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Introduction

Polyram Plastic Industries LTD (henceforth referred to as “Polyram”) is a leading international supplier of high-performance thermoplastic compounds with production sites spread over three continents offering global availability. Polyram produces customized thermoplastic for its customers, and includes several subsidiaries such as offices and warehouses which support with distribution. Our products are made to fit the requirements of a range of sectors, depending on each product's purpose. Some examples include the automotive sector, the industrial and packaging industry, and the manufacturing industry.

Polyram is an independent company and went public in November 2020. The company was established in 1986 and has around 370 full time equivalent (FTE) employees worldwide.

We are constantly striving to reduce the environmental impacts of our products, and of our organization as a whole. A few years ago, Polyram began an extensive Carbon Management campaign, spearheaded by our COO. The campaign, which marks an important step toward addressing climate risks, included a market review, data collection, and a first-time GHG calculation for the company, which was verified by a third party and is now being used as a baseline for our emissions reduction targets. We received a B on our 2023 CDP report, the second submission for Polyram, and one of many stages within this Carbon Management program. The CDP disclosure and this ESG Report are examples of ways in which we are working to improve our transparency. Our 2022 Environmental Report, the first of its kind for Polyram, covered some of the key components of our global environmental activities. With our 2024 report, we have expanded the scope, making this our first full ESG Report. This report summarizes our ESG activities through 2024, with data through the end of FY 2023, and outlines our commitment to further expanding such activities in the coming years.

Letter from the CEO

Dear Stakeholders,

It is with great pride that I present to you Polyram's first Environmental, Social, and Governance (ESG) report. This marks a significant milestone for our company as we take substantial steps towards enhancing transparency and accountability in our operations.

At Polyram, sustainability has become a central focus of our internal agenda. Through ongoing discussions among multidisciplinary teams and the establishment of our "Sustainability Forum," we are committed to reducing the overall ESG impacts of our operations and throughout our value chain. This collaborative approach enables us to address complex challenges and drive meaningful change.

One of our key initiatives involves increasing engagement with our supply chain to gain a deeper understanding of the environmental impacts of raw materials. Every year, we conduct more Life Cycle Assessments (LCAs) of our products and share this information with our customers. These assessments provide valuable insights into the environmental performance of our products, helping us make informed decisions and continuously improve our processes. By doing so, we aim to reduce the overall carbon footprint of our products and promote more sustainable practices across the industry .

Our partnerships with customers and other members of the value chain are crucial in this endeavor, as they allow us to work together towards common sustainability goals. One example of our collaborative efforts alongside UBSQ™ Materials and Consolidated Metco have culminated in a sustainable plastic alternative, marking a significant advancement towards a greener automotive industry. This award not only demonstrates our commitment to environmental sustainability but also highlights the limitless potential when innovative minds unite. Polyram was honored to receive the Suppliers Partnership for the Environment Innovation in Manufacturing Award .

We are proud to announce that our 2024 CDP report received a B score, maintaining our score from last year despite significant changes to the CDP Climate Change questionnaire. Additionally, in 2024, we reported for the first time under the CDP Water Security questionnaire. We have also received an overall score of 56/100 from EcoVadis for environmental, social, and ethical performance in 2024, ranking in the 64th percentile of all companies rated by EcoVadis. Those achievements underscore our continuous dedication to sustainability. In the coming years, we are committed to identifying areas for improvement and enhancing our performance.

I would like to express my gratitude to all our employees, partners, and stakeholders for their unwavering support and dedication to our sustainability journey. Together, we are making significant strides towards a more sustainable and responsible future.

Thank you for your continued trust in Polyram.

Sincerely,

Yuval Peleg

CEO, Polyram

Disclaimer

- This report was prepared by Polyram Plastic Industries Ltd. (hereinafter: the "Company" and/or "Polyram") as a general report about the company and is not intended to replace the need to review Polyram's full reports to the Securities Authority and the Tel Aviv Stock Exchange.
- The information contained in the report does not constitute advice, recommendation, or opinion regarding investment and does not constitute an offer to invest and/or purchase securities of Polyram (and in particular does not constitute an "offer to the public" or "sale to the public" of any kind) and does not replace the independent examination and personal advice according to the unique needs of each investor. Such an offer shall be made only in accordance with the provisions of the law, after obtaining the necessary permits from the Securities Authority and the stock exchange.
- This report includes a summary of the issues described in the context in which they are discussed and not the full information available to Polyram in relation to these issues and does not include the full results and financial information of Polyram and the notes to them, and/or Polyram's business plans and/or Polyram's risk factors.
- This report may include forward-looking information as defined in the Securities Law, 1968 (hereinafter: "forward-looking information"), including forecasts, and subjective assessments by Polyram's management as of the date of publication of the report, which although Polyram believes are reasonable, are inherently uncertain, and include estimates and information regarding future events. Topics such as strategy, trends, and sustainability targets may include forward-looking information.
- The forward-looking information is solely aimed at the date to which it relates and is uncertain, unpredictable, and affected by factors beyond the control of Polyram, each of which, or a combination thereof and the realization of whose risk factors characterize Polyram's activities, may materially impair results. The activities of Polyram cause the actual results to be materially different from the forward-looking information.
- Except as an undertaking to disclose information as required by the securities laws applicable to Polyram, Polyram does not undertake to update or change any information contained in this report in order to reflect events and/or circumstances that will apply after the date of its preparation. It is clarified that Polyram's plans and strategy included in this report are correct as of the date of their publication and may and will change in accordance with the decisions of the Company's Board of Directors from time to time.
- Polyram's assessments regarding Polyram's objectives are based, inter alia, on Polyram's assessments regarding trends in the Company's business in particular and trends in the market in which Polyram operates in general, as well as Polyram's management assessments regarding potential and market trends in Israel and international markets as of this report. These assessments may not materialize and/or may materialize significantly differently from Polyram's assessments, inter alia, as a result of factors external to Polyram and which are not under control, including, inter alia, changes in the economic situation in Israel and abroad.
- To the extent that there is a conflict between what is stated in this report and what is stated in the Company's reports required by law, what is stated in the Company's reports required by law will prevail.

Polyram Overview

Polyram Group is headquartered in Israel, along with two of its main manufacturing facilities. We have additional production facilities in the United States, the United Kingdom, Germany and China, as well as several global offices and warehouses. We have plans to open an additional production site in Thailand in 2025.



ESG Highlights

- 11% reduction in CO₂e emissions Scopes 1+2 from 2022-2023
- 14% renewable energy purchased in 2023
- 45 products assessed using LCA
- Targets set for 42% reduction in GHG emissions by 2030 in Scopes 1+2 (from 2021 baseline)
- 20% of employees are women
- 27% women in upper management

Our approach to Sustainability

Our Vision

Our vision is to truly incorporate sustainable practices into the world of polymers, creating high-quality products with minimal environmental impact, thereby contributing to a brighter future for ourselves and our entire value chain.

Our Mission

Polyram – Group sets its standard for achieving good environmental practice and operating in a responsible manner.

On the organizational level – we commit to minimizing our environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy and operating methods.

On the product level – we aim to meet and exceed the expectations of our customers and stakeholders with products that are both high in quality and have the lowest possible carbon footprint.

Our strategic plan to achieve our mission involves the following commitments:

- Manage our production operations to comply with all relevant environmental regulations.
- Monitor and manage our greenhouse gas (GHG) emissions, including Scopes 1, 2 and 3. This includes public disclosure, setting ambitious reduction targets that align with a 1.5 degree world and building a plan that will allow us to achieve our targets.
- Increase the use of renewable energy in our operations, striving to reach 100% in the near future.
- Reduce impacts from our operations with respect to the land, water, air and noise pollution, and apply the principles of continuous improvement to protect the environment and local community.
- Reduce waste through reuse and recycling and by purchasing recycled and recyclable products and materials where these alternatives are available, economical and suitable.
- Apply, develop and maintain, appropriate emergency and spill response programs where significant health, safety or environmental hazards may exist.
- Avoid the unnecessary use of hazardous materials and products, seek substitutions where feasible, and take all reasonable steps to protect human health and the environment when such materials are used, stored and disposed of.
- Promote the efficient use of materials and resources throughout our facilities: water, electricity, raw materials and other resources, particularly those that are non-renewable.
- Pre-emptively assess the environmental impact of any new processes or products we intend to introduce and strive to apply the concepts of Design for Environment (DfE).
- Regularly evaluate the environmental risks and opportunities, in particular climate-related issues, and create mitigation plans and management strategies.
- Ensure the involvement and cooperation of our higher management and board members in improving our environmental performance, enabling the implementation of this environmental policy, and keeping environmental action items high on the executive agenda.
- Apply training programs for our staff to raise their awareness of environmental issues and encourage their involvement in improving the group's performance.
- Provide Safety data sheets for all our products, while updating and implementing, according to global regulations (e.g. REACH, or other SVHC requirements).
- Communicate our environmental commitment to our clients, customers, supply chain and the public while encouraging them to support it.
- Perform LCA and report our products' carbon footprint to our customers and other stakeholders.

Our ESG performance, standards and certifications

Polyram actively participates in several prominent ESG ratings.

Since 2021, Polyram has consistently reported to the CDP Climate Change Program. We are proud to announce that our 2023 report received a B grade, higher than the Plastic product manufacturing sector average of C, underscoring our continuous dedication to sustainability.

We have also received an overall score of 56/100 at EcoVadis for environmental, social, and ethical performance in 2024. Ranking at the 64th percentile of all companies rated by EcoVadis.

In the coming years, we are committed to identifying areas for improvement and enhancing our performance.

Polyram, alongside UBQ Materials and Consolidated Metco, was honored to receive the Suppliers Partnership for the Environment Innovation in Manufacturing Award. This esteemed recognition celebrates our collective achievement in developing a groundbreaking low-carbon material for automotive applications, utilizing revolutionary UBQ™ technology. Our collaborative efforts have culminated in a sustainable plastic alternative, marking a significant advancement towards a greener automotive industry. This award not only demonstrates our commitment to environmental sustainability but also highlights the limitless potential when innovative minds unite.



Our facilities and processes are certified

Our global operations adopt voluntary QEHS management systems, undergo on-site yearly external audits by independent auditors and are accredited by international standards.

We have a multisite certificate for our Environmental Management System (EMS) certified by ISO14001:2015 and Occupational Health and Safety Management System (OHS) certified by ISO45001:2018 at our Israeli sites in



Afula and Moshav Ram On, and our factories in China and USA.

Polyram UK has an independent local EMS and OHS certification.

Moreover, our site in Germany has proved that an energy management system was established and is successfully applied in accordance with the requirements of ISO50001.



And our products comply with the requirements of the highest industry standards:



UL Certificate

Certified and covered under **UL Solutions' Follow - Up Service**. - Suitable for outdoor use with respect to exposure to Ultraviolet Light, Water Exposure and Immersion in accordance with UL 746C



NSF Certificate

NSF certifies that the products appearing on this Listing conform to the requirements of NSF/ANSI/CAN 61 - Drinking Water System Components - Health Effects



ACS Certificate

Certificate of sanitary conformity (ACS) with DGS/VS4 No. 99/217 of 12 April 1999 and DGS/VS4 No. 2000/232 of 27 April 2000.



WRAS Certificate

Water contact approval (WRAS) - materials suitable for contact with wholesome water for domestic purposes, meeting the requirements of BS6920-1:2000 and/or 2014 'Suitability of non-metallic products for use in contact with water intended for human consumption with regard to their effect on the quality of the water'.

For more details, please check our website: <https://polyram-group.com/regulations/>

Our contribution to the UN's Sustainable Development Goals (SDGs)

Many of our activities align with the UN's Sustainable Development Goals (SDG's).



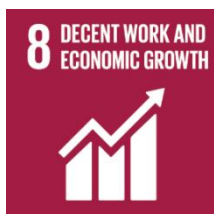
SDG 6: Clean Water and Sanitation

Where possible, we have looked into alternative materials in order to reduce the number of hazardous materials that we use. We are constantly reviewing our designs, both as part of our standard R&D and in the framework of our LCA projects, in which we review every aspect of our products and how each affects the environment. This aligns with Target 6.3, "improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials." Our processes include water recycling, since often the water is for cooling purposes and can be reused for additional cooling, helping us work toward Target 6.4: "[...] substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals [...]"



SDG 7: Affordable and Clean Energy

In the last year, we have been working toward finding solutions to increase our renewable energy purchases. We aim to reach 100% renewable energy at all or most of our production sites by a combination of direct consumption, purchased renewable energy, and potentially certificates. In addition to reducing our Scope 2 emissions, this would add Polyram to the growing list of companies joining the renewable energy market, increasing demand and helping drive production of renewable energy around the world, aligning with Target 7.2: "By 2030, increase substantially the share of renewable energy in the global energy mix." In parallel with this goal, we constantly strive toward greater efficiency in our production, using our annual targets to push each site to improve. This aligns with Target 7.3, "[...] double the global rate of improvement in energy efficiency."



SDG 8: Decent Work and Economic Growth

Our Suppliers' Manual includes a commitment to avoid benefitting from forced labor or child labor – we require all suppliers to sign an agreement stating that they will not utilize any form of child or underage labor, or any form of compulsory labor. We hope that these commitments will help to "eradicate forced labour" and "end child labour in all its forms" as stated under Target 8.7. We are certified to ISO 45001 at five of our six production sites, and keep records of all work accidents, helping us to "Protect labour rights and promote safe and secure working environments for all workers [...]" in line with Target 8.8.



SDG 9: Industry, Innovation and Infrastructure

Over the last several years, we have looked for ways to reduce the environmental impact of our products and our facilities. Our LCA projects and our annual GHG calculation help us to understand areas of greater impact, and we have completed efficiency projects at several production sites in order to reduce our energy consumption. Our UK site purchases

electricity from a supplier that provides 100% renewable energy (verified through certificates), and our Ram On site in Israel receives a portion of its energy from solar panels on the factory roof, which are owned by a third party but are included in Polyram's direct consumption, with the energy and rights purchased by Polyram. Our increasing efficiency and purchase of renewable energy help us move toward greater sustainability in our production, aligning with Target 9.4: "[...] upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes [...]"



SDG 12: Responsible Consumption and Production

Our LCA projects, which aim to examine and reduce the carbon footprints of individual products, lead us toward responsible consumption and production. By understanding the impacts of each aspect of our production, we work toward Target 12.4, achieving "the environmentally sound management of chemicals and all wastes throughout their life cycle [...]" In order to align with Target 12.5: "By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse," we set annual targets for waste reduction, in particular from the production process, at all of our production sites. In 2018, our US site joined Operation Clean Sweep, a US-based campaign helping companies to reduce plastic resin waste, with the ultimate goal of zero plastic resin loss. As part of this campaign, Polyram US has modified certain equipment and procedures to reduce the number of pellets that go to waste, and have begun selling scrap, rejected pellets and used packaging to a recycling company.



SDG 13: Climate Action

The CDP disclosure, and our related emissions targets, are a first step toward more serious climate action, SDG #13. The report contains sections on risks and opportunities, business strategy, and emissions-reductions targets and activities, which aligns with Target 13.3: "Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning." These and other activities help us to move toward a more sustainable world.

Governance at Polyram

Our corporate governance framework is designed to ensure that Polyram is managed with the interests of all stakeholders in mind. This framework includes checks and balances that we believe empower the Board of Directors to effectively oversee the company's activities, while also providing incentives to align management's interests with those of our stakeholders. The Board of Directors supervises the integration of ESG principles into our decision-making processes, promotes sustainable business strategies, and oversees engagement with key stakeholders. Our COO, who reports directly to the board, is involved in both the overall risk management process, including reviewing our Contingency Plan, and in all aspects of our ESG strategy. The COO participates in bimonthly meetings with the Sustainability team to review the status of all open projects and activities – LCA's, ESG reports, and more – and he oversees those projects, working closely with our EHS manager and a team of external consultants. The COO discusses ESG activities with the board of directors at least once a year, and more often as the need arises.

Our Board members¹:

<i>Name</i>	<i>Position</i>	<i>Age</i>	<i>Independence</i>	<i>Financial Expert</i>	<i>Audit committee</i>
<i>Ishay Davidi</i>	Chair of the Board of Directors	63	-	✓	-
<i>Zvi Bromberg</i>	Outside director	65	✓	✓	✓
<i>Shimon Bart</i>	Outside director	66	✓	✓	✓
<i>Amir Widmann</i>	Ordinary director	56	-	-	-
<i>Amit Regev</i>	Ordinary director	60	-	✓	-
<i>Shlomo Segev</i>	Ordinary director	78	-	-	-
<i>Nelly Schwartz</i>	Independent director	57	✓	✓	✓

Table 1: Board composition (as of Q4/2024)

Seven (7) Directors serve on our Board of Directors, working closely with our upper management to oversee ESG activities and other strategic initiatives. During fiscal year 2024, the Board of Directors held five meetings.

The company's board of directors determined that the required minimum number of directors with accounting and physics expertise on the company's board of directors would be at least three (3) Directors, considering, among other things, the type of company, its size, scope and complexity. At the time of the report, five (5) directors with accounting and financial expertise serve on the company's board of directors.

The company did not adopt in its regulation a provision regarding the proportion of independent directors.

¹ Composition of management and executive officers as of November, 2024

The company does not have a stated policy of donating to the community, but it contributes from time to time to the welfare of The Israel Defense Forces (IDF) soldiers and to other organizations that deal with saving lives, bringing hearts closer and supporting the needy. During the reporting period, no donations were made by the company.

According to Polyram's Code of Ethics, the Board of Directors emphasizes the importance of diversity in race, ethnicity, gender, age, education, cultural background, and professional experience. This approach ensures that our Board candidates provide valuable insights and varied perspectives, reflecting the global and versatile nature of our business. Currently, Polyram's Board of Directors includes one female member, and across all our business we have employees of different backgrounds, religions and nationalities. This composition underscores our commitment to diversity and inclusion at the highest levels of leadership.

Our global staff in Israel manages the different sites, through direct contact with the site managers.

Risk management

Risk assessment and management are integral to all our business processes and operations, ensuring that we achieve our long-term goals. Risk management is performed and reviewed by the company's CEO and CFO in accordance with the policy approved by the Board of Directors Financial Committee, and ISO 9001 standard.

Our comprehensive risk assessment begins by identifying risks and their position along the value chain. We carry a multi-disciplinary organization-wide risk management process, and topics covered include environmental, social, and governance (ESG) risks pertinent to the company. These risks are then thoroughly detailed, including their impact, likelihood and relevance to the company and published at our annual report. We believe this enables us to assess the likelihood of each risk, determine the appropriate management approach, and allocate the necessary resources.

The group's overall risk management plan focuses on actions to reduce possible negative effects on the group's financial performance. One of the main outputs of this process is Polyram's Contingency Plan, which focuses on how we will be able to satisfy our customers' requirements in the event of emergencies such as equipment failure, shortage of raw materials, etc. Mitigation plans for every potential problem are designated to the relevant department and manager, who decide on the appropriate course of action according to the different risk level and periodically reviewed. Employee training and awareness of the contingency plan is an essential step of the process.

Our COO is actively involved in the risk management process, including reviewing our Contingency Plan, which helps guide our strategy in the event of an incident that could otherwise harm our ability to function or remain profitable. Our Contingency Plan, an important piece of our overall business strategy, includes a review of any foreseeable risks, including environmental risks. The COO also helps set policies, including our Environmental Policy, and is involved in customer requests and interactions, ensuring that Polyram meets client demands and maintains a high level of satisfaction, mitigating the risk of impaired customer relations.

Data protection and Cybersecurity Risks

We dedicate significant time and resources to identify and address cybersecurity risks, including those that our customers may encounter with our products and processes.

Polyram is dedicated to ensuring the protection of personal data. As part of this commitment, we have established and continuously maintain a comprehensive global data protection program with executive sponsorship. This program monitors compliance with applicable privacy and data protection laws. We aim to have some of our sites certified to ISO 27001, the international cybersecurity standard, over the next year or so, and we use the European General Data Protection Regulations (GDPR) as our privacy standard. Our Data Protection Program includes procedures, processes, and controls, along with specific policies related information security measures. These are supported by company-wide awareness campaigns, and trainings, in particular under the new employee's onboarding process.

Environmental Risks and Opportunities

At Polyram, we recognize the relevant risks and opportunities associated with our environmental performance. We have a company-wide risk management process under our ISO 14001 and ISO 45001 certifications, helping us manage our environmental and safety aspects and set annual targets. Our risks and opportunities relating to EHS are identified in a process matrix, in which we assign magnitude to the listed risks and opportunities based on the level of severity and the level of control. Our business strategy to manage those risks by reducing and mitigating them, include several strategies according to the risk level and occurrence at the value chain. These topics have entered the routine conversation around business planning due to their impact on the company's overall success. For the past three years, Polyram has been reporting climate-related information to the CDP Climate Change Program, and adjusted the disclosure of our risk management to show our adoption of the Task Force on Climate-Related Financial Disclosures (TCFD) guidelines. Moreover, in recent years, there has been an increased interest in the environmental impacts of products, and many of our customers have reached out with questions regarding products' carbon footprints. To maintain a strong customer base and ensure customer satisfaction, we completed Life Cycle Assessments (LCA) on dozens of products already and are in the process of completing additional ones. Each LCA provides us with detailed information on various environmental impacts, allowing us to pinpoint which aspects of the production process have the highest impact. By utilizing LCA as a comprehensive tool, we can identify potential environmental risks and implement targeted strategies to mitigate them, ensuring more sustainable and responsible production practices.

Supply chain management

Polyram recognizes the significance of our supply chain in regards to our business quality and their impact. We integrate Sustainable Development issues as part of our procurement decisions alongside conventional procurement considerations.

Our Supplier Manual defines the requirements and general terms applicable to raw material and packaging suppliers in terms of both quality and ethical and sustainable measures. Polyram is committed to maintaining good working conditions, including respectful treatment of all employees within all our global operating locations, as well as those in our supply chain. We expect our suppliers to uphold our high ethical, social, and environmental standards and to implement appropriate policies and procedures. Our goal is to foster a socially responsible supply chain, prioritizing compliance with local laws and regulations, human rights, protection of health, safety and the environment.

As part of our initial procurement process, we conduct a thorough supplier assessment and approval process including self-assessments, on-site audit of manufacturing facilities performed by our Quality Department and internal score. Approval is based on the overall grade of the supplier.

Our product stewardship policy includes topics such as REACH, SVHC, RoHS and conflict minerals. We monitor the raw materials ordered, with each material given a purchase number and sent to our internal compliance department to inspect prior to purchase. When we have confirmed that the material upholds all regulatory requirements, including those relating to conflict minerals, the purchase is approved.

The supplier risk and performance level is evaluated on a quarterly basis. The quarterly evaluation report rates all activities related to Polyram Group in the supplier's manufacturing facility. The score for each element evaluated is granted on a scale of 0-10. Upon performance, the supplier risk level is classified as Low, Acceptable, or High Risk. When rated high risk, new businesses are on hold, and the supplier must submit corrective actions plan within 10 days and require a further evaluation by multi-disciplinary team.

Polyram Group considers its suppliers as partners, and we believe this process helps us to maintain mutual trust and reliability. We have also seen positive outcomes from cooperation with customers on projects to reduce the product carbon footprint of the products they purchase – this is described in further detail below, in "Engagement with our value chain."

Social responsibility

High professional and ethical standards form the moral foundation of our company. We define our success by maintaining a culture and reputation for excellence and integrity with our customers, employees, suppliers and other business partners. We not only comply with legal requirements but also implement our own initiatives to ensure ethical conduct.

Our Corporate Values

To reach the hundreds of employees in our global offices, as well as other business partners connected to our company through our supply chain for example, we have developed strong corporate values that inspire ethical behavior. We have established clear guidelines for personal interactions and decision-making. Our values and core principles are outlined in our core policy documents.

Our Code of Ethics constitutes an integral part of the employment conditions, covering all levels and all of Polyram's sites and subsidiaries across the globe. Employees and suppliers are required to act in accordance with the standards set in the code. The main ethical and moral standards and values outlined at our Code of Ethics are:

- **Ethics** - All of the office holders must act with integrity, fairness and care at all interactions with co-workers, customers, suppliers and other parties related to the Polyram's activities.
- **Non-discrimination and fair employment** - Polyram's management is committed to employing employees on the basis of their characteristics and their suitability for the position. Any reference to race, gender, skin color, political or religious view is against the company's code of ethics. The Company's management is committed to fair employment in accordance with the relevant regulation.
- **Working conditions** - The Code of Ethics ensures that employees work in a respectful and orderly environment. It safeguards their rights by enforcing fair treatment from supervisors and promoting a safe and clean workplace. Employees are encouraged to report any misconduct or violations, with the assurance that they will be protected against retaliation. The Code also emphasizes the importance of health and safety, punctuality, and professional conduct, thus contributing to a positive and secure working environment for all employees.
- **Fair trade** - Company employees shall act in a fair and decent manner in the framework of their relations with third parties, including customers, suppliers and representatives of governmental authorities. Employees must obtain business information fairly and lawfully, ensuring accuracy and professionalism in all documents shared within the company and with external parties. Ethical behavior and confidentiality are paramount, and personal responsibility towards stakeholders is essential.
- **Anti-corruption** – Our company is committed to prevent offering, promising, giving, accepting or soliciting an advantage as an inducement for an action which is illegal, unethical or a breach of trust. It is strictly forbidden for employees to receive any form of payment or gifts, whether as a loan or a gift, from customers or in respect of any work-related action. **Violating this directive will result in immediate dismissal.**
- **Prohibition on Conflict of Interest** - Company Employees shall act in good faith and will work and make decisions while considering only the best interest of the company. Therefore, employee must refrain from carrying out any action in which there is concern for a conflict of interest between their role and personal affairs, or their relatives.

The Code of Ethics is prominently published on the company's internal website and communication boards, ensuring accessibility for all relevant employees. It is mandatory for all employees, irrespective of their tenure or position within the company, to familiarize themselves with the Code of Ethics. Additionally, an updated copy of the Code is maintained in a readily accessible location for any individual who requires it.

The Code of Ethics Officer is appointed by the Company to serve as the function in the Company who is responsible for the implementation and enforcement of this Code of Ethics. Contact details are publicly available together with the Code and on the company's internal channels of communication.

We carry a training program regarding the Code of Ethics to management, and during 2025 we plan to expand to all employees. The purpose is to strengthen their knowledge on all above-mentioned topics.

All relevant employees of the company are obligated to adhere to the provisions of the Code of Ethics. If an employee believes that the conduct of another employee constitutes a violation of laws, regulations, official guidelines, or the Code of Ethics, they must report this immediately to the Code of Ethics Officer. Violations may lead to disciplinary actions, including dismissal, and in severe cases, criminal proceedings.

If the Code of Ethics Officer receives a complaint, the company will not retaliate against the reporting employee, provided the report was made in good faith. The Code of Ethics Officer will present their findings to the Chairman of the Board and the CEO, who are responsible for enforcing the rules of the Code of Ethics among all company employees. Annually, the Officer will report to the Board of Directors on the number and nature of complaints, the manner in which they were handled, and the conclusions drawn.

Our People

At Polyram we see each employee first and foremost as a person who is entitled to basic human dignity wherever he lives and works. Office holders in the organization shall treat each other with respect and with appreciation by the simple virtue of being a human being, for their efforts and sacrifice of time and abilities for the benefit of the organization.

We prioritize developing leadership skills, embracing diversity and inclusion, fostering employee wellbeing, and enhancing career development and fulfillment.

Working conditions

The Code of Ethics and employee agreement ensure a respectful and orderly work environment at Polyram. We are dedicated to addressing work-life balance, the right to disconnect, employee satisfaction, remuneration, and social benefits. We adhere to high standards, respecting local laws and regulations on working conditions.

We believe that an inclusive work environment generates both ethical and competitive advantages, vital for our global success. Diversity not only helps us achieve our business

goals but also positively impacts the community. Teams with diverse backgrounds and perspectives consistently outperform others.

Regarding remuneration, we are proud to maintain a gender-gap-free policy. We benchmark salaries against market standards and within the company based on different positions and levels of experience, and we strive to ensure gender does not influence compensation.

Employee development

At Polyram, we recognize the paramount importance of investing in our workforce. We offer comprehensive training programs to enhance employees' knowledge and skills pertinent to their roles and career advancement. Our employees participate in training courses to uphold the high standards of quality and professionalism we expect. In addition, we strive to provide our employees with personal development skills and benefits. This approach reflects our vision of our employees as important human resources to our company.

We conduct regular individual performance assessments. Annually, managers engage with employees to review strengths, areas for improvement, and set objectives for the coming year. These assessments enable us to identify areas for growth, provide necessary support and guidance, and acknowledge and reward top performers. Moreover, we encourage the inclusion of ESG related parameters as part of the employee evaluation. This process consistently includes short- and long-term career goals, along with actionable plans to achieve career aspirations. We actively promote internal mobility and career progression.

Employees attend and present at expositions, enroll in courses, and stay updated with advancements in their field. Every 2-3 years, Polyram conducts global workshops, including participation from subsidiaries, fostering the exchange of ideas, continuous learning, and improvement.

Additionally, we conduct periodic reviews of employee engagement and turnover rates to enhance our management practices. One of our long-term incentives recently implemented is to provide employees with stock options.

Health and Safety

At Polyram we manage Quality, Health, Safety and Environment (QHSE) as part of an Integrated Management System applicable to all of Polyram's manufacturing sites and its employees. Our system is implemented according to the international ISO 45001:2018 standard. The OHS Manager reports directly to the COO, who is responsible to ensure that all ISO 45001 requirements are implemented and maintained.

We safeguard the health and safety of our employees, visitors and on-site contractors by adopting, implementing, and continuously improving our occupational health and safety program and management system. We are locally certified to ISO 45001 at 5 of our 6 production sites: Ram-On and Afula in Israel, Tianjin in China, Evansville in the USA and Gloucestershire UK. This represents 75% of our employee coverage.

Our main focus and commitments in this area are to:

- Prepare a comprehensive Safety Plan and respond to emergencies for the protection of our people and property
- To provide all employees a safe and healthful work environment. To promote and actively minimize risks and hazards at all workstations, and in order to prevent work accident and work-related diseases.
- To be committed to investigate all work accident, to implement its corrective actions and to improve the HSE accordingly
- Comply with rules related to health and safety according to local laws and regulations. The company proactively remains updated about legal requirements with regards to export of materials to various markets throughout the world, environmental requirements, state laws and global regulations including the automotive industry requirements.
- Set targets, prioritization, and action plans to continually improve our overall performance

At Polyram, we understand that knowledge is necessary for the operation of QHSE processes. Our aim is to consistently increase awareness among our people to safety and occupational health, by maintaining all documents and procedures available to all Polyram employees. All new employees undergo training for QHSE procedures, receive a hard copy of our local “safety manual at work place” and are personally trained by their direct managers in order to be authorized to perform their work.

We have procedures in place to support the investigation of any work-related accidents or incidents, including definition and implementation of corrective and preventive measures, lessons learned, and, if required, effectiveness checks and reporting to local authorities. Our post-accident trainings and data sharing aim to raise awareness and prevent repeat occurrences.

We measure the severity and frequency of accidents worldwide. We calculate our severity rate based on the number of lost days per employee and our frequency rate by dividing the number of work-related accidents per hours worked. Each of our sites monitors these KPI's, and we set annual reduction targets in order to minimize the frequency and severity of these accidents. In addition to strict adherence with regulatory requirements, we have developed and installed an easy and convenient phone application through which employees can report on safety hazards. This is currently available at our Israel and US sites.

Environment

Environmental management

Environmental management at Polyram is led by upper management. Our Global Chief Operating Officer (COO) is highly involved in customer requests and interactions, and manages relations with many of our primary stakeholders. As part of our Carbon Management campaign, the COO oversaw various stages of Life Cycle Assessment (LCA) projects, assisted with global data collection for the organizational GHG calculations, and was actively involved in preparing Polyram's CDP report. The upper management is involved in assessing risks and

opportunities relating to the environment, using the assessment to guide business strategy, and sets and oversees environmental targets. Our Environmental and Sustainability Manager has been involved in the above projects, as well as maintaining the overall EHS management system, for which Polyram is ISO 14001:2015 certified. Our Environmental Policy guides our activities and helps us move towards more sustainable practices.

Greenhouse gas emissions

Calculation and reporting

In recent years, we have been calculating our annual greenhouse gas (GHG) emissions, beginning with our 2021 emissions, which we are using as a baseline. Our calculations are conducted according to the GHG Protocol, and include data from all of our major sites, including factories, offices, and storage and distribution centers worldwide. Emissions are calculated using UK Government conversion factors for GHG reporting (DEFRA), with the exception of emission factors of electricity generation and T&D, which are based on information provided by the International Energy Agency (IEA), the Association of Issuing Bodies (AIB), the European Environment Agency (EEA), and supplier-specific data when applicable. Some material factors were taken from the Ecoinvent database, in order to get a more accurate factor for specific types of materials. Our annual GHG reports are verified by a third-party independent auditor in accordance with ISO14064-3 for all Scope 1, Scope 2 and Scope 3 emissions.

Our GHG report includes the following activities:

- Scope 1 (direct emissions) - emissions are those from activities owned or controlled by our organization:
 - Fuel consumption
 - Refrigeration operating emissions (AC systems for offices, chillers for production)
 - Fire suppression systems (extinguishers)
 - Maintenance gas consumption
- Scope 2 (energy indirect) - emissions released into the atmosphere that are associated with our consumption of purchased electricity, heat, steam and cooling:
 - Electricity (generation factor)
- Scope 3 (other indirect) - emissions that are a consequence of actions that occur at sources we do not own or control and are not classified as Scope 2 emissions:
 - Electricity (transmission and distribution and well to tank factors – T&D and WTT)
 - Employee commuting (company cars and shuttles)
 - Water consumption
 - Freightng goods
 - Business Travels
 - Paper consumption for printing
 - Waste management
 - Raw materials consumption for products and packaging

Emissions overview

Since beginning our GHG calculations, we have seen a slight increase in our Scope 2 (market-based) emissions. This is partly due to our adding a new production site in 2022, and partly from having received more accurate market-based factors for some of our sites, several of which were higher than the figures we had previously used. Our Scope 1 emissions include refrigerant refills, which do not occur every year, and as a result the Scope 1 emissions tend to fluctuate. The most significant portion of our emissions comes from the purchase of raw materials. This varies by year as well, since the specific materials purchased may vary by project, and in some cases, there may be excess materials in storage which would lead to a decrease in purchased materials that year.

Greenhouse gas emissions	tCO ₂ e (market-based)		
	2021	2022	2023
Scope 1	396	453	235
Scope 2	15,495	20,559	18,393
Scope 3	412,299	506,674	312,585
Total emissions	428,190	527,685	331,212

Table 2: GHG emissions 2021-2023

Emissions breakdown

The largest contributor to our total emissions was the purchase of raw materials, followed by the upstream and downstream distribution of products and materials, both included under Scope 3 emissions. Electricity consumption, Scope 2, accounts for 5.5%, leaving our direct emissions at less than 1%.

Scope 1: Fuel consumption and refrigerants

Refrigeration gases from air conditioning systems, used in our offices and production lines, and gases from fire suppression systems at some of our sites have global warming potential. As part of our emissions calculation, we mapped all relevant units from those sources at all our sites. Our calculated emissions are based on gas recharge data.

Our direct emissions (Scope 1) also include emissions from fuel consumption, primarily found at our production facilities. For the GHG reports we collected and reported emissions from diesel consumption – used for emergency generators and forklifts – natural gas for heating, and liquefied petroleum gas (LPG) – used in the production process. There is also a small amount of propane and CO₂ used for maintenance. Below is a breakdown of Scope 1 emissions by source:

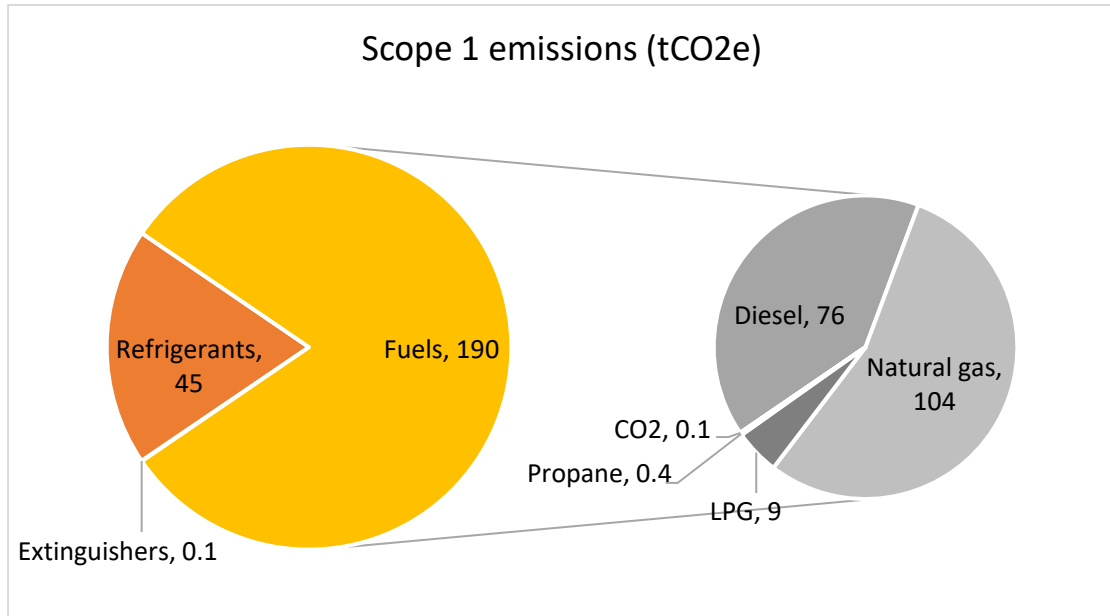


Figure 1: Breakdown of 2023 Scope 1 emissions

Scope 2: Electricity consumption

All of our sites require electricity for basic activity, with higher usage at our production sites. Our global GHG emissions relating to electricity consumption make up 7% of the total emissions, and include both Scope 2 emissions from use and Scope 3 emissions from transportation and distribution (T&D) and well-to-tank (WTT) emissions. T&D emissions are associated with grid losses (the energy loss that occurs in getting the electricity from the power plant to the organizations that purchase it) and WTT emissions reflect the extraction, refining and transportation of primary fuels before their use in the generation of electricity.

The emissions from direct consumption were calculated using both location-based and market-based methodologies, since in some cases electricity was purchased from private providers rather than the local grid. The location-based value, which assumes local emissions factors for each site based on its region, was 17,596 tCO₂e in 2023, slightly lower than the market-based emissions. This difference is due to some sites using suppliers with higher emissions factors than the average factor of that country.

The following table shows our overall purchased electricity consumption from the last three years:

	2021	2022	2023
Electricity consumption (kWh)	39,883,743	39,144,863	38,129,410
Renewable sources (kWh)	7,605,146	5,001,807	5,387,413
% from renewable sources	19%	13%	14%

Table 3: Electricity consumption 2021-2023

We are pleased to note a downward trend in our total consumption, with a 4.6% reduction from 2021 to 2023. Some of our facilities have completed efficiency projects, detailed below, which have helped us to reduce our energy consumption.

Our total electricity consumption can be broken down by site, with non-production sites grouped together as "other," as shown in the graph below. The non-production site, as seen below, comprise less than 1% of the total consumption, and Israel's production sites comprise nearly 60% of the total consumption. Our 2023 consumption was 38,129,410 kWh, of which 14% was from renewable sources (including purchased REGO-backed energy).

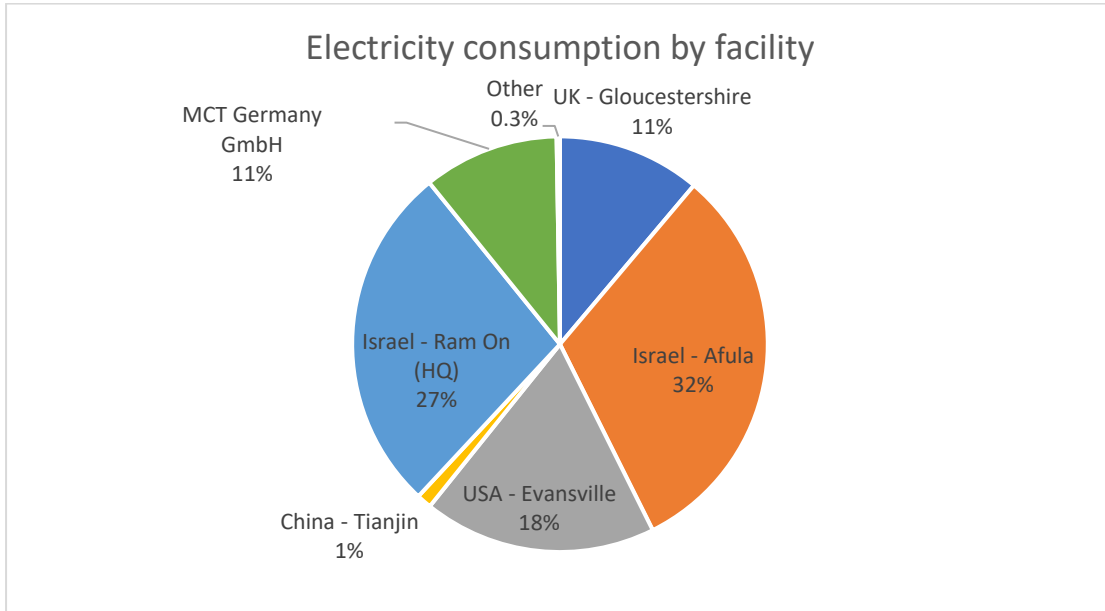


Figure 2: Breakdown of 2023 electricity consumption by facility

Scope 3: Indirect emissions

The most significant contributor to our total emissions is the purchase of raw materials, which consistently make up over 80% of our total emissions. These emissions were calculated based on the purchase of raw materials, primarily different types of polymers. With around 90-100,000 tons of materials purchased across all Polyram sites, the production of these materials, though an indirect source for Polyram, plays a significant role in Polyram's emissions. In some situations, different emissions factors were used for a particular material depending on the location of the supplier – European suppliers have lower emissions on average than other countries, and the impact of purchasing from a European supplier is typically lower than that of purchasing from a non-European supplier.

Another significant portion of the emissions comes from the deliveries, both from suppliers to facilities and from facilities to customers. This accounts for 12% of the total 2023 emissions, and was calculated using the distance-based methodology, which involves determining the mass, distance, and mode of each shipment (eg. by truck, cargo ship, etc.), and multiplying by the appropriate mass-distance emission factor for the type of vehicle used.

The rest of the calculated Scope 3 emissions were from fuel and energy activities – T&D and WTT as described above – as well as paper consumption, water consumption, waste generated, employee commuting (by car and by flight), and packaging materials. These activities added another 1-2% to the total emissions.

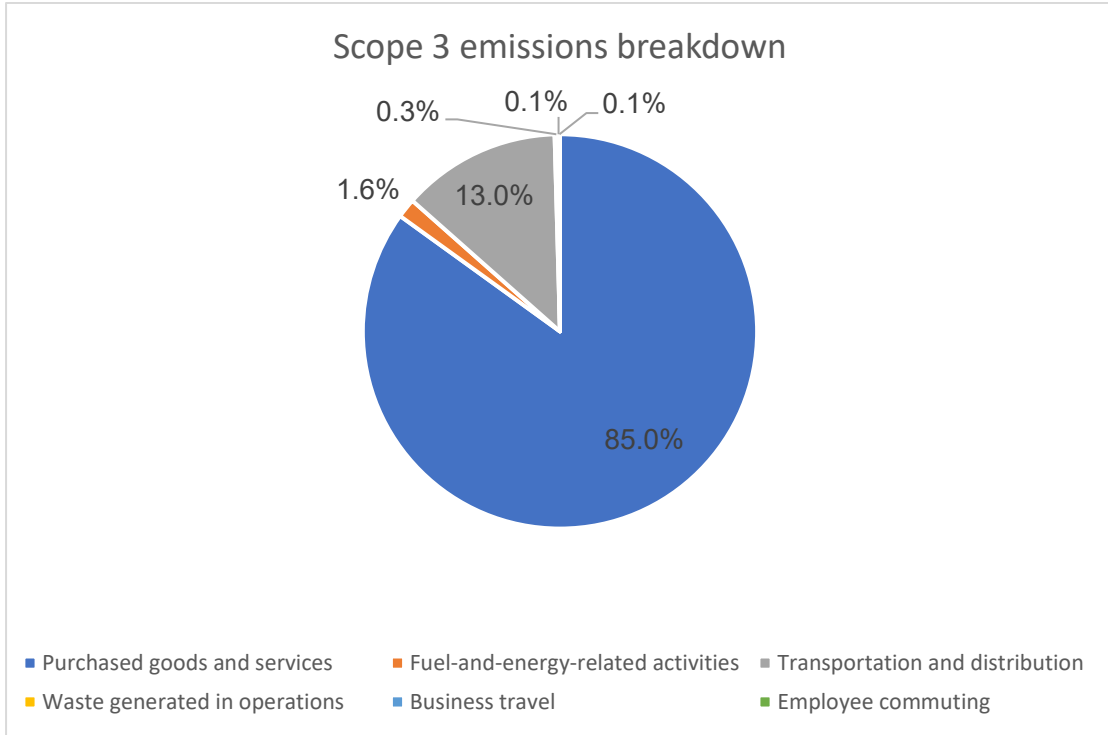


Figure 3: 2023 Scope 3 emissions by source

Targets

In order to work toward our long-term sustainability goals, outlined above in our policy, Polyram has formally approved reduction targets that are in line with the Science Based Targets initiative. We have set Scope 1 and 2 targets based on a 1.5°C scenario – meaning, targets that align with the goals of the Paris Climate Agreement and necessary decarbonization to avoid increases at the global temperature above 1.5°C by the end of the century. Our long-term targets include a goal of net zero emissions by 2050.

Our calculated science-based targets use 2030 as our target year, and are outlined below:

	2021 (base year)	2030 (target year) – absolute reduction 42%
Scope 1	396	230
Scope 2	15,495	8,987
Scope 1+2	15,891	9,217

Table 4: Emissions reduction targets

Measures to reduce emissions

Scope 1:

Our primary source of Scope 1 emissions is our on-site use of fuels, primarily diesel and natural gas. In 2023, our Ram On site in Israel switched from diesel forklifts to electric forklifts, saving about 6000 liters of diesel consumption in the second half of 2023, and an expected reduction of about 18,000 liters of diesel per year, representing 48 tons of CO₂e emissions. Our UK has been working toward electrification as well, with plans to reduce diesel trucks over the next several years. As we move toward increased electrification of our processes, we expect to see significant reductions in our Scope 1 emissions.

Scope 2:

At Polyram, we encourage our sites to initiate projects that could lead to increased efficiency. Our US site completed an efficiency project in 2023 which involved replacing inefficient lighting with LED lighting, leading to an estimated reduction of over 100 MWh. This would reduce the site's Scope 2 by 75 tons of CO₂e. In addition to voluntary initiatives, we complete Energy Surveys as required by law – at both Israel sites, for example, we are required to complete an Energy Survey every 4.5 years, and the output of the survey is a work plan with suggestions for improvements, helping us find ways to reduce our consumption.

To achieve net zero emissions by 2050 and our 2030 goal of 42% reduction on Scope 2 emissions, Polyram is striving to increase the percentage of renewable sources at our global operations. Our UK-based site purchases electricity backed by Renewable Energy Guarantees of Origin (REGO) certificates, giving that site a market-based Scope 2 of 0 – as opposed to 880 tCO₂e when calculated using the location-based method. The Ram On facility in Israel, which in 2023 made up about 27% of Polyram's total electricity consumption, has two different sources for their electricity, and as a result uses two different factors. Their electricity is purchased from Rapac Energy, which produces electricity using natural gas and sells to companies via private contracts. In addition, the Ram On facility has solar panels on the roof, which are owned by Rapac and are connected to Polyram with a direct line. Polyram's electricity bills from the solar panels are under "Rapac Solar" and in 2023 made up a little over 10% of Ram On's electricity consumption. Since this is a direct-line consumption, the electricity from the solar panels is counted as zero-emission energy both for location- and market-based calculations. In 2023, the solar panels at Ram On led to an emissions reduction of 534 tCO₂e.

Scope 3:

Although Scope 3 emissions are not currently included in our formal targets, we have put significant efforts into reducing those emissions as well, since they make up a substantial portion of our overall emissions. Since the majority of our emissions are from our use of raw materials, this has been a key focus point. We have been actively contacting our suppliers for carbon footprint data on the materials we purchase from them, in order to ensure that we have accurate information regarding our raw materials' carbon footprints and their impact on our products. In some cases, we have engaged with suppliers to seek ways to reduce the footprint of the materials we are purchasing. In our 2023 GHG report, we expanded our list of materials included to account for various types of recycled materials, including post-industrial materials, which have a much lower emissions factor than virgin materials. This

process is ongoing, and we hope to consistently move toward reduced impact in each of the materials we use, reducing both our organizational Scope 3 emissions and also our products' carbon footprints.

Water management

As part of our production process, we have looked to incorporate ways to reuse water where possible, and in many cases use recycled water for cooling, in a closed cycle, rather than bringing in fresh water. This type of system reduces our water consumption. Our LCA projects have helped us to better understand our water consumption as well, and we are constantly looking to improve our water efficiency. Although our consumption increased in the last few years – potentially due to a slight increase in employee count at some sites – we hope to continue working toward greater efficiency in our production, in order to reduce our consumption in future years.

	2021	2022	2023
Water consumption (m ³)	37,104	48,302	50,030

Table 5: Water consumption 2021-2023

In addition to monitoring the quantity, our water management includes measures to avoid harming the quality of our water sources wherever possible. As part of our routine maintenance, we assess critical infrastructure in order to avoid a situation where wastewater or other hazardous materials could end up in the environment. All hazardous liquids are required to be stored within a secondary container, which must be 110% the size of the largest internal container, to avoid any spillover. We have an emergency procedure, as well as instructions and trainings for all employees, to ensure accidents are avoided, and in the event that there was an accident it would be handled quickly and effectively in order to prevent materials from flowing outside of the facility. Where possible, we have looked into alternative materials in order to reduce the number of hazardous materials that we use. We are constantly reviewing our designs, both as part of our standard R&D and in the framework of our LCA projects, in which we review every aspect of our products and how each affects the environment. These and other activities help us to manage and minimize our adverse impacts, and we aim toward constant improvement in this area along with our other environmental aspects.

Waste management

At each of Polyram's sites, we set annual targets to reduce the amount of waste relative to production. We take care to waste as little material as possible, adding rejected materials back into our products. Some of our products include a raw material made from reject cable ties, which we grind and process to make it useable in the original manufacturing process, rather than it being removed as process waste. This reduces the amount of virgin material needed in our products, and helps to divert plastic waste from landfills.

Over the last few years, our total waste has increased, but we are pleased to note that the amount sent to recycling – and, at our UK site, for combustion – has increased, leading to a decrease in the percentage being sent to landfill.

	2021	2022	2023
Waste to landfill (tons)	2,234	1,919	1,569
Waste to recycling (tons)	612	1,454	2,688
Waste to combustion (tons)	-	170	178
% waste to landfill	79%	54%	35%

Table 6: Waste generation 2021-2023

Product sustainability: from R&D to End-of-Life

As part of our journey toward increased sustainability, we have put great effort into reducing the environmental impact of our products, largely through the use of more sustainable raw materials. Our R&D includes a significant focus on low-emission materials, and in recent years we have incorporated increasing amounts of recycled materials into our products. Some of our sites have been using post-industrial resins, which have an especially low carbon footprint, helping us to reduce our own Scope 3 emissions as well as that of our customers. Our Ram On site has some products which incorporate a product called "UBQ," a plastic substitute made from household waste, which can replace a portion of the plastic used in certain products. This has the double benefit of both reducing the amount of oil-based polymers needed for our products, and it reduces the amount of waste being sent to a landfill by using that waste as a resource. In addition to post-industrial recycled content, some of our products now include post-consumer recycled content, bio-based and other sustainable materials, in accordance with the needs and requests of our customers seeking carbon-reduced products. Additionally, most of our PE plastic bags contain 30% recycled packaging material, reducing that aspect of our footprint as well.

Since we produce intermediary products, which are then further processed at our customers' facilities, we cannot always control our products' end-of-life – however, we have certain products which can increase the recyclability of the final product. For example, some of our Bondyram products are used as adhesives for products that can then be recycled in their end-of-life, rather than sent to a landfill due to non-recyclable adhesives. In addition, use of Bondyram can enable the inclusion of otherwise non-compatible polymers in recyclates. In general, Polyram offers a broad range of compounds that allow our customers to produce their components in a more sustainable manner. Our approach to sustainability can be adapted to suit the needs of individual brands and applications, including the Automotive demanding industry.

Engagement with our value chain

Added value for our customers

Over the last several years, we have received many requests for information on the environmental impacts of our products, in particular our products' carbon footprints. We have completed 45 LCA projects in order to address these requests, and have had continued engagement with those customers as we work together to find ways to reduce the carbon footprints. Our clients receive declarations for each product with the LCA results, helping our

clients to better understand the impacts of the materials they are purchasing and make informed decisions and calculations themselves.

Working together for better results

In some cases, the cooperation we have with our clients has led to a deeper dive into what factors cause a material's carbon footprint to be higher, and what changes can be made to lower that carbon footprint. Our UK site has been working closely with both their upstream and downstream supply chain in order to come up with solutions to reduce the carbon footprint of a particular product, with the raw material supplier involved in conversations around the specific processes and what changes can potentially be made. This type of close cooperation allows all members of the supply chain to work together toward improving our performance, and we are eager to see how this and similar projects lead to better results for all parties.

About this report

This report details our approach to Environmental, Social, and Governance (ESG) matters, highlighting our sustainability initiatives and programs, and underscoring our commitment to fostering a prosperous future for everyone. The report details activities from our global production sites and distribution centers. We intend to present our performance, providing clear and easily comparable data. Besides GHG emissions report, additional data has not been externally assured or verified by an independent third party. The report was written with the assistance of Green Target - an EHS and Sustainability Consulting Firm.

We wish to thank all the people involved in the collection of data, writing and production of this report.

