



2025 CSR REPORT

**“REDUCING THE WEIGHT
ON OUR PLANET” ***

KNAUFINDUSTRIES

The background of the entire page is an abstract composition of numerous thin, diagonal streaks in various shades of blue and white. These streaks create a sense of motion and depth, resembling a close-up of a textured surface or perhaps a microscopic view of a material. The overall color palette is cool, dominated by blues and whites.

* We innovate to create lighter cars,
safer food, better insulation and
smarter industrial components.

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Chief Executive Officer

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EDITORIAL



**DIRK
BAUER**

CEO of
Knauf Industries

“

I am particularly proud of our ongoing commitment to our employees' safety.

”

What major challenges does Knauf Industries face?

As a leading player in its markets, Knauf Industries operates in a rapidly changing ecosystem that is defined these days by a demanding economic and regulative business environment. This period has seen a stagnation in most key European Markets, mainly due to new regulations, recession, inflation and accelerating deindustrialization in Central Europe.

In this respect, Knauf Industries Europe has performed well despite the challenges at hand.

In contrary, our significant business in South America is growing strongly, supported by all markets. On challenges we start with the safety of our employees, which remains our #1 priority. Ensuring safe and healthy working conditions and complying with local environmental regulations is fundamental to the well-being of our teams, and hence the success of our company.

A key challenge for our Company and the Industry is to innovate and offer our clients a range of differentiated products and solutions that facilitate the transition to a circular economy and add substantial value to our customers. In this respect Sustainability becomes even more important, ensuring a future for our company and our business partners.

We have outlined an ambitious Sustainability roadmap for 2025-2032. This roadmap aims to adapt our operating model to reduce our environmental impact and fully embrace our social responsibilities while ensuring an economically viable business model for us and our customers.

What are you most proud of?

I am particularly proud of our ongoing commitment to employee safety. We have implemented rigorous protocols, processes and training programs to ensure a safe and healthy working environment, establishing a true safety culture within our organization. This is a journey on which we must focus on every day.

Additionally, the significant growth we have achieved in Brazil in recent years is a real success, demonstrating our ability to adapt and thrive in diverse markets. This success

is the result of a strategy focused on product quality and building strong relationships with our local partners.

In conclusion, I am proud of our employees and how they scope with the change and challenges we had to deal with over the last several years. I commend them on the considerable efforts and actions they implemented, and that play a vital role in the transformation of our company. It's very clear that our employees are the key competitive differentiation we have.

With the Acquisition and successful integration of the Neopolen business, we have now a high quality EPP Raw-Material in house. A lot of opportunities and potential here for the future still to come. These collective successes position Knauf Industries as a responsible, stable and innovative player, ready to meet the challenges of tomorrow.

What are Knauf Industries' strengths? Its elements of differentiation compared to other plastics manufacturers/competitors?

First and foremost, our exemplary financial discipline is at the core of our success. We have chosen to maintain a debt-free management approach, along with rigorous cost control. This approach allows us to retain significant strategic flexibility, enabling us to explore new opportunities. Our ability to evolve and reinvent ourselves is another pillar of our differentiation. In 40 years of existence, Knauf Industries has consistently adapted to changes in the global economic and social landscape, which is part of our Company DNA, strength, and culture.

Our position as a responsible and reliable supplier in the sector is reinforced by our commitment to rigorously respond to evaluations and questionnaires from platforms such as EcoVadis, Supplier Assurance, IntegrityNext, as well as those from our clients. This illustrates our determination to meet and exceed the highest standards of responsibility and transparency and reflects our commitment to building trust and ensuring the continued satisfaction of our business partners.

The high level of vertical integration and having a high quality EPP raw material in house will enable the deve-

lopment of a further differentiated product portfolio in the future. This will open exciting possibilities and add further value to our customers.

Why has Knauf Industries developed a new CSR roadmap? What are the main changes? How is it ambitious?

Knauf Industries has been engaged in a strong Corporate Social Responsibility (CSR) approach since 2020, incorporating responsible resource management, carbon footprint reduction, and the implementation of concrete initiatives for the circular economy. Our CSR approach enhances our transparency, credibility, and helps us build stronger, long-lasting relationships with our clients and partners.

The establishment of a new CSR roadmap is the result of internal teamwork, the upskilling of our teams, new challenges introduced by the Corporate Sustainability Reporting Directive (CSRD), and the consideration of stakeholders' demands. The main changes include ambitious objectives, integrating Environment, Social, Governance (ESG) criteria, and a deep transformation of our operations, with long-term, clear, and realistic objectives.

This roadmap is even more ambitious as we want to implement our transformation while ensuring economic viability that is necessary to maintain and develop Knauf Industries.

In 2025, we will focus on accelerating our initiatives to achieve our sustainability goals within 2032.

KNAUF INDUSTRIES AT A GLANCE

Created in 1986, Knauf Industries is one of the four divisions of the German family-owned Knauf Group, which also includes Knauf Building, Knauf Insulation, and Knauf Ceiling.

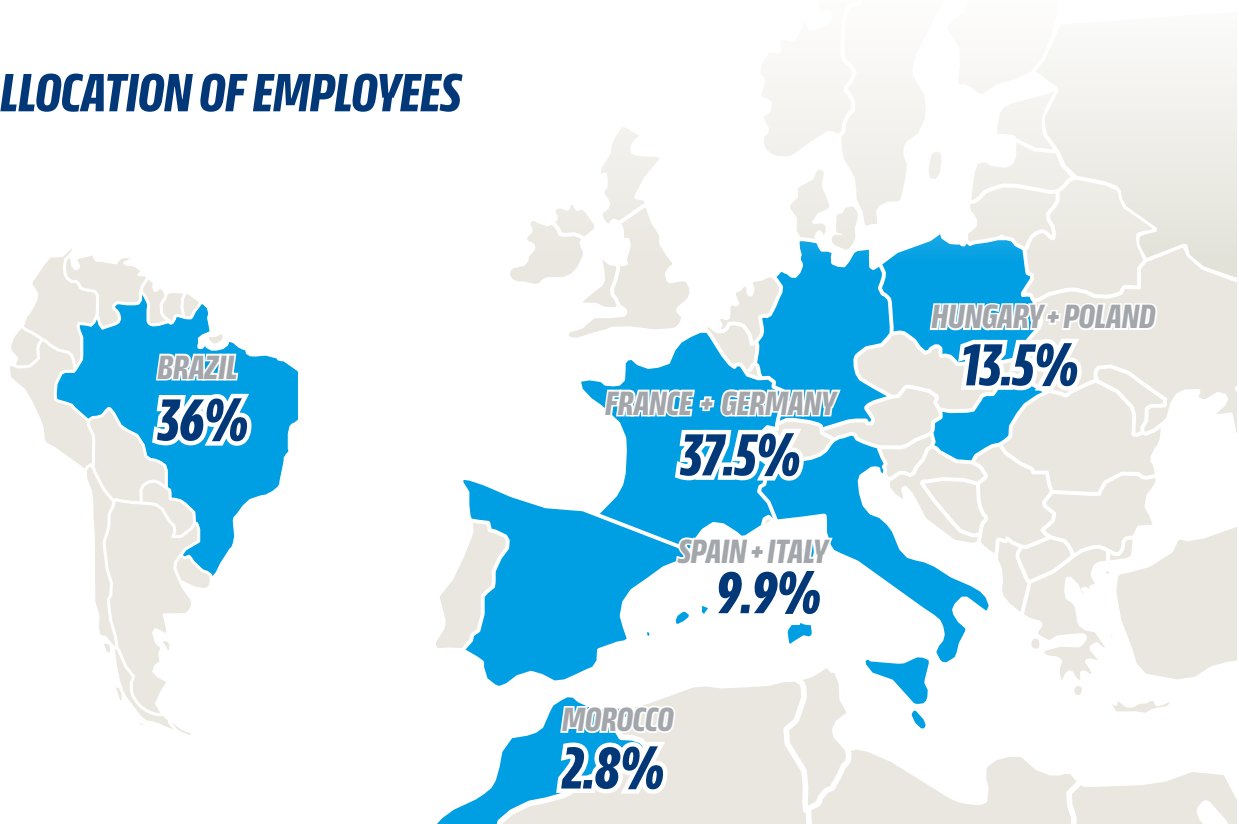
Knauf Industries is the specialist in packaging, technical parts and insulation solutions, serving professionals in the food industry as well as the automotive, building, and industrial sectors.

KEY FIGURES 2024

8 COUNTRIES	+ 2,000 EMPLOYEES	~€400M IN REVENUE	38 PRODUCTION SITES
KNAUF INDUSTRIES FOUNDED IN	ANALYSIS OF CORRUPTION RISK FROM CUSTOMERS AND SUPPLIERS	NUMBER OF ESG* REFERENTS	PROXIMITY TO CUSTOMERS
1986	100% OF SITES	29	ON AVERAGE < 200 KM
SITES COMPLIANT WITH INTERNATIONAL AND LOCAL REGULATIONS	QUALITY CERTIFICATIONS (ISO 9001, IATF 16949)	EMPLOYEES ON PERMANENT CONTRACTS	PERCENTAGE OF WOMEN IN THE WORKFORCE
100%	100% OF RELEVANT SITES	97.4%	37%

* ESG = environmental, social & governance

ALLOCATION OF EMPLOYEES



OUR MAIN MARKETS



AUTOMOTIVE

Expanded polystyrene (EPS), expanded polypropylene (EPP) and plastic injection automotive component solutions: rear seat inserts, bumpers, sunvisors, battery packaging.



AGRIFOOD

Food packaging solutions for dairy products, fruit and vegetables, ice cream, pastry/biscuits, seafood, catering and meat products: reusable trays and containers, EPS fishboxes and seafood trays.



BUILDING

Insulation and carbon footprint reduction solutions for standard and custom buildings and construction, for structural works (ICF blocks, floors, swimming pools, pool bottom insulation, green roofs, thermal break drainage, etc.) and finishing works (exterior insulation, attics, ceilings, floors, etc.) for new construction and renovation projects.



INDUSTRIES

Protective solutions (corners, packing material, etc.), insulation and technical parts for professionals in various sectors such as early childhood (toys, childcare), furniture and fittings, logistics and distribution (pallets, reusable box), sport and leisure, home electricals, and heating, ventilation and air conditioning (HVAC) and refrigeration sector.

BUSINESS MODEL

KNAUF INDUSTRIES

TRANSITION TO A NEW BUSINESS MODEL!

VISION



Reducing the weight on our planet



MISSION



We innovate to create lighter cars, safer food, better insulation and smarter industrial components.



We have defined this vision and mission with our employees, our stakeholders and our management, on behalf of Knauf Industries as a whole. They guide us, reflecting our desire to improve our industrial processes and develop products and services to reduce our impact.

OUR RESOURCES

For Knauf Industries' business to grow and be transformed, we need our leaders to develop their talent pool, our managers to build an engaged workforce and all our employees to embrace a mindset of change!

HUMAN CAPITAL

- Over 2000 employees driven by a strong culture and diverse know-how and expertise
- 97.40% of employees on permanent contracts
- 36.98% female workforce
- 25% women on country leadership teams
- 38 production sites close to our customers in 8 countries: France, Brazil, Spain, Hungary, Italy, Morocco, Poland and Germany
- Four strong values: Partnership, Commitment, Entrepreneurship & Menschlichkeit

CSR APPROACH

- UN Global Compact signatory since 2020
- CSR approach launched in 2020
- Three pillars: environment, social and stakeholders
- EcoVadis Silver Medal (71/100)
- CDP Water (C) and Climate Change (C)
- Other rating platforms

ECONOMIC AND FINANCIAL CAPITAL

- Turnover: approx. €400 million in 2024
- Strong financial structure and family ownership

NATURAL CAPITAL

- Circular economy approaches
- Carbon impact reduction strategy: target-based action plan, monitored and measured via reductions in resource and energy consumption

OUR VALUE CREATION

A specialist in protective packaging, technical components and insulation products for building, automotive, food and industrial sectors.

OUR EXPERTISE & OUR ACTIVITIES

- Production of raw materials: Neopolen® EPP expanded polypropylene, expandable polystyrene, PP film extrusion
- Our manufacturing processes: expansion (EPS beads), foams moulding, block moulding, cutting, extrusion, thermoforming, and plastic injection
- Material transformation: EPS expanded polystyrene, EPP expanded polypropylene, PS polystyrene, PP polypropylene, PET, rPET, PS, PC, ABS and alternative materials (R'KAP®, RELOOPS®, RELOOPP®, CELOOPS® and NEOPS®)
- EPS waste collection, recycling and recovery service (KNAUF Circular® in France)
- R&D centre: an innovation and development laboratory (ID lab)
- Customer support for decarbonation roadmap: environmental calculations, digital simulations, and more

From product design...

OUR GOAL: INNOVATING & REDUCING OUR IMPACTS

Knauf Industries combines human expertise and technological know-how to design solutions for every requirement!

... to end of life

- Multi-market organisation: automotive, building, agrifood and industries (household electricals, HVAC, etc.).
- New market sub-segments: revegetation and drainage, mobility, furniture, sports and leisure.



AUTOMOTIVE

**23%
TURNOVER***



AGRIFOOD

**26%
TURNOVER***



BUILDING

**12%
TURNOVER***



INDUSTRIES

**39%
TURNOVER***

*Distribution of global revenue in 2024

CURRENT CHALLENGES

Maintain sustainable growth without compromising the environment!



ADAPTING OUR PRODUCT RANGE TO SUPPORT THE CIRCULAR ECONOMY:
REUSABLE AND RECYCLABLE PACKAGING,
SUSTAINABLE TECHNICAL PARTS



**SECTOR-SPECIFIC
REGULATIONS**



ECOLOGICAL TRANSITION:
ADAPTING OUR INDUSTRIAL EQUIPMENT



**OUR EMPLOYEES' AND
CONSUMERS' HEALTH AND SAFETY**

A GLOBAL COMMITMENT TO EXEMPLARY COMPLIANCE

When it comes to consumer safety, anti-corruption and data protection, the company takes a proactive and rigorous approach, ensuring a responsible and secure operating framework and high product quality in all its countries of operation.

100% of our sites comply with international and local regulations

Our management systems and certifications are evidence of a long-term structured strategy covering quality (ISO 9001 and IATF 16949), **hygiene and food safety** (BRCGS packaging), the environment (ISO 14001) or equivalent classified installations and **traceability of renewable** and recycled materials (REDcert²).

**2 SITES
IN FRANCE**

BRCGS CERTIFIED
(sites dedicated
to the food industry)



17 SITES

REDCERT² CERTIFIED
(certification system for
material flows in the
chemical industry)



**100% OF
RELEVANT SITES**

are certified ISO 9001,
IATF 16949 and ISO 14001
or equivalent



CONSUMER HEALTH AND SAFETY: AN ABSOLUTE PRIORITY

Knauf Industries implements strict measures to ensure the safety and quality of its products in accordance with the regulations in force. In dedicated food packaging workshops, the HACCP (Hazard Analysis Critical Control Points) approach identifies potential sources of danger and effectively controls them. The company also ensures product compliance by conducting rigorous testing (fire, compression and mechanical) and analyses specific to certain sectors, such as migration and heavy metal content tests for the food industry.

To ensure the safety of substances in its products, Knauf Industries complies with regulations such as RoHS, CLP, POP and REACH, and may provide Material Safety Data Sheets (MSDSs) to its customers. Checks on substances of concern are carried out with suppliers every six months. In addition, a materials qualification committee including representatives from purchasing, quality and R&D approves all raw materials used.



Fighting corruption: rigorous policies

Knauf Industries maintains strict policies on anti-corruption, compliance with competition rules and due diligence. Several measures have been put in place to ensure ethical conduct at all levels:

- A business partner verification policy, including a selection procedure
- A gift and entertainment policy, with a self-assessment procedure
- A conflict of interest policy, with a self-assessment procedure and reporting scheme
- Clear instructions regarding donation to avoid the risk of inappropriate funding

- A public policy statement on respect for human rights, a risk identification and analysis tool and appropriate mitigation measures and checks on their effectiveness

The company also ensures compliance with antitrust laws and good competitive intelligence practices. In the event of a surprise investigation or inspection (dawn raids), precise guidelines are in place to ensure effective cooperation with the authorities.

Knauf Industries also promotes a culture of transparency with its Speak Up Line reporting platform, which allows employees, who are trained on these topics, and partners to anonymously report any breach of the group's ethical rules.

IT security: a strategic issue

A dedicated team is tasked with proactively protecting Knauf's business, infrastructure and employees by detecting, investigating, preventing and responding to cyber threats all over the world.

To ensure personal data is protected, Knauf Industries applies a strict IT and information security policy, in accordance with the General Data Protection Regulation (GDPR).

Our vision is to be a leader in security and a source of inspiration for our industry to defend against ever-changing

cyber threats. The company regularly holds audits to ensure its systems' compliance and has put in place advanced monitoring and protection tools.

In 2024, the company obtained TISAX certification at five sites. This certifies that an Information Security Management System (ISMS) that meets the requirements of its industrial customers has been put in place. Knauf Industries is looking to certify more sites.

% of employees who have taken online training (e-learning):



ON THE CODE OF CONDUCT

89%

ON ANTITRUST

61%

ON ANTI-CORRUPTION

63%

ON EXPORT SANCTIONS

54%

ON THE PRIVACY POLICY

46%





IN RESPONSE TO URGENT...

...environmental and societal challenges, we are deploying an ambitious CSR strategy based on innovative solutions and enhanced dialogue with our stakeholders. We are rethinking our purpose with the aim of creating an economically viable model. Our ambition is to reduce the weight of our impacts throughout our value chain.

Vision: Reducing the weight on our planet

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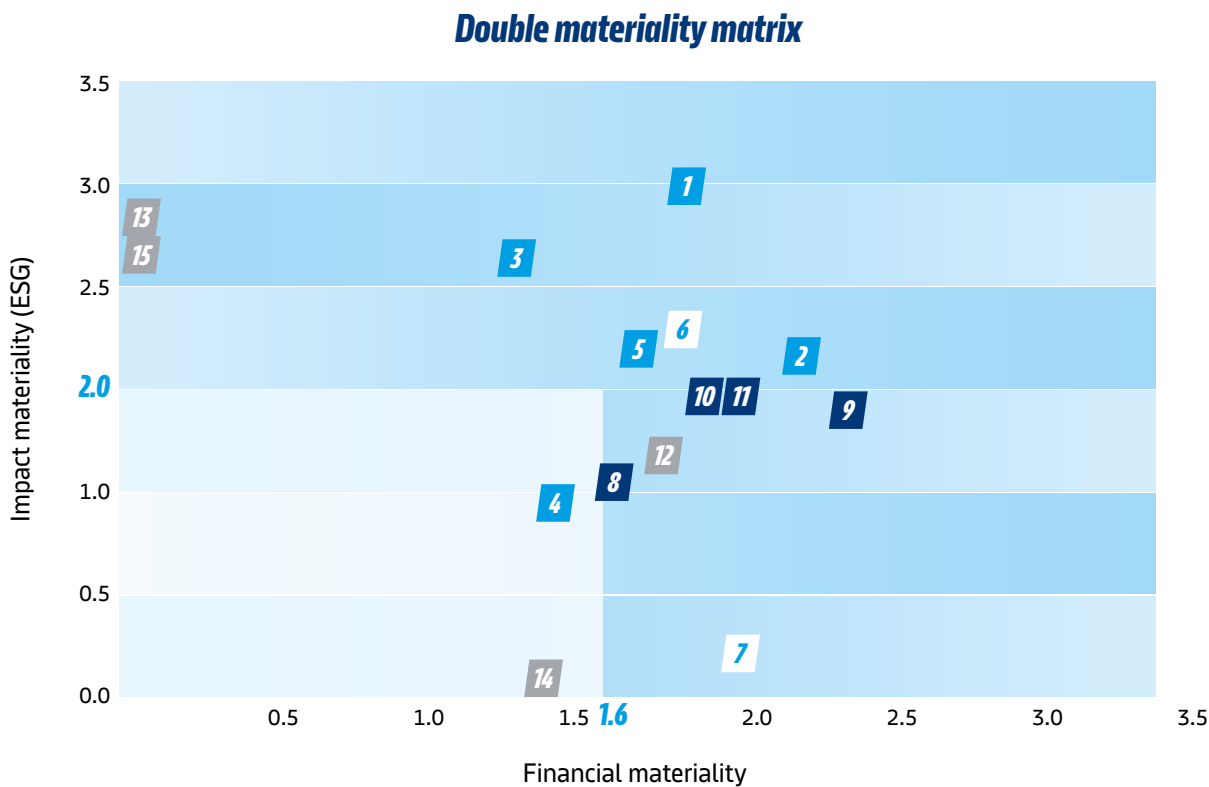
We innovate to create lighter cars, safer food,
better insulation and smarter industrial components.

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NECESSITY AND RESPONSIBILITY: A COMMITTED INDUSTRIAL STAKEHOLDER

Plastics are essential in many applications thanks to their unique properties, offering advantages that few other materials can match. However, their life cycle, from the extraction of raw materials to their end-of-life, generates significant environmental and societal impacts. Faced with these challenges, Knauf Industries is actively committed to innovating and offering solutions that meet market demands.

To define its new CSR roadmap and anticipate the regulatory requirements of the CSRD, Knauf Industries elaborated its double materiality assessment in 2024. This analysis focuses both on the company's impacts on the environment and society (impact materiality) and on the financial risks and opportunities (financial materiality) related to each sustainability theme. ESG criterias with impact materiality above 2.0 and with financial materiality above 1.6 are identified as major strategic priorities for Knauf Industries.



- 1

Circular economy: optimising resources and recycling
- 2

Reducing the carbon footprint of operations
- 3

Pollution (including microplastics)
- 4

Water management and conservation
- 5

Biodiversity
- 6

Corporate culture
- 7

Business ethics and conduct
- 8

Equality, Diversity and Inclusion (EDI)
- 9

Human rights of value chain workers
- 10

Health and safety of our employees
- 11

Working conditions
- 12

Managing relationships with our suppliers
- 13

Dialogue with stakeholders
- 14

Product information
- 15

Consumer health and safety

Regulatory challenges

Regulatory pressure on the plastics industry is increasing worldwide.

In Europe, key measures include the European Green Deal, the Packaging and Packaging Waste Regulation (PPWR), the End of Life Vehicles Directive and the Construction Products Directive (CPD). Elsewhere in the world, similar measures have been adopted, such as Brazil's waste management policy.

Image and reputation issues

Public opinion is increasingly concerned with the spread of plastic worldwide, for example in the form of visible solid waste, which is often fossil fuel-based. Knauf Industries is committed to raising awareness and enlightening the general public and elected officials about the realities of its industry.

Environmental challenges

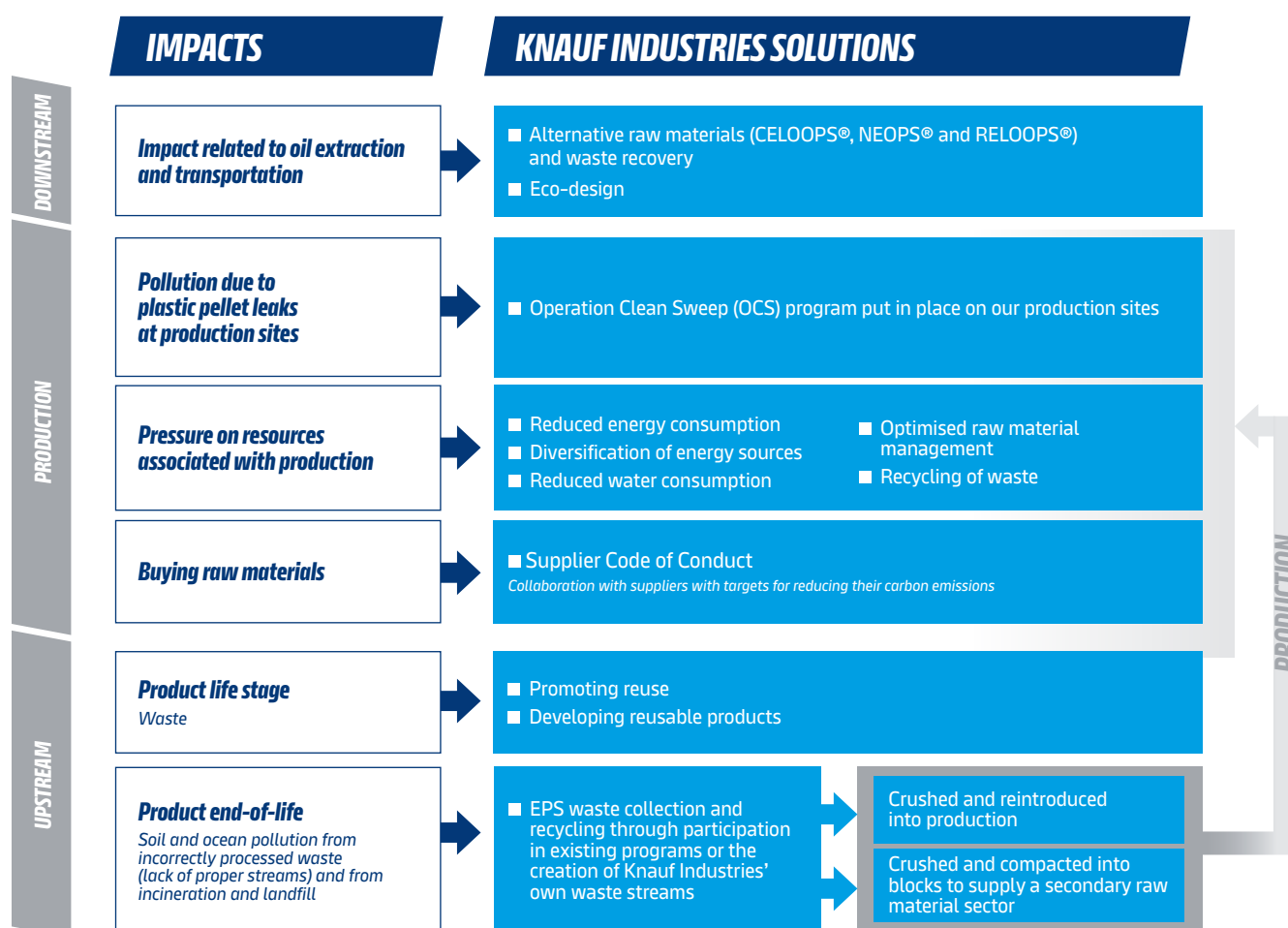
Plastic is the result of a complex manufacturing process, closely linked to fossil resources, an industry in which every step has an impact on the environment. Once in nature, it accumulates in farmland and in food chains on land and in aquatic environments.

Our solution

Adapting to this new context and innovating to reduce our impacts:

- Offering customers low-carbon products and solutions, including low-carbon manufacturing processes and raw materials
- Implementing a reduction plan to achieve net zero emissions by 2045
- Making our products circular (reuse, collect and recycle)
- Protecting natural resources (weight reductions)
- Reducing the use of fossil-based resources (materials and energy)
- Providing information about our products' end-of-life: producing white papers and information brochures
- Raising awareness and enlightening parliamentarians about the realities of the industry (visits of production sites)
- Making every effort to stop microplastics spreading into the environment at our production sites
- Ensuring recycling channels are in place for our materials in each country where Knauf Industries operates, either directly as a company or with national associations

Knauf Industries EPS product cycle



STRENGTHENING OUR AMBITION FOR A RESPONSIBLE IMPACT

Knauf Industries has reinforced its CSR commitments, unveiling a new roadmap for the 2025–2032 period. Structured around three strategic pillars, this long-term plan aims to sustainably reduce our impacts through concrete actions.

Since 2019, Knauf Industries has enshrined its environmental and societal commitments in a structured approach, including signing the United Nations Global Compact in 2020 and publishing its first CSR report in 2021.

In 2022, we redefined our vision and purpose, reaffirming our commitment to becoming a key driver of change in our market. As a recognised expert, Knauf Industries innovates to offer practical solutions to its customers. From designing more energy-efficient vehicles to creating strong, reusable packaging that guarantees food or medical safety, every innovation reflects the company's commitment to combining

performance and responsibility. Knauf Industries is fully integrated into its ecosystem and fosters dialogue with its stakeholders while offering its employees a stimulating working environment.

In 2024, the Group appointed almost thirty local ESG referents in eight countries, who serve as ambassadors on ESG issues. As key figures in their markets, these local experts are tasked with supporting responsible initiatives, helping to develop a culture of engagement on an international scale.

The 3 pillars of our CSR strategy

1

INNOVATING TO REDUCE OUR ENVIRONMENTAL FOOTPRINT



- Reducing the impact of materials by developing alternative solutions and using eco-design
- Reducing the impact of our activities
- Increasing the circularity of our products

2

ACTING FOR A SAFE AND ATTRACTIVE WORKING ENVIRONMENT



- Ensuring the health and safety of all our employees
- Ensuring equality and attractiveness at work: equality, diversity & inclusion, skills development, recruitment & onboarding, and talent attraction & identification

3

DEVELOPING RELATIONSHIPS WITH OUR STAKEHOLDERS



- Deploying the CSR strategy at all levels of the company
- Encouraging our suppliers to commit to a CSR approach
- Maintaining a rich dialogue with our stakeholders

Our commitments are in line with the principles of the Global Compact and contribute to 15 of the 17 Sustainable Development Goals (SDGs) set by the United Nations.



The Global Compact is a United Nations initiative launched in 2000. This voluntary program aims to encourage companies, organisations and institutions to adopt socially responsible and sustainable practices, committing to 10 core principles in four key areas: human rights, labour standards, the environment and the fight against corruption.



INNOVATING TO REDUCE OUR ENVIRONMENTAL FOOTPRINT

Sustainability is more than a goal: it is a prerequisite for continuing to operate tomorrow. Every day, we strive to combine environmental and economic performance while meeting our customers' expectations and paying particular attention to the long-term impact of our actions.

LET'S HEAR FROM OUR EXPERTS



**PATRICK
SUTTER**

Group Sustainability
& Innovation Director,
Knauf Industries

“

Reducing our footprint
requires continuous
improvement and
a real transformation
of the company's
business model.

”

What role does CSR play at Knauf Industries?

Corporate social responsibility is an essential strategic pillar to ensure a sustainable future for Knauf Industries. Our sustainability roadmap reflects our ambition and commitment: by 2032, we aim to significantly reduce the environmental impact of our activities by adopting innovative and responsible practices at every stage of our value chain. Our ambition is to achieve net-zero emissions by 2045.

What are your areas of action?

Our efforts are based on a continuous improvement process. To significantly reduce our impacts, we need to innovate at several levels: in our manufacturing processes, in the way we design our products and in the materials we use. This means completely transforming the company's business model. In concrete terms, we are committed to increasing the circularity of our materials by stepping up our collection and recycling efforts. We're also developing recyclables, alternatives to fossil-based materials.

What areas of progress would you like to highlight?

In 2024, we took an important step by carrying out an environmental impact assessment to better understand and reduce our impact on biodiversity. We want to be more proactive on major environmental issues, such as microplastic pollution, water consumption and dependence on fossil resources. As a result, our sites are involved in the Clean Sweep program, which actively works to stop the spread of plastic particles into the environment.

We are optimising our plants' water consumption to preserve this precious resource. In addition, we are working with our material suppliers and our R&D centre to offer to our customers recyclable materials more and more fossil-free.

ENVIRONMENTAL POLICY

To succeed in its sustainable transition, Knauf Industries aims to make intentional changes to its products, services and processes to generate long-term environmental benefits while maintaining the company's economic viability. The roadmap that supports our environmental policy is both realistic and ambitious.

3 major focuses

- Reducing the impact of our materials through innovative eco-design solutions
- Reducing the impact of our activities (greenhouse gas emissions, use of alternative energy sources, preservation of biodiversity, reduction of water consumption and mitigation of microplastics pollution risks)
- Increasing circularity by recovering our end-of-life products to ensure they are recycled rather than sent to landfill or incineration, and collaborating with our stakeholders to ensure our products are collected and integrated into a recycling stream

Our objectives:

-50%

SCOPE 1 & SCOPE 2
CO₂ EMISSIONS
BY 2032*



-30%

SCOPE 3
CO₂ EMISSIONS
BY 2032*



Net Zero

EMISSION BY 2045



Circular Economy

BE A LEADING ACTOR
IN THE CIRCULARITY



Zero

WASTE SENT TO
INCINERATION OR LANDFILL
FROM 2032



-2%

WATER CONSUMPTION
PER YEAR



*Reduce greenhouse gas (GHG) emissions by 2032 compared to 2021, the baseline year.

OUR INITIATIVES ON OUR THREE PRIORITIES

1

REDUCING OUR MATERIALS' IMPACT

Our approach has a major objective coupled with a constraint: reducing our impact without harming product performance. We design solutions according to eco-design principles to optimise resource use while ensuring their end-of-life recyclability.

We prioritize developing reusable solutions whenever possible. We also offer lighter, more sustainable products made using recycled content or renewable raw materials

to reduce our dependence on fossil resources, as with NEOPS®, our alternative to EPS. This approach relies on close cooperation with our suppliers. We ask them to commit to reducing their greenhouse gas emissions and to offer materials with a low carbon footprint to develop a full range of alternative materials to fossil-based products, such as: NEOPS®, CELOOPS®, RELOOPS®, RELOOPP® and R'KAP®.



Using NEOPS® protective packaging saves 100 tonnes of fossil-based EPS per year and reduces CO₂ eq. emissions by 56%* for a water heater manufactured at a rate of 100,000 units per year in France.

*Calculated according to the GHG Protocol, internal average data for France in 2022, cradle-to-gate

2

REDUCING THE IMPACT OF OUR DIRECT ACTIVITIES

We are committed to measuring our scope 1, 2 and 3 CO₂ emissions in accordance with the Greenhouse Gas Protocol and to monitoring the effectiveness of our actions. At the same time, we are working to optimise our energy consumption, using low-carbon energy sources wherever possible. We also make sure to monitor and reduce our water consumption while putting measures in place to prevent the risk of microplastic leaks. We are aware of the impact our activities have on

biodiversity and ecosystems, and we regularly assess the risks to minimise our effects on the environment. Finally, we pay particular attention to managing the waste generated in our facilities, promoting recycling as a responsible approach to end-of-life management. These initiatives are a testament to our determination to innovate and adapt to today's environmental challenges while constantly working to improve our energy performance.



Our Atibaia site, located in Brazil, undertook a significant initiative, replacing its gas-fired boiler with a biomass boiler model. This technological change has led to a substantial reduction in greenhouse gas emissions of 5 300 tonnes of CO₂ eq. compared to 2021, the reference year for our decarbonation plan.

3 INCREASING THE CIRCULARITY OF OUR PRODUCTS

We are committed to increasing the recovery of our end-of-life products to ensure that it is recycled rather than sent to landfill or incinerated. Knauf Industries intends to become a leading player in field of EPS (expanded polystyrene) and EPP (expanded polypropylene) recycling. We are also working on

a responsible approach to designing our products to ensure their recyclability from the outset. To achieve these ambitions, Knauf Industries is working closely with all its stakeholders to implement effective collection and recycling solutions.



EPP, AN INNOVATIVE ALTERNATIVE FOR FURNITURE

EPP is lightweight, reusable and offers unprecedented design freedom, making it a preferred solution for the furniture industry. It's an ideal material for creating unique rounded shapes that cannot be achieved with traditional methods. Knauf Industries works closely with furniture manufacturers to integrate EPP into their production processes. The Group supported the Polish brand Profim (Flokk Group) in the development of its new Revo furniture collection.

The plywood typically used to make upholstered furniture frames was replaced by RELOOPP® (an EPP with post-consumer recycled content), reducing the product weight by 40%. Revo generates a carbon footprint of 176 kgCO₂ eq. during production and 9.5 kgCO₂ eq. during transport – 6% and – 40% less respectively than conventional wood-based furniture construction.



DEVELOP THE EPS & EPP LOOP EVERYWHERE!

Key figure:

**THE RECYCLING RATE
IN EUROPE (2021-2022)
IS ON AVERAGE
AROUND**

Source: Plastic
Europe

31%



The Knauf Circular® collection service

Knauf Industries, in partnership with Knauf Building, launched the Knauf Circular® service in 2020. The program aims to collect and recycle post-consumer expanded polystyrene (EPS) waste.

Knauf Circular® is a service available in France for manufacturers, distributors, construction companies and municipal waste disposal facilities. Knauf Circular® has 15 production sites equipped with dedicated recycling units, ensuring full coverage across France. In 2024, the collection rate increased sharply (up 80% compared to 2021), demonstrating the effectiveness and growth of this initiative. The waste is collected from various sources before being integrated into the standard process or compacted to be processed into secondary raw material, used to produce insulation (EPS-XPS) and protective packing material. Knauf Industries has appointed a dedicated manager to strengthen the initiative's strategic role. Similar initiatives are also being rolled out in Brazil, Spain and Poland to expand this model internationally.

Creating the EPP loop!

Things are changing for expanded polypropylene (EPP), a very common material in the automotive industry. Knauf Industries is anticipating the future and investing – a prerequisite for continuing to exist in this market.

Expanded polypropylene is a lightweight, resistant and recyclable material used in various components of the automotive industry, including bumpers, door panels, headrests as well as returnable packaging. The European end-of-life vehicles regulation now requires manufacturers to include at least 25% recycled plastics in their vehicles. This means manufacturers are turning to alternatives such as rEPP, a version of EPP containing certified recycled materials. After conclusive tests carried out both internally and with several customers, Knauf Industries has marketed the material under the RELOOPP® brand.

Knauf Industries is pursuing its strategy, investing in the infrastructure needed to collect and process EPS and EPP waste.





ACTING FOR A SAFE AND ATTRACTIVE WORKING ENVIRONMENT

At Knauf Industries, we believe our people are our greatest strength. Working at Knauf Industries means being part of a culture that emphasizes safety, manager engagement, and continuous skills development. We are fully committed to promoting safety and professional growth across all levels of the organization. Our goal is to foster a workplace ensuring that every employee is supported and prepared to succeed in an ever-evolving world.

LET'S HEAR FROM OUR EXPERTS



**AUDREY
TITTEL**

Global Head of HR,
Knauf Industries

“

Our goal is to upskill
our employees in a safe,
engaging and forward-
thinking environment.

”

What are the major themes of Knauf Industries' human resources strategy?

Our actual HR strategy is built on three key pillars. The first focuses on reinforcing the fundamentals of management to better support our managers in their day-to-day responsibilities. The second centers on Talent Management, ensuring the deployment of all core HR processes throughout the employee journey, with the aim of boosting engagement and nurturing talent development. The third pillar is dedicated to change management, recognizing the need to strengthen adaptability in a fast-changing, increasingly digital environment.

How is this strategy put in place?

Over the past three years, we have placed a strong emphasis on enhancing managerial skills. This has led to the rollout of our Line Manager Excellence program, through which all our managers have been trained. The program addresses the three core dimensions of a manager's role: operational effectiveness for managing day-to-day activities; the ability to act as a coach, supporting and developing team members; and finally, strategic leadership to ensure alignment with the overall vision and direction of the Knauf Industries Group.

What projects are on the horizon?

In the coming months, we will be defining our next HR strategy to guide us in the years ahead. We will also launch of our first division-wide social policy, available in eight languages. To support its rollout, we will organize dedicated webinars. We also plan to expand our engagement strategy to include production site leaders, with a stronger focus on operational challenges. Our global onboarding program will continue to be enhanced. We are working to attract diverse profiles with cross-functional skills. As part of this, we've developed specific training around our recruitment framework and built a compelling value proposition aligned with our mission and values. Lastly, safety remains our number-one priority. Several initiatives are underway in this area, including the organization of our very first Global Safety Day, taking place this year in June.

MAKING A DIFFERENCE IN A TENSE MARKET

To better highlight what sets us apart from other companies, we have set out a strong value proposition based on concrete action: improving safety and engagement at work, actively listening to employees via a global survey, and promoting the importance on training to ensure rigorous professional development. We also ensure that health and safety of all employees remains a top priority, with the goal of achieving zero harms within three years.



2 major focuses

- Ensuring the health and safety of all our employees
- Ensuring equality and attractiveness at work: equality, diversity & inclusion, skills development, recruitment & onboarding, and talent attraction & identification



KNAUF INDUSTRIES' SOCIAL POLICY 2025-2032

Knauf Industries' Social Policy focuses on creating a safe, inclusive, and growth-oriented work environment.

The key pillars include:

- **Health and Safety:** ensuring physical and mental safety through strict standards and training, with a goal of zero harm by 2026.
- **Equality and Diversity:** promoting equal opportunities, gender balance, and inclusion for all employees.
- **Career Development:** offering training, mentoring, and internal mobility to support employee growth.
- **Employee Engagement:** fostering transparency, communication, and recognition through surveys and feedback.
- **Ethical Compliance:** upholding human rights, data protection, and ethical business practices.

Overall, Knauf Industries operates in line with strict ethical values and standards, complying with applicable laws and regulations while adhering to internationally recognized principles, such as:

- 10 principles of the UN Global Compact,
- The UN Universal Declaration of Human Rights,
- The UN Guiding Principles on Business and Human Rights International Labor Organization – ILO Conventions and Recommendations.

We are fully committed to upholding these principles, ensuring a fair, respectful, and inclusive work environment for all our employees.

OUR INITIATIVES FOR A SAFE AND FULFILLING WORKING ENVIRONMENT

Example of safety awareness in Morocco

As part of our commitment to safety and awareness-raising, Knauf Industries Morocco organised a safety event at the Tangier site. Forty-five employees and ten children attended, strengthening the link between workplace safety and the family. The day was organized with activities: safety awareness sessions, engaging interactive demonstrations and fun educational activities specifically designed for children. These initiatives were created to introduce our young participants to the culture of safety at work. The event included a quiz where participants had the chance to win prizes, and at the end of a wonderful day, employees and children alike shared treats

and smiles, highlighting its success. Employee feedback has been very positive, with one noting, **“It was a great initiative to engage our families and raise safety awareness in a fun way!”** while another said, **“My children enjoyed the visit, and it was great to show them where I work and the importance of safety.”**

At the same time, our Agadir site celebrated a remarkable achievement: three years without accidents. The site marked this milestone by holding Safety Days, cementing our commitment to a safe and secure working environment for all.



ALL COMMITTED TO ACHIEVING ZERO HARM: OUR PRIORITY NUMBER ONE

Health and Safety is our number one priority. Knauf Industries has a Health and Safety Policy that covers our employees and stakeholders throughout the value chain.

In 2024, Knauf Industries launched a new Safety Roadmap with the aim of strengthening risk prevention and standardizing practices across all its sites within three years.

One of the company's priorities is to achieve 100% compliance with its safety standards – in particular those governing working at height, the LOTOTO* system and management of pedestrian traffic and mobile equipment – by the end of 2026.

To ensure rigorous regular monitoring, safety audits are carried out every month by plant managers and

the management team. At the same time, dedicated committees have been set up in each plant and at the national level, and management carries out regular safety visits to identify and eliminate risky behaviour. To effectively manage this approach, Knauf Industries relies on key performance indicators, including the frequency rate and the number of lost-time injuries, the percentage of safety standards implemented and resource indicators, such as the number of audits or visits carried out. The company has also developed tools to raise awareness, such as a new safety welcome booklet to support new employees as soon as they arrive.

* Lockout, tagout, tryout: the process of testing equipment or machinery to ensure that all hazardous energy sources have been effectively isolated.

A learning company

With businesses and roles constantly evolving, acquiring new skills – such as technical, behavioural and interpersonal skills – becomes crucial. The company's long-term sustainability is at stake, as is employees' sense of professional fulfilment. In response, Knauf Industries has launched BuildU, a learning management platform. The platform allows employees to take key training, explore learning opportunities, develop skills and increase their expertise.

Talent attraction

To attract talents, the company has focused on strengthening its visibility with candidates by redesigning its employer brand. It is now more human-focused and more direct, enriched by testimonials from committed employees, further highlighting Knauf Industries' value proposition. Optimisation also means using more efficient recruitment tools. One such example is the Teamtaylor recruitment platform, first used in France in late 2023 and rolled out across the Group since 2024, which improve the candidate experience. Finally, employees can view available positions within the Group in real time using a dedicated internal recruitment platform.



KNAUF INDUSTRIES BRAZIL, GREAT PLACE TO WORK FOR FOUR YEARS RUNNING!

Our Brazil entity is recognised as a great place to work, where employees trust their management, feel proud of what they do, and appreciate people they work with.



Knauf in motion in Brazil

On Saturday 7 December 2024, for the third consecutive year, Knauf Industries Brazil organised an event dedicated to physical and mental well-being. This year, it took place on one of the most beautiful beaches in the capital of Bahia, Praia do Flamengo, and featured stretching, running and team exercises, all supervised by a coach. Everyone was able to share their feelings and highlight the importance of taking care of themselves, both physically and mentally. The morning ended with a delicious and healthy breakfast by the sea, which was enjoyed by all.

Developing an inclusive culture

Knauf Industries is committed to continuously developing an inclusive culture where diversity is celebrated. Our practices are built around the principles of non-discrimination, equal opportunity, and respect for all employees. At Knauf Industries, we ensure that our employees feel valued and respected regardless of their differences. We foster an environment where everyone feels comfortable bringing their authentic self to work, have equal chances to be heard, and feel supported to reach their full potential.





DEVELOPING RELATIONSHIPS WITH OUR STAKEHOLDERS

Addressing environmental and social challenges requires collective action. This is why Knauf Industries puts dialogue with its stakeholders at the heart of its CSR strategy. When it comes to co-building sustainable, innovative solutions that can shape a better future, every voice counts.

LET'S HEAR FROM OUR EXPERTS



**SOPHIE
SISSLER**

Sustainability
Program Manager,
Knauf Industries

“

Consultation with all our stakeholders is an essential exercise to help us better determine each other's expectations and identify the most relevant topics for our business.

”

How is the CSR strategy managed within the company?

Our CSR policy is managed by a steering committee composed of members of the management committee, the Director of Sustainability & Innovation, and myself. We meet several times during the year to measure our progress and adjust our priorities. We also organise three or four meetings per year with our international ESG referents.

How do you work with your stakeholders?

We work to develop lasting and constructive relationships with our ecosystem, whether with our customers, our suppliers, local authorities or professional organisations. To broaden our discussions, we have launched two consultations with both our internal and external stakeholders. The first was in 2020, to define our priority issues, which we transposed into a materiality matrix, and the second was in 2024, so we could update them in our double materiality assessment. This is required by the CSRD, and it has helped us better determine each other's expectations and identify the most relevant topics for our business.

What about your internal stakeholders, i.e. Knauf Industries employees?

Awareness is paramount! For several years, we have been using fun activities such as Climate Fresks to raise awareness and inform our employees about environmental issues. In 2024, we reached a new milestone with the appointment of ESG referents – almost thirty people spread across our various countries of operation. Their mission is to embody our strategy and to mobilise operational teams in their local language. Our aim is to train them and turn them into local ESG experts. Regular meetings are planned for 2025 to coordinate this network, share best practices and provide support with implementing the reports required under the CSRD.

ROLLING OUT THE CSR STRATEGY AT ALL LEVELS OF THE COMPANY

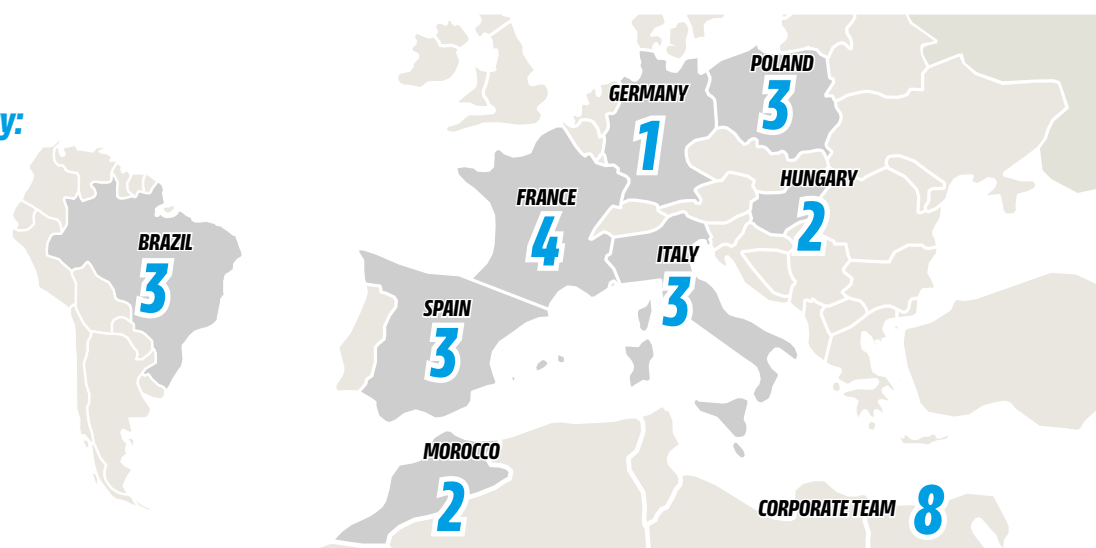
The network of ESG referents was established in 2024 and plays a key part in rolling out our sustainable development strategy. Trained in environmental, social and governance issues, ESG referents are essential points of contact, helping to raise awareness and mobilise employees, explain our strategy to customers and support local stakeholders, ensuring that the measures implemented are tailored to local realities.

Knauf Industries relies on engaging communications to support this momentum. Several initiatives help to spread best practices and key information, including webinars on alternatives to fossil-derived materials and sustainability half-hours, where participants discuss strategic topics such as the decarbonisation plan, collection and recycling. Targeted communications are also planned within plants to present the performance indicators and objectives set by the Group.



29 CSR referents in 8 countries

No. of ESG referents per country:



3 major focuses

- Deploying the CSR strategy at all levels of the company
- Encouraging our suppliers to commit to a CSR approach
- Maintaining a rich dialogue with our stakeholders

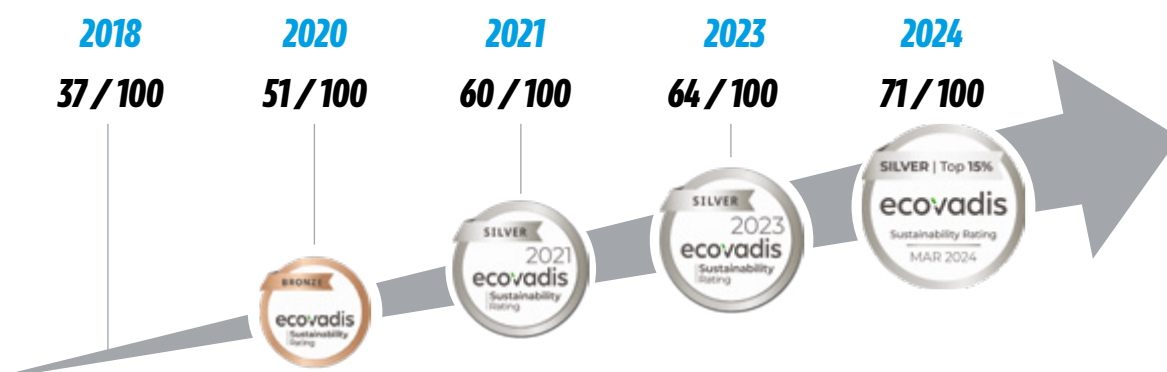
OUR INITIATIVES TO MEET OUR STAKEHOLDERS' EXPECTATIONS

Sharing our performance with our customers in total transparency

As environmental responsibility requirements continue to grow, our customers regularly ask us to provide accurate and reliable information on the carbon impact of our products (calculations based on GHG Protocol), as well as our sustainability roadmap. To offer them all the necessary transparency, Knauf Industries also shares its results from rating platforms

such as the Carbon Disclosure Project (CDP), EcoVadis, SAQ and IntegrityNext.

Since 2021, Knauf Industries has been evaluated by the CDP, based on its environmental performance. Our score was significantly improve to C in 2024, for Climate and Water.



ecovadis

EcoVadis is a global platform specialising in Corporate Social Responsibility (CSR) assessment. It offers solutions for measuring, improving and promoting companies' CSR performance through a rating system based on environmental, social, ethical and responsible purchasing criteria.

In 2024, Knauf Industries received a score of 71/100 (silver medal) and ranks among the top 15% companies in its sector rated by EcoVadis in the last twelve months.

Operational excellence recognised by our customers

On 30 October 2024, at Whirlpool's annual supplier conference, Knauf Industries Brazil was honoured at the Suppliers Excellence Awards. This award recognises suppliers who have achieved a remarkable level of excellence based on rigorous criteria, including "zero defects". This performance is all the more notable as only 10 suppliers received the award out of 600 companies. The award embodies the company's ambition

for quality and operational excellence as well as its ability to build strong relationships with partners around the world.

Also in Brazil, the Atibaia plant successfully passed the Volkswagen VDA audit, a set of quality standards required by major German car manufacturers. The successful audit means Knauf Industries can take part in new projects from this key market player.



A KEY PARTNER IN THE BUDDIE-PACK PROJECT

In light of the new regulation on packaging and packaging waste, which requires manufacturers in the sector to move forward, Knauf Industries is actively participating in the Buddie-Pack project launched in 2022 by the European Union. Its aim is to roll out sustainable strategies to develop reusable plastic packaging in the food and cosmetics sectors. The project brings together 19 partners from six countries and will run for

three and a half years. Several specific objectives have been set out, including identifying consumer expectations, developing profitable business models, ensuring consumer safety and preventing the release of microplastics into the environment. Large-scale tests of reusable plastic packaging are taking place throughout the value chains, covering technical, economic and social aspects.

“

Knauf Industries plays a crucial role in this project, contributing to various case studies through its involvement in drafting technical definitions for packaging as well as producing packaging. By actively participating in BUDDIE-PACK, Knauf Industries is committed to revolutionising the packaging industry, complying with environmental standards and meeting the needs of our customers through advanced and sustainable solutions.

”

ADELINE MARCHAL Circular economy project manager.

Encouraging our suppliers to commit to a CSR approach

Raw material purchases account for the largest portion of our carbon footprint, so it is essential to encourage our suppliers to commit to a more environmentally friendly approach. In addition to a code of conduct for suppliers, our materials qualification committee is responsible for assessing the relevance of each new supplier offering. The committee ensures that each offering complies with regulatory requirements and meets various criteria, including those related to quality and user and consumer safety, while incorporating environmental, social and governance (ESG) issues into its strategy.

100% of our strategic suppliers have greenhouse gas emission reduction targets and 89% are committed to offering lower-carbon products within 3 years (questionnaire carried out in 2024).

Working together for a sustainable industry

Knauf Industries is heavily involved in its professional ecosystem and forges links with other players in the plastics and polystyrene industries to develop innovative sectors and projects. Examples include Knauf Circular® in France (see page 25), and the ECO EPS project, a Spanish initiative launched by expanded polystyrene producers coordinated by the Spanish National Expanded Polystyrene Association (ANAPE). The aim is to promote the collection and recycling of EPS waste. Knauf Industries also participates in several working groups within professional organisations including the European Manufacturers of Expanded Polystyrene (EUMEPS), Elipso in France, AIPE in Italy and PSPS in Poland, ABIQUIM Association in Brazil on various topics, such as regulatory monitoring, participation in projects and information campaigns on plastic materials and their recyclability.



CREASTYR: UNITING THE PLASTICS INDUSTRY

The Creastyr project – launched by Elipso, the professional association representing French plastic packaging manufacturers – brings together ten plastics industry professionals, including Knauf Industries. Its aim is to create a high-performance recycling sector for expanded polystyrene (EPS) and extruded polystyrene (XPS) packaging.

The manufacturers involved in the project are pooling their expertise to:

- Improve EPS and XPS collection and sorting by increasing collection rates from professionals (industry and distribution) and individuals (from waste disposal facilities and waste streams resulting from selective sorting) so they can be recovered instead of sent to landfill or incinerated;
- Increase recycling and ensure the sustainability of the future sector by aiming to recycle 100% of EPS and XPS packaging collected in France and reincorporate the recycled material into new products to make the sector both technically and economically viable;
- Measure, raise awareness and communicate to inform waste stream owners about the existence of the collection and recycling sector, allowing them to sort their waste stream and increase the recycling rate.



Open days and awareness-raising for external stakeholders

A public relations officer is responsible for raising awareness of the plastics industry and recycling processes, and organises open days for parliamentarians.

2019	2020	2021	2022	2023	2024
1	8	8	10	11	21

59 visits by parliamentarians (senators, MPs, regional presidents and regional councillors) since 2019.

Since November 2023, we have welcomed 21 French parliamentarians to our factories or met with them at the National Assembly. The purpose of these meetings was to present Knauf Industries and our industrial activity along with our investments in facilities enabling polystyrene recycling, as well as our commitment to developing recycling channels.

The implementation of these channels allows us to ensure the supply of essential secondary raw materials for the production of products incorporating post-consumer recycled content and to anticipate the European Packaging and Packaging Waste Regulation (PPWR).

Solidarity and commitment to the local community

Beyond economic performance and innovation projects, playing our part in the local area also involves supporting the communities around us. In France, our sites in Guémené-sur-Scorff (56) and Schweighouse-sur-Moder (67) illustrate this commitment by working with institutions providing support through employment (ESATs), helping to re-integrate people with disabilities into the workforce. At the end of 2024,

we also organised a toy collection at several of our sites. In Wolfgantzen and Ungersheim (68), in partnership with Secours Populaire, and in Fos-Sur-Mer (13), with Restos du Cœur, our employees came together, donating more than 300 toys in new or as-new condition. They will be given to vulnerable children, offering them the chance to experience a happier Christmas and create precious memories.



RESULTS

ENVIRONMENT

Innovating to reduce our environmental footprint		2022	2023	2024
Climate Change	% of CO ₂ saved compared to 2021, the baseline year (Scopes 1 and 2)	<i>not available</i>	- 8%	- 10%
Recycling	% change in EPS waste collection for recycling (compared to 2021)	+20%	+60%	+80%
Environmental Management System	% of sites requiring certification in connection with environmental issues or ISO 14001, ISO 9001, REDcert environmental certification	66%	68%	70%

STAKEHOLDERS

Developing relationships with our stakeholders		2022	2023	2024
Stakeholders dialogue	% of major suppliers who have signed our Supplier Code of Conduct	50%	50%	64%
	% of strategic suppliers that have been assessed on their CSR performance (e.g. via a questionnaire)	<i>n/a</i>	<i>n/a</i>	100%
	% of strategic suppliers committed to offering lower-carbon products within 3 years	<i>n/a</i>	<i>n/a</i>	89%
	% of stakeholders surveyed by Knauf Industries that have identified at least one CSR-related measure taken by the company	<i>n/a</i>	<i>n/a</i>	80%
	Number of visits by parliamentarians (senators, MPs, regional presidents and councillors)	10	11	21

SOCIAL

Ensuring the health and safety of all our employees			2022	2023	2024
Health and safety of our employees	Safety performance	Frequency rate	10	6	7
		% change in implementation of the safety policy (safety standards)	n/a	n/a	24%
Quality of life & working conditions	Engagement	% of employee participation in the annual engagement survey	90%	82%	84%
	Absenteeism	Absence rate	4%	3%	3%
	Turnover/Attrition	Turnover rate	7%	8%	8%
	Social dialogue	% of countries where social dialogue is in place	100%	100%	100%
	Living wage	% of employees whose salary is equal to or above the legal minimum living wage	100%	100%	100%
	Collective Agreement	% of countries under a collective agreement when a country requires it	100%	100%	100%

Ensuring equality and attractiveness at work			2022	2023	2024
Diversity, Equality and Inclusion (DEI)	% of women in the workforce		38%	38%	37%
	% of women in country leadership teams		20%	21%	21%
	% of women in the highest hierarchical positions included on the management team (Board)		n/a	n/a	20%
	Employee rating out of 5 to the statement: "Everyone in this company is treated fairly, regardless of ethnicity, race, gender, age, disability or other non-work performance differences" in the engagement survey		4.06	4.06	4.07
Skills development & Talent assessments	% of managers trained in line management practices		100%	89%	100%
	% of talent reviews where leadership and expert roles are discussed		100%	100%	100%
	% of workforce with annual performance reviews and skills development plans		86%	86%	86%
Attracting Talent	% of interns/apprentices		1%	1%	1%
	% of vacancies filled by internal employees		35%	41%	44%

LINKS WITH CSR FRAMEWORKS

In the absence of a sectoral framework and extra-financial reporting requirements, Knauf Industries drew inspiration from existing CSR frameworks to guide its social responsibility approach.

United Nations Global Compact (UNGC)	We are signatories to the commitments of the Global Compact and respect its 10 principles. > See page 11	Link: https://unglobalcompact.org/
Sustainable development goals (SDGs)	In line with the United Nations Global Compact, we support the Sustainable Development Goals. > See opposite	Link: https://unsdg.un.org/
ISO 26000 + global reporting initiative (GRI)	Our CSR approach is structured based on the guidelines of these international frameworks.	Link: https://www.iso.org/iso-26000-social-responsibility.html
Extra-financial performance statement	Our indicators are aligned with those of the EFPS, despite the fact that our entities are not required to carry out extra-financial reporting.	Link: https://eur-lex.europa.eu/eli/dir/2014/95/oj/eng
CSRD (Corporate Sustainability Reporting Directive)	The indicators defined in Knauf Industries' CSRD report will be aligned with those defined by the Knauf Group (parent company) in its 2026 sustainability report.	Link: https://www.efrag.org/en/sustainability-reporting/esrs-workstreams

Scope and period

This report covers Knauf Industries' activities in 2024 and in all eight countries where it operates.

Availability

This report is available on our website
www.knauf-industries.com



Contact

You can help improve it by giving us your feedback at this address:
info-industries@knauf.com

Thanks

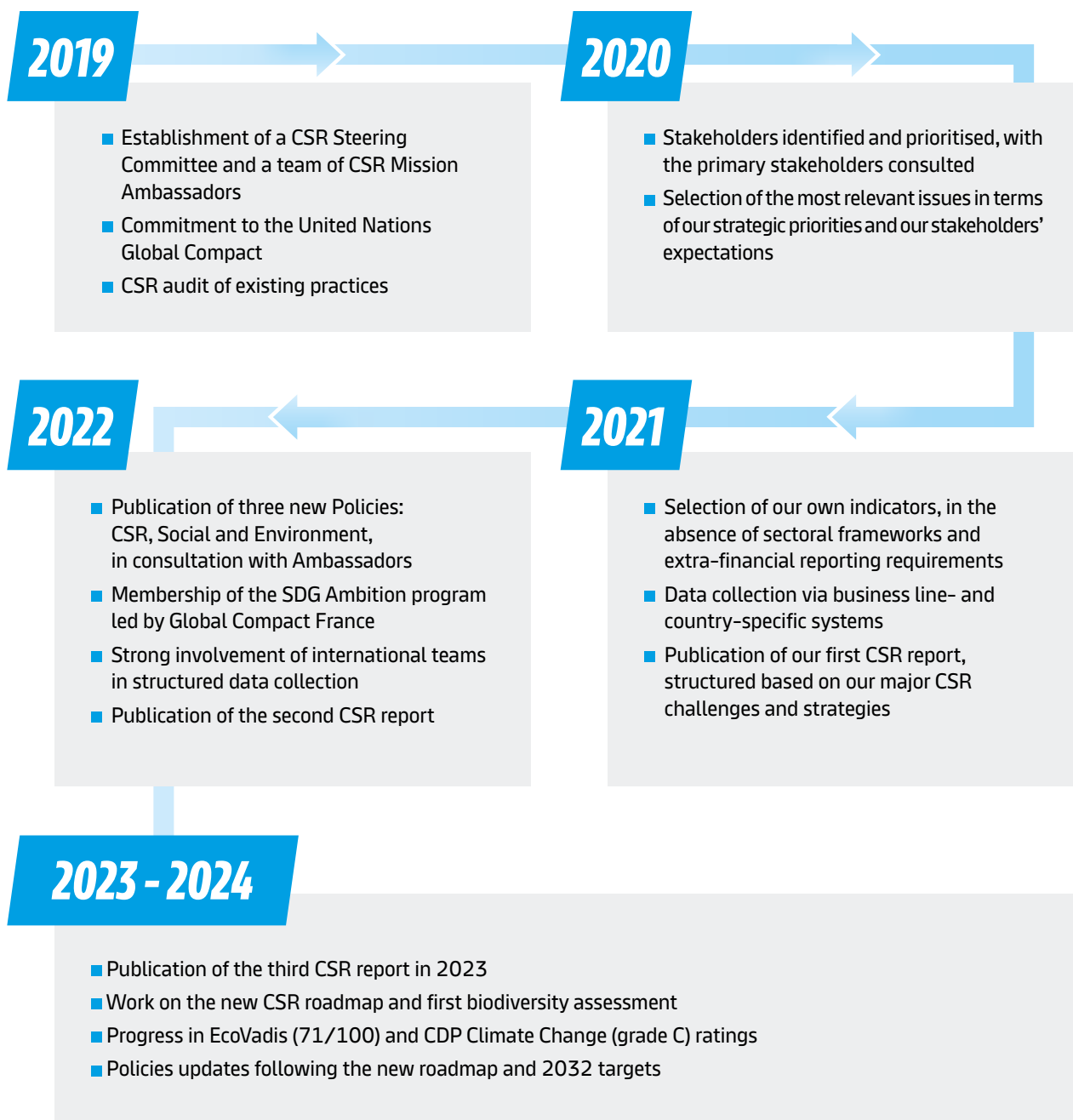
This report was produced with the support of many Knauf Industries employees who participated in the workshops or helped collect the CSR data presented here.

We also thank our external stakeholders who were kind enough to provide a constructive look at our activities and our CSR approach.

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METHODOLOGY





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