



TOKAI COBEX

Sustainability Report

2025

Investing in Sustainability,
is investing in the Future.

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1 Introduction

1.1 About Tokai COBEX

For over a century, Tokai COBEX has been a leader in carbon and graphite solutions, delivering high-end products such as cathodes, furnace linings, carbon electrodes, and specialty graphite. With these business areas, TCX is part of the Tokai Carbon group, headquartered in Tokyo, Japan and operational world-wide. The company is also at the forefront of developing battery anode materials (BAM), aiming to establish a clean and competitive European source of synthetic graphite for lithium-ion batteries. In 2025, Tokai COBEX delivered the first commercial volume based on its innovative, low-CO₂ block route. The Company's advanced technology is crucial for the European electric vehicle (EV) industry's independence.

More than ever, the company recognizes its responsibility to proactively address global environmental challenges like climate change and resource scarcity, while simultaneously meeting the demands of future industrial markets. Headquartered in Wiesbaden, Germany, with four production sites in France and Poland, and a sales and service office in China, Tokai COBEX provides innovative solutions to customers worldwide. Its highly skilled team, with extensive experience in product development and application, offers comprehensive technical knowledge and expertise.

The company's core competencies lie in the deep understanding of raw materials, extensive application know-how, and a profound grasp of manufacturing processes within its customers' industries, including primary aluminium, pig iron, silicon metal, and ferro-alloys.

Tokai COBEX's Research and Development team collaborates closely with its parent company, Tokai Carbon Group, as well as its customers to develop next-generation products, with a particular focus on specialty graphite and graphite powders for lithium-ion battery applications. These innovations are instrumental in supporting major markets transitioning to sustainability, such as zero-emission battery-electric vehicles and photovoltaics, which are vital for securing green energy supply.

The company's global network ensures it can respond flexibly to both regional and industry-specific requirements, preparing Tokai COBEX to meet future challenges. The company is certified in accordance with ISO 14001 9001, 50001 and 45001 standards in all locations. While providing the highest quality products for industrial applications, Tokai COBEX maintains an unwavering commitment to environmental stewardship and values all individuals who contribute to its operations.

1.2 CEO Letter to the Stakeholders

Dear Stakeholders,

Sustainability forms the bedrock of Tokai COBEX's mission, driving every facet of its operations. It represents not merely a responsibility but a powerful catalyst for fostering inclusive growth and generating lasting value for society. In alignment with the United Nations' Sustainable Development Goals, Tokai COBEX has established ambitious sustainability targets for 2030. Despite the challenges encountered over the past year, the company is pleased to report significant progress on this transformative journey. As a pivotal contributor to the success of its parent company, Tokai Carbon Group Japan, Tokai COBEX's Smelting & Lining division plays a crucial role in delivering advanced solutions to customers. This success is intrinsically linked to the dedication and expertise of its employees, who remain the cornerstone of the business.

Tokai COBEX firmly believes that long-term success is achievable only through contributing to a sustainable society and taking decisive action to address environmental and social challenges. While obstacles persist, a proactive approach enables the company to anticipate potential bottlenecks and develop solutions that secure both sustainability and growth. Our goal to continue reducing Scope 1 and 2 greenhouse gas emissions by 25% by 2030 remains, benchmarked against 2018 levels. Calculating, reporting and helping to reduce Scope 3 emissions is also well underway. The reduction efforts are mainly driven by new production design and recycling initiatives.

The company's part of an initiative developing a 25 km gas pipeline to its Notre-Dame-de-Briançon plant, slated for completion by 2028. This initiative aims to bolster the energy security, reduce CO₂ emission enhance its competitiveness and pave the way for the incremental integration of renewable energy sources. From its inception, the network will be designed to accommodate biomethane, representing a practical strategy that addresses current industrial demands while fostering a sustainable and credible low-carbon pathway for the future. Beyond carbon emission reduction, the company is also dedicated to tackle broader environmental

issues, including water and waste management, and ensure responsible resource utilization. I am also proud of the company having completed the installation of electric vehicle charging stations for automobiles at all sites and the installation of a loading station for electrical forklifts at one plant in Poland.

In 2025, the ESG Committee convened consistently to uphold the company's steadfast dedication to sustainability. Through extensive stakeholder collaboration and a meticulous evaluation of its operations, Tokai COBEX has formulated a robust sustainability strategy, establishing itself as a frontrunner in responsible business conduct. Sustainability is intrinsically woven into the corporate strategy, influencing operational approaches and underscoring the commitment to providing a holistic suite of manufacturing and technical support.

Tokai COBEX's ESG Report is once again prepared with reference to the Corporate Sustainability Reporting Directive (CSRD) requirements, voluntarily offering a comprehensive overview of its sustainability endeavours and advancements. The company is actively enhancing its comprehension of ESG-related risks and opportunities, while simultaneously embedding sustainability into its management processes and day-to-day operations across all departments.

We sincerely appreciate the consistent support of our stakeholders throughout the year. With a robust foundation and a well-defined vision, Tokai COBEX is prepared to achieve significant milestones in 2026, making substantial progress towards its ambitious sustainability objectives and the roadmap to 2030.



Hideo Shin

(CEO, Tokai COBEX)

1.3 Sustainability as an integral part of Tokai COBEX's Business Philosophy

Tokai COBEX Sustainability Strategy

Sustainability is fundamental to Tokai COBEX's business operations. The following sections detail the company's strategic focus areas, which are designed to create maximum value for both society and its business. This is in line with vision of Tokai Carbon Group. Tokai COBEX aims to achieve its ambitions by directing efforts and resources to areas with the highest potential for impact.

Tokai Carbon Group's Vision



“Contribute to a sustainable society through advanced materials and solutions”

From a societal standpoint, Tokai COBEX leverages its position, capabilities, and reach as a carbon and graphite solutions manufacturer to address its key impacts. The company is committed to identifying and mitigating potential negative environmental impacts, striving to deliver positive value for all stakeholders.

From a business perspective, sustainability strengthens Tokai COBEX's resilience and competitive ability amidst increasing stakeholder expectations and evolving challenges. The company strategically integrates sustainability to cultivate new customer relationships, forge partnerships, and uncover commercial opportunities. We are working on the industrialization of battery anode materials for the growing electric vehicle (EV) market, through which Tokai COBEX aims to optimize resource utilization and secure access to critical materials, new technologies, and talent. Furthermore, the company develops resilient and strategic projects that proactively address stakeholder expectations, and ensure compliance

with all regulatory and legal requirements. While its products serve industrial applications, Tokai COBEX is dedicated to make a positive contribution to all lives directly and indirectly affected by its business activities.

Tokai COBEX's Mission



“With over 100 years of expertise in carbon manufacturing, we drive ours and our business partners' emissions to Net Zero, involving everyone who cares as we do”

With the mission of Tokai COBEX, external influences (principles and frameworks), internal responsibility for 1172 employees from Germany, Poland, France and China at the end of 2025, and having Tokai COBEX Group generate consolidated turnover of 365 MEUR in the fiscal year 2025, the company formulated its sustainability strategy as part of its corporate strategy through the definition of the following values and its application.

Tokai COBEX's Values

Tokai COBEX's Approach to Sustainability

Tokai COBEX operates with a unified purpose, mobilizing its people, teams, and partners to collaborate effectively. This cohesive approach encompasses all facets of sustainability, outlining the company's ambitions across environmental, social, human capital, and governance dimensions, as well as within its core business model. The company is dedicated to fostering reliable relationships with all its stakeholders, including customers, suppliers, shareholders, employees, and local communities. Tokai COBEX actively responds to their needs and integrates their objectives into its decision-making processes. Consequently, stakeholder engagement is a driving force behind Tokai COBEX's sustainability strategy, ensuring a comprehensive understanding of the reasonable expectations and interests of those affected by its business activities. Through insights gained from its Double Materiality Assessment (DMA), direct customer dialogues, and customer surveys,

Tokai COBEX shapes its strategic focus, initiatives, and the content disclosed in this sustainability reporting. As a global company, Tokai COBEX embraces its worldwide responsibility, committing to the principles of the United Nations Global Compact, which are rooted in the UN Declaration of Human Rights. The protection of human rights is therefore of paramount importance to the company. Given that Tokai COBEX products are integral to primary aluminium production, the company actively supports the Aluminium Stewardship Initiative's mission to enhance the sustainability performance and reputation of the aluminium industry. Tokai COBEX is proud to contribute to this community-driven effort to minimize the environmental impact of industrial production processes. Tokai COBEX is preparing its sustainability report voluntarily and in reference to the European Union's Corporate Sustainability Reporting Directive (CSRD), for the second year in a row. This EU directive mandates comprehensive reporting on a company's environmental, social, and governance impacts, requirements which Tokai COBEX addresses by adhering to the adopted European Sustainability Reporting Standards (ESRS).

We CARE

We create conditions where all our people feel safe, appreciated and have equal opportunities. We protect the environment for a sustainable Net Zero future.

We OUTPERFORM

Committed to high performance, and driven by customer value, we strive for excellence in everything we do. We set ambitious goals and implement solutions fast.

We ENERGIZE

We love what we do and encourage everybody to bring and execute their ideas with a positive, "can do" attitude. We learn along the way.

We EXPLORE

We relentlessly push our boundaries, promoting innovation by boldly challenging our products, processes, services and markets.

TOGETHER

United in purpose we mobilize people, teams and partners to act as ONE.

2 General

2.1 Tokai COBEX's Operation

Tokai COBEX specializes in manufacturing carbon and graphite products from raw materials including calcined cokes, anthracite, and coal tar pitch. The production process involves three main stages: material preparation, up to two levels of thermal treatment, and machining.

During material preparation, raw materials are precisely blended according to established recipes, mixed with coal tar pitch, and then formed into "green blanks". The initial thermal treatment, known as baking, transforms the coal tar pitch into coke, solidifying these blanks. Depending on the product's intended application, an energy-efficient length-wise graphitization (LWG) process may follow. In this stage, the baked blank is subjected to an electrical current to achieve the high temperatures needed to convert carbon into graphite. Finally, the baked or graphitized materials undergo machining to achieve the precise physical dimensions specified by customers. Afterwards, the material is packed and shipped to customers world-wide.

2.2 Value Chain

Tokai COBEX's value chain overview details the assessment of material sustainability-related impacts and risks throughout its operations. The focus of this assessment includes direct suppliers of raw materials and services, indirect suppliers as well as customers. Due to the nature of key raw materials, such as calcined carbon materials or coal tar pitch, direct suppliers often serve as the originators, but can also work with a broad network of precursor suppliers whose identities are typically not disclosed. Therefore, Tokai COBEX limits its upstream value chain assessment to direct suppliers.

In the downstream value chain, Tokai COBEX provides critical materials that facilitate processes for its customers in the steel, aluminium and silicon

industries. As the products of Tokai COBEX are used as auxiliary materials in the customer process instead of direct raw materials, the impact of Tokai COBEX's product on the quality on the customers products is limited. Therefore, Tokai COBEX also limits its downstream value chain assessment to direct customers. The ambition and success factor is to support and improve the process efficiency at the customer as much as possible.

2.3 Interests and Views of Stakeholders

As a multinational company with operations in several European countries and a global customer base, Tokai COBEX recognizes its broad stakeholder landscape, as detailed in the table below. The company's robust stakeholder engagement strategy underscores its commitment to active listening and meaningful interaction. Through continuous dialogue, Tokai COBEX seeks to deeply understand the positions, concerns, and expectations of its stakeholders. This ongoing interaction is a primary driver of its sustainability efforts, projects, and processes, enabling the company to align its actions with expressed stakeholder interests and views. The valuable insights gleaned from these dialogues are directly integrated into Tokai COBEX's Due Diligence process and Double Materiality Assessment. Guided by principles of openness, transparency, and integrity, Tokai COBEX's stakeholder engagement policy and principles strictly adhere to international norms and codes. These include, but are not limited to, the United Nations Guiding Principles on Business and Human Rights and the International Finance Corporation's Performance Standards on Social and Environmental Sustainability. Tokai COBEX ensures that the views and interests of affected stakeholders, particularly concerning sustainability-related impacts, are regularly communicated to its Sustainability Committee through periodic meetings. Tokai COBEX continuously monitors, updates and evolves its stakeholder matrix aligned with the ISO requirements for the stakeholder influence matrix.

Engaged Party	Engagement Characteristic	Engagement Purpose	Example of Outcome
Employees	Employment relations, safety representation and occupational health, yearly appraisals and personal development plans, General Communication Forum, Inclusion Charta	Contribute to a sustainable workplace and working life, Insight into employees' perception, experience and knowledge Establish a learning organization Transparent Communication	Internal policy updates Personal developments Continuous improvement and action plans Information sharing through newsletters and campaigns
Corporate Customers	Customer support and guidance Business partner due diligence Continuous reviews	Building trust Enabling customers to achieve their targets Providing sustainable products and solutions	Establishing market trends Product and service improvements in line with customer needs
Suppliers	Supplier evaluation forms Supplier Code of Conduct Supplier Due Diligence Supplier audits	Compliance with the company's Supplier, Code of Conduct, Promoting responsible sourcing incl. metals and minerals Ensuring a respectful working environment Decarbonizing the company's supply chains	Supplier improvement plans Consideration of supplier expectation Low carbon solutions
Shareholder	Continuous reporting Regular and situational meetings and exchanges (including calls and emails)	Shared understanding of business situation Understanding of and compliance with group policies, Understanding expectations towards sustainability matters	Deviation management Aligned policies Adapted internal communications incl. sustainability practices
Government and regulator	Adherence to and adoption of laws and regulations	Compliance with existing and new regulations and permissions such as CSRD and supply chain laws	Prove of compliance through required reporting
Civic and non-profit organizations	Collaboration on community projects	Contributing to local initiatives Addressing concerns of local communities	Site specific initiatives such as noise monitoring, and community development Alignment of projects/ best practices
Industry and sustainability associations	Input into strategic direction Joint initiatives and programs	Working to decarbonize further Enabling the expansion of renewable energies, Understanding views of value chain workers	Alignment on sustainability practices and measurement standards
Local Communities	Local, long term, economic contribution Engagement directly through sponsoring and donation activities	Addressing community concerns, questions and feedback, Building trust and community support, Ensuring community benefits	Support of local communities and projects
Universities and Research Institutes	Cooperations, research partnerships Student thesis Funded research studies	Develop new knowledge Talent acquisition Widened development scope	Successful Research Young talents Patents, general intellectual property

2.4 General Basis for Preparation - ESRS 2

2.4.1 Sustainability statement

This sustainability statement is prepared in reference to the Corporate Sustainability Reporting Directive (CSRD), including the European Sustainability Reporting Standards (ESRS). Tokai COBEX has subjected all Environmental (E), Social (S), and Governance (G) data points to a Double Materiality Assessment, covering both upstream and downstream value chains. The scope and methodology of this assessment are detailed below. All greenhouse gas data (Scope 1-3) are reported in accordance with the Greenhouse Gas Protocol and Tokai Carbon Group guidelines.

2.4.1.1 Consolidation

Quantitative ESG data presented in this sustainability statement is consolidated following the same principles as the financial statements. This includes the parent company, Tokai COBEX HoldCo GmbH, and all its controlled subsidiaries. The sustainability statement's coverage of the value chain extends to one level upstream (direct suppliers) and one level downstream (direct customers) for reason state in section 2.2 Value Chain. Tokai COBEX has exercised the option to omit business-sensitive information related to G1-6.

2.4.2 Disclosures in relation to specific circumstances

2.4.2.1 Time horizons

Time horizons are in accordance with ESRS 1 section 6.4. They are as follows:

- ▶ for the short-term time horizon: the period adopted by Tokai COBEX as the reporting period in its financial statements, up to one year;
- ▶ for the medium-term time horizon: from the end of the short-term reporting period, up to 3 years,
- ▶ for the long-term time horizon: more than 3 years.

2.4.2.2 Value Chain estimation

Tokai COBEX's calculations within this report primarily rely on assessment results obtained directly from value chain partners or on data published in specialized sources, such as established carbon footprint databases. Estimations from indirect sources, including scenario or sensitivity analyses, have not been utilized unless explicitly stated within the report.

2.4.2.3 Sources of estimation and outcome uncertainty

Sources of Estimation	Underlying Process
Scope 3 Emissions	Scope 3 emission disclosures utilize data from relevant databases (e.g., Sphera®). Direct supplier data was not available for publishing in this report due to lack of accuracy or restrictions towards disclosure. The impact of business travel in Scope 3 emissions is currently based on estimations derived solely from air and train travel data provided by the company's external travel agency, which does not encompass all business areas.
Identification of IROs	Certain risks and opportunities can only be estimated due to various uncertain factors.
Climate Risk Assessment	The climate risk assessment described under E1 relies on estimation factors. The impact of potential climate hazards and the related costs can only be estimated based on best practice and historical data.

2.4.3 Tokai COBEX Management

Tokai COBEX has been governed by an international Management Committee with six members in 2025. This committee is responsible for establishing, implementing, and reviewing the company's vision, mission, and purpose, alongside managing daily operations.

Andrzej Hotłoś (Chief Executive Officer)

Since beginning of 2022, Andrzej is the CEO of Tokai COBEX, a fully owned subsidiary of Tokai Carbon Group, Japan. He started his career in Tokai COBEX's Polish plant in Nowy Sącz more than 30 years ago and held a variety of positions, mainly in finance. Andrzej retired at the end of 2025.

Hideo Shin (Co-Chief Executive Officer)

Hideo Shin took over the shared CEO position in 2025 and the sole responsibility beginning in 2026. He has extensive international experience and a deep understanding of carbon and graphite. He earned his degree from Osaka University and brings over three decades of strategic and operational expertise to the group.

Dennis Böttjer (Chief Financial Officer)

Dennis holds a university degree in economics from the Hohenheim University, near Stuttgart, Germany and worked in various roles in the company and its predecessor for more than 10 years before taking over the responsibility for Finance and IT in 2017 at Tokai COBEX.

Piotr Jaskierski (Chief Commercial Officer)

Piotr started his career almost 25 years ago with SGL Carbon holding various positions all over the world, mainly in the Sales and Marketing Arena. He now leads the Marketing and Sales Team, ensuring Tokai COBEX remains the partner of choice for its customers.

Alexander Loscher (Chief Operating Officer)

Alexander worked in different operational roles in the global carbon and graphite industry for more than 10 years. He holds a mechanical engineering and a business administration degree from the Technical University of Darmstadt, Germany.

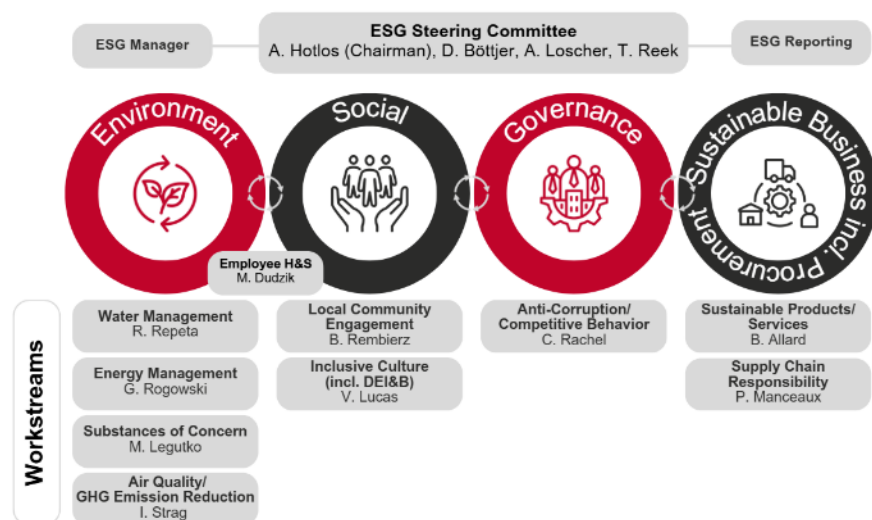
Dr. Till Reek (Chief Technology Officer)

Till has gained 20 years of experience in Tokai COBEX customers' industry before joining Tokai COBEX. He holds a degree in Metallurgy and Material Science from Rheinisch-Westfälische Technische Hochschule Aachen, Germany, as well as a PhD in Chemical Engineering from the University of New South Wales, Sydney, Australia.

The Management Committee convenes monthly with Tokai COBEX's Japanese stakeholders to deliberate and decide on urgent matters, corresponding actions, and the monitoring of critical projects. Each meeting is thoroughly documented, with information and decisions subsequently cascaded to relevant teams. Operating under the Delegation of Authority, which is published and annually revised by Tokai COBEX's shareholder, Tokai Carbon Group, Management Committee members collaborate closely with Tokai Carbon Group's respective functions in the approval and execution of initiatives and measures. Furthermore, the Management Committee provides monthly and quarterly reports to a representative group of Tokai Carbon Group Executives, who oversee Tokai COBEX's business conduct.

2.4.4 Sustainability matters addressed by Tokai COBEX Management

Tokai COBEX has a long standing ESG-Steering Committee, which regularly reviews and addresses all sustainability matters, including policies, actions, and targets. This committee meets three times per year to review current proceedings with a specific focus on ESG. Impacts and risks are discussed quarterly at the Management Committee level including measures to emphasize the company's resilience to all risks related to business and financial impact.



2.4.5 Integration of sustainability-related performance in incentive schemes

Tokai COBEX's remuneration package comprises a fixed salary and a variable component approved by Tokai Carbon Group. The magnitude of the variable component is determined by management level and is tied to both business success (EBITDA & Cash Generation) and individual performance objectives, which are derived from company-wide Top Targets. This incentive scheme is designed to align individual achievements with the strategic objectives of the company. Bonus payouts are contingent upon the achievement of specific targets, which are determined and approved annually by the management.

These targets are divided into two categories:

- **Corporate Performance:** Reflecting the overall health and success of the organization such as Health and Safety. Performance is measured against the frequency and severity of safety incidents, rewarding proactive risk mitigation and the maintenance of a zero-harm workplace culture.
- **Individual Key Performance Indicators (KPIs):** Health and Safety is Tokai COBEX number one priority and as well an individual KPIs.

Three out of eight Top Targets for the fiscal year 2025 were directly linked to sustainability:

- Safety, as represented by severity and frequency of safety incidents
- People engagement
- Tonnage of product sold of Battery Anode Material (BAM)

2.4.6 Statement on due diligence

Core Elements of Due Diligence	Paragraphs in the Sustainability Statement	Page
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1	10
	ESRS 2 GOV-3	11
	ESRS 2 SBM-3	5
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2	15
	ESRS 2 SBM-2	9
	ESRS 2 IRO-1	18
	ESRS 2 MDR-P	20
Identifying and assessing adverse impacts	ESRS 2 IRO-1	18
	ESRS 2 SBM-3	5
Taking actions to address those adverse impacts	ESRS 2 MDR-A	25-29
Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M	20
	ESRS 2 MDR-T	21

2.4.7 Risk management and internal controls over sustainability reporting

Tokai COBEX is continuously enhancing its risk management and internal control systems to strengthen future sustainability reporting. The ESG Team identifies and assesses potential Impacts, Risks, and Opportunities (IROs), which are then submitted to the ESG Steering Committee for approval. The ESG Team is also evaluating suitable applications for data entry and collection. The ESG Steering Committee has reviewed and approved the published ESG report.

Main risks identified in the process of sustainability reporting Double Materiality Assessment - ESRS 2

Risk	Mitigation
Completeness of data	The ESG Steering Committee has established a monitoring process which consists of a regular tracking from the ESG Team together with all workstream leaders in order to assess all KPI-related topics.
Integrity of data	The ESG Steering Committee has established a monitoring process which consists of a regular tracking from the ESG Team together with all workstream leaders in order to assess all KPI-related topics. KPI-Reporting is supported by underlying evidential documentation. Multiple review instances have been established, including ESG Steering Committee members and the Financial Reporting Department.
Accuracy of estimation results	Where data is estimated, the reliability of estimates is mainly based on external sources, internal expert knowledge and historical data to present the best possible figures.
Availability of upstream and downstream value chain data	Tokai COBEX focuses on the first level of its upstream and downstream value chain. Data is gathered from direct suppliers and direct customers. The data gathering is closely monitored and managed by the respective departments, Procurement and Technical Service in particular.
Timing of the availability of the information	Target Setting and monitoring: Sustainability KPIs (e.g., carbon footprint, waste reduction, or safety metrics) are aligned with the company's annual ESG strategy, discussed and communicated three times per year. Reporting: To ensure continuous improvement, some sustainability data is reported monthly like water and energy metrics, other data such as HR and Social are collected on an annual basis. This allows management and employees to track progress against environmental and social goals.

2.5 Double Materiality Assessment – ESRS 2

2.5.1 Description of the process to identify and assess material impacts, risks and opportunities

In 2025, Tokai COBEX updated its Double Materiality Assessment based on ESRS guidelines, refining its step-by-step process, scoring matrices, and aggregation/prioritization model. The company conducted an inside-out impact assessment of its environmental and social effects, building on previous identifications of sustainability impacts within its operations and value chain. A financial assessment (outside-in) of sustainability-related risks and opportunities was also performed, similar to prior years. Effects were quantified where possible and supplemented with qualitative assessments. Tokai COBEX will continue to review its DMA based on final EFRAG implementation guidance and German legislation. Detailed results and the assessment process are provided on the following pages. The assessments were conducted using qualitative measures and stakeholder dialogue, documenting results in standard software solutions.

Tokai COBEX has completed impact and financial materiality assessments to identify its environmental and social impacts, alongside sustainability-related risks and opportunities. The conclusions from the Double Materiality Assessment are aggregated by ESRS topic, recognizing the close link between environmental impacts and risks across E, S, and G areas. Tokai COBEX operates within a framework of people and societies and consequently impacts and affects those.

Tokai COBEX strategically focuses on delivering high-quality carbon and graphite products, as well as proactively addressing future global challenges. The production process, however, consumes significant natural resources (coal tar pitch, calcined coke, anthracite, electricity and natural gas), leading to direct and indirect negative impacts on climate and environment. Furthermore, the company's products, known for high current and thermal conductivity, heat and corrosion resistance, low consumption, and long service life, deliver maximum application performance. These distinct material properties make Tokai COBEX products essential in diverse

industries, including primary aluminium, pig iron and steel, silicon metal, ferroalloys, lead, copper, titanium oxide, and phosphorus production. Tokai COBEX's specialty graphite also serves as feedstock for demanding technical applications, such as the semi-conductor industry. Committed to top quality across the entire value chain, Tokai COBEX understands that product performance significantly impacts customer operations and their sustainability.

Therefore, the company consequently aims for an overall optimum that benefits both its own operations and those of its direct value chain partners.

2.5.2 Methodology

Tokai COBEX further refined its methodology for the DMA with reference to the principles in the final ESRS from adoption date July 31, 2023 and other available EFRAG guidelines. At the time this report was prepared, the CSRD had not yet been transposed into German national law. Learnings from the previous reporting process, dialogue with peers, professional network and industry association meetings combined with the final ESRS and newest guidance helped structure the process to ensure alignment with the DMA-related requirements in 2025. All identified impacts and risks were mapped to relevant topical ESRS standards. The highest-scoring impact or risk within a topic determined its overall materiality ranking. The assessment incorporated the following key considerations:

- Both positive and negative impacts were assessed and factored into topic rankings.
- Impacts were categorized as actual or potential, with most identified as actual.
- Sustainability-related risks and opportunities were evaluated.
- Impacts and risks were assessed for Tokai COBEX's own operations, as well as one step upstream and downstream in the value chain where applicable.

2.5.3 Scope

Tokai COBEX identified and assessed potential environmental and human impacts, alongside business risks, within its own operations, focusing on relevant activities. Value chain impacts and risks were also assessed, primarily for upstream activities. These assessments leveraged internal knowledge, particularly from first-tier supplier audits, to identify and evaluate relevant impacts and risks. For the impact assessment, both positive and negative, as well as actual and potential sustainability-related impacts were considered. The financial assessment focused on potential sustainability-related risks that could negatively impact the business. However, Tokai COBEX's business opportunities are directly linked to climate change mitigation and are detailed in the strategy section. ESRS S4 is deemed non-material due to Tokai COBEX's exclusive business-to-business model and lack of exposure to end consumers.

2.5.4 Stakeholder Engagement

For Tokai COBEX's DMA, a broad spectrum of mainly internal stakeholders including subject-matter experts from all business lines, as well as group functions were consulted. Tokai COBEX directly engaged with affected stakeholders to understand the impacts of its business activities on them. The company also incorporated insights from external sources who, through ongoing dialogue with key stakeholders, possess a comprehensive understanding of the company's interests and perspectives.

2.5.5 Scoring & Impact

In line with EFRAG guidance, Tokai COBEX determined the "severity" of its actual impacts by scoring three parameters: "scale," "scope," and "remediability" (irremediable character).

- Scale: The extent of impact on the environment or people was assessed.
- Scope: The widespread nature of the impact was evaluated using metrics such as the percentage of sites, employees, or financial expenditure affected.

- Remediability (Irremediable Character): The difficulty and resources required (cost and time horizon) to reverse the damage were considered.
- "Likelihood" was an additional scoring parameter for potential impacts.
- For actual negative impacts, all three dimensions were scored and contributed equally to the overall severity.
- For potential negative impacts, the severity score was reduced in line with a lower likelihood.
- Notably, any single characteristic (scale, scope, or irremediable character) could establish a negative impact as severe. In the specific context of a potential negative human rights impact, the inherent severity superseded its likelihood.
- For actual positive impacts, "scale" and "scope" were scored and equally weighted to determine severity.
- For potential positive impacts, "likelihood" was also factored in, paralleling its use for potential negative impacts

2.5.6 Risks and Opportunities

Tokai COBEX's risk scoring methodology involved evaluating two primary components. The potential magnitude of financial effects and the likelihood of occurrence were both evaluated and used. Financial effects were gauged against various triggers, including EBITDA, CAPEX, and OPEX. The nature of these effects was analyzed across multiple scenarios, incorporating assumptions from subject-matter experts. Potential financial magnitudes were categorized from "very low" to "very high" in five discreet steps. Likelihood of occurrence was rated from "rather unlikely" to "very likely", in four discreet steps, applying relevant short-, mid-, or long-term time horizons. The risks identified in the DMA were cross-referenced with Tokai COBEX's established business risk assessment framework. Given the inherent complexity in precisely quantifying potential sustainability risk scenarios in monetary terms, qualitative assessments played a significant role in supplementing the quantitative analysis.

2.5.7 Threshold

In adherence to EFRAG's Double Materiality Guidelines, Tokai COBEX's ESG Steering Committee set the materiality threshold at "important." Important is considered at the critical threshold at impact materiality. This means that any impact scored as "important," "significant," or "critical," or any risk scored as "material," "significant," or "critical," will be considered material for the relevant ESRS topic.

2.5.8 Process

Tokai COBEX defined separate process steps for its impact and financial materiality assessments within the Double Materiality Assessment framework. The impact assessment was conducted first, and its preliminary findings then triggered the initiation of the financial assessment

2.5.8.1 Impact Materiality

Tokai COBEX's assessment of sustainability-related matters' materiality was based on recent studies, benchmark reports, and internal projects. The following steps outline the systematic process undertaken and contribution to the impact assessment:

Stakeholder Engagement and Expertise Identification

To ensure comprehensive insights, Tokai COBEX established workstreams aligned with ESRS topics. Within these workstreams, subject-matter experts from various business and group functions were identified based on their deep knowledge and daily operational insights in each respective area. Continuous sessions were conducted to foster a common understanding of updated and new regulations.

Scoping and Definition of Impacts

This consultation involved reviewing internal impact reports, previous materiality assessments, and existing stakeholder findings to effectively scope potential impacts for each ESRS sub-topic. The relevance of sub-sub topics was also carefully considered and reviewed.

Assessment of Individual Impacts

During the update of the DMA, participants were encouraged to highlight existing potential impacts that need adjustment and introduce additional

ones as deemed relevant. All identified impacts (both negative and positive), spanning the company's own operations and its value chain, were scored in accordance with the established methodology. Detailed scoring rationales were diligently documented, and all pertinent reference documents were captured.

Calibration and Validation of Material Impacts

The aggregated input from all workshops was meticulously compiled to determine scores and calculate the 'degree of materiality', which was categorized into five distinct levels. Preliminary results were then validated with workshop participants, with rationales provided for any necessary adjustments. Further calibration across different topics was conducted before the finalization of the impact assessment.

Management Review and Materiality Determination

Consolidated overviews of the sustainability-related impacts were presented to and thoroughly discussed with internal stakeholders and senior management.

Ultimately, the application of the predetermined materiality threshold resulted in the identification of 16 material impacts, all of which were assessed as "important" or above.

2.5.8.2 Financial Materiality

In preparation for CSRD reporting, Tokai COBEX conducted a financial materiality assessment, focusing exclusively on potential sustainability-related financial risks and opportunities. The following systematic steps were undertaken and contributed towards the risk assessment:

Stakeholder Engagement for Risk Consideration

To ensure comprehensive consideration of sustainability-related financial risks, Tokai COBEX engaged relevant stakeholders. This included internal subject-matter experts from various business and group functions, as well as the teams responsible for the corporate risk assessment framework.

Scoping of Financial Impacts and Risks

The preliminary results derived from the impact materiality assessment, further supplemented by additional internal resources, provided the foundational basis for scoping sustainability risks within the context of financial materiality.

Assessment of Individual Financial Impacts and Risks

A series of collaborative meetings were held between topical subject-matter experts, ESG specialists, and corporate risk assessment teams. During these sessions, initially identified risks were verified and augmented with additional potential sustainability risks. All identified impacts (both negative

and positive), encompassing Tokai COBEX's own operations and its value chain, were scored in accordance with the established scoring methodology. Detailed scoring rationales were meticulously documented, and all pertinent reference documents were captured.

Calibration and Validation of Material Financial Impacts

Preliminary results were presented to workshop participants for validation, specifically considering the financial risk perspective. Where necessary, rationales for adjustments were provided to refine the outcomes.

Management Review and Materiality Determination

Consolidated overviews of the sustainability-related financial impacts and risks were presented to and thoroughly discussed with internal stakeholders and senior management. Ultimately, the application of the predetermined financial materiality threshold resulted in a final list of five financial impacts and risks that were assessed as 'material' or above.

2.5.9 Double Materiality Assessment Summary

Standard	Sub-Topic	Financial Materiality	Impact Materiality
E1: Climate Change	Climate Change Adaptation	No	No
	Climate Change Mitigation	Yes	Yes
	Energy	Yes	Yes
E2: Pollution	Pollution of Air	No	Yes
	Pollution of Water ¹	No	No
	Pollution of Soil	No	No
	Pollution of Living Organisms & Food	No	No
	Substances of Concern	Yes	Yes
	Substances of Very High Concern	Yes	Yes
	Microplastics	No	No
E3: Water & Marine Resources	Water	No	Yes
	Marine Resources	No	No
E4: Biodiversity & Ecosystems	Direct Impact Drivers of Biodiversity Loss	No	No
	Impacts on the State of Species	No	No
	Impacts on the Extent & Condition of Ecosystems	No	No
	Impacts and Dependencies on Ecosystems Services	No	No
E5: Circular Economy	Resource Outflows	No	No
	Waste	No	Yes
	Working Conditions	No	Yes

Standard	Sub-Topic	Financial Materiality	Impact Materiality
S1: Own Workforce	Equal Treatment & Opportunities for All	No	Yes
	Other Work-Related Rights	No	No
S2: Workers in the Value Chain	Working Conditions	No	Yes
	Equal Treatment & Opportunities for All	No	No
	Other Work-Related Rights	No	No
S3: Affected Communities	Communities' Economic, Social & Cultural Rights	Yes	Yes
	Communities' Civil and Political Rights	No	Yes
	Rights of Indigenous Peoples	No	No
S4: Consumers & End Users	Information-Related Impacts for Consumers and/or End Users	No	No
	Personal Safety of Consumers and/or End Users	No	No
	Social Inclusion of Consumers and/or End Users	No	No
G1: Business Conduct	Corporate Culture	No	Yes
	Protection of Whistleblowers	No	Yes
	Animal Welfare	No	No
	Political Engagement	No	No
	Management of Relationships with Suppliers	No	Yes
	Corruption & Bribery	No	Yes

2.6 Material Impacts, Risks and Opportunities

Tokai COBEX's Double Materiality Assessment process identified and assessed a range of sustainability-related impacts and risks as material across various ESRS standards and sub-topics. As a result, eight out of ten ESRS Standards are considered material for Tokai COBEX and are individually presented in the subsequent tables. For each material ESRS Standard, the tables provide granular detail, indicating whether the impacts and risks originate from the company's own operations (OO) or within its value chain (VC), distinguishing between upstream and downstream implications. The positive or negative character of each impact is also specified.

All impacts are considered actual, unless explicitly stated otherwise. Tokai COBEX's strategic and operational responses to the effects of these assessed impacts and risks are comprehensively described within their respective topical sections. It is crucial to understand that the scoring of these impacts and risks already reflects the influence of mitigation actions currently integrated into daily operations. Consequently, the impacts and risks detailed in the tables represent a residual level. For the final materiality scoring, all material items are reported. Tokai COBEX is committed to continuous improvement and will further refine its DMA process and methodology in the coming years.



Environment E1: Climate Change

Material Impact or Risk		Description & Actions
Climate Change Mitigation		
Negative impact (OO)	Tokai COBEX operations cause CO ₂ process emissions in the range of 200 - 400 kt/a (depending on production volume). Medium-term time horizon	The emissions originate from manufacturing, as well as fuel and energy related activities (fossil fuels). Tokai COBEX addresses this impact through strategic targets and actions to decarbonize.
Risk (OO)	High CAPEX and consequently OPEX efforts to lower/mitigate emission output. Medium-term time horizon	To reduce and mitigate CO ₂ and other emissions, certain investments have to be made.
Energy		
Negative impact (OO)	Current energy consumption based on fossil fuels Medium-term time horizon	The company manages planned CAPEX and OPEX diligently in view of CO ₂ reduction.
Risk (OO&VC)	High dependency on volatile gas and electricity markets. Medium-term time horizon	Current and future European price levels for energy can severely impact business performance and future outlook. It needs to be closely managed to mitigate risks of energy price peaks, which can occur for unforeseen reasons.

Environment E2: Pollution

Material Impact or Risk		Description & Actions
Pollution of Air		
Negative impact (OO)	Emission (air) sources close to urban areas. Medium-term time horizon	Tokai COBEX has of gas treatment systems in operation and a monitoring system for Pollution of Air. Accordingly, it manages to avoid negative impacts in urban areas close to the company's operations.
Substance of Concern/VHC		
Negative impact (OO&VC)	Majority of Tokai COBEX's products is based on coal tar pitch, a substance of very high concern. Medium-term time horizon	In the thermal treatment process in its operation or at its customers', pitch is converted to regular coke, an unclassified material. Major concern is in case of spillage, where appropriate counter measures are in place.
Risk (OO)	The usage of pitch in the EU is regularly discussed by the authorities. In case of a ban or severe restriction, this may result in severe business harm. Long-term time horizon	Potential severe financial impact due to missing alternatives.

Environment E3: Water and Marine Resources

	Material Impact or Risk	Description & Actions
Water		
Negative impact (OO&VC)	Emission (other) sources close to significant water ways. Medium-term time horizon	As emission sources are located close to significant water ways, any spillage or accident could have a significant impact

Environment E5: Circular Economy

	Material Impact or Risk	Description & Actions
Waste		
Negative impact (VC)	Main products result in hazardous and non-hazardous waste after use. Medium-term time horizon	Products are contaminated during their use-phase and can result in hazardous waste. Customers have established local methods of disposal for the generated wastes.
Negative impact (OO)	The environmental efforts result in internal waste.	Operating environmental equipment to reduce air pollution result in significant amounts of waste with associates disposal costs. Efforts are ongoing to identify and implement improved utilization and disposal routes.

Social S1: Own Workforce

	Material Impact or Risk	Description & Actions
Working Conditions		
Positive impact (OO)	Tokai COBEX has high standards concerning working conditions in order to secure worker health, safety and satisfaction. Long-term time horizon	High working condition standards are in place and have a significant impact on employee satisfaction resulting in a healthier working environment and better performance.
Negative impact (OO)	A direct potential impact to employees from exposure to and usage of harmful components (SoVHC) is considered. Medium-term time horizon	Tokai COBEX's employees handle substances of concern and very high concern in their daily operations. Regular work place measurements are performed, technical improvement considered and implemented and personal protective equipment is provided for voluntary use or required if necessary.
Equal Treatment and Opportunities for All		
Positive impact (OO)	Tokai COBEX hires and promotes independently of individual traits. No matter which race, gender, sexual orientation and other individual traits, everyone is welcome and treated equally.	"Tokai COBEX Diversity, Equality, Inclusion and Belonging Charter" issued, communicated and 'lived'.

Social S2: Workers in the Value Chain

	Material Impact or Risk	Description & Actions
Working Conditions		
Negative impact (VC)	Tokai COBEX requires to sign a Supplier Code of Conduct. However, TCX has only limited impact on some major suppliers beyond this. Long-term time horizon	Procurement department is tracking, monitoring and managing related workstreams Supplier Code of Conduct implemented to ensure compliance of suppliers with Tokai COBEX's standards.

Social S3: Affected Communities

	Material Impact or Risk	Description & Actions
Communities' Economic, Social and Cultural Rights		
Positive impact (OO)	Tokai COBEX invests into and supports the local communities it is operating in, aiming at a harmonious coexistence, building strong relationships between the company and the community. Long-term time horizon	Local HR is managing the social dialogue process in agreement with the respective company policies.
Opportunity (OO)	Improved opportunities to source workforce and improve company image. Medium-term time horizon	As a long standing partner of the communities, Tokai COBEX has been able to establish itself as a trusted employer.
Communities' Economic, Civil and Political Rights		
Positive impact (OO)	Tokai COBEX enables all employees to speak out, form or join unions or assemble in any other way. Long-term time horizon	Compliance to all legislation as well as respective internal policies is governed by HR.

Governance G1: Business Conduct

	Material Impact or Risk	Description & Actions
Corporate Culture, Protection of Whistleblowers and Management of Relationships with Suppliers incl. Payment Practices		
Positive impact (OO)	Corporate Culture: Tokai COBEX has established its own Code of Conduct in alignment with the Global Code of Conduct of Tokai Carbon Group. Living the values of these Code of Conducts is an integral part of the Corporate Culture Protection of whistleblowers: Tokai COBEX has established a whistleblowing system which enables internal and external personnel to anonymously submit incidences and report violations of laws and legal regulations. Medium-term time horizon	Tokai COBEX has high standards towards a compliant business conduct, which are documented in respective policies and shared via regular trainings.
Positive impact (VC)	Management of relationships with suppliers: A Supplier Code of Conduct is in place which requires acknowledgement from every supplier. Medium-term time horizon	Tokai COBEX has high standards towards a compliant business conduct, which are documented in respective policies and shared via regular trainings.
Corruption & Bribery		
Negative impact (VC)	Appropriate levels of transparency in payments to governments or individuals are to be ensured. A neglect of such may have a negative impact on the public perception of Tokai COBEX and may constitute a violation of laws. Medium-term time horizon	Tokai COBEX has high standards towards a compliant business conduct, which are documented in respective policies and shared via regular trainings. Negative public perception may impact the full value chain. "We care, we help" policy, which regulates the social dialogue.

3 Environment

Tokai COBEX diligently monitors and manages the environmental impact of its operations across all sites through dedicated environmental laboratories, taking necessary interventions when required. Following the Double Materiality Assessment, the company determined that four out of five ESRS environmental Standards, comprising a total of seven sub-topics, are material. With a strong commitment to global environmental preservation, Tokai COBEX strives to achieve synergy between business activities and the environment, actively pursuing a sustainable, recycling-oriented society. The company is committed to continuously enhance the cleanliness and efficiency of its operations to minimize the environmental impact associated with its production, storage, transportation, and product lifecycle. The following strategic initiatives are at the centre of the different departments:

1. Prevention of environmental claims
2. Reduction of GHG emissions
3. Reduction of water consumption
4. Waste reduction
5. Reduction of hazardous substances

Integration of sustainability-related performance in incentive schemes (GOV-3)

Three overall targets linked to variable remuneration package of management bodies in 2025 were directly and indirectly linked to sustainability. The following relate indirectly to Climate Change Mitigation and Energy:

- Specific CO₂ emissions per ton of baked product to be reduced against 2023 baseline/result (based on scope 1+2 emissions without Guarantees of Origin for electricity)
- Commercial launch of Battery Anode Material (BAM)

- Sustainable Growth and Net Zero as part of the long-term objective strategic workstreams

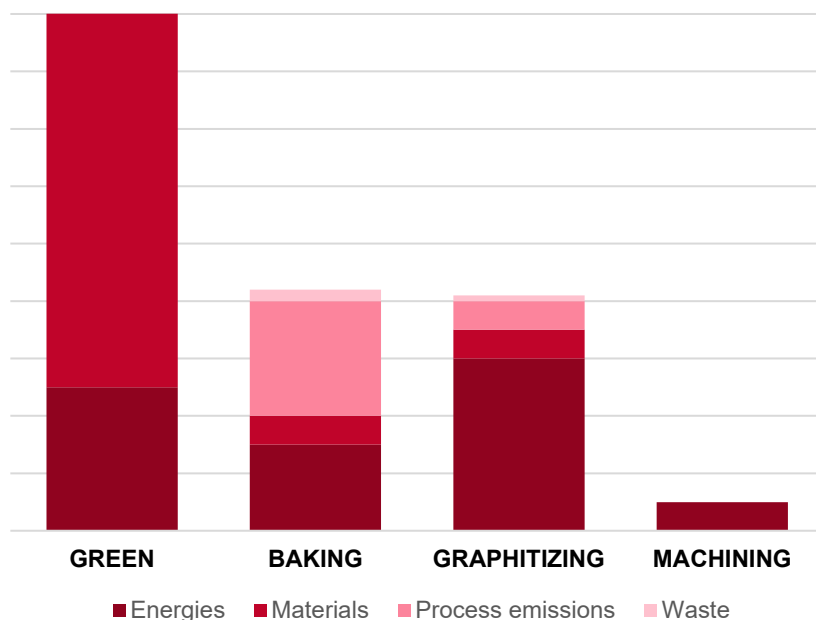
Sustainability related targets are reflected in personal objectives, amounting to up to 20% of sustainability related incentives.

2025 activities about Carbon Footprint assessment of Tokai COBEX standard products

Tokai COBEX is committed to reduce the environmental impact of its products and assist customers in their own reduction efforts. To achieve this, the company has implemented a comprehensive product environmental footprint assessment program, primarily utilizing Life Cycle Assessment (LCA) methodology, specifically tailored for the industrial production of carbon and graphite products. Given the energy-intensive nature of this industry and its reliance on fossil-based materials, the initial focus has been on climate change impacts, making the Product Carbon Footprint (PCF) a central element of the program. In 2025, Tokai COBEX successfully completed the assessment of all baked and graphitized products, categorizing them by product type (cathode, electrode, specialty), material type (graphitic, graphitized, carbon, graphitized and impregnated), and plant location. Furthermore, the company also assessed the production of in-house raw materials, such as calcined petroleum coke and anthracite. These results now provide TCX customers with product-specific carbon footprint values to integrate into their own product footprint calculations. Beyond providing reliable data, these assessments have been instrumental in identifying key environmental hotspots in carbon and graphite manufacturing and highlighting opportunities for further footprint reductions. Throughout this program, Tokai COBEX has developed robust in-house expertise to implement a comprehensive LCA approach that aligns with ISO standards guidelines (ISO 14040/44). The adopted life cycle scope is "cradle-to-gate," encompassing all emissions associated with product manufacturing, starting from raw material extraction. This naturally includes Scope 1, 2, and upstream Scope 3 emissions. Specific methodological choices were made to address the unique aspects of carbon and graphite manufacturing, such as managing multi-product workshops, fire loss emissions, and byproducts. The assessments are based on a full year of

industrial data from 2022 and have been updated applying 2025 production data, with modeling performed using Sphera Solutions® software and databases. While secondary data, such as upstream emissions, currently rely on generic datasets due to the limited availability of supplier-specific data; all methodological details and results have been openly shared and published through scientific conferences and journals¹.

Production Carbon Footprint
tCO₂ eq./t. graphitized cathode
TOTAL: 3.3 t CO₂ eq./t



Carbon footprint of graphitized cathode produced in Poland

The graphitized cathode carbon footprint assessment serves as a representative example, illustrating the primary environmental hotspots

associated with graphitized products. It underscores the dominant contribution of raw material production, followed by natural gas consumption during baking and associated process emissions, and finally, the significant electricity consumption during the graphitizing stage. In contrast, graphitic and carbon materials do not require a graphitizing step but often utilize raw materials with higher associated carbon emissions, leading to a substantial increase in their overall product footprint. Overall, the product carbon footprint for these materials ranges from 3.3 to 7.1 t CO₂eq. per ton of product, primarily influenced by their specific nature (microporous, carbon, graphitic, graphitized).

Tokai COBEX has already implemented significant actions to achieve best-in-class low-carbon products. These include internal production and recycling of raw materials, the purchase of recycled materials, and the utilization of green electricity. The LCA program has also facilitated detailed benchmarking across plants and workshops, fostering continuous improvement through the deployment of best practices. As raw materials currently account for the largest share of emissions across all products, Tokai COBEX is actively engaging its supply chain to procure greener raw materials. Furthermore, as Tokai COBEX began developing its innovative Battery Anode Materials (BAM), LCA was integrated from the earliest stages of the project. This allowed LCA to function not only as an assessment method but also as a true eco-design tool to guide the development of an ultra-low-carbon product. In fact, BAM represented Tokai COBEX's initial application of the LCA methodology. Following an initial development phase completed in 2022, a comprehensive ISO-compliant pilot LCA, including a third-party critical review, confirmed the exceptional environmental-friendly performance of the product, achieving a record carbon footprint below 3 tCO₂eq per ton of BAM. Since then, the carbon footprint has been regularly monitored in parallel with the industrial scale-up of production, ensuring that environmental performance remains a key driver throughout the ramp-up process.

¹ Carrère, et al., Cradle-to-Gate Carbon Footprint Assessment of Graphite Cathode for Aluminium Electrolysis Pots, Light Metals and TMS Conference, Orlando, USA, 2024. Carrère, et al., Towards Greener Aluminium Production - A Carbon Footprint Assessment of Graphitized Cathodes [...], Proceedings of the 42nd International ICSOBA Conference, Lyon, 2024. Carrère et al., Review of the manufacturing of synthetic graphite products: a carbon footprint perspective, CARBON 2025 conference, Saint-Malo, France, 2025

3.1 E1 – Climate Change

The following two sub-topics are material to Tokai COBEX's business:

- ▶ Climate Change Mitigation and
- ▶ Energy

3.1.1 GHG-Emission reduction

Tokai COBEX continues to pursue a reduction of Scope 1 and 2 CO₂ emissions by 25% by 2030, using 2018 as the baseline, as intermediate goal on its journey to achieve Net-Zero emissions by 2050. To reach this carbon neutrality target, the Tokai Carbon Group, including Tokai COBEX, has implemented a comprehensive decarbonization program following GHG accounting.

This program includes a thorough life cycle assessment (LCA) and an evaluation of raw materials and energy consumption in product manufacturing, guided by a clear hierarchy of measures such as:

- the identification of emission hotspots across Scope 1, 2 and 3;
- the prioritization high-impact opportunities
- setting realistic decarbonisation and net-zero pathways through its long-term objectives;
- support sustainability through non-financial reporting;

In 2025, Tokai COBEX continued to set priorities by measuring CO₂ emissions that can be reduced or avoided and tracking progress with transparency and confidence. The company is also continuously increasing its renewable energy uptake to accommodate a growing share of renewable electricity. Finally, for any remaining unavoidable CO₂ emissions, the company continues its plans to offset them through internationally accepted climate protection projects, incl. the potential application of carbon capture. It is Tokai COBEX's priority to act proactively, emphasizing to implement first measures as fast as possible.

Tokai COBEX ensures environmentally responsible operations through its company-wide environmental management system, certified with ISO 14001 for all its plants. The company continuously calculates CO₂ emissions across all sites and has established a standardized internal process to track emissions for the entire business unit. This initiative aims at continuously improving reporting accuracy and establish a baseline for measuring CO₂ reductions achieved through ongoing projects. Tokai COBEX is committed to continue measuring and reporting its progress towards the 2030 CO₂ reduction target.

Tokai COBEX compensates 100% of the CO₂ emissions from electricity consumption at its two Polish plants using Guarantees of Origin, backed by the Polish government. The company has chosen to internally benchmark its processes and improvements against an uncompensated CO₂ footprint of the electricity consumed to better assess actual progress.

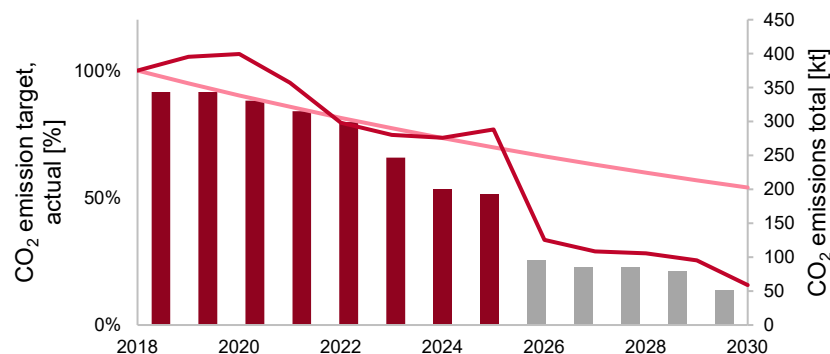
Investment Strategy

The company continues to invest in multiple equipment and installations to reduce the environmental impact of the production processes and logistics. Over the past years, 6.3 MEUR have been invested across all sites through projects and initiatives – internal and together with Tokai COBEX's business partners. Investments concluded in 2025:

- Initial installation of loading stations for electrical forklifts at one plant in Poland. The CAPEX investment amounted to 132 kEUR with annual CO₂ savings of 297 t CO₂/year and Installation of Electric Vehicle charging stations at both French plants with CAPEX investment of 80 kEUR and annual CO₂ savings of 291 t CO₂/year.
- Modernization to upgrade property, plant and equipment with electric motors at one Polish plant with CAPEX investment of
- 67 kEUR and annual CO₂ savings of 351 t CO₂/year.
- Upgrade of the steam system on green paste production at one Polish plant with CAPEX investment of 279 kEUR and annual CO₂ savings of 461 t CO₂/year.

For the years after 2026 and up to 2030, Tokai COBEX plans further investments in Poland and France of approximately 6.6 MEUR that will help the company reduce its impact on the environment even further with estimated CO₂ savings of 4,340 t CO₂/year. In addition, the company is working on technical solutions and feasibility studies with the potential to reduce CO₂ emissions more than 50% in total. Projects are forecasted to be investigated and executed until 2030.

The following graph shows Tokai COBEX strategic focus on overall CO₂ reductions, comparing the targeted development, with actual and forecasted reductions. The graph includes scope 1 & 2 emissions and is calculated without Guarantees of Origin.



Total CO₂ emissions [kt] CO₂ Reduction potential [%] Reduction target [%]

Key projects after 2025:

- Continued photovoltaic installation at the first Polish plant and roll-out to the second Polish plant. The assumed annual energy production from this installation is 1,755 MWh which equates to annual CO₂ savings of 1,047 t CO₂/year.
- Lighting improvement projects at one Polish plant with of CAPEX of 68 kEUR are estimated to bring annual CO₂ savings of 1,115 t CO₂/year.

- Water pipe upgrades at one Polish plant with CAPEX of 114 kEUR are estimated to bring annual CO₂ savings of 975 t CO₂/year.
- Gas pipeline and adaptation of natural gas burners , replacing heavy fuel oil, with CAPEX of 1,000 kEUR are estimated to bring annual CO₂ savings of 464 t CO₂/year
- Electricity power supply from a power purchase agreement form renewable generation in France.
- Electricity power supply from a low CO₂ electricity supplier from 2026 onwards in Poland.

Tokai COBEX Management Committee and workstream members met three times in 2025 and discussed the transition plan, track the progress of KPIs and actions, agree on required decisions and tasks. The Management Committee performs a risk assessment each quarter discussing the resilience aspect of the business to evaluate any financial implication caused by the risks. The climate impact on the business, material IROs and the interaction with strategy and the business model (ESRS2 SBM-3) are evaluated and analysed, and whether each material climate-related risk is considered to be a physical or transition risk, is part of the DMA result and the climate risk assessment.

3.1.2 Material IROs and their interaction with strategy and business model

Tokai COBEX reviewed and updated its Double Materiality Assessment in 2025, adhering to ESRS guidelines. This process involved developing a structured methodology, scoring matrices, and models for aggregation and prioritization. From a comprehensive screening of business activities across all sites, "Climate Change Mitigation" and "Energy" emerged as material sub-topics under the broader "Climate Change" topic. In addition, Tokai COBEX updated the Climate Risk Assessment as required by CSRD requirements. This assessment evaluated assets and business activities against identified climate-related hazards, transition risks, and events. The results summarize risks related to temperature, wind, water, and solid mass, along with their respective mitigation actions.

Risks and Mitigating actions (continued in 2025):

- **Dependency on Volatile Gas and Electricity Markets**
Tokai COBEX closely monitors gas and electricity exchanges in its operational regions. To mitigate exposure to unforeseen price hikes without risking oversupply, the company employs a mid-term hedging strategy.
- **High Remediation Costs from Potential Spillage Accidents**
Potential spillage accidents pose a risk of high remediation costs. Tokai COBEX has robust security systems in place to prevent such incidents and effective measurements for early detection. Environmental safety remains a top priority for the company.
- **Technologically Difficult and Costly Waste Treatment:**
The treatment of industrial waste generated during the production process – mainly residue from desulphurization of off-gases – presents technological challenges and high costs. The company is investigating utilization concepts and alternate routes of disposal. It is closely monitoring and heightening the focus on waste management and mitigation strategies.

3.1.3 Policies related to Climate Change

A comprehensive environmental policy was developed, addressing critical environmental areas and topics such as Greenhouse Gas Emissions, Pollution, Energy, Water, and Waste. This policy came into full effect in 2025 detailing key targets and actions for each area and topic. The policy was further refined throughout the year 2025. Tokai Carbon Group's long-term objective is to reduce Greenhouse Gas (GHG) emissions (Scope 1 and 2) by 25% by 2030, using 2018 as the baseline year. In addition, targets have been established to reduce Scope 3 emissions. The company's actions and targets are designed to align with the Paris Agreement's goal of limiting global warming to 1.5 °C. The policy also includes specific annual GHG emission reduction targets, with continuous monitoring of progress. An accompanying action plan outlines initiatives to achieve these goals, incorporating employee training and community engagement. The key

components and scope of the policy are an ESG Information Management System encompassing Policies, Objectives and Risk Analysis including Water, Waste, Greenhouse Gases, Air Emissions Management, Environmental Noise and Biodiversity. It also defined the establishing of an ESG Steering Committee as a formal management body responsible for sustainability. The policy relates to the general Integrated Management System. The Social and Governance aspects of ESG are covered in separate policies.

3.1.4 Targets

Annual Targets in the policy include specific GHG emission reductions and increased energy efficiency with implemented actions and ongoing monitoring of progress.

Transition plan for Climate Change Mitigation

Tokai COBEX aims to achieve CO₂-neutral business operations by 2050. This goal is aligned with its parent company, Tokai Carbon Group, and their collective commitment to a CO₂-neutral society. These targets are consistent with the Paris Agreement's objective of limiting global warming to 1.5 °C.

3.1.5 Actions

The action plan outlines initiatives aimed at achieving emission reduction goals, including employee training and community engagement.

- Heat recovery project from cooling of cathodes after baking to be investigated in future years.
- Co-generation of steam from a gas calcination at one Polish site continued throughout 2025.
- Photovoltaic and solar panels installations on roofs continued throughout 2025.
- Work in progress at workshop buildings to improve isolation and ventilation at one Polish site.

All projects are tracked and monitored by the workstream leaders, and the performance is discussed and reviewed monthly with the ESG team and every four months in a groupwide progress meeting followed up by a dedicated ESG Steering Committee meeting.

3.1.6 Energy Management (E1-5)

Given the energy-intensive nature of its industrial production, energy management is a top priority for Tokai COBEX. Thermal treatment processes account for the majority of the company's energy consumption. In pursuit of its Net-Zero target and acknowledging resource scarcity, Tokai COBEX is continuously enhancing energy efficiency through advanced technologies and process optimization. All facilities utilize Best Available Technology (BAT), adhering to the EU Industrial Emissions Directive. A systematic approach to energy management is ensured by an ISO 50001 certified Energy Management System implemented across all plants, facilitating performance improvement and progress measurement. To streamline future reporting on energy usage and emissions, a new centralized system for collecting energy-related data is currently being implemented across all sites. Tokai COBEX aims to procure all energy from

low emission sources in the medium-term. Currently, most of its electricity is sourced from non-fossil supplies. In one country, about 68% of the electricity derives from nuclear power, contributing to reduced Scope 2 CO₂ emissions. To further reduce energy consumption, Tokai COBEX has already completed the following projects:

- Optimizing furnace load in graphitization led to reduced energy of 1.4 GWh per annum with a CAPEX of 0.4 MEUR.
- EV car fleet helping to reduce energy 0.1 GWh per annum.
- EV internal transport specifically forklift and train reducing energy by 0.3 GWh per annum.

Several energy optimization projects are currently in planning. For example, Tokai COBEX plans to recover heat from thermal processes at one plant, reducing energy uptake by 5.5 GWh. A modernization of burners at ring furnaces across several plants is targeted to reduce energy by 12 GWh. All projects are targeted to be completed by 2027.

Tokai COBEX's energy consumption mix is detailed in the table below:

Energy consumption	2025	2024
(1) Fuel consumption from coal and coal products [MWh]	0	0
(2) Fuel consumption from crude oil and petroleum products [MWh]	4,817	3,221
(3) Fuel consumption from natural gas [MWh]	200,106	193,579
(4) Fuel consumption from other fossil sources [MWh]	0	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources [MWh]	3,612	4,389
(6) Total fossil energy consumption [MWh] (calculated total lines 1 to 5)	208,535	201,189
<i>Share of fossil sources in total energy consumption [%]</i>	<i>46.1</i>	<i>44.5</i>
(7) Consumption from nuclear sources [MWh]	72,142	73,512
<i>Share of consumption from nuclear sources in total energy consumption [%]</i>	<i>16.0</i>	<i>16.3</i>
(8) Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) [MWh]	2,119	2,194
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources [MWh]	167,689	173,950
(10) The consumption of self-generated non-fuel renewable energy [MWh]	1,755	770
(11) Total renewable energy consumption [MWh] (calculated total 8 to 10)	171,562	176,915
<i>Share of renewable sources in total energy consumption [%]</i>	<i>37.9</i>	<i>39.2</i>
<i>Total energy consumption [MWh] (calculated total 6 +7+ 11)</i>	<i>452,239</i>	<i>451,616</i>

Energy consumption figures have not been validated by third-party assurance at the time of reporting.

Energy intensity and net turnover from climate impact are detailed in the tables below

:		
Energy intensity per net turnover	2025	2024
Total energy consumption from activities in high climate impact sectors** per net turnover from activities in high climate impact sectors [MWh/MEUR]	1,230	1,140
Net turnover from activities in high climate impact sectors used to calculate energy intensity	2025	2024
Net turnover (other) [MEUR] ***	368	396
Total net turnover (Financial statements) [MEUR]	368	396

The increase in energy per turnover results from diverging inventory level of WIP at the beginning and at the end of the year, as well as internal – non commercial – trials for Battery Anode Material.

**Tokai COBEX is in the high climate sector Regulation (EC) No 1893/2006 Annex I NACE REV.2_ISIC2790_manufacture of carbon and graphite electrodes.

***Tokai COBEX did not differentiate net turnovers from net turnovers other high climate impact related.

3.1.7 GHG Emission E1-6

Total GHG emissions result from considering scope 1 and 2 emissions and selected scope 3 emission categories. In Poland a 10% CO₂ emission decrease resulted from reducing the calcination throughput at one site.

Scope 1

Direct greenhouse gas (GHG) emissions, originating from both energy and non-energy business activities, including industrial processes, are calculated and aggregated. Specifically, non-energy GHG emissions are typically calculated by applying relevant carbon content and CO₂ conversion factors to the volume of raw materials, secondary materials, and the net inflows and outflows of products and waste.

Raw materials and fuel:

Total Tokai COBEX raw materials and fuel related emissions in 2025 was 95,421 t CO₂ vs 95,536 t CO₂ in 2024.

Tokai COBEX has performed abatement cost calculations in 2025. These results show 10% of potential CO₂ reductions within scope 1. As Tokai COBEX is using fossil raw materials such as coke, pitch, synthetic graphite and anthracite, only a small portion of the associated direct greenhouse gas (GHG) emissions can be avoided.

Scope 2

Indirect GHG emissions from energy consumption in business activities include Guarantees of Origin. The Company used the GHG Protocol location and market based standard for 2025 factors published by each electric power supplier. In case the power supplier had not yet published recent data,

the company defaulted to the latest data published by either the provider or an alternate credible source.

Purchased electricity:

Total Tokai COBEX emissions from procured electricity in 2025 was 3,611 t CO₂ vs. 3,248 t CO₂ in 2024. This change is mainly related to an increase in production volume and change in product mix towards more energy intensive products.

Scope 3

The following categories are included in Tokai COBEX assessment calculation of scope 3:

Category 1 Purchased goods and services: In 2025 258,655 t CO₂ vs. 244,293 t CO₂ 2024 data

Category 3 Fuel and energy related activities not included in scope 1 + 2: 8,942 t CO₂ in 2025 vs. 12,082 t CO₂ in 2024 data.

Categories 1 and 3 are gathered and calculated on a Tokai Carbon Group level and shared with the individual business units.

Category 6 Business Travel:

The CO₂ emissions for business travel include Germany, Poland and France as provided by the travel agency. China is excluded from this calculation. Business travel for the company includes flights and train travel. CO₂ emissions for the year 2025 were 196.4 t CO₂ vs. 665 t CO₂ in 2024 (excl. France).

The table below shows the total GHG emissions disaggregated by Scopes 1 and 2 and significant Scope 3 as it relates to Tokai COBEX in t CO₂-eq:

		Retrospective			Milestones and target years		
		Base Year 2018	Comparative year 2023	2024	2025	2030	Annual % target / base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions	[t CO ₂ -eq]	188,484	N/A	95,536	95,421	N/A	N/A
Scope 1 GHG emissions from regulated emission trading schemes	[%]	N/A	N/A	N/A	N/A	N/A	N/A
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions*	[t CO ₂ -eq]	154,830	N/A	3,248	3,611	N/A	N/A
Gross market-based Scope 2 GHG emissions	[t CO ₂ -eq]	N/A	N/A	N/A	N/A	N/A	N/A
Significant scope 3 GHG emissions							
Category 1: Purchased goods and services	[t CO ₂ -eq]	N/A	244,293	288,320	258,665	N/A	N/A
Category 3: Fuel and energy-related Activities (not included in Scope 1+ 2)	[t CO ₂ -eq]	N/A	12,082	8,791	8,942	N/A	N/A
Category 6: Business Travel (not included in Scope 1+2)	[t CO ₂ -eq]	N/A	N/A	665	196	N/A	N/A
Total Gross indirect (Scope3) GHG emissions	[t CO ₂ -eq]	N/A	256,375	297,776	267,803	N/A	N/A
Significant GHG emissions							
Total GHG emissions location-based	[t CO ₂ -eq]	N/A	256,375	396,560	366,835	N/A	N/A
Total GHG emissions market-based	[t CO ₂ -eq]	N/A	N/A	N/A	N/A	N/A	N/A

GHG intensity per net revenue: 997 [t CO₂-eq]/ MEUR**

* with Guarantees of Origin of electrical energy that has been entered into the distribution network, has been produced from wind sources in a renewable energy source installation, as confirmed by TAURON Sprzedaż sp. z o.o

**Total GHG emissions (location/market-based) per net revenue

3.2 E2 – Pollution

3.2.1 General pollution handling at Tokai COBEX

Pollution is a critical environmental concern impacting ecosystems, human health, and overall sustainability. Tokai COBEX's commitment to mitigate its environmental footprint and ensuring transparency in managing harmful emissions is reflected in its approach to this issue. This standard encompasses various forms of pollution, including air, water, and soil, providing stakeholders with a clear understanding of the company's environmental impact and reduction strategies.

3.2.2 Material IROs

In 2025, Tokai COBEX's Double Materiality Assessment includes three sub-topics within the broader topic "Pollution": Pollution of Air, Substances of Concern and of Very High Concern as material. The following IROs were identified within the sub-topics:

► Pollution of Air

Tokai COBEX has identified one negative impact as relevant. The negative impact stems from emission sources located near urban areas. To effectively control and monitor mitigation efforts, the company has implemented a comprehensive air pollution monitoring system, monitoring its emissions points and off-gas treatment facilities designed to identify any such negative incidents early.

► Substances of Concern/Very High Concern

Tokai COBEX has identified one negative impact and one financial risk as relevant. The negative impact is primarily due to the majority of its products being based on coal tar pitch, a substance of very high concern. While the company's production process thermally transforms coal tar pitch into non-classified coke for most products, Tokai COBEX is closely monitoring the usage and regulatory status of coal tar pitch and actively seeks less harmful alternatives. However, no acceptable alternatives that meet customers' property requirements have been identified to date. The associated financial

risk involves a potential ban or severe restrictions in the usage of pitch within the EU, which could lead to business disruption and severe financial consequences.

3.2.3 Policies

Tokai COBEX has compiled one central ESG policy addressing, among others, environmental topics. Pollution; specifically pollution reduction is one key aspect of the company's environmental mission. 'General Emissions Guidelines' are compiled to manage and monitor this pollution reduction goal. At Tokai COBEX, managing air emissions is an important aspect of the company's environmental stewardship. The Company has recognized that reducing air pollutants is crucial for ensuring a suitable living environment and safeguarding the health of current and future generations.

The daily emission management practice includes the monitoring and calculation of air emissions to understand the company's environmental impact and identified improvement areas. In addition, the company invests in the adoption of modern technologies that reduce emissions, such as renewable energy sources and energy-efficient systems.

Responsibilities are detailed in the policy. The Tokai COBEX ESG Steering Committee oversees the air emissions management strategy, and reports progress to internal and/or external stakeholders. The main objective of the policy is to codify Tokai COBEX's air emissions management that is in line with the company's vision: 'Contribute to a sustainable society through advanced materials and solutions'. An action plan has been developed to guide initiatives aimed at emission reduction, encompassing employee training and community engagement.

3.2.4 Targets

Specific air emission reduction targets are set annually and progress is continuously monitored. It is ensured that dedicated resources are in line with the company's targets in its operations.

- **Establishing and achieving monthly specific air emission reduction targets**

Tokai COBEX continuously monitors progress to ensure compliance with regulatory requirements.

- **Adhering to noise level limits**

The company ensures that noise levels at plant boundaries do not exceed regulatory limits at any time. At two sites, the company has local residences as neighbours and allowed noise levels must not be exceeded.

- **Regular noise monitoring**

The frequency of noise monitoring is conducted in accordance with legal requirements on a monthly basis.

- **Implementing noise mitigation measures**

Tokai COBEX utilizes barriers, silencers, and operational adjustments to achieve target noise levels.

- **Engaging regularly with the community on noise concerns**

A dedicated communication channel is established for community feedback and complaints regarding noise, with prompt responses to all concerns.

In addition, Tokai COBEX addresses the usage of hazardous substances

- **Reduction of hazardous substances**

Tokai COBEX targets to reduce the use of hazardous substances and in case where they remain essential to continuously adhere to applicable laws and regulations in its own operations.

3.2.5 Actions

Actions and Projects for Pollution Mitigation

Tokai COBEX is committed to mitigating pollution through a combination of ongoing actions and specific projects, which are updated annually within the environmental policy, as mentioned above.

- The company works actively to prevent and control negative impacts related to air, water, and soil pollution.
- Tokai COBEX prioritizes substituting and minimizing the use of Substances of Concern and of Very High Concern, where feasible for non-essential societal use and in consumer products.
- The company strives to prevent incidents and emergency situations. In the event of occurrence, Tokai COBEX focuses on controlling and limiting the impact on people and environment.
- New devices such as air pollutant measurement systems for monitoring air pollution have been successfully implemented.
- Annual Mutual Compliance Audits are conducted annually to verify data integrity and measurement mechanisms.

All projects are diligently tracked and monitored by dedicated workstream leaders. The performance is discussed, reviewed monthly with the ESG Team and every four months during group-wide progress meetings and subsequent Steering Committee meetings, which also cover CAPEX and OPEX management.

The total mass of pollutants emitted to the air in 2025 is summarized in the table below. The company's measurement methodology is consistently applied across all four sites, adhering to local regulations in each respective country and based on European ISO standards. All measurements are conducted by specialized, accredited laboratories authorized to perform such analyses. Tokai COBEX employs a dual approach to these measurements. In France, external laboratories are engaged, while in Poland, accredited internal laboratories are utilized.

The Polish internal laboratory has maintained its accreditation with the Polish Accreditation Centre since 2011, with specialized in-house staff ensuring measurement quality. Hazardous substances, including SOx, NOx, and TVOC, are measured in accordance with group procedures at all four site locations, resulting in a consistent data source. Emission levels are reported monthly both internally and to the parent company, Tokai Carbon Group. The company's Environmental Manager oversees the data collection process.

Pollution Substances in t	TOTAL			2025 Breakdown per site		
	2025	2024	RBZ	NSZ	NDB	VNX
SOx	152	143	48	82	15	7
NOx	95	96	37	43	6	9
TVOC	13	18	1	7	4	1

The lower TVOC in 2025 relate to lower production in batch furnaces at one plant.

The measurement of metrics in all sub-topics is conducted in accordance with national laws and regulations. An external verification body was not consulted for validation purposes.

3.2.6 Substances of Concern and of Very High Concern E2-5

Tokai COBEX's operations involve Substances of Concern and Very High Concern (SoC/ SVHC), notably poly-aromatic hydrocarbons (PAHs) present in coal tar pitch. The following table provides the total quantities of these substances procured, consumed, and generated during the production process.

	Procured		Used		Generated*		Emissions	
Total in t per year	2025	2024	2025	2024	2025	2024	2025	2024
Substance of Concern	1,923	1,875	1,827	1,916	827	813	839	438
Substance of Very High Concern	27,75	25,33	27,16	25,22	24,08	21,20	1	2

In 2025, the reported volumes of procured, used, and generated SVHC increased compared to previous year. The change results primarily from variations in production levels and the annual product mix, which influences the overall SVHC intensity of operations. These factors collectively explain the year-on-year variation and reflect the company's commitment to enhance data quality, transparency, and alignment with regulatory expectations.

3.3 E3 – Water & Marine Resources

3.3.1 Water and Wastewater Management

Tokai COBEX recognizes freshwater as a precious resource and is committed to limit its impact on water bodies, exceeding strict legal requirements. Water is primarily used for cooling in production processes, and the company's water & wastewater management strategy focuses on reducing consumption and promoting water circularity. To minimize water extraction, all Tokai COBEX plants utilize a closed-cycle cooling water system, enabling maximum water reuse. At all facilities in France and Poland the goal is to further reduce consumption of potable water by operating its

own wells or drawing and treating water from nearby rivers for cooling purposes. In Poland, Tokai COBEX operates its own Wastewater Treatment Plants (WWTPs) at both sites. These advanced systems collect, process, and clean water before its discharge after production use. At one of these sites, the WWTP is also able to treat social sewage.

In 2025, the company was fined for discharging waste water that exceeded the limits in three parameters at one plant in Poland. In the course of the investigation, it was additionally criticized that the accredited laboratory applied an uncertified analysis method. Action items have been put in place and four of six improvement actions have already been fully implemented during 2025.

3.3.2 Material IROs

Following the Double Materiality Assessment and stakeholder engagement at all four locations, one sub-topic was determined as material.

► **"Water" sub-topic within "Water and Marine Resources"**

Only this sub-topic was determined to be material. Tokai COBEX's analysis revealed only one negative impact concerning emission sources near major waterways as material.

3.3.3 Policies

Water and Marine Resources is included in Tokai COBEX's Environmental Policy, as explained above. With Tokai COBEX Group's Water Stewardship Approach, the company is committed to proactively manage water in a way exceeding legal obligations. Tokai COBEX aims to be a leader in sustainable water management. With this comprehensive approach, encompassing reduced water consumption, responsible processing, recycling, and utilization of treated wastewater, the topic Water is driven by clear objectives, concrete actions, and continuous monitoring. The company's commitment to water preservation is demonstrated through the following pillars:

Regulatory Compliance and Risk Assessment

Tokai COBEX has a deep understanding of the critical importance of water and the challenges of water scarcity. The company rigorously adheres to and aims to exceed all relevant regulations and utilizes recognized tools, such as the WWF Water Risk Filter and ISO 14001 Environmental Management System, to identify and assess water-related risks.

Optimized Water Utilization

The company meticulously manages its water sourcing and consumption within its operations. Specific targets are set for water conservation, and progress is regularly monitored to ensure continuous improvement in water efficiency.

Advanced Wastewater Treatment

Tokai COBEX implemented an integrated wastewater management, utilizing advanced treatment technologies and strategic partnerships to maximize closed-loop water recirculation. As of fiscal year 2025, active wastewater processing is localized at the two Polish production sites. Monitoring and quantification protocols differentiate between water types. Reused water is subject to direct volumetric measurement, while recycled water flow is monitored via ultrasonic meters calibrated against pump throughput. Stored water inventories are quantified based on the nominal design capacity of the storage infrastructure.

Value Chain Collaboration

Tokai COBEX's water stewardship extends beyond its direct operations. The company actively engages with its value chain partners, incorporating water management considerations into all supplier agreements and encouraging sustainable water practices throughout the supply chain.

Continuous Monitoring and Remediation

The company continuously monitors water risks and water stress levels using generally accepted methodologies. In the event of identified issues,

the company is dedicated to implement effective remediation efforts through enhanced water management, conservation, and protection measures.

Future-Oriented Strategy

Tokai COBEX vision extends to ensuring long-term water security for all. The company is dedicated to exploring and implementing innovative solutions that contribute to the sustainable availability and safety of water resources for future generations.

3.3.4 Targets

The company's target related to water management is strictly related to the Vision of the company 'Contribute to a sustainable society through advanced materials and solutions' and cascaded from Tokai Carbon Group, Japan.

Reduction of water consumption is the overall KPI of the company. Tokai COBEX has set the voluntary companywide target to reduce fresh water consumption by 30% until 2030 in comparison to baseline year 2023. Each plant should keep certain limits – measured in 1000m³/kt of water per kiloton of finished product. The limit for the two Polish plants is 2.000 and 6.000 m³/kt . This target is mainly driven by the waste water treatment plants enabling the use of recycled and reusable water. At the French plants, the target is 18.000m³/kt as the company cannot make use of waste water treatment hence reusable and recycled water is not available. This value also includes movement of ground water around critical installations. Monitoring of the target realization is done monthly based on collected data. The company's ambitious target requires clear guidance and action items for Tokai COBEX to reach it in a timely manner. Therefore, multiple actions items are collected and resources are allocated as needed. Action items are defined once per year during a discussion to evaluate significant aspects in accordance with the ISO 14001 norm.

* Not monitored in 2024.

3.3.5 Actions

The following initiatives were completed in 2025:

- ▶ Installation of meters for water filters in Poland I
- ▶ Implementation of water recycling and reuse measurement devices in Poland and France.

Governance and Monitoring

All water-related projects are diligently tracked and monitored by designated workstream leaders. Progress is systematically discussed monthly with the ESG Team and every four months in a group-wide progress meeting and is further overseen by a dedicated Steering Committee meeting, which includes CAPEX and OPEX management to ensure strategic alignment and resource allocation.

Tokai COBEX uses several companywide KPIs and metrics to track and monitor its water consumption and usage. Its water consumption and intensity KPI are shown in the following table:

Amount of Water and water related projects and actions	2025	2024
Total consumption in m ³	786,622	1,042,200
Areas of high-water stress	0	N/A*
Reused in m ³	12,673,702	N/A*
Recycled in m ³	37,176	N/A*
Stored in m ³	15,110	N/A*

Amount of Water and water related projects and actions	2025	2024
Intensity in m ³ per MEUR net turnover	2.1	2.6

The decrease of total water consumption was mainly related to a decrease of production at one French plant. The measurement of metrics in all sub-topics is completed in accordance with national laws and regulations. An external verification body was not consulted for validation purpose.

3.4 E4-Biodiversity

Biodiversity, short for "biological diversity," describes the wide variety of life on Earth, ranging from genes to entire ecosystems. It includes the evolutionary, ecological, and cultural processes that support life. Biodiversity covers not only rare, threatened, or endangered species but also every living organism – from humans to lesser-known forms like microbes, fungi, and invertebrates.

3.4.1 Material IROs

Biodiversity was not classified as material in the DMA for Tokai COBEX, hence only the mandatory disclosure requirements are included as mentioned below.

3.4.2 Policies

Tokai Carbon Group has issued a biodiversity policy in November 2024 which includes following statements:

- Understanding and evaluating impacts, dependencies, risks and opportunities
We will strive to understand the impacts and dependencies our business activities have on biodiversity, while identifying and assessing the risks and opportunities associated with our business activities.
- Contributing to Nature Positive through business activities

We will contribute to Nature Positive by avoiding and reducing the negative impact of our business activities on biodiversity, while increasing the positive impact through our products and services.

- Promoting educational activities
We will provide appropriate education and training to our group executives and employees, enabling them to deepen their understanding of biodiversity and its importance.
- Collaboration with stakeholders
We will work in collaboration with our stakeholders, including employees, customers, business partners, shareholders, and local communities, to implement this policy.
- **Information Disclosure** We will proactively disclose information about our initiatives based on this policy.

Tokai COBEX integrated the topic of biodiversity into its environmental policy published in 2025 which details the commitment to reach its objectives and deploy human and financial resources as needed in line with the current business environment. The organization provides the necessary resources to support the development and implementation of the ESG roadmap and to implement all actions defined to support sustainable development of the organization. This includes the involvement of dedicated experts, allocation of financial resources, and organizational support.

3.4.3 Targets

The organization provides the necessary resources to support the development and implementation of the ESG roadmap and to implement all actions defined to support sustainable development of the organization. For biodiversity, this includes the involvement of dedicated nature experts, allocation of financial resources, and organizational support.

3.4.4 Actions

Ensuring adequate resources is a key factor in the effective achievement of the defined goals and actions.

3.5 E5 – Resource Use and Circular Economy

3.5.1 Tokai COBEX's Waste Management

Tokai COBEX is proactively addressing environmental challenges through a commitment to sustainable development. This involves significant investments in modern technologies and continuous upgrades to production processes to minimize environmental impact. In recent years, the company has successfully implemented numerous initiatives aimed at improving energy efficiency, reducing waste, and abating emissions to air, soil, and water. Key focus areas have been diverse, reaching from employee education to new warehouse construction. Looking forward, Tokai COBEX plans further investments in renewable energy sources and the development of innovative solutions for planetary protection.

- **Environmental Decisions as the Foundation of Operations**

Tokai COBEX's environmental efforts are anchored by strategic decisions that govern operations at all its production sites. Acknowledging the unified framework of the European Union, the company's strategy nonetheless adapts to notable differences in how member states approach specific environmental issues, especially concerning critical areas such as waste management and wastewater treatment.

Tokai COBEX Waste Management Strategy

Tokai COBEX is committed to reducing waste and enhancing waste management efficiency across its operations. Developing a unified approach proved challenging due to differing legislative requirements and frameworks across its countries of operation. Consequently, Tokai COBEX prioritized standardizing its waste management practices.

3.5.2 Material IROs

During the screening of business activities at all site locations, the

- **"Waste" sub-topic, under the broader "Circular Economy and Resource Use" topic,**

was identified as material. Tokai COBEX's analysis revealed only one negative impact concerning main products resulting in hazardous waste after use. Products are contaminated during their use-phase and can result in hazardous waste. Customers have established local methods of disposal for the generated wastes.

3.5.3 Policies

Waste Management is one chapter of the Tokai COBEX Environmental Policy, formalizing the following principles:

Standardization and Operational Control

Designated individuals at all plants are responsible for overseeing waste management, with particular attention to waste storage and separation. This initiative has significantly streamlined processes for waste supervision, preparation for shipment, packaging, and proper labelling, ensuring consistency and compliance.

Waste Identification, Data Collection, and Performance Metrics

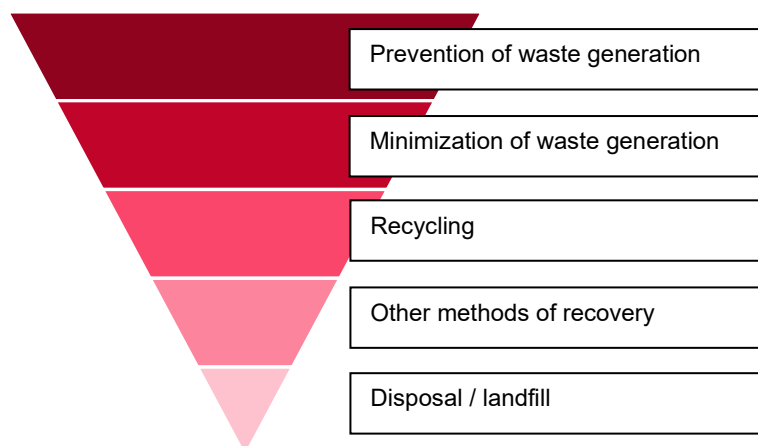
Waste types across all plants are clearly identified. This enabled the implementation of a robust system for ensuring compliance with all local regulations as well as generating comprehensive statistics and records. This detailed data management enables Tokai COBEX to track progress, set future targets, and make informed decisions. A key performance indicator, independent of production volume, is the recycling ratio of generated wastes. This metric, calculated as the amount of waste sent for recycling or reuse divided by the total waste generated, allows the company to effectively refine its waste management strategies.

Prioritizing Recycling and Circularity

As a core component of its sustainable development strategy, Tokai COBEX prioritizes recycling and actively collaborates with local recycling companies to maximize waste repurposing. A notable initiative, commenced in prior years, involves dispatching packaging waste from the company's Polish

operations to specialized businesses for recycling into new products. Materials such as wood (including pallets and other wooden packaging), plastics, paper and cardboard, metals, and steel are collected separately to facilitate direct repurposing, thereby reducing the reliance on primary raw materials and promoting the use of secondary resources.

Tokai COBEX waste handling guidelines are shown in the graphic below.



3.5.4 Targets

Tokai COBEX waste management strategy is built on three pillars to meet the general target of 'Waste reduction in 2025:

Minimize Waste Generation

Implement strategies to mitigate or reduce waste at the source through efficient processes and sustainable practices.

Maximize Recycling

Promote recycling initiatives and other possibilities of reuse within operations and encourage similar practices among partners with a recycling ratio of minimum 50% of all company's generated waste. Tokai COBEX is tracking and reporting this voluntary target.

Ensure Safe Disposal

Adhere to all regulations and best practices for the disposal of both hazardous and non-hazardous waste.

These specific waste reduction and recycling targets are established annually, with monthly progress monitoring. Dedicated resources are allocated in alignment with these targets.

3.5.5 Actions

A comprehensive action plan will be developed to detail specific initiatives aimed at achieving our waste management targets. This plan will include provisions for employee training and community engagement to foster a collective commitment to waste reduction.

Waste Separation: All employees receive training on waste separation into designated categories (e.g., recyclable, hazardous, organic, general waste) to facilitate efficient processing and maximize recovery.

Recycling Initiatives: The company actively participates in established recycling programs and is committed to increasing the portion of waste that is recycled. Specific, measurable targets are set and rigorously monitored to drive continuous improvement.

Collaboration with Suppliers

The company engages proactively with its suppliers to ensure their adherence to robust waste management standards. Furthermore, it is encouraged to minimize packaging and waste generation within the processes, fostering responsibility within the value chain.

Monitoring and Reporting

Waste generation and management performance is regularly monitored. Comprehensive reports are generated to assess compliance with established waste management goals and to identify areas for continuous improvement and strategic adjustment.

	2025	2024
Total waste generated in t	3,180	4,945
Hazardous waste in t	686	650
Non-hazardous waste in t	2,494	4,295
Radioactive waste in t	0	0
Waste sent for recycling in t	2,744	2,247
Non-recycled waste in t	436	2,698
Of the non-recycled waste in t: Sent for utilization	221	N/A
Of the non-recycled waste in t: Sent for landfill disposal	215	176
Of the landfill disposal waste in t: Hazardous	19	N/A
Of the landfill disposal waste in t: Non-hazardous	196	N/A

Disposal strategies such as recovery operations and incineration were also utilized but not measure

4 Social

4.1 S1-Own Workforce

Tokai COBEX values its employees' contributions to high-quality, innovative products and prioritizes their safety, well-being, and success. The company fosters strong employee relationships through a supportive culture of continuity, cohesion, and effective feedback, involving all employees in business development and acting on their input. To gather employee input, the company utilizes regular feedback channels, including surveys, idea and suggestion processes, and open-door policies. Tokai COBEX also actively supports and collaborates with employee representations, such as unions and work councils, providing employees with a voice in decision-forming and decision-making processes, in accordance with legal obligations.

In 2025, an **employee engagement survey** was conducted with a participation rate of 62%. Three actions resulted from this survey concerning the following items:

- ▶ Professional development opportunities
- ▶ Cooperation and communication
- ▶ Benefits

The professional development opportunity has the objective to support continuous learning, career growth and internal mobility. The cooperation and communication action has the objective to ensure a company-wide high level of information sharing and cooperation. The benefits action has the objective to ensure compensation and benefits remain competitive, transparent, and are perceived as fair.

Tokai COBEX is committed to be a safe working environment where employees prioritize their own and others' safety, ensuring everyone finishes work in good physical and mental health. Employees are encouraged to voice improvement suggestions, leading to initiatives like extended medical

care (company doctor and nurse), private healthcare, and subsidized on-site meals at several locations. The company's core focus areas remain:

- ▶ Learning and personal development
- ▶ Employee health & safety
- ▶ Families and work-life-balance

Recognizing environmental challenges, Tokai COBEX educates employees on climate change, biodiversity loss, resource scarcity, and waste management through webinars and workshops, while also leveraging their expertise. Cross-functional teams collaborate to address sustainability topics, gather knowledge, and collect relevant metrics. Tokai COBEX's vision, mission, and values underpin its business strategy, guiding all social and cultural aspects. These principles are fundamental to the employee experience and the company's overall success. Tokai COBEX believes that understanding and acting on employee perspectives are crucial for fostering a productive, innovative, and sustainable business environment.

Tokai COBEX is committed to understand and integrate employee perspectives to cultivate a productive, innovative, and sustainable work environment. To facilitate this, established measures include regular feedback channels such as surveys, dedicated idea and suggestion programs, and open-door policies. The company actively supports and collaborates with employee representative bodies, including unions and work councils. This collaboration ensures employees have a voice in decision-forming and decision-making processes, in full compliance with legal obligations. The scope of disclosures under ESRs S1 encompasses all individuals within Tokai COBEX's own Workforce, including employees and other directly hired personnel, who may be materially impacted by the company's operations and value chain. Any material risks and opportunities related to Tokai COBEX's own Workforce are addressed through the Double Materiality Assessment, ISO reviews and audits, national collective agreements, and national labour laws. Tokai COBEX maintains consistent operational processes across the four production sites and two office locations. The company's policy, as outlined in its Code of Conduct and

related training, is to treat all individuals in the Workforce, whether direct employees or those within the value chain, equitably.

Key disclosures regarding Impact, Risk, and Opportunity management encompass policies specific to Tokai COBEX's own Workforce. The company has established processes for engaging with its workers and their representatives on impacts and concerns, along with measures to address and remediate these issues.

4.1.1 Material IROs

Through a review of business activities across all sites,

- ▶ Working Conditions and
- ▶ Equal Treatment and Opportunities for All

were identified as material sub-topics within the "Own Workforce" topic. The company considers its own employees as part of its own Workforce; non-employees, self-employed workers and external personnel are part of the Workforce – Workers in the Value Chain in the S2 section.

Tokai COBEX's analysis identified two positive impacts as follows:

- Tokai COBEX Group employs high standards with regards to working conditions in order to secure worker's health, safety & satisfaction and
- Tokai COBEX Group hires independently from any individual traits. No matter which race, gender, sexual orientation and other individual traits, everyone is welcomed and treated equally. "Tokai COBEX Diversity, Equality, Inclusion and Belonging Charter" is in place.

One negative impact relates to

- Possible exposure of employees to harmful components such as substances of very high concern during the production process.

4.1.2 Policies

Human Resources Policies and Governance

Tokai COBEX's HR policies for its own workforce are aligned with internationally recognized guidelines, including:

- UN Guiding Principles on Business and Human Rights
- Code of Conduct
- Whistleblower Guideline
- DEIB (Diversity, Equity, Inclusion, and Belonging) Charter
- Health & Safety procedures

These principles are designed to effectively eliminate discrimination, including harassment, and promote equal opportunities. Commitments related to inclusion and addressing vulnerability within the own Workforce are integrated into these policies. HR policies are managed by the HR Directors and aligned between legal entities.

Code of Conduct

Tokai COBEX's Code of Conduct outlines the fundamental ethical principles that guide internal behaviour and interactions with customers, partners, and other external stakeholders, encompassing human rights. The Code emphasizes respect, fairness, honesty, and transparency. The Management Committee is responsible for demonstrating adherence to the Code and establishing organizational structures to ensure its implementation. This policy explicitly addresses commitments against discrimination, child labour, and forced labour. The Code of Conduct has been a longstanding fixture within the company, regularly revised and updated. It is available in all main company languages (English, Polish, French). Tokai COBEX provides training on its content, both during the induction process for new hires and regularly for all employees. All new employees receive a copy of the Code of Conduct and formally acknowledge their alignment through signature.

Whistleblower Mechanism and Remediation

A whistleblower framework is in place and communicated to both the Workforce and external parties, providing a channel to raise concerns. This mechanism serves as a preventative measure against discrimination and promotes diversity and inclusion at the workplace. Contact details are publicly available on the company's website and enables indiscriminate, anonymous reporting for both internal as well as external persons. Complaints are actioned, monitored, and reported immediately and updated monthly to the Tokai Carbon Group, ensuring a safe reporting environment separated from Tokai COBEX. The company is committed to identify follow up on, and remedy negative impacts on its own workforce and workers within its value chain.

4.1.3 Targets

Enhancing Leadership, Engagement, and Well-being

Tokai COBEX has established the following company-wide targets aimed at fostering a positive and productive work environment.

- ZERO Accidents prioritizing safety and well-being of all employees.
- Strengthen Tokai COBEX's leadership identity through cultivation of strong leadership to guide the company forward.
- Streamline internal communications and engagement by improving participation in town hall meetings, work councils, and ESG progress meetings.
- Establish transparent and formalized communications through ensuring a clear and consistent information flow throughout the organization.
- Enhancement of feedback culture through the fostering of an environment where constructive feedback is encouraged and utilized.

- Measure Net Promoter Score via engagement survey by quantifying employee satisfaction and engagement to drive continuous improvement.

These targets collectively aim to strengthen leadership, thereby reducing potential negative impacts on the workforce and promoting positive outcomes. The enhancement of a robust feedback culture is specifically designed to mitigate material risks and cultivate new opportunities within the organization.

4.1.4 Actions

Tokai COBEX addresses the management and effectiveness of actions related to material IROs during tri-annual exchange meetings involving members of the ESG Steering Committee and workstream leaders. Key disclosures concerning metrics related to Tokai COBEX's own workforce are integrated into the transformation roadmap. A clear cascading communication process ensures relevant information is distributed throughout the entire workforce:

- Employee meetings are held monthly and quarterly for engagement, HR updates, and discussions on regulatory and local law conformity. Decisions and other actions are shared with Tokai COBEX's own workforce. Larger town hall meetings occur at least once per year at every location.
- Local work council meetings serve to disseminate information regarding remediation and monitoring, as required by local laws and regulations.
- Benchmarking for best practices and further benchmarking against industry leaders is employed to foster comparison and transparency within the organization for the benefit of its employees.

4.1.5 Collective bargaining coverage and social dialogue

In France, 100% of Tokai COBEX employees are covered by the national collective bargaining agreement for chemical industries. In Poland, 99% of employees are covered by national collective bargaining agreements.

Employees outside of these two countries are not subject to such agreements. These measurements adhere to national laws and regulations and are subject to external assurance validation. The establishment of an European Works Council was agreed upon in 2024 and concluded in 2025, in collaboration with other European subsidiaries of the Tokai Carbon Group. The first meeting was held in the first half of 2025.

4.1.6 Diversity metrics

Tokai COBEX champions diversity as a core strength, benefiting both its employees and its business success. The company cultivates an inclusive and collaborative work environment that prioritizes trust, continuous learning, and knowledge-sharing, while upholding mutual respect and dignity among all team members. The overarching goal is to create a work culture that is both inclusive and appealing in the labour market, empowering employees to thrive. Tokai COBEX is a staunch advocate for equal opportunity, unequivocally opposing discrimination based on age, race, ethnicity, skin colour, gender, sexual orientation, religion, belief, or disability. These values are integral to all decisions concerning recruitment, employment, training, promotions, compensation, benefits, and disciplinary procedures. The company's Code of Conduct strictly prohibits all forms of harassment, including sexual harassment. Employees are encouraged to report any unethical or discriminatory behaviour, directly or anonymously, with reported cases confidentially and impartially investigated. In the planning of training programs, particularly those contributing to personal development plans, Tokai COBEX actively considers and encourages the participation of underrepresented groups to foster a more balanced distribution. Furthermore, the company aspires to increase female representation across all employee levels, including shop floor workers. Gender distribution at Tokai COBEX's top management, defined as Director level and above, did not change from 2024 to 2025, as can be seen in the table below.

Gender distribution in top management positions	2025	2024
Female	8	8
Male	17	17

Tokai COBEX is dedicated to build a diverse workforce, particularly focusing on gender and age representation across all functions and roles and in particular in leadership positions. Metrics such as number of employees, gender characteristics and remuneration are as of year-end 2025 and for comparison the respective figures for the year 2024 are shown.

Number of employees (Headcount)	Female	Male	Other	2025 Total	2024 Total
Poland	105	648	0	753	776
France	54	325	0	379	401
Other	17	23	0	40	45
Total:	176	996	0	1,172	1,222

The table below shows the split into permanent and temporary headcount:

				2025	2024
	Female	Male	Other	Total	Total

Number of permanent employees

Poland	84	596	0	680	662
France	48	321	0	369	392
Other	17	23	0	40	45
Sub-Total:	149	940	0	1,089	1,099

Number of temporary employees

Poland	21	52	0	73	114
France	6	4	0	10	9
Other	0	0	0	0	0
Sub-Total:	27	56	0	83	123
Total:	176	996	0	1,172	1,222

4.1.7 Age distribution of Employees

Tokai COBEX stands out as a company deeply committed to recognizing and addressing the needs of its employees throughout their careers. This approach fosters strong relationships with its workforce as well as with external communities. The result is exceptional loyalty, with employees

across the entire current workforce working for the company for approximately 16 years on average, with individuals having been with the company for considerably longer. Voluntary departures have consistently remained close to 1% of the total workforce annually. Tokai COBEX also prides itself on fostering a harmonious environment that embraces a wide range of age groups, as illustrated in the table below:

Headcount	< 30	30 – 50	> 50
Poland	43	425	285
France	40	144	195
Other	0	25	15

4.1.8 Adequate wages (S1-10)

Tokai COBEX ensures all employees receive adequate wages, complying and exceeding all national minimum pay laws and regulations. As part of its commitment as a recognized employer and valuing long-term employment, the company aims to offer a comprehensive compensation package that surpasses market averages. This package includes a reasonable salary spread based on seniority for positions with comparable company impact. To achieve this, Tokai COBEX collaborates with external consultants for position ranking and to obtain external salary benchmarks.

4.1.9 Persons with disabilities (S1-12)

At Tokai COBEX across all sites, the well-being and integration of employees with disabilities are paramount. At the end of the year, employees with disabilities constituted 2.95% of the total Workforce across all sites, a figure voluntarily disclosed by the company.

4.1.10 Learning and Development (S1-13)

Tokai COBEX actively supports and promotes employee learning and development, providing training and coaching to help individuals achieve their personal and career goals. The company offers a diverse range of opportunities for acquiring new knowledge, skills, and competencies, including both in-house and academic training in areas such as communication, leadership, Six Sigma, and negotiation skills. Beyond general training accessible to all employee groups – both face-to-face and online – Tokai COBEX has focused in 2025 on the following training program:

► Mastering the Art of Giving Feedback

A training series aimed at cultivating open communication and effective feedback within the company, empowering managers to enhance team collaboration and performance.

Tokai COBEX tailors training programs to individual employee needs, based on annual development plans. These plans incorporate self-assessments, feedback, and review sessions with direct managers, focusing on competency assessment and effective development strategies for the upcoming year. The relevant metrics required by S1-13 will be reported accordingly.

4.1.11 Health & Safety (S1-14)

Protecting the health and safety of Tokai COBEX employees is paramount. The company diligently monitors and mitigates all potential risks through technical and organizational measures, comprehensive training, and robust employee involvement in safety management. Particular attention is given to transport processes (forklifts and cranes) and maintenance work, identified as posing the highest safety risks. Tokai COBEX has set a target of ZERO accidents for the entire company and all its employees.

- **Commitment to Excellence and Governance:** Beyond legal compliance, Tokai COBEX is committed to establish, maintain, and continuously improve its systems to achieve industry-leading employee safety standards. The company maintains an employee health and safety network of specially trained personnel. Managers and supervisors are responsible for instructing, training, and supporting their teams to ensure health and safety objectives are met. All employees are encouraged to engage in health and safety commissions, where management and workforce representatives meet quarterly at every Tokai COBEX plant. These commissions include plant managers, union representatives, and safety specialists. Further regular safety meetings with supervisors, managers, and the safety team facilitate discussions on safety issues, best practices, and the determination of specific actions.
- **Proactive Safety Programs and Audits:** A standardized Safety Observation Program (STOP program) has been implemented and is running successfully for several years in all plants in France and Poland. This program involves a group of trained specialists who observe work processes, share feedback with the employees and record findings in a software tool. This tool identifies weak spots and generates statistical analyses and reports, which are then used to effectively manage and mitigate these dangers. Cross-departmental teams of safety inspectors regularly conduct safety audits. During these audits, best practices are shared between sites and workshops, and risks and mitigation strategies are discussed directly on the shop floor. Corrective and preventive actions are defined, and their execution is tracked.
- **Continuous Improvement and Lessons Learned:** For several years, Tokai COBEX has involved all employees in safety audits, fostering continuous safety improvement. Furthermore, the company emphasizes documenting and sharing lessons learned from all safety incidents, including near misses. For every

documented safety incident or accident on Tokai COBEX premises, the responsible team prepares a "safety lesson" – a short presentation explaining the case, its root cause, and the actions taken to prevent recurrence. These lessons are distributed to all employees and external contractors.

Through these concerted efforts, Tokai COBEX has been able to stabilize the number of lost time accidents (LTAs) at all plants, with five incidents among employees in 2025. A thorough analysis of injury-related data highlights that the most crucial measure for ensuring the highest safety standards is engaging all employees, as they possess unique insights into potential daily work hazards. Consequently, Tokai COBEX has launched several initiatives that actively involve all employees in safety improvements. Quantitative disclosures for the year 2025 are:

- ▶ 100% of its own Workforce are covered by Tokai COBEX health and safety management system based on legal requirements and recognized standards or guidelines, such as ISO 45.001;
- ▶ Zero fatalities as a result of work-related injuries and work-related ill health in 2025 same as in the prior year.
- ▶ Five recordable accidents, resulting in a rate of 2.69 / 1 Mio hours worked in 2025 vs. four incidents in 2024 with a rate of 2.40.
- ▶ Tokai COBEX has one incident of recordable work-related ill health with regard to its employees in 2025 vs. two in 2024.
- ▶ 257 days lost from work-related injuries or accidents in 2025 vs. 678 in 2024, and 111 days lost from work-related ill health in 2025 vs. 366 in 2024.

The goal of Tokai COBEX is to continuously improve the health and safety at all our plants and locations. We believe that every accident is preventable, and our ambition is zero accidents and zero harm across our operations. We are committed to providing a safe and healthy workplace by identifying and managing risks, maintaining high operational standards, and continuously improving our safety performance.

4.1.12 Work Life Balance (S1-15)

Tokai COBEX aims to be the long-term employer of choice for talented individuals seeking career growth and a harmonious work-life balance. Recognizing and responding to employee needs, the company has increased remote workdays per month and offers part-time options for those requiring flexibility due to personal circumstances or preferences. Further remote work regulations are being implemented across all locations, coupled with IT upgrades to ensure Tokai COBEX employees are well-equipped for off-site work.

4.1.13 Remuneration metrics & gender pay gap (S1-16)

The gender pay gap is calculated as the difference between the average hourly pay of male and female employees, divided by the average hourly pay of male employees. The annual total remuneration ratio is determined by dividing the highest-paid individual's salary by the median annual total remuneration of all employees, excluding the highest-paid individual.

Total Tokai COBEX per country:

Country	Pay Gap in %* 2025	2024	Remunerati on Ratio 2025	2024
Poland	-23	-25	13.5	20
France	-2.5	-7	4.5	7
Other	32	53	3.5	6

In Poland and France, female employees predominantly hold white-collar or managerial roles, while production departments are mostly staffed by men. As a result, the average wage for women is expected to be higher than that

for men in these regions. While the "Other" category is small in size and has a nearly even gender split, it includes the most members of the Management Committee. Since all committee members are currently male, their compensation significantly inflates the median salary for men in this specific group.

4.1.14 Incidents, complaints and severe human rights impacts (S1-17)

Work-related incidents or suspected cases of discrimination, complaints, and severe human rights impacts are meticulously tracked, followed and monitored via the whistleblower system, a process overseen by the Legal and Compliance department.

For 2025, Tokai COBEX is reporting zero incidents, complaints, or severe human rights impacts.

4.2 S2 – Workers in the Value Chain

Tokai COBEX maintains a consistent approach to the treatment of its own workforce and workers within its value chain, emphasizing equal treatment for all. As a global company, Tokai COBEX's stakeholder engagement highlights its commitment to all stakeholders, particularly those in the value chain.

4.2.1 Examples of workers in the value chain include:

- Workers of contracted services such as security personnel or contractors performing regular or individual tasks working on Tokai COBEX premises.
- Upstream workers include employees of suppliers contracted by Tokai COBEX working on the supplier's premises using their own work methods, as well as individuals further up the value chain

* Based on average gross hourly pay level

involved in extracting commodities processed into components for Tokai COBEX's products.

- Downstream workers are those within the value chain of Tokai COBEX's customers.

4.2.2 Material IROs

Through a comprehensive screening of business activities across all site locations, only one sub-topic

► "Working Conditions"

This sub-topic was identified as material within the "Workers in the Value Chain" topic with one negative impact as Tokai COBEX has only limited influence on its major suppliers.

4.2.3 Policies

The Tokai COBEX Supplier Code of Conduct clearly outlines the company's rules and expectations regarding social and environmental responsibilities for its suppliers. This document aims to ensure both fair and ethical labour practices as well as protecting the environment amid the challenges of global warming.

While Tokai COBEX does not have a separate human rights policy. It is applying the corporate human rights policy of the Tokai Carbon Group and is further guided by the Universal Declaration of Human Rights (UDHR), the Guiding Principles on Business and Human Rights, and international labour regulations set by the International Labor Organization (ILO).

The company maintains a clear understanding of human rights issues from a corporate perspective. The group prioritizes respect for human rights as a core part of its corporate philosophy, "Ties of Reliability." The Policy provides explicit guidelines on respecting human rights, prohibiting forced labour and child labour, which apply to all employees and all business sites. Additionally, Tokai COBEX requires its business partners to comply with these standards stated in the supplier code of conduct. Tokai COBEX aims at treating all

employees engaged in its value stream equally. However, workers within its value chain are subject to different contractual and legal frameworks. To address this, Tokai COBEX has established various mechanisms such as framework agreements and annual supplier evaluations, primarily managed by Procurement with support from the HR department. Due diligence processes are in place when engaging suppliers, especially concerning value chain workers who may be vulnerable to adverse impacts, such as workers involved in raw material extraction, particularly those working on company premises but not directly employed by Tokai COBEX.

The company fosters respect for fundamental human rights throughout its organization and actively contributes to building vibrant and sustainable societies. Moreover, Tokai COBEX values close relationships with its local communities and continuously strives to enhance stakeholder dialogue.

4.2.4 Targets

Targets are set on group level and apply companywide; they are tracked and monitored on a quarterly basis by Procurement and the Steering Committee:

- Supplier Code of Conduct to be signed by 75% for all suppliers over EUR 50 k/year until year-end 2025. This target was overachieved with a 92% completion rate.

4.2.5 Actions

Tokai COBEX has put in place clear processes for individuals to raise concerns and address any negative impacts through multiple channels:

Whistleblower System

A whistleblower system is available to all stakeholders, including workers in the value chain, enabling anonymous reporting. This system is overseen by the Tokai Carbon Group and the Legal and Compliance Director of Tokai COBEX. The Whistleblower is protected from negative repercussions. Monthly reports keep different stakeholder groups at Management

Committee level or directly at Tokai Carbon Group informed, and appropriate actions are taken.

Supplier Code of Conduct

This code commits companies within the upstream value chain to comply with rules and regulations regarding their workforce, ensuring responsible business practices and adhering to human rights.

Annual Supplier Evaluations

These evaluations provide a platform for Tokai COBEX to promote transparency, engage in meaningful stakeholder dialogue and to discuss concerns with suppliers.

In managing its relationships with workers in the value chain, Tokai COBEX undertakes various projects and initiatives, including:

- **Promoting an ESG Culture**
Activities such as charity events and local community engagement are organized for workers in the upstream value chain and the supplier market to foster an ESG-oriented culture.
- **Integration of ESG Criteria**
ESG-related components are incorporated into supplier evaluation to enhance assessment processes.
- **Review of Supplier Code of Conduct**
The Supplier Code of Conduct is scheduled for its next annual review in 2026, ensuring continuous improvement.

All actions, projects and initiatives are closely tracked and monitored by designated workstream leaders. They facilitate the mitigation process of the IROs. Performance is reviewed every four months during group-wide progress meetings, followed by discussions in a dedicated Steering Committee meeting. For the year 2025, Tokai COBEX reports no human rights risks arising from its value chain.

4.3 S3 – Affected Communities

Tokai COBEX has long fostered a harmonious coexistence with local communities – including local clubs, organizations, neighbours, and children's institutions and the cities the company operates in – building strong and close ties. This commitment is supported by the approach of its parent company, Tokai Carbon Group.

4.3.1 Network of affected communities

The company aims to be a trusted and reliable member of every community in which it operates, with a strong dedication to making meaningful, long term social contributions. Encouraging open dialogue with local communities is central to Tokai COBEX's corporate citizenship efforts. The company actively seeks to understand and respond to the needs of its immediate social environment, reinforcing its role as a responsible corporate neighbour.

4.3.2 Material IROs

In a comprehensive screening of business activities across all site locations, two key sub-topics under the broader theme of Affected Communities were identified as material.

- ▶ **Communities' Economic, Social, and Cultural Rights,**
- ▶ **Communities' Civil and Political Rights**

During the Double Materiality Assessment, two positive impacts were assessed as material.

- The company invests into affected local communities, aiming at a harmonious coexistence. Helping to build strong relationships between the company and the community and
- The company enables all stakeholders to speak out, form or join unions or assemble in any other way and

One opportunity was identified:

- Improved opportunities to source Workforce and improved company image.

For 2025, at Tokai COBEX, no disclosures related to affected communities were necessary. Risk assessments and remediation efforts identified no significant risks concerning community impact. Regarding human rights violations, Tokai COBEX is not aware of any reportable cases within its own operations or value chain in 2025.

4.3.3 Policies

To uphold community interests and rights, Tokai COBEX has implemented various policies and procedures, including the “We Care, We Help” Procedure, Supplier Code of Conduct, Whistleblower Framework, and the overarching Human Rights Policy of Tokai Carbon Group. These frameworks ensure respect for affected communities in alignment with the company’s strategy and business model. Tokai COBEX supports local community development through targeted initiatives, which have strengthened bonds between the company and local residents. These efforts also enhance workforce recruitment and development opportunities within the communities.

In accordance with European and national legislation, employees are empowered to raise concerns, form or join unions, and freely participate in assemblies without restrictions. The company’s Code of Conduct, Supplier Code of Conduct, and Whistleblower Framework, outlined in more detail in the Governance section, conform to internationally accepted standards. The Legal and Compliance Department actively monitors compliance with human rights requirements.

4.3.4 Targets

The “We care, We help” budget is a specific target set by Tokai COBEX. This implementation of a groupwide community support budget has been

formalized through the “We care, We help” policy and the avoidance of human rights violations.

4.3.5 Actions

Support for Local Organizations & Cultural Promotion

Tokai COBEX provides financial support to a variety of local organizations and events, including fire services, brass bands, song and dance groups, fishing clubs, sports clubs, and competitions. Additionally, the company actively promotes local culture through sponsorships of concerts and theatre festivals, with programs tailored to each specific location, holding regular meetings between management and local community representatives.

Charity & Social Initiatives

Donations are made to local groups supporting individuals with disabilities, severe illnesses, senior citizens. The employee-led “We Help Locally” initiative empowers staff committees to select organizations to support and collaborate with on various community projects. Responsively addressing community concerns with a focus on issues important to local stakeholders.

Educational Engagement

Tokai COBEX maintains regular compilation with universities and local high schools, facilitating student visits to company production sites. The company also supports educational programs in general, with a particular focus on children’s education through donations in Germany implementing formal dialogue mechanisms to systematically evaluate the company’s impact on local communities and environments.

Environmental Programs

The “Green Way to Work” program motivates employees to choose environmentally friendly commuting options, with 31% of employees across relevant sites actively participating.

The company supports initiatives related to endangered species conservation and tree planting.

Other ongoing initiatives and activities promote healthy and eco-friendly lifestyles within local communities. These include organizing sports, charity, and community engagement events involving employees and key stakeholders. Through these initiatives, Tokai COBEX strengthens its relationships with local authorities and stakeholders. Throughout 2025, Tokai COBEX continued implementing new or reinforcing existing projects supporting local culture, education, health, and environmental protection across all its locations, further demonstrating its commitment to community well-being.

5 Governance

5.1 G1 – Business Conduct

Governance of business conduct is highly valued at Tokai COBEX by both employees and management for numerous reasons. The company recognizes its responsibility to operate in full compliance with applicable laws and its own Code of Conduct. Tokai COBEX firmly believes that adherence to these principles is essential for building a successful and sustainable business.

5.1.1 Corporate Culture

The company is committed to fostering a healthy corporate culture grounded in integrity throughout its workforce. To support this commitment, Tokai COBEX has implemented a comprehensive Code of Conduct that offers clear guidance to all employees regarding expected behaviours and their interactions with stakeholders. The oversight of Governance processes at Tokai COBEX is entrusted to the Legal and Compliance Director, who ensures that these standards are upheld throughout the organization.

5.1.2 Material IROs

During the screening of business activities across all site locations, four key sub-topics under the overarching theme of Governance were identified as material within the scope of the Double Materiality Assessment:

- ▶ Corporate Culture,
- ▶ Protection of Whistleblowers,
- ▶ Management of Supplier Relationships, and
- ▶ Corruption & Bribery.

For those, the following positive impacts have been identified as material.

Corporate Culture

The company has established its own Code of Conduct and is following as well the Global Code of Conduct of the Tokai Carbon Group. Living these values is an integral part of the corporate culture.

Protection of Whistleblowers

Tokai COBEX has established a whistleblowing system which enables internal and external personnel to anonymously submit incidences and report violations of laws and of legal regulations.

Management of Relationships with Suppliers

Supplier code of conduct is in place which requires acknowledgement by signature from the respective supplier.

One negative impact has been identified as material.

Corruption and Bribery

Appropriate levels of transparency in payments to governments or individuals are to be ensured. A neglect of such may have a negative impact on the public perception of the Tokai COBEX Group and may constitute a violation of laws.

5.1.3 Policies

Tokai COBEX's policies cover important topics such as bribery, kickbacks, sponsorship and donations, entertainment, and conflicts of interest. Tokai COBEX Group commits to legal and ethical business behaviour as generally stated in the Tokai COBEX Group's Code of Conduct, which is also available on the homepage of Tokai COBEX. Every employee needs to sign the Code of Conduct upon joining Tokai COBEX. The Gifts and Entertainment Policy provides guidance regarding granting and accepting benefits while conducting business on behalf of Tokai COBEX Group. The purpose of the Policy is to prevent not only corruption, but also the appearance of corruption through establishing clear and transparent regulation for any kinds of benefits. These policies establish groupwide rules for granting and accepting benefits applying to all employees of Tokai COBEX Group companies subject to the Tokai COBEX Compliance Program. These policies are meant to mirror international legislation against corruption into and from within a company. Nevertheless, it cannot be excluded that individual national legislations may be stricter than the internal rules set in these policies. In this case, the stricter rules of a respective national legislation prevail over following policies:

- ▶ Code of Conduct,
- ▶ Anti-Trust Policy,
- ▶ Supplier Code of Conduct,
- ▶ Gifts & Entertainment policy,
- ▶ Whistleblower Framework,
- ▶ Credit Management policy

Oversight of these policies is the responsibility of the Legal and Compliance Director. The company's leadership in matters of business conduct is carried out by the CEO, the Management Committee, and the Legal and Compliance Director, who bring their expertise to ensure proper governance and ethical behaviour.

Supplier management is led by the Procurement Director and his team, guided by the Supplier Code of Conduct. This policy outlines how suppliers are managed within the value chain, addressing sustainability impacts for customers as well. Supplier selection is a formal process conducted by the procurement team, which incorporates environmental, social, and governance criteria into supplier evaluation forms. Further details on payment practices are provided in section 5.1.7.

The Tokai COBEX Whistleblower Policy establishes channels for all employees to raise concerns about integrity issues or breaches of business conduct. Misconduct can be reported to line managers, local Legal & Compliance Counsel, or through an external confidential whistleblowing system that supports anonymous reporting. This system is accessible not only to Tokai COBEX employees but also to customers, suppliers, and other third parties. Whistleblowers have the right to be informed about the handling of their report. Tokai COBEX maintains a strict zero-tolerance stance against any form of discrimination or retaliation toward whistleblowers. Protecting whistleblower privacy and ensuring data confidentiality are integral to the company.

5.1.4 Targets

Tokai COBEX is targeting full compliance. Any non-compliance with the policies mentioned is investigated and reported.

5.1.5 Actions

The following actions are implemented company wide and monitored by the Legal and Compliance department. Any indication of non-compliance is followed up on.

- Tokai COBEX is fully committed, at all levels of the organization, to prevent all forms of corruption and bribery in its business activities. The company strictly prohibits offering or providing payments, improper gifts, or any other benefits to employees of companies, government agencies, or public officials in exchange for improper business advantages. Tokai COBEX upholds fair and free

competition across all markets and competes solely based on the merits of its products and services.

- The company complies rigorously with all laws designed to promote and protect competition and refrains from engaging in prohibited agreements or cartels. Tokai COBEX does not share or discuss confidential information with competitors, including pricing, price policies, sales terms, costs, profit margins, capacities, marketing strategies, territories, customers, research and development projects, or any other sensitive business information. Every person working for or associated with Tokai COBEX must adhere to all applicable anti-corruption laws, with oversight provided by the Legal and Compliance Department.
- All employees are required to complete business conduct training as part of their onboarding, which includes mandatory acknowledgment of the Code of Conduct through a signed declaration. This training covers wide-ranging topics, including Tokai COBEX's policies on good business conduct, anti-corruption principles, and ethical guidelines. Tokai COBEX also promotes leadership competencies aligned with its vision, mission, and values through dedicated training and coaching programs.
- The Legal & Compliance Director of Tokai COBEX manages the company's whistleblower system and reports directly to the corresponding function in the parent company. Employees and other associates may report any offenses – such as bribery, fraud, or other misconduct – through this whistleblower system.
- In 2025, for awareness raising, a new series of five e-learning trainings was launched. Topics of these trainings included trade compliance, corruption prevention, anti-trust, whistleblower guidelines, and regular compliance.

In 2025, three reports were submitted via the whistleblower hotline; all were thoroughly investigated and found to be unsubstantial.

5.1.6 Incidents of Corruption or Bribery

Tokai COBEX carefully tracks incidents of corruption and anti-trust. In 2025, there were no reportable incidents.

5.1.7 Payment practices

In 2025, there were no legal proceedings with regards to Tokai COBEX's payment practices. The company pays its suppliers within the terms agreed in the respective contracts and agreements which are in line with national laws.

Tokai COBEX uses the right to omit detailed reporting on average time to pay an invoice as it perceives this information as business sensitive.

5.2 Supply Chain Responsibility and Due Diligence

At Tokai COBEX, fostering a sustainable society and managing relationships with suppliers are central to the company's mission. The responsible sourcing strategy focuses on promoting sustainable growth by providing essential products that enable innovative solutions addressing societal challenges such as energy security and mobility. A key example of this commitment is the development of Battery Anode Materials (BAM), which are vital for the electric mobility industry and where Tokai COBEX aims to supply a material that features a significantly lower CO2 footprint compared to other products on the market. Sustainability is deeply embedded in Tokai COBEX's corporate strategy and business agreements, extending across all partners, joint ventures, and suppliers.

No specific impacts and risks have been assessed as part of the ESRS guidelines as this topic is additionally added for transparency reasons

5.2.1 Procurement Compliance

Compliance with the company's Code of Conduct is ensured by integrating it into contractual agreements. Furthermore, climate-related requirements are increasingly incorporated into contracts with key suppliers to strengthen

sustainability efforts. As a consequence, Tokai COBEX changed its electricity supply in Poland to a supplier offering low carbon footprint electricity based on renewable generation with deliveries starting in 2026.

Tokai COBEX is committed to responsible sourcing and supply chain transparency. The company strictly avoids the use of “conflict minerals” and enforces ethical standards throughout its production processes.

In addition, Tokai COBEX supports its customers in enhancing the efficiency and sustainability of their production processes. For instance, the company’s “ready-to-use Cathodes (RuC®)” simplify production steps, eliminate hazardous practices, and provide tailored solutions that improve efficiency while reducing energy consumption. Additional efforts include developing and supplying PAH-free materials to minimize health risks at customer sites. The overarching goal is to innovate and deliver high-quality products that meet rigorous ethical, legal, and sustainability standards, often exceeding industry norms.

5.2.2 Policies

The Supplier Code of Conduct highlights legal compliance, anti-corruption measures, and respect for human rights. Tokai COBEX aims to ensure that all major suppliers align with these ethical standards and undergo rigorous screening based on social and environmental criteria to promote sustainable practices throughout the supply chain. As a specialist manufacturer of high-quality carbon-based products, Tokai COBEX recognizes the crucial importance of responsible raw material sourcing. Strategic materials such as synthetic graphite, anthracite, pitch, and coke form the cornerstone of the company’s operations. By proactively managing sustainability risks – including resource depletion, environmental damage, and human rights concerns – Tokai COBEX seeks to minimize its ecological footprint while fostering transparency and accountability. The company remains alert to challenges such as political instability in sourcing regions to safeguard

supply chain security and operational continuity. Strategies are in place to mitigate these risks, enhance supply chain transparency, and maintain product quality. These initiatives reflect Tokai COBEX’s dedication to innovation and advancing sustainable, responsible sourcing practices.

5.2.3 Targets

To improve traceability and sustainability, Tokai COBEX Procurement conducts due diligence audits at supplier sites, evaluating quality and supply chain risks as well as ESG criteria. The company values close and direct collaboration with its business partners to collectively shape a sustainable and responsible future, developing solutions that benefit society at large. Tokai COBEX employs a comprehensive four-tiered supplier evaluation process:

Prospective suppliers complete a detailed self-assessment questionnaire.

Due Diligence

Tailored to the scope of supply and considering factors such as volume, turnover, and criticality, this step includes site visits, trade compliance checks, and **Initial Assessment** gap analyses.

Approval

The outcome is reviewed internally by Legal and Compliance, Procurement, Technology teams, and, when necessary, the Management Committee.

Contract Negotiation

Upon approval, contract discussions commence, culminating in the establishment of new supplier relationships if successful.

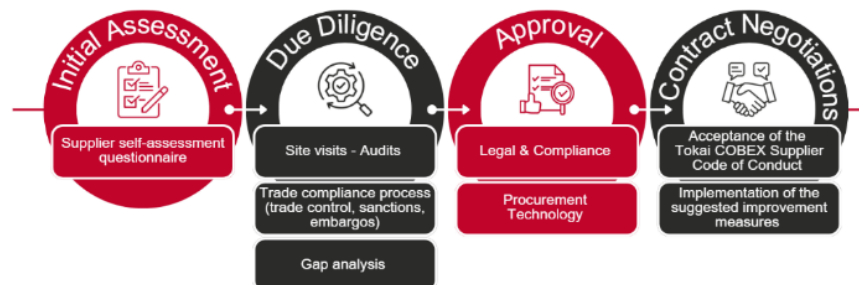
5.2.4 Actions

Data points	Unit	2025	2024
Audit of strategic raw material suppliers	%	75	75 (4 audits planned – 3 conducted)
Supplier performance evaluation for major suppliers	--	All	All
Compliance with Tokai COBEX's "Supplier Code of Conduct" for major suppliers	%	92	91

Tokai COBEX aims to develop an IT based Supplier Relationship Management solution in the coming years, enabling management of all process steps into one tool:

Tokai COBEX places focus on the sustainable sourcing of its key raw materials such as coke, pitch, synthetic graphite and anthracites. Carbon and graphite manufacturing is a raw material intensive process. The company sources raw materials in the best way possible and prefers to source raw materials directly from mines and refineries.

By simplifying and shortening its supply chain, the company improves the traceability of its raw materials and enables a more direct relationship with each individual supplier.



6 Appendix

List of Acronyms

A	Actions	GWh	Gigawatt Hours	SCM	Supply Chain Management
asi	Aluminium Steward Initiative	HR	Human Resources	SG	Speciality Graphite
B2B	Business to Business	ILO	International Labor Organization	SOx	Sulphur Oxides
BAM	Battery Anode Materials	IRO	Impact, Risk & Opportunity	T	Targets
BAT	Best Available Technology	ISO	International Organisation for Standardization	t	Metric Ton
BP	Business Process			TVOC	Total Volatile Organic Compounds
CA	Cathodes	IT	Information Technology	UDHR	Universal Declaration of Human Rights
CAPEX	Capital Expenditures	kEUR	Thousand Euro	VNX	Site Vénissieux (France)
CCA	Climate Change Adaption	KPI	Key Performance Indicator		
CCM	Climate Change Mitigation	LED	Light emitting diode		
CCO	Chief Commercial Officer	LTA	Lost time accidents		
CE	Carbon Electrodes	LTO	Long-Term Objectives		
CEO	Chief Executive Officer	LWG	Length-Wise Graphitization		
CFO	Chief Financial Officer	M	Metrics		
CO ₂	Carbon Dioxide	MDR-	Minimum Disclosure Requirements		
COO	Chief Operations Officer	MEUR	Million Euro		
CSRD	Corporate Sustainability Reporting Directive	MWh	Megawatt hours		
CTO	Chief Technical Officer	NDB	Site Notre Dame de Briançon (France)		
dB(A)	Decibel Frequency Filter A	NOx	Nitrogen Oxides		
DEIB	Diversity, Equality, Inclusion and Belonging	NSZ	Site Nowy Sącz (Poland)		
DMA	Double Materiality Assessment	OECD	Organisation for Economic Co-operation and Development		
EFRA	European Financial Reporting Advisory Group	OO	Own Operations		
ESG	Environment Social Governance	OPEX	Operational Expenditures		
ESRS	European Sustainability Reporting Standards	P	Policy		
EU	European Union	PAH	Polyaromatic Hydrocarbons		
EUR	Euro	PhD	Doctor of Philosophy		
EV	Electric Vehicles	PV	Photovoltaic		
FL	Furnace Linings	RBZ	Site Racibórz (Poland)		
GHG	Greenhouse Gas	RuC®	Ready to Use Cathode		
GOV	Governance	BM	Strategic Business Model		
		SBTI	Science Based Targets Initiative		

