | % | 100 |

# HUMAN RESOURCES

**721**
Total employees

**83**
Female employees

**638**
Male employees

**100%**
Return-to-work rate, parental leave

| SOCIAL KPI | UNITS | 2025/26 |
|---|---|---|
| Total employees in annual / fiscal year | | 721 |
| Total female | | 83 |
| Total male | | 638 |
| Total full-time employees | | 719 |
| Total female full-time employees | | 83 |
| Total male full-time employees | | 648 |
| Employees who took parental leave | | 31 |
| Employees who took maternity leave | | 3 |
| Employees who took paternity leave | | 33 |
| Resumed office post completion of parental leave | | 31 |
| Resumed office post completion of maternity leave | | 3 |
| Resumed office post completion of paternity leave | | 33 |
| In continuous service 12 months after returning from parental leave | | 31 |
| In continuous service 12 months after returning from maternity leave | | 3 |
| In continuous service 12 months after returning from paternity leave | | 33 |
| Return to work rate — parental | % | 100 |
| Return to work rate — maternal | % | 100 |
| Return to work rate — paternal | % | 100 |
| Retention rate — parental | % | 100 |
| Retention rate — maternal | % | 100 |
| Retention rate — paternal | % | 100 |
| Timely wage payment | % | 100 |
| Wage-related grievances | | 0 |
| Wage compliance incidents | | 0 |
| Human-rights grievances filed | | 0 |
| Human-rights grievance closure rate | % | 100 |



# ENVIRONMENT, HEALTH AND SAFETY

| INDICATOR | UNITS | 2025/26 |
|---|---|---|
| No. of health & safety lawsuits | | 2 |
| H&S policy coverage | % | 100 |
| Fatalities | | 0 |
| Lost Time Injury Frequency Rate (LTIFR) | | 506 |
| Total Recordable Injury Rate (TRIR) | | 0.05 |
| Absenteeism due to injury | | 5 |
| Significant process safety incident rate | % | 0 |
| Total near miss | | 1,728 |
| H&S training coverage | % | 88 |
| Workplace safety inspections | | 911 |
| Periodic health check coverage | % | 100 |
| Closure of OHS corrective actions | % | 91 |

# QUALITY ASSURANCE / CONTROL

| INDICATOR | UNITS | 2025/26 |
|---|---|---|
| Quality audit findings | | 25 |
| Serious non-conformances | | 17 |
| Product recall events | | 0 |
| Recall effectiveness | | N/A |
| Internal audit compliance rate | % | 98 |

# CARING FOR OUR PEOPLE

EHS MANAGEMENT SYSTEM

## OUR APPROACH

The health, safety, and wellbeing of our people are fundamental to the way we operate. We are committed to providing a safe, healthy, and inclusive workplace where every employee can thrive. Beyond ensuring compliance with applicable regulations, we strive to foster a proactive safety culture that promotes individual responsibility, continuous learning, and respect for one another.

Protecting our people means preventing occupational injuries and illnesses, supporting physical and mental wellbeing, and providing employees with the training, tools, and resources they need to work safely every day.

## GOVERNANCE AND MANAGEMENT

Our EHS Management System is aligned with international standards and the ISO 14001 and ISO 45001 where applicable and provides a robust framework for continuous improvement in EHS performance.

Oversight of our EHS strategy is provided by the Executive Committee, with implementation led by dedicated Global Head of EHS and the respective EHS teams at each operating site. Through common policies, defined responsibilities, and regular performance reviews, we promote a consistent approach to health and safety across all our operations.

To maintain high standards of performance, we conduct regular internal and external audits, while continuously reviewing our management systems to identify opportunities for improvement.

RCMS FRAMEWORK

EHS management | Reporting | Safety | EHS training | Health | Chemicals | Environment | Fire and explosion | Security | Emergency

## OCCUPATIONAL HEALTH AND SAFETY: KEY HIGHLIGHTS

| RISK & SAFETY MEASURE | CURRENT STATUS |
|---|---|
| Total Recordable Injury Rate (TRIR) | 0.05 |
| Health and safety training coverage | 88% |
| Significant process safety incident rate | 0 |
| Risk assessment frequency | Every 5 years |

# PEOPLE, DIVERSITY AND INCLUSION

During FY 2025–26, Eternis continued to strengthen its people strategy to align with the Company's expanding global footprint and evolving business priorities. Recognizing that sustainable growth is driven by talent, the Company focused on building a high-performing, agile, and inclusive workforce capable of supporting operations across diverse markets.

Key areas of focus included strengthening leadership capability and investing in employee development through targeted learning and upskilling initiatives. The Company also prioritized succession planning and internal mobility to create a robust leadership pipeline and provide employees with broader career growth opportunities.

As Eternis expanded its international business presence, greater emphasis was placed on fostering a unified culture across geographies while remaining sensitive to local market needs. Initiatives promoting collaboration, diversity, equity and inclusion, and employee engagement helped reinforce a sense of belonging and shared purpose across the organization.

In parallel, the Company strengthened its performance management framework to ensure clear goal alignment, accountability, and recognition of high performance.

**KEY INITIATIVE — BECOME, BELIEVE, BELONG**

During FY 2025–26, Eternis strengthened its talent management approach through a series of targeted initiatives designed to attract, develop and retain high-quality talent. Central to these efforts was the launch of the Company's people strategy, "Become, Believe, Belong", which provides a clear framework for employee growth, engagement and inclusion. The strategy reflects Eternis' commitment to creating an environment where employees can develop their capabilities, contribute meaningfully to business success, and feel a strong sense of connection to the organization's purpose and C.A.R.E values.

Our approach to inclusion continues overleaf.



# CREATING AN INCLUSIVE WORKPLACE

At Eternis, we recognize that inclusion, diversity and equity, are not just ethical imperatives, they are critical drivers of innovation and creativity and central to our vision of making Eternis an employer of choice. Our commitment is to cultivate an environment where every individual feels respected, valued, and empowered to contribute their unique perspectives.

By embracing diversity across gender, nationality, ethnicity, age, ability, and background, we create a workplace where belonging and opportunity thrive. This approach ensures that our workforce reflects the global markets we serve and strengthens our ability to deliver sustainable growth while fostering a culture that employees are proud to be part of.

Our commitment to inclusion reflects our C.A.R.E. Values—Collaborative, Accountable, Respectful, and Efficient—which guide the way we work every day. By promoting respect, equal opportunities, and collaboration across our global organisation, we create an environment where individuals can develop their potential and contribute to the long-term success of the business.

We recognise that our success depends on attracting, developing, and retaining talented people from diverse backgrounds. By embedding diversity, equity, and inclusion into our culture and everyday practices, we continue to build a resilient organisation where everyone has the opportunity to grow, contribute, and succeed.

### OUR COMMITMENT

- Embed diversity, equity, and inclusion into every aspect of our culture and operations.
- Foster a workplace where everyone feels respected, valued, and empowered.

### KEY ACTIONS

- Inclusive hiring practices
- Unconcious bias training.
- Intercultural awareness training

### WHY IT MATTERS

- Inclusion drives innovation, creativity, and sustainable growth.
- A diverse workforce strengthens our ability to serve global customers.
- Making Eternis an employer of choice ensures long-term success and employee pride.



# EMPLOYEE ENGAGEMENT

Our people are the driving force behind Eternis' success. We are committed to creating a workplace where individuals can develop their potential, contribute meaningfully, and grow both personally and professionally. By promoting wellbeing, continuous learning, and an inclusive working environment, we foster a culture where people are engaged, motivated, and equipped to succeed.

FY25 was a transformative year for Eternis, marked by significant enhancements to employee-centric policies and programs. We revised existing frameworks and introduced new initiatives to maximize benefits, improve satisfaction, and strengthen well-being. From upgrading our Human Resource Information System for better decision-making to developing an online Learning Management System (LMS), to be delivered in 2026 for continuous skill development, every step reflects our commitment to building a progressive, people-first workplace. Our new People Management Cycle incorporates a holistic and transparent view of people assessment, people development and people growth enabled by continuous dialogue at the workplace.

Engagement at Eternis is driven by transparency and collaboration. Quarterly townhall meetings provide opportunities for dialogue between leadership and employees, while our enhanced Compensation and Benefit framework promotes fairness, transparency, and alignment with our C.A.R.E. Values.

Our focus on learning and development remains strong. Through structured training calendars, and value-driven systems, we provide opportunities for skilling and reskilling that prepare our workforce for future challenges. These initiatives, combined with robust compliance policies and a clear Code of Conduct, foster professionalism, trust, and accountability across the organization.

Guided by our C.A.R.E. Values, we are creating a workplace where people feel supported, empowered, and inspired to grow. By investing in our employees, we strengthen not only individual potential but also the long-term resilience and success of Eternis.

### KEY ACTIONS

- Reward & Recognition framework for fairness and value alignment.
- Quarterly townhalls to encourage open dialogue and engagement.
- Great Place to Work survey to assess and improve workplace culture.

### PROGRESS & INITIATIVES

- HR Information System upgrade for streamlined operations.
- Launch of LMS for continuous learning and skill development.

## KEY SOCIAL HIGHLIGHTS (FY25/26)

- Over 100 employee days contributed to local community development projects.
- Provision of education materials to primary school.
- Development of infrastructure of a primary school and provision of education materials.
- Improving environment through a tree plantation program.

SECTION 07

# 07

# GOVERNANCE AND ETHICS

Board composition, business ethics, governance disclosures, responsible sourcing and product stewardship.



# GOVERNANCE AT ETERNIS

At Eternis, effective governance is the foundation of our long-term success and the bedrock of our integrity. We are committed to fostering a culture of transparency, accountability, and inclusivity, ensuring that every decision we make aligns with our core values and ethical standards.

We believe that any business can be conducted ethically only when it rests on the six core values viz. Customer Value, Ownership Mindset, Respect, Fairness, Integrity, One Team One Goal. The Company's Business Ethics & Code of Conduct provides the overarching philosophy of its Corporate Governance practices. Our Business Ethics & Code of Conduct inspires us to set standards that not only meet applicable legislation but also go beyond its requirements in many areas of our operations.

With a strong governance philosophy, we have a multi-tiered governance structure with defined roles and responsibilities of every constituent of the governance system which includes Board of Directors, Board Committees, Group Executive Committee, Key Global Executives and Regional & Functional Heads. Sustainable governance is essential to uphold the highest standards of corporate conduct in our interactions with stakeholders, including the communities we engage with, and the environment we influence.

This approach paves the way for steady, competitive, profitable, and responsible growth, fostering long-term value creation for all stakeholders. All Directors and employees are bound by the Code of Conduct that sets out the fundamental standards to be followed in all activities carried out on behalf of the Company.

**9**
Board meetings in FY26

**12.5%**
Women on the Board

**100%**
Audit Committee members with financial expertise

**0**
Whistleblower incidents reported



# GOVERNANCE STRUCTURE

Multi-tiered structure with defined roles and responsibilities for every constituent of the governance system.

| | |
|---|---|
| **BOARD OF DIRECTORS** | Strategic oversight and accountability |
| **BOARD COMMITTEES** | Audit · Nomination and Remuneration · Corporate Social Responsibility · Risk Management |
| **GROUP EXECUTIVE COMMITTEE** | Execution of strategy; EHS and sustainability oversight |
| **KEY GLOBAL EXECUTIVES** | Functional leadership across the Group |
| **REGIONAL & FUNCTIONAL HEADS** | Implementation at site and market level |

## CORE PRINCIPLES OF GOVERNANCE

1. Values and Ethics
2. Transparency and Accountability
3. Fairness and Equity
4. Management / Board and Committees
5. Giving back to Community / Society
6. Policies and Regulatory Frameworks

# COMPOSITION AND RESPONSIBILITIES OF THE BOARD

## BOARD OF DIRECTORS

| SR | NAME | NATURE OF DIRECTORSHIP |
|---|---|---|
| 1 | **Mr. Harsh Mariwala** | Chairman |
| 2 | **Mr. Rajendra Mariwala** | Managing Director |
| 3 | **Mr. Shailendra Arora** | Whole-time Director |
| 4 | **Dr. Ravindra Mariwala** | Non-Executive Non-Independent Director |
| 5 | **Ms. Anita Belani** | Non-Executive Non-Independent Director |
| 6 | **Mr. Ketan Dalal** | Independent Director |
| 7 | **Mr. Vivek Karve** | Independent Director |
| 8 | **Mr. Achim Daub** | Independent Director |

## AUDIT COMMITTEE

| SR | NAME | NATURE OF DIRECTORSHIP | DESIGNATION |
|---|---|---|---|
| 1 | **Mr. Ketan Dalal** | Independent Director | Chairperson |
| 2 | **Mr. Vivek Karve** | Independent Director | Member |
| 3 | **Mr. Rajendra Mariwala** | Managing Director | Member |



# COMPOSITION AND RESPONSIBILITIES OF THE BOARD

## NOMINATION AND REMUNERATION COMMITTEE

| SR | NAME | NATURE OF DIRECTORSHIP | DESIGNATION |
|---|---|---|---|
| 1 | **Ms. Anita Belani** | Non-Executive Non-Independent Director | Chairperson |
| 2 | **Mr. Ketan Dalal** | Independent Director | Member |
| 3 | **Mr. Vivek Karve** | Independent Director | Member |
| 4 | **Mr. Ravindra Mariwala** | Non-Executive Non-Independent Director | Member |

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

| SR | NAME | NATURE OF DIRECTORSHIP | DESIGNATION |
|---|---|---|---|
| 1 | **Ms. Anita Belani** | Non-Executive Non-Independent Director | Chairperson |
| 2 | **Mr. Ketan Dalal** | Independent Director | Member |
| 3 | **Mr. Rajendra Mariwala** | Managing Director | Member |

## RISK MANAGEMENT COMMITTEE · voluntarily constituted

| SR | NAME | DIRECTORSHIP / ROLE | DESIGNATION |
|---|---|---|---|
| 1 | **Mr. Vivek Karve** | Independent Director | Chairperson |
| 2 | **Ms. Anita Belani** | Non-Executive Non-Independent Director | Member |
| 3 | **Mr. Rajendra Mariwala** | Managing Director | Member |
| 4 | **Mr. Chetan Chowatia** | Chief Financial Officer | Member |



# BOARD AND EXECUTIVE COMMITTEE MEMBERS

## BOARD OF DIRECTORS



**Mr. Harsh Mariwala**
Chairman



**Mr. Rajendra Mariwala**
Managing Director



**Mr. Shailendra Arora**
Chief Operations Officer



**Dr. Ravindra Mariwala**
Non-Executive Non-Independent Director



**Ms. Anita Belani**
Non-Executive Non-Independent Director



**Mr. Ketan Dalal**
Independent Director



**Mr. Vivek Karve**
Independent Director



**Mr. Achim Daub**
Independent Director

## EXECUTIVE COMMITTEE MEMBERS



**Mr. Wilfrid Gambade**
Chief Executive Officer



**Mr. Chetan Chowatia**
Chief Financial Officer



**Mr. Hari Menon**
Chief Human Resources Officer



**Mr. Shailendra Arora**
Chief Operations Officer



**Ms. Laura Li**
Vice President, Strategy, New Business Development & Sustainability



**Ms. Virginie Fresnois**
Vice President, Global Sales Aroma



**Mr. Robert Monti**
President, Personal Care

Names and roles as on 31st March, 2026.

# ETHICS, ANTI-CORRUPTION AND FINANCIAL CRIME

### 01 · Anti-bribery / corruption policy

The Company is dedicated to conducting its operations with honesty, integrity, and the highest ethical standards. We maintain a zero-tolerance policy towards bribery and corruption, ensuring professionalism and fairness in all our business dealings and relationships. The Company remains fully dedicated to upholding anti-bribery and anti-corruption laws in every jurisdiction where we operate.

### 02 · Supplier bribery / corruption inspection

To uphold high standards of business ethics, suppliers are subject to risk-based anti-bribery and anti-corruption assessments and audits. The review process supports the identification of potential corruption risks, promotes compliance with ethical sourcing requirements, and reinforces transparency across the value chain.

### 03 · Restrictions on gifts

The Company's Code of Conduct establishes limits and approval requirements for gifts and hospitality. Regular awareness programs and compliance monitoring help ensure adherence to anti-bribery and anti-corruption standards across our operations and supply chain.

### 04 · Anti-bribery / corruption training

The Company conducts regular anti-bribery and anti-corruption training programs for employees in line with its Code of Conduct. These programs enhance awareness of ethical business practices, compliance obligations, and corruption risk mitigation measures, contributing to a transparent, responsible, and accountable business environment.

### 05 · Anti-money laundering policy

The Company enforces an Anti-Money Laundering (AML) Policy to safeguard against financial crimes and ensure compliance with relevant legal and regulatory requirements. By implementing due diligence processes, monitoring business relationships, and promoting employee awareness, we strengthen ethical business practices and support a culture of transparency, accountability, and responsible governance.

### 06 · Money laundering monitoring

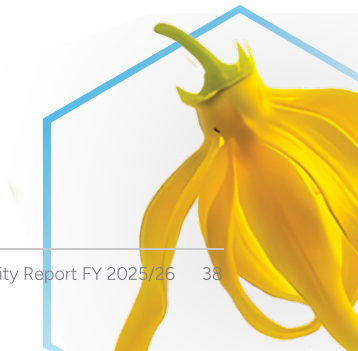
As part of our governance and risk management practices, we utilize Ethics Line to monitor and address potential money laundering risks. Employees and external stakeholders are encouraged to report concerns without fear of retaliation. Through independent review, investigation, and remediation of reported incidents, we enhance compliance oversight, safeguard business integrity, and promote ethical conduct across our operations and value chain.

### 07 · Anti-money laundering training

In alignment with our Code of Conduct and compliance framework, the Company provides regular Anti-Money Laundering (AML) training to employees to enhance awareness of money laundering risks, legal obligations, and ethical business practices. The training helps employees recognize suspicious transactions, understand reporting requirements, and apply appropriate due diligence measures when engaging with customers, suppliers, and other business partners. Through continuous education and awareness programs, we strengthen our commitment to transparency, regulatory compliance, and responsible corporate governance.

### 08 · Country-specific tax disclosure

The Company is committed to transparency and responsible tax practices across all jurisdictions in which it operates. We comply with applicable tax laws and reporting requirements in each country and maintain accurate, timely, and complete tax records. Country-specific tax disclosures support stakeholder confidence by providing greater transparency regarding taxes paid, business activities, and economic contributions in relevant jurisdictions. Through robust governance and compliance processes, we seek to ensure that our tax practices are aligned with both legal requirements and ethical business standards.



# CONDUCT, ACCOUNTABILITY AND OVERSIGHT

### 09 · Whistleblowing policy

The Company has a Whistleblowing Policy and has established the necessary vigil mechanism for Directors and employees to report concerns about unethical behaviour. Nobody has been denied access to the Chairperson of the Audit Committee.

### 10 · Whistleblowing support functions

The Company is committed to fostering a culture of integrity, transparency, and accountability by providing Ethics Line, a confidential and secure whistleblowing mechanism. Employees, contractors, suppliers, and other stakeholders can raise concerns regarding suspected misconduct, unethical behaviour, legal violations, fraud, corruption, or other compliance-related matters without fear of retaliation. All reports are reviewed and investigated in accordance with established procedures, and appropriate corrective actions are taken where necessary. This mechanism supports effective risk management, strengthens corporate governance, and promotes responsible business conduct across the organization.

### 11 · Fair competition

As part of our ESG governance framework, the Company maintains Ethics Line to support the reporting and resolution of ethical concerns and potential misconduct. The whistleblowing system is accessible to employees and relevant stakeholders, allowing concerns to be raised confidentially and, where permitted by law, anonymously. By encouraging open communication and ensuring impartial investigation of reported matters, we strengthen trust, enhance compliance oversight, and uphold the highest standards of business integrity.

### 12 · Code of Conduct

Our values and principles are enshrined in the Business Ethics & Code of Conduct ('Code'), which serves as a foundation for ethical and responsible business practices. This applies to all executives of the Company, including Board members, and is reaffirmed annually through a compliance declaration. During the year, all existing executives underwent comprehensive training on the Code, while 100% of new joiners received training to familiarise them with its principles and guidelines.

### 13 · Management bonus non-financial performance goals

The Company integrates non-financial performance goals into its management performance evaluation and incentive framework. As reflected in the annual goal-setting process, management bonuses may be linked to the achievement of key Environmental, Social, and Governance (ESG) objectives, including employee health and safety, talent development, diversity and inclusion, ethics and compliance, sustainability initiatives, customer satisfaction, and operational excellence. This approach reinforces accountability, promotes responsible business practices, and aligns management decision-making with the Company's long-term sustainability strategy.

### 14 · Effective board functions (voluntary practice)

Although not required by applicable laws or regulations, the Company has voluntarily established governance practices to support effective board oversight and decision-making. The Board plays an active role in reviewing business strategy, risk management, financial performance, compliance matters, and sustainability-related initiatives. Regular meetings, performance reviews, and transparent reporting processes help ensure accountability, responsible leadership, and alignment with the Company's long-term objectives. This voluntary commitment reflects our dedication to strong corporate governance and sustainable business practices.

### 15 · Risk Management Committee (voluntary practice)

Although not required statutorily, the Company has voluntarily constituted a Risk Management Committee responsible for overseeing risk management activities. The Committee provides guidance and oversight on the identification, assessment, monitoring, and mitigation of key business risks, including operational, financial, compliance, strategic, and sustainability-related risks. Through regular reviews and reporting, the Committee supports informed decision-making, strengthens internal controls, and enhances the Company's resilience and long-term value creation.

# BOARD COMMITTEES AND REPORTING

Our governance framework is designed to support responsible leadership and strategic oversight. In FY26, the Board of Directors convened nine times, with 12.5% representation by women, reflecting our ongoing efforts to enhance diversity and inclusion at the highest levels of decision-making.

### 16 · Risk Management Committee independence

The Company maintains an independent Risk Management Committee that provides objective oversight of the organization's risk management framework. The Committee is responsible for reviewing key risks, evaluating mitigation strategies, and monitoring the effectiveness of risk management processes without undue influence from operational activities. This independent oversight strengthens governance, supports informed decision-making, and enhances the Company's ability to identify and respond to emerging risks.

### 17 · Nomination & Remuneration Committee

The Company has a Nomination & Remuneration Committee for top management. The Nomination & Remuneration Committee is responsible for identifying, evaluating, and recommending qualified candidates for senior leadership positions. The Committee oversees succession planning, leadership development, and appointment recommendations to ensure that top management roles are filled with individuals who possess the appropriate skills, experience, and leadership capabilities required to achieve the organization's strategic objectives. The Committee also supports effective corporate governance by ensuring a transparent and merit-based nomination process.

### 18 · Nomination & Remuneration Committee independence

The Nomination & Remuneration Committee comprises 50% independent members, ensuring an objective, transparent, and governance focused approach to top management nominations and succession planning.

### 19 · Audit Committee

The Company has a committee responsible for audits. The Audit Committee oversees the integrity of financial reporting, the effectiveness of internal controls, risk management processes, and compliance with applicable laws and regulations. The Committee works closely with internal and external auditors to ensure transparency, accountability, and sound governance practices across the organization.

### 20 · Audit Committee financial expertise

100% of the Audit Committee members possess financial expertise. This ensures that the Committee has the necessary knowledge and experience to effectively oversee financial reporting, internal controls, risk management, audit processes, and regulatory compliance. A fully financially qualified Audit Committee strengthens governance, enhances the quality of financial oversight, and supports informed decision-making.

### 21 · Non-domestic sustainability reporting

The Company's sustainability reporting covers non-domestic business activities, ensuring transparent disclosure of sustainability performance and ESG impacts across its international operations and business activities.

### 22 · ESG materiality measurement

The Company discloses its approach to measuring the materiality of ESG issues through a structured assessment process that evaluates the significance of ESG topics based on stakeholder interests, business relevance, and sustainability impacts, ensuring transparent and meaningful ESG reporting.

### 23 · Auditor appointment period

The Statutory Auditor is appointed for a period of 5 years, providing long-term audit continuity while maintaining independence and adherence to applicable regulatory and governance requirements.



# RESPONSIBLE SOURCING

Responsible sourcing is an integral part of Eternis' sustainability strategy and a key element in building a resilient and responsible supply chain. We work closely with our suppliers to promote ethical business practices, respect for human rights, environmental stewardship, and regulatory compliance across our value chain. Through collaboration, transparency, and continuous improvement, we aim to strengthen supplier performance, reduce sustainability risks, and create shared value for our business, our partners, and the communities we serve.

All suppliers working with us are required to agree to and comply with our Supplier Code of Conduct, which sets clear expectations on ethical business practices, human rights, labour standards, health and safety, and environmental responsibility. This code reflects our commitment to international standards, including the principles of the UN Global Compact, ensuring that our partners uphold the same values we apply within our own operations.

To reinforce these standards, we have a Sustainable Procurement Policy that governs how we select, evaluate, and manage suppliers. This policy integrates sustainability and compliance requirements into every stage of the sourcing process, from initial qualification to ongoing performance monitoring. It also mandates due diligence measures, including risk assessments and audits, to identify and address potential issues proactively.

In 2025, we advanced our responsible sourcing practices by joining Together for Sustainability (TfS) to assess and improve supplier performance across environmental, social, and governance criteria. We conducted a comprehensive desktop review to identify priority supply chains, evaluating risks such as forced and child labour, working conditions, wages, gender equality, land rights, and climate vulnerability.

Looking ahead, we will continue to expand supplier engagement through TfS and EcoVadis to strengthen due diligence processes and implement corrective actions that drive positive social and environmental impact across our global sourcing network.

## RESPONSIBLE SOURCING JOURNEY MAP

From awareness to impact.

**01**
**Awareness**
Suppliers introduced to sustainability expectations and our Code of Conduct.

**02**
**Compliance**
Formal adherence to standards and regulatory requirements.

**03**
**Integration**
ESG embedded into procurement decisions and risk-based audits.

**04**
**Collaboration**
Partnerships through TfS and EcoVadis for continuous improvement.

**05**
**Leadership & Impact**
Co-innovation, transparency, and measurable contributions to SDGs.

# PRODUCT STEWARDSHIP & REGULATORY ASSURANCE

### OUR COMMITMENT

At Eternis, regulatory compliance is integral to product stewardship. We ensure strict adherence to global standards, prioritising safety, sustainability, and legal compliance. This approach safeguards our reputation, minimises risks, and reinforces accountability to stakeholders.

### GOVERNANCE AND LEADERSHIP

Regulatory oversight is managed by the Global Sustainability Reporting and Regulatory Manager, under the guidance of the VP of Strategy & Marketing, ensuring strategic alignment and operational excellence.

### CORE RESPONSIBILITIES

- Compliance with global regulations (e.g. REACH and regional chemical safety laws).
- Cross-functional collaboration for regulatory alignment across R&D, manufacturing, and supply chain.
- Risk assessment and continuous updates to safety protocols.
- Transparent communication of regulatory requirements throughout the value chain.

## KEY RISKS & MITIGATION

| RISK | IMPACT | MITIGATION |
|---|---|---|
| **Regulatory non-compliance** | Product recalls, market restrictions, financial penalties | Continuous monitoring and compliance updates |
| **Supply chain disruptions** | Delays, broken supply chains, damaged relationships | Proactive risk assessment and stakeholder engagement |
| **Reputational damage** | Loss of consumer trust, negative media attention | Transparent communication and compliance assurance |

### COMPLIANCE INITIATIVES

- Downstream user transparency — clear communication on chemical safety and restrictions.
- Data management — regular updates on product properties, safety measures, and regulatory changes.
- Regulatory approvals — compliance with prohibitions and authorisation processes.
- Enhanced labelling system — improved risk communication and regulatory clarity.

### BUSINESS IMPACT

- Reinforces its commitment to safety and sustainability.
- Reduces regulatory risks and operational disruptions.
- Enhances customer trust and brand integrity.
- Strengthens global market access.

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Enriching lives with care