

Our journey toward a sustainable bond



CORPORATE SUSTAINABILITY REPORT

2024

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letter

FROM OUR CEO

Dear Reader,

We are proud to present the first sustainability report to be compiled by SABA Adhesives & Sealants. Since our company was founded in 1933, we have been pioneers in sustainable bonding solutions. In the 1990s, we introduced the first water-based adhesives on an industrial scale worldwide. And in 2022, we opened our new energy-efficient factory and headquarters in Dinxperlo, where we focus daily on minimizing the CO₂ emissions of our products.

This voluntary publication demonstrates our strong commitment to sustainability. Our culture revolves around the core value: "We Care for Our World". This is why we actively contribute to the implementation of the Sustainable Development Goals (SDGs) adopted by the United Nations. Our sustainability strategy is built around a number of key themes such as efficient energy use, waste reduction and sustainable production. In addition, we are continually working to reduce our environmental footprint through innovative product design, responsible sourcing and emission reduction.

Sustainability also means caring for our employees. We invest in the sustainable employability of our staff by supporting their health, vitality, knowledge, safety and personal growth. We also support social initiatives through local sponsorships and donations.

In this report, you will find a clear overview of our ambitions and the actions we are taking to achieve them. We believe in continuous progress and innovation and we are realizing that by collaborating with our stakeholders so that we can build a sustainable bond that benefits our company, the planet and society as a whole.

Our motivated employees make a huge difference every day. We would like to sincerely thank them, our customers and our other stakeholders for their ongoing contribution to our mission.

Thank you for being part of our journey towards a sustainable bond.

- *Villaume Kal*
CEO SABA adhesives & sealants



about our

SUSTAINABILITY REPORT

For the first time in SABA's history we are publishing our sustainability report. To show our importance and commitment of the topic of sustainability, we're voluntarily publishing this report.

With this report, we want to inform our stakeholders about our objectives and the road towards a 'more sustainable bond'. After performing a stakeholder analysis, we asked our main stakeholders for input to help us choose our Environmental and Social materialities. This report also enables us to show what our company is doing to reduce our environmental footprint and to exhibit 'good employership', also on a social level.

This report is based on data from the fiscal year from January 1st to December 31st, 2024. Where applicable and possible, we present comparable data from previous years. The data is mainly from our headquarters in Dinxperlo in the Netherlands or, unless specified otherwise, from our subsidiaries in the USA, Poland, Germany, Romania, China and Australia. The data in this report refers primarily to our two manufacturing locations in the Netherlands. The figures have been rounded off for the sake of readability so the exact sum may not always correspond to the absolute values.



In just over **90 years**, SABA has become a global player in adhesives and sealants for specific B2B markets. Because of our focus on a select number of sectors, we offer unrivalled added value with innovative products. Above all, we are a knowledge partner that helps raise customer processes and projects to a higher level. Thanks to this targeted strategy, we have become the global leader in adhesives for foam bonding and chemically-resistant sealants. In Europe, we are now also a leading supplier of advanced adhesives and sealants for the transport industry.

COMPANY PROFILE

The story



On October 25, 1933 Otto Baruch, Rudolf Salm and Walter Bongartz founded SABA in the Dutch town of Wateringen. The name SABA was chosen because it includes the first two letters of the last names of the founders, Salm and Baruch. At the outset, SABA produced polishes and adhesives for shoemaking.



After the Second World War, SABA started to specialize in adhesives and sealants. New raw materials appeared on the market in the 1960s, which made it possible to replace putty with new durable products that were also easier to apply. Later, SABA also started to produce sealants for vehicles.



The increasing demand for environmentally-friendly products gave a strong boost to the development of SABA adhesives. SABA was the first company in the world to introduce Rapid Stick Dispersions with direct tack. This unique water-based adhesive soon became very popular, particularly in the foam processing industry.



SABA's head office is located in Dinxperlo in the Netherlands. The company develops and produces high-quality and technically advanced adhesives and sealants for the construction and manufacturing industries. The SABA product range includes sealants for building & construction, civil & environmental engineering and transportation (vehicle manufacturing) and offers a complete product range of adhesives for the foam conversion, mattress and furniture manufacturing industries.



All of these products are developed and manufactured at the SABA facilities in Dinxperlo. In addition, we have local warehousing and sales offices all over the world, thanks to which we have a good knowledge of local markets and short lead times and are always close at hand for technical service and support.



In both 2023 and 2024, SABA produced a total of approximately 15,000 tons of adhesives and sealants. SABA's total balance sheet on December 31st, 2023 was EUR 48 million and our turnover in 2023 was EUR 99 million. The 2024 financial figures had not yet been released when this sustainability report was published.

Our Vision

Our aim is to become the world's leading partner in sustainable foam bonding adhesives and the European specialist in sustainable adhesives for transportation and environmental engineering. With a world-class team, state-of-the-art systems and modern facilities across the globe, we are committed to growth and to driving sustainable innovation.

One essential element of our daily operations involves meeting the highest standards in quality and environmental management, hence our ISO 9001, ISO 14001 and many other product certificates. ISO 9001 focuses on improving the quality of products and services in order to achieve quality consistency and exceed customer expectations. SABA wants to reduce its environmental impact and promote sustainability, hence our ISO 14001 certificate. Together, these certifications are proof of SABA's operational efficiency and continuous development.

Management

SABA is a 100% family-owned business. The company's board consists of our two shareholders (both men), three informal advisors (two men and one woman) and our CEO (man). The board meets bi-monthly or as required.

Our executive management team consists of seven members (two women and five men) and is responsible for driving the company forward. The team's key responsibilities include:

- Achieving the company's business targets
- Defining the company strategy and mitigating risks
- Ensuring good financial performance
- Developing the company, including its people, products and services

Works Council

To ensure that employees have a strong voice within the company, SABA has established an independent Works Council as the formal representative body for its workforce. The Works Council addresses key topics such as work-life balance and working hours and participates in discussions with union representatives.

Every six weeks, our CEO and HR manager meet with the Works Council to discuss important issues and upcoming changes. In addition, every three weeks an executive manager is invited to join a Works Council meeting to review ongoing and future projects. Trade unions, employee organizations and cooperative initiatives are freely accessible to both individual employees and the Works Council.

Our values

Our success is based on people. It is purely thanks to them that we can create the strongest bonds. With over 200 employees worldwide, we believe in the qualities and talents of each individual. And in the power of diversity, because that is how the best team performance is created.

Everyone at SABA shares four common values:

✓ We believe in the long term

We base our actions on our belief in a long-term connection with our stakeholders. We do not focus on short-term results but on long-term relationships and success. We continuously develop our products, our services, and our business. The cornerstones of our partnership are ambition, pride and fun. This gives us the space to focus on relationships with people and on longer-term sustainable successes.

✓ We exceed expectations

Our aim is not just to meet customer expectations but to exceed them. We go the extra mile to help our customers and each other. We always look at our work with a critical eye to see if something can be done even better.

✓ We empower our people

Our success is based on our people. They are our most important asset and we are committed to investing in them. We are convinced that people achieve the best results when everybody does what he or she is good at and has fun doing it. That is also why we focus upon and respect everybody's qualities, capabilities and personal development.

✓ We care for our world

One of the fundamental points in our policy involves the more sustainable production and processing of our products. We want to partner with our customers to help them make products that contribute to a circular or more sustainable economy without sacrificing product comfort or quality. Together with our partners, we are on the road towards 'a sustainable bond'.

1

Healthcare China recently honored SABA with the **"Preferred Supplier Partner Award 2024"**. This recognition reflects our commitment to quality, reliability and our long-term partnership aimed at delivering outstanding products and services to Healthcare China.

"This award celebrates our team's dedication to meeting and exceeding expectations, even in challenging circumstances. The award is dedicated to all of our SABA colleagues who work on our success on a daily basis. Our dedication, expertise and customer-first mindset are behind this award."

– Ewa Frankowska-Srama,
Business Unit Director



Innovation

Innovation is a key driver of our success in the markets that we serve. Every year, we aim to invest over 10% of our budget in Research and Development and launch an average of ten innovative products.

We distinguish our products from those of our competitors on the basis of the following characteristics:

- Fast
- Reliable
- Sustainable
- Safe

Our state-of-the-art Research Centre, located at our facility in the Netherlands, enables us to develop reliable, high-quality solutions. Our expertise goes beyond the chemical composition of our products and collaboration is key. We actively work with academic institutions, research centers and trade associations such as VLK, FEICA, EBIA, Europur and ISPA in order to stay at the forefront of innovation.

Markets

SABA's activities are organized into two business units: the **Industrial Adhesives & Sealants (IAS)** business unit and the **Foam Bonding Adhesives (FBA)** business unit. The IAS business unit supplies sealant systems for flexible bonds and seals primarily used in the construction, environment & infrastructure and transportation sectors. The FBA business unit focuses on high-quality solvent-free adhesives for flexible foam bonding in the mattress and furniture market.



A strong bond: Products & Technologies

SABA has patented many of its innovative products and applications. Our Water-based (dispersion) 1-component and 2-component adhesives are based on the following technologies:

- Polychloroprene
- Acrylic – Polyurethane mix
- Natural latex

For our 2-component adhesives, we have a range of activators and accelerators required for activating the coagulation process. Mixing both components, typically in a spray application, activates our Rapid Stick Dispersions.

Hot-melt adhesives are adhesives that are heated in order to soften them. During the solidifying process, while cooling, they build up their adhesive

strength. Our hot-melt portfolio is based on the following technologies:

- Amorphous Poly Alpha Olefin (APAO)
- Ethylene vinyl acetate (EVA)

The majority of our 1-component and 2-component reactive sealants are produced using the following technologies:

- MS Polymer
- Polysulfide

The use of our SABA primers ensures a qualitative bond on the surface. Each of the technologies adds its own characteristic to our adhesives and sealants.

“There is a strong bond between innovation and sustainability: SABA is paving the road towards a fully circular industry. The industries we serve recognize SABA as the benchmark in product leadership. Our reputation is built on the positive and long-lasting experiences of customers who work with our products. We have a track record of introducing innovative products and application technologies successfully over many decades. Our dedicated R&D teams work on reliable and cutting-edge technologies to make our products safer, faster, more reliable and more renewable and are the driving force behind our innovation flows.

A large share of our innovation budget and efforts is spent on increasing the use of renewable raw materials, both bio-based and waste-based (that is, mass balanced). At the same time, end-of-life concepts such as debonding-on-demand and the reduction of production waste, are other specific targets. We are also working on improving ease of use and on reducing the number of GHS symbols in order to make the lives of our customers safer and less complicated and to reduce their costs.

We regard adhesives and sealants not as a limitation on the road towards a fully circular economy but as an essential part of the solution.”

– Pieter van Gent - CTO



Management of our materialities

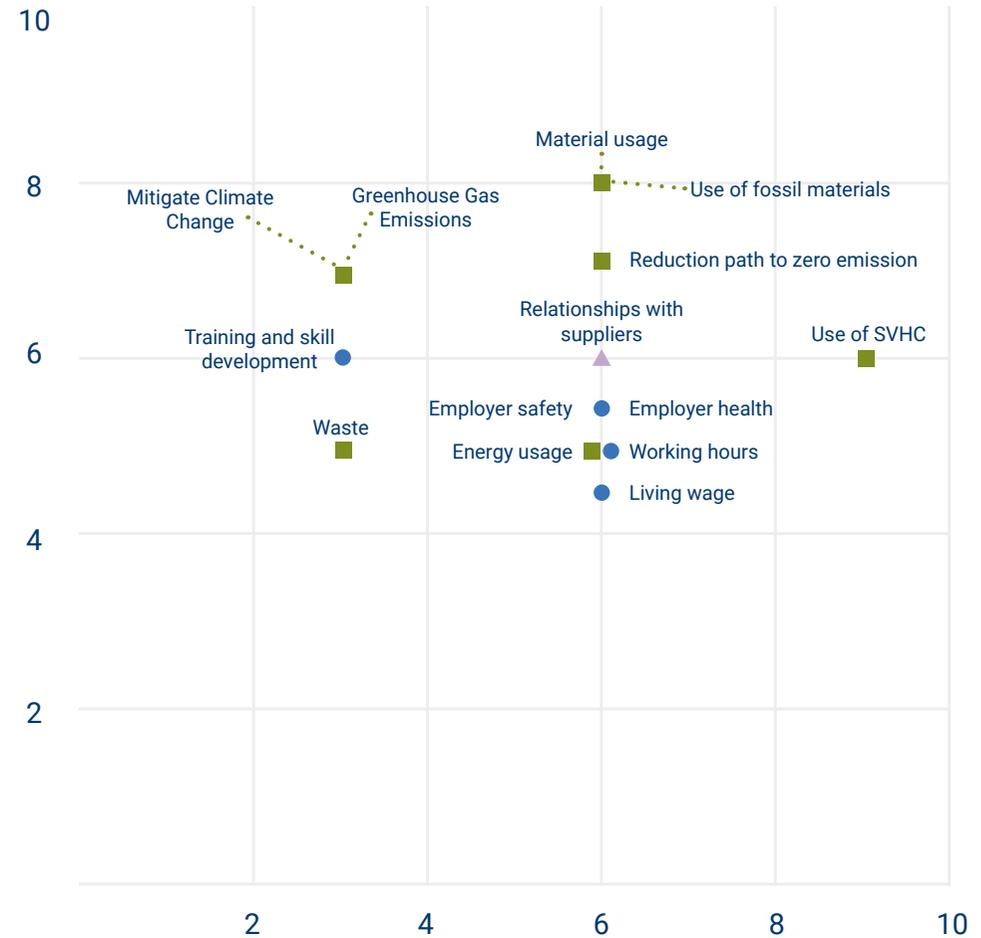
In 2024, we performed a Double Materiality Analysis (DMA) to identify the Environmental, Social and Governance (ESG) topics that are most important for us. In conjunction with our main stakeholders (a selection of our customers, suppliers, Advisory Board and Management team), we evaluated the impact of our business on the world in terms of environment, social and governance topics and determined the main risks and opportunities.

Based on our commitment and on the input of our stakeholders, we formulated the following material topics (see graph).

Our production locations in Dinxperlo in the Netherlands have the highest impact on the environmental topics. These topics therefore apply to those locations. Needless to say, working on the environmental strategic ambitions (as outlined on page 13) is beneficial for the entire SABA family. This also applies to our social topics and our long-term relationships with our suppliers.

The ESG team responsible for this analysis consists of our CFO, HR, CTO, and Sustainability Specialist. Under assignment of our CTO, the process ensures alignment with our technical and operational priorities. The Sustainability Specialist acts as project manager, coordinating the DMA and stakeholder engagement through (online) surveys and interviews. Management and the board of directors were actively involved throughout, ensuring shared ownership and commitment across leadership.

Impact on People and Environment - ESG Impact materiality



Impact on Company Value - Financial Materiality

- Environment
- Social
- ▲ Governance



More sustainable production and processing of our products is a fundamental point in our policy. We want to partner with our customers to support them in making products that contribute to a circular or more sustainable economy without sacrificing product comfort or quality in the process.

We are also pursuing ambitions for the sustainability of our offices and production. With our new building (2022) in The Netherlands, a big leap has been made in reducing our energy needs. The SABA offices at our head quarters are energy-neutral and for production we purchase nuclear energy. We plan to further reduce our energy need by redesigning our production processes.

we care for our world

ENVIRONMENT

Sustainable strategy

Our industry often uses materials and components that are unsustainable in terms of both production and recyclability at the final product's end of life. In order to protect the environment, we need to address these challenges and change the way we design and produce our products. As an industry and technology leader, SABA has an obligation to help create a better world. In doing so, we are supporting the United Nations Sustainable Development Goals (UN SDGs). These 17 goals were developed in order to build a greener, fairer and better world by 2030 and we all have a role to play in achieving them. SABA's priorities and ESG initiatives are closely aligned to the SDGs:



Goal 9 | Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

With the markets that we serve, we contribute to a better, safer and more reliable infrastructure (9.1). We develop new technologies by empowering our employees and equipping them with the right tools to innovate in the area of technology (9.b).



Goal 12 | Responsible consumption and production

Ensure sustainable consumption and production patterns.

One of the main pillars of our sustainability strategy is centered on our use of raw materials. As a manufacturer of adhesives and sealants, we have a policy in place to enable us to consistently opt for healthier and more environmentally friendly alternative raw materials in our product development process, thereby limiting emissions to air, water and soil. (12.4). Waste reduction (12.5) in our production processes is also a spearhead of our policy.



Goal 13 | Climate action

Take urgent action to combat climate change and its impacts.

We are committed to reducing our carbon footprint as defined in our sustainability ambitions (13.1).

Impact, Risks & Opportunities

The impacts, risks and opportunities discussed below are related to our environmental materialities as specified on page 10.

The availability of our raw materials is becoming more volatile and vulnerable due to events such as COVID-19, war and severe weather conditions. In some cases, extreme weather has led to downtime in the factories of our suppliers, causing shortages on the global market.

A baseline assessment of our carbon footprint conducted in 2021 showed that 83% of our cradle-to-gate carbon emission impact is caused by our raw materials. The vast majority of our supplies are fossil-based. In order to significantly lower our carbon footprint, we now implement renewable raw materials as a base in our portfolio.

Sharp increases in energy prices are being passed on by our suppliers and SABA is also facing high energy prices. The marginal effects of these increases are difficult to mitigate. Becoming self-sufficient in energy supply, where possible, and increasing our share of renewable energy would mitigate the risk of increasing costs and the threat of network congestion in a growing organization such as ours.

As a company formulating chemical products that are used in end products for the consumer market, we are very transparent about the potential health risks of our products during production and during and after their use. Due to increasing regulation and decreasing market acceptance in some areas, a reduction in the use of S(v)HC and VOCs is high on our list of priorities.

For cost reasons, we have always monitored the amount of waste we produce. Our organization is growing and our waste is growing with it. By introducing strict regulations for waste and recycling, we have been able to launch projects to reduce our process waste.

Based on the above impacts, risks and opportunities, we have defined the following sustainability goals. We have divided them into 6 topics that are all related to our material environmental topics.



Sustainability goals

Our environmental strategy is based on 6 themes that cover all of our environmental materialities:

- Raw materials
- Product design
- Energy conservation
- Waste reduction
- Transport and logistics
- Packaging

For each sustainability theme, we have outlined preliminary objectives along with corresponding Key Performance Indicators (KPIs). These ambitions and KPIs are currently in draft form and will be finalized in 2025. At this stage, we are actively exploring potential courses of action to achieve each objective. This includes identifying the necessary resources and outlining possible implementation pathways to ensure effective realization of our sustainability goals.



1 Raw materials

- ✓ Renewable approach
- ✓ Contribution to material topics: Greenhouse gas emissions, Mitigate climate change, Transition plan to zero emission, Use of fossil material

In 2023, 5.6% of our raw materials were used for the production of products based on a renewable source (including mass balanced products)*. By using renewable sources in our formulations we mitigate the risks of fossil-based supply shortages, thus reducing our CO₂ emissions and preventing the acceleration of climate change.

**Including local purchase of RM by SABA NA*

Ambition

By 2030, 25% of our raw materials will be based on renewables. The source of renewable materials can be either biobased, recycled or mass balanced.



2 Product design

- ✓ Eliminate health risks during the life cycle of adhesive and sealants
- ✓ Contribution to material topics: Use of S(v)HC

Approximately 41% of the products in our product portfolio were free from any GHS/CLP labels in 2023. Because these products have no classified health risks, when we increase this number it benefits our operators, the end users processing our products and the consumers using the final product. It is also beneficial for the environment because we are formulating with raw materials that are not (or are less) harmful to the environment. This way, we phase out SVHCs (substances of very high concern).

Based on information provided by our suppliers, to the best of our knowledge none of our raw materials or end products contain SVHCs in concentrations above 0.1%. This means that these substances are only present in negligible amounts (if at all). SABA is committed to keeping these levels below 0.1% and wants to ultimately eliminate SVHCs from our products entirely. Our environmental strategy outlines the steps we will take to achieve this.

Ambition

By 2030, 60% of our product portfolio will be free from hazard symbols.

3 Sustainable manufacturing



- ✓ Contribution to material topics: Greenhouse gas emissions, Mitigate climate change, Transition plan to zero emission, Waste
- ✓ Waste reduction

Our manufacturing process is based on formulating different ingredients. An effective and efficient manufacturing process is key for profitable production. Every kilogram of raw material that we purchase must become an adhesive or sealant. This means that material efficiency is key for us. However, waste is unavoidable in our manufacturing location due to the process, the packaging of the raw materials and the miscellaneous supplies to our factory. Out-of-spec products are offered to customers with specific applications that work well with these types of products. Waste is separated and recycled, where applicable.

We have defined KPIs for our process waste. Since Dinxperlo is our sole production site, the waste KPI applies exclusively to this location. An overview of SABA Dinxperlo's waste figures is displayed below.

| Waste in MT | 2023 | 2024 |
|------------------------------|-----------|------------|
| Hazardous process waste | 448 (3%) | 540 (3.6%) |
| Non hazardous residual waste | 64 (0.4%) | 78 (0.5%) |
| Other recyclable 'waste' | 52 (0.3%) | 41 (0.3%) |

Ambition

In 2023, 4.9% of our sealant production in Dinxperlo resulted in hazardous waste. We aim to reduce this to less than 3% by 2027. Another significant source of chemical process waste involves adhesive wastewater that is released while our production equipment is being cleaned. Waste related to our adhesive production was 2% in 2023. To tackle this, we have launched a project that focuses on reducing this adhesive wastewater to zero.

4 Energy consumption and sourcing



- ✓ Contribution to material topics: Energy usage
- ✓ Energy efficiency

Our current (2023) energy usage is discussed in on page 18 of this report. Our energy consumption is 0.08 kWh per kilogram of product.

Ambition

By 2030, we aim to reduce our energy consumption per kilogram of product by 25%, reducing it further to 0.06 kWh per kilogram of product.

5 Transportation and logistics



- ✓ Reduced carbon impact from logistical movements
- ✓ Contribution to material topics: Greenhouse gas emissions, Mitigate climate change, Transition plan to zero emissions

Our carbon footprint in logistics is limited. With a CO₂ emission of 0.1 kilogram of product per kilometer (TTW), the impact of our total carbon emissions is less than 5% of our total carbon footprint. Our focus is to keep the logistic footprint below 0.1 kilograms of product per kilometer (TTW).

Baseline 2023

0.1 kilograms of CO₂ emission per kilogram of product per kilometer (TTW)

Ambition

We are committed to keeping our CO₂ emissions below 0.1 kilograms per kilogram of product per kilometer by 2030.

6 Packaging

- ✓ Reduce packaging per kilogram of product
- ✓ Contribution to material topics: Material usage, Waste

We already supply a large amount of goods in bulk packaging, which is an efficient transportation method. In 2023, we placed over 1,300 tons of packaging material on the market. Upcoming packaging regulations are expected to impact both the type and volume of packaging we use.

Baseline 2023

in 2023, we introduced 1,300 tons of packaging onto the market. That is 0.09 kilograms of packaging per kilogram of product.

Ambition

By 2030, we will be in compliance with the Packaging and Packaging Waste Regulation (PPWR). Compliance with the PPWR helps us achieve our ambition to keep our kilograms of packaging per kilogram of product below 0.09.

| | Volume (MT) (2023) |
|--------------|--------------------|
| Plastic | 332 |
| Metal/Steel | 536 |
| Wood | 201 |
| Cardboard | 226 |
| Aluminium | 1 |
| Total | 1.296 |

The amount of packaging put onto the market in 2024 was not calculated.





Water use

We realize that clean and affordable water is becoming increasingly scarce. Water is one of the most valuable raw materials on the planet. In the Netherlands as well as in the counties of our subsidiaries, the risk of clean water shortages is substantial. SABA uses approx. 5,950 m³ of drinking water supplied by the local drinking water utility for various applications:

- In the production of our adhesives (2,450m³ in 2024)
- For cleaning of our production machinery (200 m³ in 2024)
- For sanitary purposes (1,700 m³ in 2024)
- For cooling machinery (1,400 m³ in 2024)

We use approx. 12,000 m³ of groundwater for process cooling.*

* *The above numbers relate to our production plant in the Netherlands.*

At our headquarters in the Netherlands, household wastewater is discharged separately from rainwater to the local sewage treatment plant. Clean rainwater is directed to our on-site infiltration facility.

“Today, the wastewater from cleaning our adhesives production machinery is collected separately in closed containers and disposed of as hazardous waste (200 m³). In 2024, we launched a research project to reduce the amount of water-based waste from this cleaning process. Using coagulation techniques, we aim to produce clean wastewater that can be safely discharged into the sewer system, leaving behind only a small amount of rubber-like residue for separate disposal. Eliminating the need for the disposal of hazardous wastewater reduces the impact on the environment. The project will continue into 2025. If successful, strict policies and monitoring measures will be implemented to ensure proper management of the discharged wastewater.”

– **Eric Knipscheer,**
Operations Manager



| 2023 - tCO ₂ e | SABA Dinxperlo, Meniststraat | SABA Dinxperlo, Industriestraat | SABA Polska | SABA NA |
|---------------------------------------|------------------------------|---------------------------------|-------------|---------|
| Total Scope 1 | 6.601 | See Meniststraat | 61.557 | n/a |
| Total Scope 2 | 601.364 | 556.253 | 60.885 | 74.887 |
| Total CO ₂ per location | 607.695 | 556.253 | 122.443 | 74.887 |
| Total CO₂ Saba 2023 | 1.361.548 | | | |

| 2024 - tCO ₂ e | SABA Dinxperlo, Meniststraat | SABA Dinxperlo, Industriestraat | SABA Polska | SABA NA |
|---------------------------------------|------------------------------|---------------------------------|-------------|---------|
| Total Scope 1 | 43.319 | See Meniststraat | 64.339 | n/a |
| Total Scope 2 | 617.289 | 524.841 | 49.322 | 69.782 |
| Total CO ₂ per location | 660.608 | 524.841 | 113.661 | 69.782 |
| Total CO₂ Saba 2024 | 1.368.892 | | | |

With a total volume of 15,000 tons and a total emission value of 1,368,892 kilograms of CO₂, our GHG intensity for 2024 was 0.09 kilograms of CO₂ per kilogram of product.

Direct emissions to air, soil or land

SABA has no emissions to soil or land. Measures are in place to prevent any leakage, including liquid-tight floors and drip trays in our wells to contain potential spills. These precautions comply with ISO 14001, our permits and the Dutch Decree for activities in the living environment (Besluit Activiteiten Leefomgeving (BAL)).

During the production process, only extracted substances are released into the air. The use of filters ensures minimal emissions. As far as we know, there are no SVHCs present in our raw materials at concentrations greater than 0.1%. The SVHCs are present in such low quantities that their emission into the air does not exceed the limit values of the Dutch Decree for activities in the living environment. In addition, there were no material incidents where pollution had a negative impact on the environment.

Measures to protect the soil as laid down in our environmental permit include:

- Liquid-tight and liquid-repellent floors
- Collection/drip trays under specific products according to CLP regulations
- NEN-approved packaging, where required
- Sewer valves

We have formulated procedures to control, inspect and enforce the application of the measures. These are tested according to the principle of ISO 14001 (environmental quality).

Our emissions

To gain a better understanding of our environmental footprint, we calculated our CO₂ emissions using the GHG Protocol as a guideline. We identified our direct emissions (Scope 1) and indirect emissions (Scope 2). The emissions related to our value chain (Scope 3) will be included in our next sustainability report.

Our emissions: The primary energy source for our production facility is electricity. Both our head office and our adhesive production plant in the Netherlands operate entirely without natural gas. However, our sealant factory in the Netherlands and our sites in the US and Poland primarily use natural gas for heating.

**In the reporting year, our emissions from transportation came from diesel and gasoline.*



SABA energy consumption

| | SABA Dinxperlo, Meniststraat | | SABA Dinxperlo, Industriestraat | | SABA Polska | | SABA NA | |
|------------------------------------|------------------------------|---------------|---------------------------------|---------|-------------|--------|---------|--------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| Natural gas (m³) | 22,256 | 20,126 | 107,499 | 106,325 | 18,781 | 12,570 | 22,385 | 21,199 |
| Electricity (mWh) | 1,033.5 | 1,071.7 | 61.6 | 556.7 | 38.9 | 42.1 | 50.8 | 45.9 |
| Electricity return | 138.6 (13.4%) | 136.2 (12.7%) | n/a | n/a | n/a | n/a | n/a | n/a |

Our energy consumption per kilogram of finished goods in 2024 in Dinxperlo was approx. 0.08 kWh/kilogram.

Compliance and responsibility

With our ISO 14001 system and regulatory management tools, we perform regular audits to ensure compliance with the applicable local and national legislation. A dedicated ISO Manager is responsible for the performance of our ISO management system. Our Safety Manager is responsible for occupational safety in our operations.

In 2023 and 2024, no penalties or fines were imposed on any of the SABA entities for non-compliance with environmental laws or regulations.



SOCIAL

In keeping with the Sustainable Development Goals adopted by the United Nations, we are committed to promoting our sustainable practices, enhancing employee well-being and supporting local communities. By focusing on these areas, we want to make a meaningful difference in the lives of our employees and the communities around us. Our social responsibility endeavors are driven by the belief that responsible business practices not only benefit society but also contribute to long-term relationships.

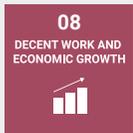
SABA's priorities and ESG initiatives are closely aligned to the SDGs:



3 – Good health and well-being

Ensure healthy lives and promote well-being for all.

At SABA, the health and well-being of our employees is a top priority. We actively promote vitality with the goal of enabling our staff to reach retirement age feeling healthy, energetic and resilient.



8 – Decent work and economic growth

Promote long-term, inclusive and sustainable economic growth, full and productive employment and decent work for all.

One of our core values is that people are our greatest asset. We do not select or discriminate on the basis of gender, background, religion or any other personal characteristic. We consistently offer our staff training and education for personal and job-specific development.

Impact, risk and opportunities

To adapt to seasonal demand growth, our operators work in shifts in times of high demands. Working in shifts at SABA has so far always been temporarily and requires a staff that is flexible and open to changing working hours if needed.

Stringent laws and regulations ensure a healthier working environment. Taking employee health and safety seriously ensures protecting our most valuable asset: our employees. Training programs are crucial to equip our staff with the right knowledge and skills to operate according to our standard process and procedures and to comply with applicable laws and regulations. Above-average remuneration makes selection and recruitment of competent personnel easier.



Social Responsibility

Social responsibility is a fundamental aspect of SABA's commitment to sustainability. It involves taking actions that benefit society, the environment and the economy. At SABA, social responsibility is reflected in our ethical business practices, environmental sustainability initiatives and community engagement efforts. By prioritizing social responsibility, we aim to build trust with stakeholders, enhance our reputation and create a positive impact on the world.



Employee health

SABA is committed to providing a healthy workplace. We believe it is essential for employees to remain mentally and physically fit so that they can reach retirement age in a sustainable way. In 2021, we developed a plan for sustainable employability, built around four pillars: health & vitality, knowledge & skills, safety and personal leadership. Health is a key focus at SABA, which is why reducing sick leave is an integral part of our HR strategy.



One major risk at SABA is high absenteeism. High absenteeism results in high costs, increased workload and a loss of knowledge in the organization. SABA is taking a number of measures to prevent this. A pilot is currently being held with a regional health center that focuses on the prevention of absenteeism for employees in Operations. In addition, a great deal of attention is being paid to vitality. Employees can make use of a bicycle plan and a sports budget. A preventive medical examination was conducted in 2024 in which all of our employees could participate. The HR department is currently working with the Works Council to process the results of this examination.

The main goal is to reduce the absenteeism rate to below 6%. In 2024, absenteeism at SABA Dinxperlo was 7.7%, down from 7.9% in 2023.

“Each May, SABA Dinxperlo celebrates Vitality Month. By organizing workshops, challenges and events around health and well-being, we contribute to employee awareness around these topics. We help employees stay both mentally and physically focused and energetic during the working day and in their personal lives. Fun and education go hand in hand during our Vitality Month”.

– *Winy Koelewijn,*
HR Manager





Employee safety

Mental and physical health are top priorities at SABA. In addition, safety is a recurring topic during our quarterly health and safety meetings. These meetings address incidents on the floor and focus on prevention. A selected group of employees from across the organization takes part in these sessions. In addition, Risk Inventories and Evaluations (RI&Es) are prepared by the safety manager.

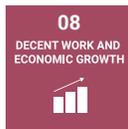


We have developed a Job Satisfaction document that outlines how we aim to create a positive and enjoyable work environment. This is contributing to better performance, higher productivity, and reduced absenteeism.

At SABA, we have a whistleblower policy in place to protect people who address concerns about social practices. To enable people to raise concerns, we have appointed three confidential counsellors, two of whom are internal and one external. If employees want to raise concerns, they can consult one of the confidential counsellors. In 2024, the internal counsellors were consulted eight times, with one of these cases leading to a follow-up. No formal complaints were filed through these channels.

Education, training and skills development

Training and development are also a priority at SABA. Ongoing development enables employees to continue doing their jobs effectively, especially in a work environment that is constantly evolving —, for example, due to digitization.



Development at SABA focuses not just on expanding knowledge but also on strengthening individual competencies. We encourage employees to use and develop their talents as this is an integral part of our culture and strategy. Supporting development in this way enhances job satisfaction, reduces staff turnover and helps to keep valuable knowledge and skills inside the organization.

Personal development is supported at SABA in a number of ways. New production employees follow process operator training courses at various levels, ensuring that all operators have at least a basic knowledge equivalent to vocational secondary education, level 2. This leads to more efficient processes and reduces waste. SABA also offers an internal development program in which employees work on their personal development plans. Managers play a key role in supporting this growth. To help them in this role, several training sessions are organized each year, each focused on a relevant theme to strengthen leadership skills. For training and skills development, there is a budget of approx. €250,000 available.

Our long-term goal is to create a learning culture at SABA where every employee focuses on his or her own development (personal leadership). In our next sustainability report, we will specify the average number of training hours of our staff.

Working hours

SABA Dinxperlo is in compliance with the Dutch Working Hours Act. Over the past year, however, some parts of the production department have operated according to different working hours due to an extended period of working in two shifts. This shift system can impact employees' work-life balance and consequently their job satisfaction and long-term employability. Outside the Operations department, most employees are free to arrange their own working hours within the agreed frameworks, including working from home.

Although flexibility in production scheduling is limited because production targets must be met, we actively engage with employees in order to maintain job satisfaction. As a result, small adjustments have been made to the shift schedule so that it is more aligned with the needs of employees. During shift work periods, we pay extra attention to the well-being and employability of the employees involved. By keeping communication open and by being receptive to requests for adjustments, we help to ensure that employees continue to be engaged and motivated to reach production goals.



Young SABA

Young SABA was established at a time when attracting and retaining young talent was a huge challenge. To resolve this, SABA decided to more actively involve the younger generation in the organization in the decision-making process. The question that led to the creation of Young SABA was: What is needed to attract, inspire and retain young talent?

Through Young SABA, young employees are given a voice in the organization. This initiative enables them to influence decisions and contribute to SABA's future. Young SABA members regularly have lunch with members of the Management Team (MT), where they discuss topical subjects and there is room for dialogue and knowledge sharing. Besides these formal meetings, Young SABA also organizes informal activities such as social events, which help strengthen relationships and foster closer collaboration among colleagues.

Social engagement is also a key element of Young SABA. This is evident in the collaboration with Stichting Present, an organization that connects local needs with volunteers. Young SABA has already contributed to several social projects, including renovating a garden and helping to restore a home for a local resident. These initiatives not only strengthen the bond within the team but also contribute to the positive impact that SABA wants to exert in the local community.



Living wages

SABA offers competitive, market-based salaries. In many cases, the salaries exceed the requirements of the collective labor agreement – a necessary step to attract and retain talent, especially in today's tight labor market. This approach supports our ambition to be an 'employer of choice', as outlined in our overarching HR strategy. To assess whether SABA is still aligned with its strategic goals, a benchmark was implemented in 2024. Where required, action will be taken to meet living wage expectations. The project is still ongoing so specific measures have not yet been defined.

SABA wants to be an attractive employer and a living wage is one of the basic conditions for this.



Characteristics of our employees - information by region

| | Headcount | | FTE | | Avg Headcount | |
|---|-----------|------|-------|-------|---------------|-------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| SABA Dinxperlo | 148 | 155 | 139.1 | 146.1 | 145.2 | 157.2 |
| SABA North America | 23 | 25 | 23 | 25 | 21.6 | 24.3 |
| SABA Polska | 12 | 12 | 12 | 12 | 12 | 12 |
| SABA Vertrieb und Anwendung von Chemiewerkstoffen GmbH | 7 | 8 | 7 | 8 | 7 | 7.6 |
| SABA SE | 2 | 1 | 2 | 1 | 2 | 1 |
| SABA China | 4 | 5 | 4 | 5 | 4.7 | 4.8 |
| SABA Pacific | 1 | 1 | 1 | 1 | 1 | 1 |



Information on employees by contract type and gender

| | Male | Female |
|-----------------------------|------|--------|
| SABA Dinxperlo total | 124 | 31 |
| Fixed-term contract | 10 | 3 |
| Permanent contract | 114 | 28 |
| External employees | 10 | 8 |

Under contract: employees with a fixed-term and indefinite-term contract.
External employees: Self-employed, payroll and temporary workers.



Distribution of employees (head count)

| | <30 year | 30-49 year | >50 year | total |
|---------------------------|----------|------------|----------|------------|
| SABA Dinxperlo | 17 (11%) | 58 (37%) | 80 (52%) | 155 (100%) |
| SABA North America | 0 (0%) | 13 (52%) | 12 (48%) | 25 (100%) |

**Unable to disclose data for other subsidiaries due to privacy matters*

Approximately 80% of our staff have participated in regular performance and career development reviews. Globally, a total of 21 employees left SABA in 2024, which translates into an average turnover rate of 9.8%.



Family-related leave

| | Male | Female | total |
|-----------------------|----------|---------|-----------|
| Parental leave | 14 (82%) | 3 (18%) | 17 (100%) |
| Care leave | 14 (70%) | 6 (30%) | 20 (100%) |
| Special leave | 18 (95%) | 1 (5%) | 19 (100%) |

Family-related leave is combined parental and maternity leave, care leave, emergency leave and special leave for deceased relatives or marriage, for example. The figures for the SABA subsidiaries are not available.





Occupational safety

Ensuring safety at work is one of the most critical aspects of SABA's operations. Our primary goal is to experience zero incidents and accidents. To achieve this goal, training, weekly stand-ups and instructions are mandatory for all our staff working in Operations. In addition, our Safety Manager regularly conducts internal audits and is in regular contact with all of the relevant departments and members of staff, such as our production director, foremen, HR and our technical department. Measures and preventative measures are discussed in a monthly 'Environment and occupational health and safety meeting'.

We recorded 27 safety or environmental incidents over the year 2024. They included 8 cases of incidents without lost time, 2 cases of recordable work-related lost time injuries in our own workforce, 6 'unsafe situations' and 11 cases of loss of containment with no environmental damage or consequences.

SABA is a manufacturing organization that works with machinery and hazardous materials. To reduce the risks, there are personal protective equipment and tools available. Apart from SABA Dinxperlo, there are only warehouses in which there are protocols for safe working practices. Employees who work in Operations have a higher risk of occupational accidents. A Risk Inventory & Evaluation is drawn up for this. Following this analysis, improvements are made to reduce risks, where necessary. This includes personal protective equipment and tools.

Employees who are pregnant (or openly have the wish to become pregnant) should not come into contact with certain substances. For these employees, the focus shifts to other work, often in consultation with the company doctor.

Responsible procurement

A Code of Conduct will be published for 2025 that includes policies related to our own workforce. Among other things, it will cover child labor, forced labor, human trafficking, discrimination and accident prevention. This Code of Conduct will include a working complaints-handling mechanism. Our General Purchase Conditions (GPS) already include Fundamental Social Principals, such as child labor, forced labor, discrimination, freedom of association, entitlement to collective bargaining, healthcare and safety at work. Our GPS also include Fundamental Environmental Principles, such as the preservation of production resources, climate change and greenhouse gas emissions and environmental management.

SABA has introduced a 4-eyes principle for the approval of invoices and payments in order to reduce the risk of mistakes or undesirable or unlawful behavior. In addition, a formalized authorization schedule has been put in place for various types of transactions. The year-end audit with an external auditor is verified in practice.

Payment

Our belief in the long term is in our DNA. As part of this, we strive to have long-term relationships with our suppliers. This enables us to innovate our products and benefit from strategic long-term partnerships.

SABA pays its suppliers within the agreed payment term, with a total average of days payable outstanding of approx. 32. Our standard payment term is within 30 days after the invoice date and approx. 95% of our payments are aligned with these standard payment terms.





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SABA supports Save a Child's heart

