



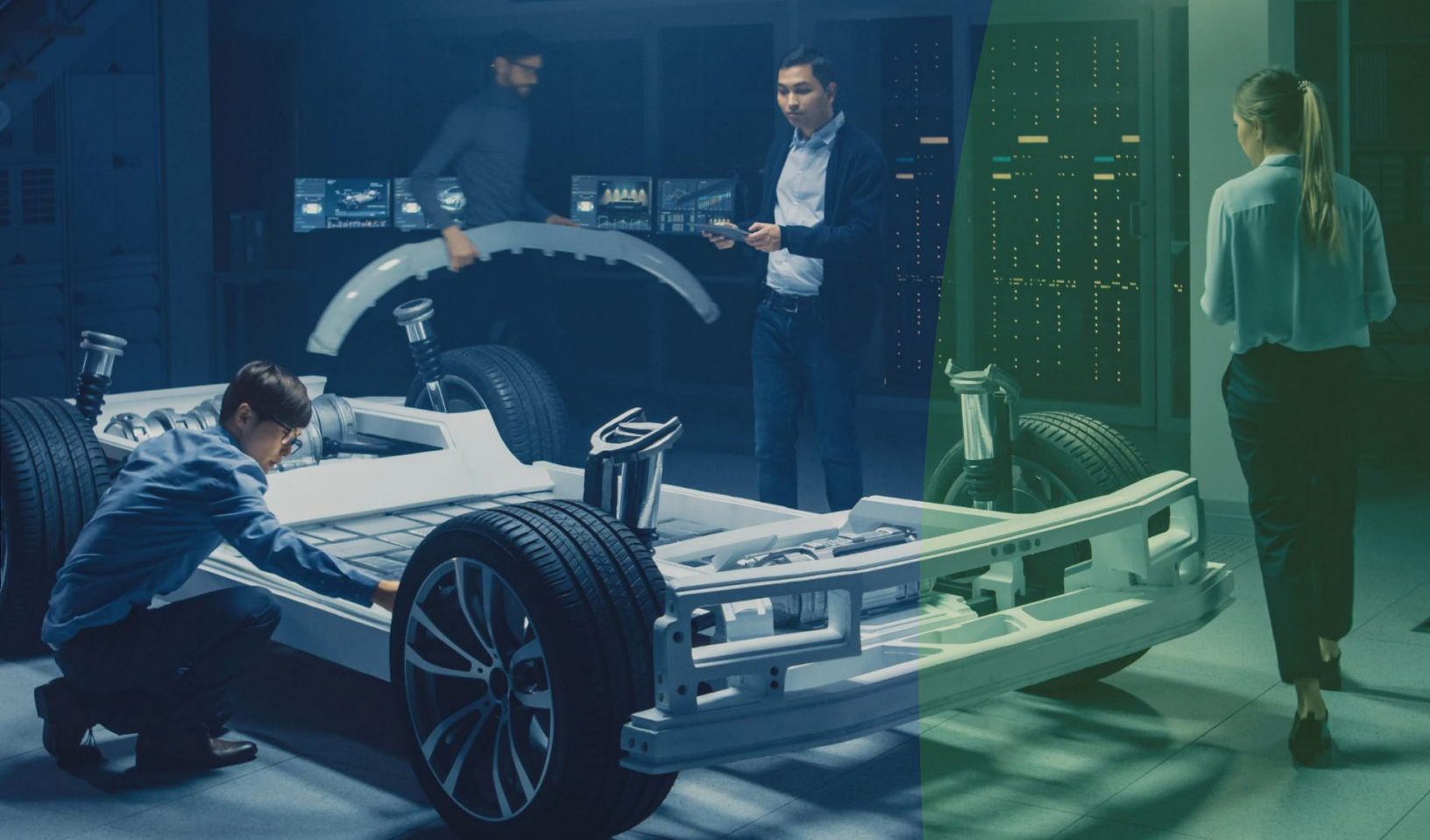
2022 Sustainability Report



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An Introduction to Alkegen

Solutions to the World's Biggest Challenges

At Alkegen, we develop specialty materials that:

- *enhance filtration technology, insulation, and construction and fire protection products;*
- *capture and contain industrial emissions; and*
- *drive step-change battery innovation.*

With our unmatched worldwide reach thanks to 57 manufacturing facilities and a workforce of the industry's most experienced talent, Alkegen is uniquely positioned to help customers make a positive impact on the environment and improve human health.

Our Vision

To become the world's most sought-after specialty materials platform dedicated to sustainability and human health.

Our Values

Grow.

We pursue growth in all its forms. Whether it's company growth, personal growth, or career growth, every day we wake up inspired by our mission and driven to deliver transformative growth that benefits our stakeholders in an environmentally sustainable way.

Be Bold. Move Fast.

Building great things requires entrepreneurial behaviors. We make thoughtful decisions quickly, execute them with intensity, and simplify wherever we can. We believe that it is better to move fast than to move slowly and miss opportunities. We know that by moving fast, we build more things and learn faster.

All Passion. No Politics.

Passion is at the heart of everything we do at Alkegen. We are passionate about our mission, our work, our team, our customers, our communities, our friends, and our families. This comes without politics. We love people who aim for greatness. They inspire and excite their peers and continually raise the bar for all of us. We have no time or tolerance for politics or drama. Our mission is too important.

We recognize Environmental, Social, and Governance (ESG) initiatives play a substantial role in the execution of our Vision and Values by helping us manage our opportunities and risks in a sustainable manner that optimizes value for our stakeholders.

9K+

employees
worldwide

150+

years of global
service and support

57

manufacturing
facilities



The Governance of ESG

Taking bold ESG-focused action is not only critical for the world but also aligned with our approach to enterprise value creation.

Alkegen recently formed through the combination of two specialty material producers. In year one as Alkegen, we put in place all the building blocks needed to drive an ambitious ESG program, starting with an ESG Committee.

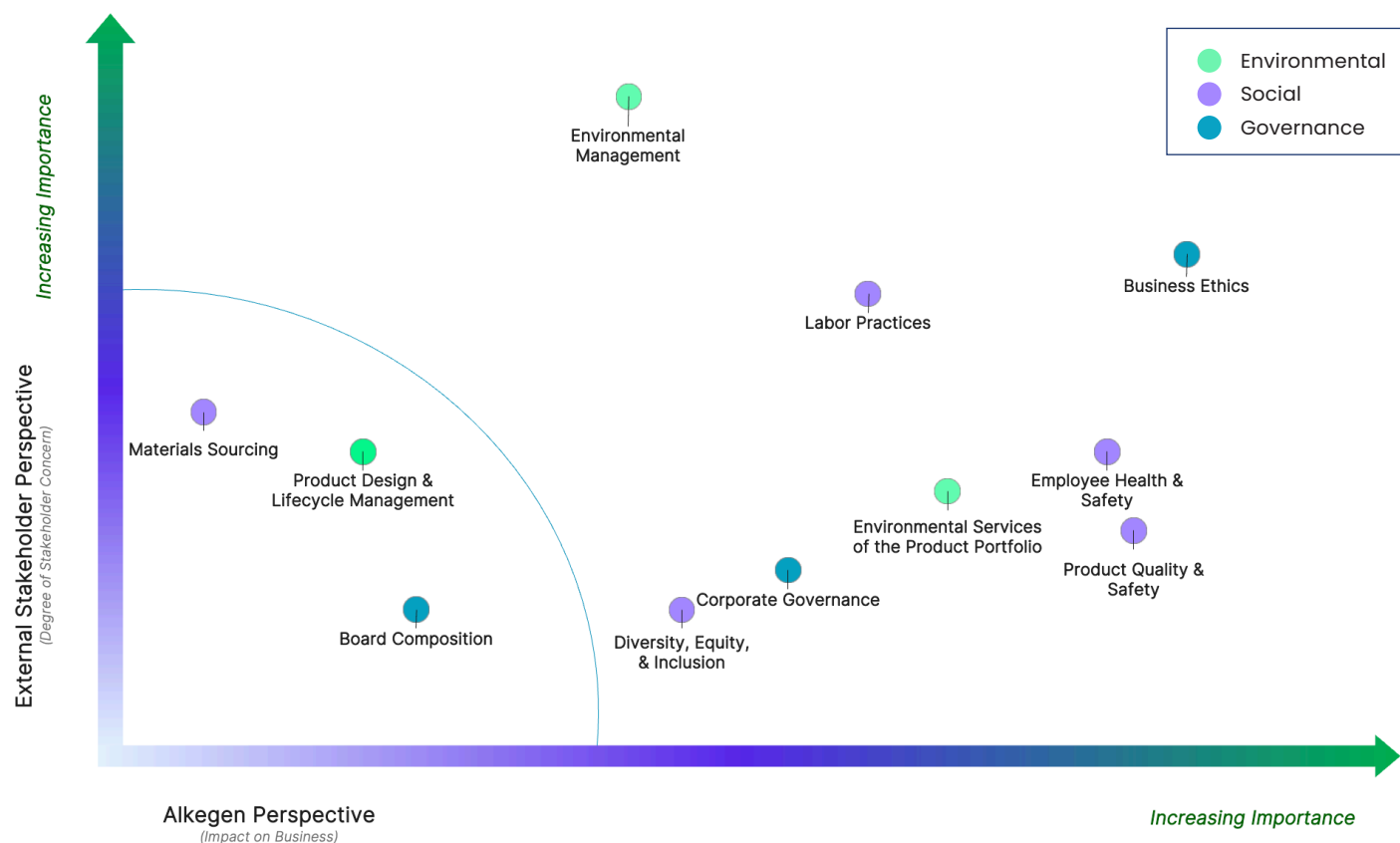
Our ESG Committee sets the direction of our ESG program and the execution of our ESG initiatives and projects. It has one executive per pillar and has ultimate responsibility for achieving the company's goals and targets. To reflect the importance of achieving these goals and targets, there are at least 75 employees in the Alkegen organization with an ESG-related job.

We know that if we are to succeed in delivering value to our stakeholders, we need to foster the right culture. Our vision and values are deliberately designed to focus our attention and actions on making the world a more sustainable place.

A sustainable approach to business is already an instinctive part of our culture and the way we have always approached managing our company.

As we formalize our systems and processes around ESG frameworks, our materiality assessment and this Sustainability Report have helped us to identify our priorities, define our ambitions, and give us even greater drive to achieve our goals and targets.

Materiality Assessment



In late 2021, Alkegen conducted its first materiality assessment, which is designed to assess the most relevant ESG impacts to our business. This assessment, completed by an independent consultant, consisted of a benchmark review of our peers and of ESG frameworks and ratings, including SASB, TCFD, MSCI, ISS, Sustainalytics, and EcoVadis*.

It also included a series of in-depth interviews and surveys designed to help identify the topics that are most relevant to our internal and external stakeholders and most influential to our business.

The assessment output showed us our high priority ESG topics and informed our sustainability strategy.

Accordingly, in 2023, our focus continues to be on:

Employee Health and Safety

Reducing the Environmental Impact of our Operations

Environmental Impact of our Product Portfolio

Supply Chain Management

Diversity, Equity, and Inclusion

* ESG Ratings Agencies: MSCI, ISS, Sustainalytics. Business sustainability rating provider: Ecovadis.
ESG Frameworks: TCFD (Taskforce on Climate-related Financial Disclosures) and SASB (Sustainability Accounting Standards Board).

A Letter From Our CEO

This is year one as Alkegen, but we're continuing a decades-long history of two companies with established environmental stewardship, social engagement, and governance practices. We are proud to publish our first Sustainability Report highlighting our contributions to a more sustainable world and bringing transparency to our environmental goals and targets.

When we talk about the environment, Alkegen's story is one of clean air, reduced carbon emissions, and electrification. I like to think of it in terms of offense and defense. As we transition to a more sustainable future, the products we design help our customers protect the environment from traditional industrial manufacturing impacts.

And at the same time, we're innovating the next generation of specialty materials that will play a key role in a more sustainable future.

When we look at the social pillar of ESG, I'd like to spotlight a few areas. First, safety in the workplace is always our number one priority. Every employee has an undeniable and inherent right to return home to their family each day without being injured at work.

Second, we've always believed that our company should serve the communities where our employees live and work. Globally at Alkegen, there are countless examples of our company and our employees giving back for the betterment of these communities. In an ever-changing world that is too often marred by tragedies and challenges, Alkegen is quick to respond to meet emergent needs. Most recently, Alkegen contributed \$10k and matched employee donations for disaster relief after the significant earthquake in Turkey that claimed so many lives and displaced hundreds of thousands.

Third, our Diversity, Equity, & Inclusion (DE&I) strategy resulted in over 50% of all our new hires and internal promotions across our sites in the second half of 2022 being either female or ethnically diverse in the country of employment.



Our commitment to diversity does not end with our own employee base. We also support upward mobility for economically disadvantaged persons in our communities and our partnership with Buffalo Prep, which we discuss later, is just the start of our ambition.

Lastly with regard to the governance pillar of ESG, robust practices have always been central to our corporate philosophy. We are committed to doing the right thing the right way, always; and we have policies and controls in place to maintain these high ethical standards.

ESG always has been the beating heart of Alkegen — it's part of our DNA. I am proud to lead a global company that is aligned with our stakeholders and investors in a common purpose to create value by taking on the world's biggest challenges. We are dedicated to engineering high performance specialty material solutions that help us all live greener, breathe easier, and go further than ever before.

John C. Dandolph
President and Chief Executive Officer

Environment

At Alkegen, we develop the materials to support the transition to a cleaner, more sustainable future. To be complete in our efforts, we assess, understand, mitigate, and take responsibility for our own impact on our planet.

There is no lack of examples of outstanding environmental initiatives across our business, and we are proud of the commitment, ingenuity, and ambition our people show in taking us forward on our mission.

2022 Environmental Achievements

- Integrated processes and procedures of two separate companies, taking the best environmental practices from each.
- Built and compiled data in an electronic repository from all our global sites on emissions, water usage, and waste and actioned a procedure to review the data monthly.
- Set 2030 Environmental Performance Targets for emissions, water, and waste reduction.
- Achieved environmental successes such as implementing initiatives at our facility in Tonawanda, New York, resulting in 90% of water now being recycled.

2022 GHG Emissions Data

- Scope 1: 287,351 tCO₂ eq
- Scope 2: 164,035 tCO₂ eq

2023 Environmental Goals and Targets

- Streamline the collection and conversion of environmental key performance indicators (KPIs) for our own operations and product impacts.
- Identify and accelerate the initiatives that will allow us to meet our Environmental Performance Targets for emissions, water, and waste reduction.

2030 Environmental Performance Targets

By 2030 we will achieve:

10%

Reduction in Scope 1 and Scope 2 greenhouse gases (GHG) emissions intensity

10%

Reduction in freshwater withdrawals

15%

Reduction in amount of waste to landfill

As we power forward with our initiatives and as we better understand the technologies we can use, we are committed to making our Environmental Performance Targets as ambitious as possible.

GHG Emissions

Sourcing more renewable energy and being more efficient in the way we use energy is key to reducing our impact.

We have assessed energy performance at each of our 57 sites, which allowed us to identify sites with a greater opportunity for efficiencies. Equipped with this data, we are optimizing the initiatives that will help us achieve our Environmental Performance Targets.

Due to the nature of our industry and our products, a significant percentage of our energy usage comes from direct combustion. To mitigate this, where feasible we will use more efficient fuels, reuse heat, and drive improvements in our internal processes to use less energy and release fewer emissions into the atmosphere.

In recognizing that our processes are energy intensive, we aim to procure carbon-free and renewable energy where those resources are available. Our sites are in regions where renewable power share in the grid is very high.

Our facilities in Brazil, France, and Canada operate on almost 100% fossil-free energy. Our sites in the locations below have on average more than 50% non-fossil fuel energy in the grid mix:

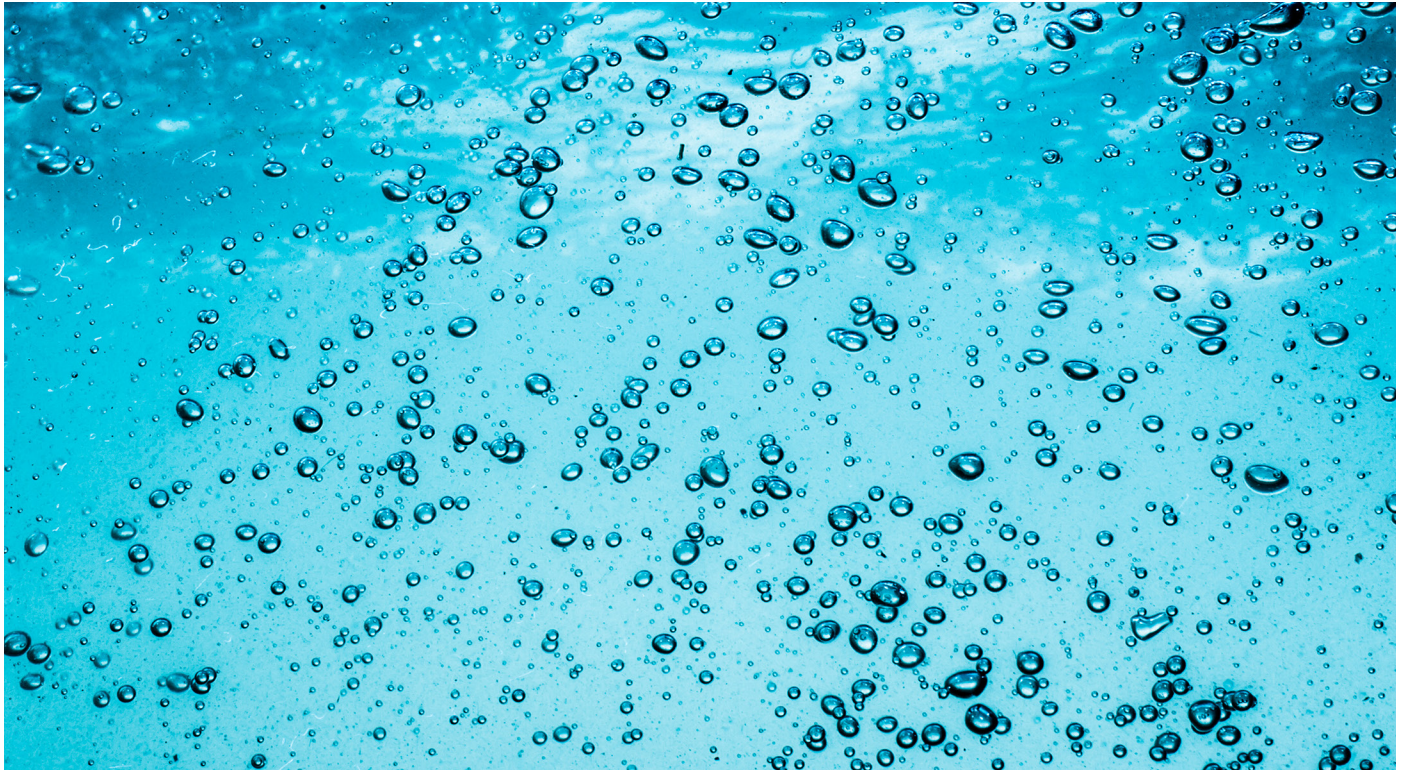
- **Iowa**
- **Michigan**
- **New Hampshire**
- **New York**
- **North Carolina**
- **South Carolina**
- **UK**
- **Germany**
- **Czech Republic.**



Our site in Iowa is powered by 55% of wind and biomass mix. In less developed energy markets, we engage in standalone renewable energy projects. For example, our Lakhtar facility in India has deployed power purchase agreements up to the maximum allowable capacity with two solar energy providers, which account for 13% of the energy needs of the facility. Not only does that help to reduce our GHG emissions, but it also helps us to minimize costs.

Reducing our energy and water use will ultimately reduce our carbon footprint and our exposure to transitional and physical climate risks. We have set a carbon intensity goal to keep driving our environmental performance within our operations.

Our GHG footprint can be found in Appendix 2 on page 23.



Water

We are focused on improving our water performance and reducing the amount of freshwater we withdraw by leaning into reuse and recycling initiatives. We have assessed baseline water stress risks at all our sites. None of the ten sites that withdraw the highest volume of freshwater are located in areas of high or extremely high baseline water stress.

Water recycling projects such as those at our Tonawanda facility demonstrate our commitment to a sustainable future and we look forward to continuing these types of efforts across our portfolio.

Our SASB water data can be found in Appendix 1 on page 22.

Waste

Part of being a responsible global citizen is minimizing the waste we leave behind for future generations. We have a duty to take a responsible approach to our use of the Earth's precious materials and resources.

Using the philosophy of reduce, reuse, and recycle, we have a series of initiatives across every area of our operations which build on activities to reduce our waste footprint. We are passionate about reducing our use of raw materials to reduce our impact on the planet and support our customers' own environmental programs and targets.

A shining example of our commitment to reducing waste through reuse is our Ecoflex® 2K product. Ecoflex® 2k is manufactured at our Firetower, NY facility by reusing byproduct dry laid Polycrystalline Wool (PCW) fiber manufactured at our Pirson, NY facility. We're proud to say it has reduced scrap fiber waste at Pirson by 95%.

Alkegen Product Highlights

Alkegen's diversified product portfolio plays a valuable role in the transition to a low carbon economy and a low carbon world. Up to 80% of Alkegen's total annual revenue is derived from the sale of renewable energy, energy efficiency, or pollution control products. In 2022, we continued to have zero recalls and no monetary losses due to legal proceedings regarding product safety.

Filtration Media

We're a proven innovator of specialty filtration media for demanding applications within the indoor air quality, industrial, and liquid filtration sectors. Our materials are designed to meet strict global regulatory standards and minimize impacts on the environment through best-in-class efficacy and energy efficiency.

TriboStatix®

Traditionally, more effective air filtration systems have meant higher energy usage and costs. The more effective you want the system to be, the denser the filtration material you need to use for capture, and so the more energy you need to move air through the system. It was a status quo we wanted to challenge.

TriboStatix® was the result. It provides high filtration capability and dust-holding capacity with minimal airflow resistance. This results in longer service life and reduced energy usage and costs.

Battery

Better batteries are all about buying time. A more efficient design can beat a battery's most frustrating challenge: time between charges. Using step-change innovation, we're driving advances that help extend battery life and accelerate charging time.

SiFAB™

Alkegen's silicon fiber anode battery technology (SiFAB™) invention increases battery charging capacity, charging speeds, and battery life, which in turn opens up the possibility of smaller and lighter batteries that reduce weight and energy requirements. SiFAB™ is currently being sold to and validated by battery manufacturers, electric vehicle OEMs, consumer electronic companies, and power tool companies across the globe.

Insulation

Our thermal management materials help owners, operators, and manufacturers working in high-temperature applications minimize energy consumption and direct heat, as well as keeping people, equipment, and facilities safe from fire.

Fiberfrax® Durablanket® LT

Our Fiberfrax® Durablanket® LT is the next generation in our well-established Durablanket® product family. Its enhanced thermal performance helps companies reduce their energy costs and meet increasingly strict carbon emission targets without increasing the amount of insulation required.

A Responsible Approach to Manufacturing

Across all our sites there is a strong awareness of our environmental and regulatory responsibilities, which drives continuous education, compliance, and protective actions. This is in addition to the third-party Product Stewardship advisory board described in more detail on page 19.

Examples of site-specific certifications and registrations that represent this continuous engagement include:

- having a British Ceramics Confederation membership, which requires submission of data on energy, waste management, and emissions
- registration with and compliant to local and regional environmental requirements, which include air permitting, chemical storage, storm water discharge, sewer discharge, and radioactive registration
- being a member of the Forest Stewardship Council
- having Environmental Legal Register access.

We're also proud of other site-specific actions including:

- reducing energy usage by using variable speed compressors and more efficient pumps and motors, conducting air leak surveys, and implementing associated repairs, assessing boiler condensate return and improving boiler efficiency, and using LED lighting
- reducing use of caustic in effluent treatment
- recycling the majority of plastic packaging and all plastic Intermediate Bulk Containers (IBCs)
- having hazardous waste segregation and contracts to recycle oil, ink cartridges, aerosols, fluorescent lights, and electrical goods.

Looking across our sites, 35 sites hold ISO9001 (Quality Management) certifications, 16 hold IATF16949:2016 (Automotive Quality Management Systems) certifications, 15 hold ISO14001:2015



(Environmental Management Systems) certifications, and 3 hold ISO50001 (Energy Management) certifications.

We see our partners and suppliers as an extension of our team, and we expect their values to reflect our own. Our Supplier Code of Conduct sets out our requirements around environmental health and safety in this regard.

In 2023, we plan to implement enhanced supplier onboarding and audit procedures, including supplier compliance audits, to support our ethical standards, environmental strategy, and drive performance. We are developing a Supplier Quality/ESG Handbook Agreement, which further defines the expectations we have of our suppliers.

Product Stewardship

We take our product stewardship responsibilities seriously and actively work to minimize the environmental and human health impacts of our products throughout their full lifecycle.

We have a Product Stewardship team comprised of six people. The team ensures Alkegen maintains compliance with global environmental regulatory regimes, including REACH, RHOS, and Prop 65. In addition, the group evaluates potential human health hazards at our manufacturing sites and manages risks, including mandating certain hazard remediations and personal protective measures.

The team also monitors air quality at all of our own sites and certain customer sites worldwide. In 2022, they visited 21 customer sites and 30 internal sites to assess levels of airborne fibers. Alkegen met its airborne fiber monitoring targets both internally and at customer sites.

In the past year, the team also completed Product Safety Data Sheets (SDS) for all Alkegen products. The SDS's are available to all Alkegen customers.

We have built a strong relationship with US Occupational Health and Safety Administration (OSHA). We were founding members of the High Temperature Insulating Wools (HTIW) Coalition, which develops guidance on work practices, occupational safety, and health measures in the production and use of HTIW's. This is supported by OSHA. We are also members of ECFIA, which plays a similar role to the HTIW Coalition in Europe.

Via those associations, we have developed a voluntary Product Stewardship program for refractory ceramic fiber (RCF) products, which aims to protect workers involved in manufacturing, forming, installing, and removing products containing RCF. Our Product Stewardship group was commended by OSHA in 2022 for this program, in particular the best practice recommendations that have led to higher standards and compliance within the industry's exposure guidelines.

“At Alkegen, we are singularly focused on delivering specialty materials that improve our environment and human health. Through global reach and breakthrough inventions, Alkegen's products enable the world to breathe easier, live greener, and go further than ever before. Our success as a company is attributable to the diversity of our workforce and engagement with the communities where we live, work and play. ESG and sustainability are not just initiatives at Alkegen – they are firmly at the heart of who we are and what we do.”

John C. Dandolph

President and
Chief Executive Officer



Social

In our workplace and our community, we strive to be inclusive always, fostering an open environment where each person is treated in line with our values. We honor the rights of all people and make the safety and well-being of our employees our number one priority.

We play an active part in the communities where we live and work, participating in a wide variety of volunteer and charitable activities. We are looking forward to seeing more of these efforts in 2023 and beyond.

2022 Social Achievements

- Reduced workplace safety incidents by 35%.
- Achieved our DE&I objective of 50% of new hires and 50% of promotions being people classified as either female or as ethnically diverse in the country of employment.
- Built on strong existing foundations to better unify our corporate giving program.
- Set human health and sustainability as our charitable giving themes for 2023.
- Supported childhood education in disadvantaged communities.

2023 Social Goals and Targets

- Creation of a centrally funded Alkegen Foundation.
- Holding 100% of people leaders accountable for delivering on annual DE&I objectives.
- Establishing Employee Resource Groups (ERGs) to act as an ear to the ground and have our community's pulse to identify needs, suggest programming, and be local advocates.
- Formalizing our leadership mentoring program to identify and nurture the next generation of managers.
- Reducing workplace safety incidents by an additional 15%.



Health and Safety

At Alkegen, the health and safety of our employees, contractors, customers, and visitors is of paramount importance.

Our Environmental, Health & Safety Policy reflects our commitment to effectively manage the risks present within our business and to ensure all our activities comply with the associated regulatory requirements.

Our policy aims to sustain a culture that embraces the principles of leadership, empowerment, effective communication, and care to drive the improvement of safety performance.

There is at least one health and safety professional at each of our manufacturing sites. To reflect the importance of safety, at leadership meetings we don't share financial metrics without also sharing safety metrics. We have a monthly global safety call attended by over 200 Operations, Human Resources (HR), and Commercial leaders, including the Senior Leadership Team.

Our CEO takes an active role on this call, ensuring we lead from the top. We document every safety incident, along with its causes and the lessons we can learn from it, and we share this information in detail on our global safety call in order to promulgate best practices. Safety is emphasized in employee performance reviews to continuously reinforce its importance. Any knowing violations of safety policies and measures results in immediate termination.

Our uncompromising commitment to health and safety has translated into positive outcomes. Despite the challenges of recently bringing two companies and two sets of working practices together, we ended 2022 with a global Total Recordable Incident Rate (TRIR) of 1.48, which beat our target of 1.56. TRIR in our industry ranges from 0.9 to 2.5.

Our Lost Time Injury Rate (LTIR) was approximately 0.9 in 2022, while industry ranges in our manufacturing sectors were 0.9 – 2.5. The figure beat our 2022 LTIR target of 1.0 and represented a 35% year-on-year reduction. Days lost due to injury across the whole of Alkegen in 2021 was 1,797. 2022 lost time days ended at 770 days.

Diversity, Equity, and Inclusion

Diversity, equity, and inclusion is central to our mission and critical to sustainability as diversity supports our company and communities through varied perspectives. Our culture helps us to innovate and grow and we nurture this by embracing our differences and using our varied perspectives to solve the challenges facing our changing world. We aim to build a workforce as diverse as the world we serve. To achieve this, we have a DE&I Vision and Strategy that sets out our 2023–2025 goals and targets and the initiatives that will help us achieve them.

Alkegen Diversity and Social Impact metrics are reported to the Board. We have a Global Head of Diversity who is part of Alkegen's Enterprise Leadership Team. Our Global Diversity and Inclusion Impact Council provides guidance for day-to-day initiatives. Our managers establish and prioritize DE&I goals and targets, track progress and metrics, and allocate resources. Our DE&I Working Groups are cross-functional teams that implement DE&I campaigns and programs.

Diverse definition: female or global role non-white, local role with a minority ethnicity outside of home country.

Non-diverse definition: male and/or majority ethnicity.

Only employees who could be positively identified as diverse employees in our current HR system environment were counted in these metrics.

Early Careers (*latest intake*)

32% female

39% ethnic minorities

2025 Goals

All levels 50% of early career intake will be female

Q4 2022 Headcount

34.3%

Total Diverse Headcount

65.7%

Non-Diverse Headcount

23.6%

Female Diverse

10.7%

Non-Female Diverse



Performance and Talent Management

All employees have an annual performance review, where they receive feedback, a merit increase, and other incentive compensation commensurate to their performance in the previous year. Managers are encouraged to work with employees to put development plans in place that enable them to take their future career as far as they aspire.

We focus on retaining top talent by empowering them to reach their potential and beyond. The Senior Leadership Team meets multiple times a year to identify top talent and their development needs. Managers proactively build development plans for top talent, and they are mentored to ensure they succeed.

Alkegen leverages the government medical plan relevant to each of the countries in which we have a presence. Where a government plan is not available, we provide access to medical insurance. In the US, all employees have access to employer-subsidized health insurance (which covers medical, dental, and vision).

Alkegen utilizes government retirement plans and supplements based on market practice. In the US, employees have access to either a 401k plan or a pension plan, depending on if they participate in a labor union.

Alkegen follows most government holidays globally. In the US, we provide 12 holidays and unlimited vacation for salaried employees. All non-exempt employees have paid time off based on market practice or length of service.

All employees have access to wellness support. A global Employee Assistance Program is available to provide resources and counseling as necessary.

We are committed to gathering employee feedback – and acting on it. We conduct an Employee Pulse Survey via Workday Peakon Employee Voice every quarter, a frequency that gives us real-time information to act on. Managers with more than 10 team members have transparency into specific employee feedback so they can address any areas for improvement with remediation plans and continuously improve within their own teams.



Community Initiatives

At Alkegen, we strive to use our global reach to make a positive impact on our communities.

Our office in Buffalo, New York, has a track record of developing relationships that support both the local community, and our own environmental and social objectives.

We have always been committed to increasing the diversity of candidates considering careers in materials science, business, or engineering. To support this, we found a perfect match in our partnership with Buffalo Prep, a dedicated organization that helps underrepresented youth gain a first-rate college preparatory education. Our Chief Financial Officer (CFO) sits on its Board of Directors and Alkegen proudly funds a four-year scholarship for a student attendee. The current recipient is an African American student who is receiving an Alkegen-sponsored \$10k annual scholarship for each of his four years of attendance at the school.

We also are proud to be a Sustainability Partner of the Buffalo Bills, an American national football team. We have committed to running at least one community event with the Buffalo Bills each year. We have also committed to exploring specialty materials

manufactured by Alkegen that may have applications in its future stadium plans.

As part of this partnership, Alkegen's CFO presented the Buffalo Bills 2022 Junior Community Quarterback Award to a seventh-grade student at the 2022 Buffalo Bills Community Honors Awards Dinner (pictured above). The student was recognized for his actions after noticing a peer being bullied for his shoes. This exceptional student spent his life savings of \$135 to gift his classmate a new pair of sneakers because as he said: "...nobody deserves to get put down based off a pair of shoes...". The student's efforts have been met with a tremendous amount of third-party support and also matching contributions by Alkegen.

There are many other examples across the globe where Alkegen as a company and its employees contribute a tremendous amount of time and significant resources to charitable causes that greatly impact their communities. With the recent merger, Alkegen opened its new regional office, and we look forward to establishing deep connections to the community.

Our goal in 2023 is to accelerate our community focus by centralizing the funding and resourcing of charitable communities wherever we are located.

Governance

Alkegen's approach to governance is as robust as you would expect from a company which has history as a US public company. We know that the actions we take (or fail to take) have an impact on Alkegen's compliance status and reputation, helping to define the kind of company we are today and the kind of success we will achieve tomorrow.

2022 Governance Achievements

- Unified and rolled out a newly combined Code of Conduct that is designed to be user-friendly, interactive, and accessible.
- Merged and rolled out a consolidated compliance program and Compliance Line.
- Appointed the first female to our Board of Directors.

2023 Governance Goals and Targets

- Ensuring that all policies and practices align with our Code of Conduct and with our ESG strategy, particularly around procurement.
- Publishing a complete Alkegen website, including a Sustainability page, which has all our policies and goals and targets to bring transparency and visibility to our actions.

The Alkegen Board

The Alkegen Board of Directors and its committees meet at least four times a year.

External Boards

As well as the Alkegen Board, we also have two external boards that support us on specific aspects of our business.

Our Human Health and Environmental Sustainability Advisory Board (HHESAB) meets quarterly and is comprised of eight of the most preeminent experts in the fields of health science, law, and manufacturing.

It is an essential complement to our Product Stewardship program and was initially formed to understand and mitigate the potential human health impacts of our ceramic fibers. It has since expanded to cover other environmental areas, such as the assessment and remediation of Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) at our sites and in our material.

Our Battery Advisory Board meets quarterly and is comprised of experts in power generation and storage. It advises on the technical development, commercialization opportunities, and regulatory requirements (including recycling) as we expand our product portfolio in this area.

Code of Conduct

Our mission, vision, and values reflect where we have come from and where we are going. Our Code of Conduct puts our mission, vision, and values into practice.

Our Code of Conduct and all the associated policies and procedures are available in our six primary company languages.

We have interactive training in place to embed learning and bring our Code of Conduct to life. New employees complete the training during onboarding. We rolled out the training electronically to all employees with an email address. Completion rate of this training stands at 94%. The company is in the process of training employees without an email address at facility all-hands meetings.

We take violations of our Code and policies seriously. We encourage employees to report suspected violations of our Code to their manager, HR, Legal Services or, if uncomfortable with those options, through our Compliance Line.

Our Compliance Line, which is operated by an independent third party, gives employees who see or suspect a violation of our Code the means to report it anonymously. We have a robust process that documents the investigative process, including corrective actions and records retention.

Ethics and Anti-Corruption

We conduct business with integrity and zero tolerance for bribery and corruption. We compete fairly in the marketplace and comply with all antitrust and competition laws. We make decisions based on what's best for the company and strive to avoid even the appearance of a conflict of interest.

To achieve this, we have an Anti-Corruption Policy and a Conflict of Interest Policy in place. We train new employees on these policies during onboarding. We also carry out periodic training for existing employees.

Data Privacy and Cybersecurity

We are committed to privacy protections and following global laws and regulations aimed at safeguarding personal data. We have a Data Privacy Policy in place, and we are GDPR compliant.

Our cybersecurity program includes multi-factor identification and 24/7 monitoring on endpoints by independent third-party experts. We expect employees to be good stewards of our electronic resources and systems and to partner with IT on protecting the company's intangible assets, including personal information.

Training on cybersecurity is mandatory and occurs at least once every calendar year. Our IT group also sends ad hoc phishing emails to evaluate employee awareness and to identify gaps for targeted training.

Intellectual Property (IP)

Alkegen commits substantial resources to technology innovation, and the protection of our IP rights are critical to better serving our customers, providing a competitive advantage, and preserving value for our shareholders.

We have an IP Policy in place and employees undergo periodic training. We also have an ecosystem of IP protection mechanisms, including non-disclosure agreements and on-site visitor controls. We have an invention disclosure process to identify innovations that may require IP protections and we work with outside counsel to protect and monetize our IP.

“The heart of Alkegen is our people. Their passion, ingenuity, know-how and grit transform humble materials into innovative products that are helping to solve the world's toughest challenges. That passion extends beyond our factory floors and office doors to create positive impact and life-changing opportunities in our local communities and the world at large.”

Kristen Weiss

Director of Communications,
Engagement, and Diversity & Inclusion



Conclusion

Compiling this Report has given us an opportunity to reflect on our progress on ESG initiatives in our first year of business as Alkegen.

We are proud to say we have already consolidated many of the structures we need to secure the transparency and results that our stakeholders expect. We do not underestimate the significance of this achievement in a global company of 9,000 plus people.

We are also proud to know that our people share our ambitions. Across all our sites we see people proactively optimizing the initiatives that will accelerate the journey towards a more sustainable world. We look forward to supporting and traveling on this journey with them.

Appendix 1: SASB Index

Resource Transformation Sector – Industrial Machinery and Goods Standard		
SASB Topic	SASB Metric	Disclosure
Water Management*	RT-CH-140a.1 (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress Quantitative Thousand cubic meters (m³), Percentage (%)	(1) Total water Withdrawn: 3719621 m³ , Water Withdrawn in High or Extremely High baseline water stress regions 2% (2) Total water Consumed: 546951 m³, Water Consumed in High or Extremely High baseline water stress regions 7%
Energy Management	RT-IG-130a.1: (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	(1) Total energy consumed: 6,483,858 GJ (2) percentage grid electricity: 27% (3) Data not available this year for for Metric RT-IG-130a.1(3)
Employee Health & Safety	RT-IG-320a.1: (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	(1) Total recordable incident rate (TRIR): 1.48 (2) Fatality rate: 0 (3) Near miss frequency Rate (NMFR) 11.7
Materials Sourcing	RT-IG-440a.1 Description of the management of risks associated with the use of critical materials	We conduct conflict minerals due diligence and use limited amounts of critical materials in our products. We have not seen any risks of supply disruption and can use alternative materials, if there is a need. We have an ongoing effort to move away from use of precious metals in our products due to cost. Learn more in our supplier code of conduct: Doing Business with Alkegen – Alkegen https://alkegen.com/wp-content/uploads/2022/09/Alkegen-Supplier-Code-of-Conduct.pdf
Product Lifecycle Management**	RT-EE-410a.3 Revenue from renewable energy-related and energy efficiency-related products Quantitative Reporting currency	80%***
*Resource Transformation – Chemicals Standard metric		
**Resource Transformation – Electrical & Electronic Equipment		
*** As a private company that does not disclose revenues in public domain, we believe that disclosing percentage rather than the absolute dollar amount is more useful to reader. Metric includes emissions and pollution control products as well as renewable energy related products.		

Appendix 2: GHG Footprint

Carbon Footprint			
Category	tCO ₂ e	% of Total	GJ
Fuels	282,801	62.7%	4,746,541
Natural Gas	160,050	35.5%	2,848,564
Fuel Oil	739	0.2%	9,324
Propane or LPG	122,012	27.0%	1,888,654
Refrigerant Gas	4,550	1.0%	
HFC22	-	0.0%	
HFC410A	68	0.0%	
Liquid Nitrogen	-	0.0%	
NU22	20	0.0%	
R22	327	0.1%	
R32	13	0.0%	
R134a	1,232	0.3%	
R404a	20	0.0%	
R-407C	1,516	0.3%	
R410	-	0.0%	
R-410A	1,096	0.2%	
R417c	-	0.0%	
R507A	259	0.1%	
Scope 1	287,351	63.7%	4,746,541
Grid Electricity	164,035	36.3%	1,737,317
Scope 2	164,035	36.3%	1,737,317
Total Scope 1 & 2	451,386		6,483,858
Methodology & Approach Summary			
<p>Alkegen has used Minimum, the Enterprise Carbon Management Platform, to independently calculate its Greenhouse Gas (GHG) emissions in accordance with the principles of the Greenhouse Gas Protocol. The GHG emissions have been assessed following the ISO-14064:2018 standard and have used the 2022 emission conversion factors published by the Environmental Protection Agency (EPA), the Department for Business, Energy & Industrial Strategy (BEIS), and other public resources. The reporting year shown is from 01 January 2022 – 31 December 2022, and considers all assets under Alkegen's financial control, excluding Luyang Energy-Saving Materials Co. LTD., which Alkegen acquired a majority financial interest in partway through the 2022 calendar year.</p> <p>Actual activity data has been collected from all entities within the organisational boundary on a monthly basis (with the exception of annual f-gas data) by Alkegen. This data has been summarised, reviewed, and assessed by Minimum for its completeness and accuracy. The activity data is multiplied by an appropriate emission factor to calculate the Scope 1 and 2 GHG emissions for Alkegen. Where estimations have been made, this is highlighted in the individual data tables. Less than 2% of GHG emissions are from estimated data.</p>			

Forward-Looking Statements

This Report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Any statements contained in this Report on that are not statements of historical fact may be deemed to be forward-looking statements. All such forward-looking statements are intended to provide management’s current expectations for the future operating and financial performance of the Company based on current assumptions relating to the Company’s business, the economy and future conditions. Forward-looking statements generally can be identified through the use of words such as “believes,” “anticipates,” “may,” “should,” “will,” “plans,” “projects,” “expects,” “expectations,” “estimates,” “forecasts,” “predicts,” “targets,” “prospects,” “strategy,” “signs” and other words of similar meaning in connection with the discussion of future operating or financial performance. Forward-looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash and other measures of financial performance. Because forward-looking statements relate to the future, they are subject to inherent risks, uncertainties and changes in circumstances that are difficult to predict. Accordingly, the Company’s actual results may differ materially from those contemplated by the forward-looking statements. Investors, therefore, are cautioned against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Forward-looking statements in this Report include, among others, statements relating to:

- Expected impact of the coronavirus (“COVID-19”) pandemic on the Company’s businesses;
- Overall economic, business, and political conditions and the effects on the Company’s markets, including with respect to the Russian invasion of Ukraine;
- Integrating the legacy Lydall business may divert management’s attention away from operations, and the Company may also encounter significant difficulties in integrating the business and the anticipated benefits, cost savings and synergies may not be achieved;
- Inability to implement the Company’s business strategy in a timely and effective manner;
- Loss of significant customers and customer relationships;
- Amount of capital expenditures required by the Company;
- Possibility that the Company’s intellectual property is not adequately protected;
- Labor disturbances or shortages;
- Potential product liability claims for products the Company manufactures;
- Potential liability under indemnification agreements with the Company’s distributors or under the Company’s product warranties;

- Impact of changes in applicable laws, regulations, and interest rate policy;
- Potential liability and remediation costs from environmental matters;
- Competition from other companies;
- Ability to improve operational effectiveness;
- Expected vehicle production in the North American, European or Asian markets;
- Potential inability to deliver product in a timely manner resulting in negative customer impacts;
- Growth opportunities in markets served by the Company;
- Integration and financial performance of acquisitions;
- Expected costs and future savings associated with restructuring or other cost savings programs;
- Expected gross margin, operating margin, and working capital improvements from cost control and other improvement programs;
- Fluctuations in energy and raw material commodity costs, including inflation;
- Supply chain and transportation disruptions impacting raw material availability and customer demand;
- Product development and new business opportunities;
- Future strategic transactions, including but not limited to: acquisitions, joint ventures, alliances, licensing agreements and divestitures;
- Potential impacts from cyber intrusions, including ransomware;
- Pension plan funding;
- Future cash flow and uses of cash;
- Future earnings and other measurements of financial performance;
- Ability to meet cash operating requirements;
- Substantial level of indebtedness and the Company’s ability to service its indebtedness;
- Ability to meet financial covenants in the Company’s Credit Agreement;
- Future impact of the variability of interest rates and foreign currency exchange rates and impacts of hedging instruments;
- Expected future impact of recently issued accounting pronouncements upon adoption;
- Future effective income tax rates and realization of deferred tax assets;
- Estimates of fair values of reporting units and long-lived assets used in assessing goodwill and long-lived assets for possible impairment; and
- The expected outcomes of legal proceedings and other contingencies, including environmental matters.

All forward-looking statements are inherently subject to a number of risks and uncertainties that could cause the actual results of the Company to differ materially from those reflected in forward-looking statements made in this Report, as well as in press releases and other statements made from time to time by the Company’s authorized officers. Company does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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