

2024 Sustainability Progress Report



Demonstrating industry leadership

2024 stood out as the **most difficult year** in the recent history of the Chlorovinyls industry in Europe, with unprecedented low demand resulting in weak results, including for INEOS Inovyn.

The European industry faces an increasingly challenging environment, with intense competition from the USA and China, **high energy costs, weak demand and growing regulations** – driving the need for urgent and concrete actions from regulators to protect our industry.

As a result, we have actively reduced our fixed costs and focused our investments on key projects. INEOS Inovyn's employee safety is considered industry world class and we continue to strengthen our safety behaviours.

In the face of these challenges, we have demonstrated strong industry leadership and made progress in our journey. Milestones include:

- Inauguration of Belgium's 2nd largest and most advanced solar PV installation
- Expanding our sustainable product range by offering new market leading solutions, for low carbon and circularity
- Reaffirmed our commitment to responsible production, by commissioning the new waste water treatment plant in Rafnes, and passing OCS audits across 5 sites

- Launched 2 pilot lines for recycling PVC using pioneering dissolution technology, which is showing promising results.

INEOS Inovyn is **uniquely placed to come through this downturn stronger**. We have a resilient, forward-looking business with world class assets, products and expertise. We are taking vital steps to invest in our future through delivering Project FIT with a 10% reduction of cash fixed costs, modernising our assets and staying focused on what we can control.

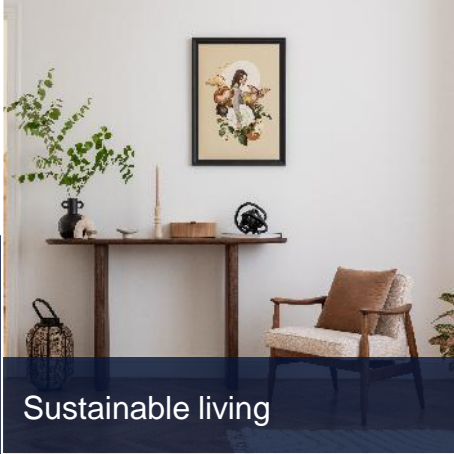
By harnessing our expertise and leveraging the **strength of INEOS group** capabilities, we continue to deliver superior market value. INEOS Inovyn are proudly recognised as the global leader in speciality PVC and Europe's largest PVC & Chlor-alkali manufacturer, delivering products that are essential for modern life.

Our people play a vital role in achieving this. **Guided by our People Strategy** and INEOS's core principles of grit, rigour and humour, we continue to build a stronger and more sustainable business.

Geir Tuft,
INEOS Inovyn CEO

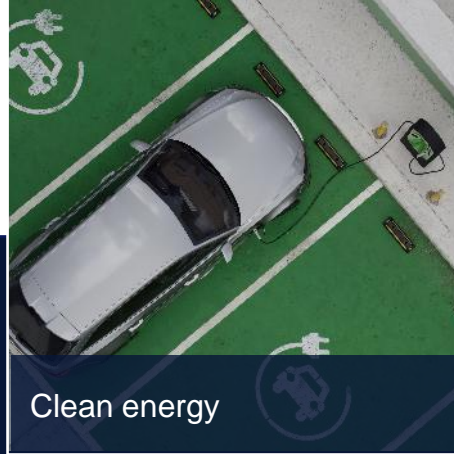
Our products are indispensable

Critical to enable a sustainable future



Sustainable living

- Durable
- Lifetimes of 20-50 years and more
- Recyclable at the end of life



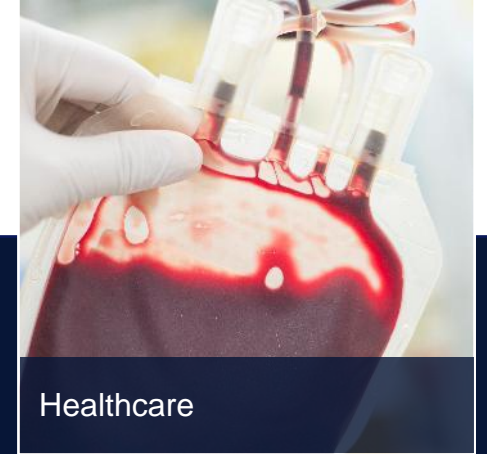
Clean energy

- EPI and PVC - windmill blades
- Caustic - refine critical metals
- PVC - membranes and separators in batteries
- PVC - light weight solution in vehicles
- H₂ - clean energy vector



Water & Agriculture

- PVC piping - Access to clean drinking water
- Caustic and chlorine - Purification of water
- Potassium hydroxide - fertilizer or as food and feed ingredient
- Caustic soda - food preservation



Healthcare

- Prolong the shelf life of blood
- Medical devices
- PVC blisters
- Chlor alkali - chemicals and solvents used in the pharmaceutical industry

2024 highlights and 2025 outlook

Despite tough markets we continue making strong progress



Responsible production

Strong safety performance

- Best LOC10 performance since start of INEOS Inovyn, and a very good overall SHE performance.
- Voluntary OCS certification achieved for 5 sites.
- Completion of the waste water treatment plant in Norway.

Outlook

Safety remains our number 1 priority.



Carbon Neutrality

Reducing carbon footprint

- Inauguration of Belgium's second largest solar farm, powering Jemeppe.
- Progress with Mechanical Vapor Recompression (MVR) for salt plant in Tavaux.
- Energy efficiency improvements.
- Funding grant obtained for project Electra, but final investment decision remains challenging.

Outlook

Completion of Tavaux MVR, exploring electric boilers.



Circularity

Strengthening PVC recycling

- Project Circle
 - Start up of 2 pilot lines demonstrating successful extraction of additives from PVC waste and recycling of composite PVC waste not recyclable mechanically
- Acceleration of our bio-circular portfolio
 - Strong market usage increase of bio-attributed range (BIOVYN)
 - Launch of RECOVYN™ based on 100% recycled plastics.

Outlook

Progress Project Circle to address PVC waste that cannot be mechanically recycled .



Value to Society

Products and people

- Take off of NEOVYN™, a low carbon PVC solution.
- Launch of the ULC Chlor-alkali portfolio.
- Continuous technological and portfolio innovation in our Specialty Vinyl range.
- People strategy to drive a high performance organisation.
- Employee Pulse survey.

Outlook

Innovation to grow the sustainability portfolio, roll out of people strategy initiatives.

The Chloro-Vinyls industry is on a sustainable path in Europe

- The Chloro-Vinyls industry in Europe adheres to strict regulations, designed to safeguard its employees, the communities it operates in and the environment.
- The steps taken by the industry over the past decades have been acknowledged by a recent EChA investigation report, stating that PVC manufacturing in Europe is well controlled.
- Salt is the main raw material for the industry; PVC resin has a low carbon content of 43%.
- Circularity is embedded; >8M tonnes of PVC waste has been recycled since 2000 in Europe.
- At INEOS Inovyn, we are committed to being a responsible producer. In addition, we pride ourselves to have a product carbon footprint for PVC and caustic that is 10 to 30% lower than the European average.



A strong industry in Europe is vital

- The competitiveness of the chemical industry in Europe is under pressure, driven by high energy, CO₂ and feedstock costs, and strict and bureaucratic regulations.
- The result is an increased amount of import of primary polymers and finished goods from other regions.
- Enforcement at the border that these adhere to the same strict standards and requirements as “produced in Europe” is insufficient, resulting in an unlevel playing field.
- The products manufactured by the chemical industry, and the chlorovinyls industry in particular, are indispensable for a sustainable future. To avoid this industry in Europe to further decline, and increase our reliance on imports from other regions, urgent action is needed to restore the competitiveness for producers in Europe.



 **2-3 x**

higher electricity costs
in EU vs US and China

 **4-5 x**

higher natural gas costs
in EU vs US

 **1.1-2 x**

higher feedstock costs
in EU vs US and China

*Source - Cefic Advancy study: The Competitiveness of the European Chemical Industry, January 2025



A call for urgent action

To support the EU industry today and tomorrow

- The Antwerp declaration was a good wake up call and has resulted in the EU commission recognizing the problem.
- We support the EU to remain committed to the long term climate targets, but at the same time, not only medium and long term solutions are needed; if there is are no strong measures that have effect now and for next 3-4 year, there will be a lot less industry left in Europe.

Concrete asks for the policy makers

Short term

- Lower energy bills, especially electricity, reducing or eliminating grid costs and taxes.
- Lower or eliminate the costs for CO₂ emissions.
- Relaunch of the Building & Construction industry in EU, supplied with EU materials.
- Trade defense instruments, including tariff barriers and anti dumping duties, need to be used to ensure a level playing field and that all products used in Europe adheres to the same rules.

Medium-long term

- Structural access to affordable, clean baseload energy.
- Simplifications of regulations.
- Boost demand for low carbon and circular products, through setting predictable targets.
- Investment support for clean technologies.