COMPANY STATEMENT ON OUR COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY

August 2023 Company Statement on Our Commitment to Environmental Sustainability

Addressing Climate Change

The challenges posed by climate change and biodiversity loss present significant threats to global agriculture and food production. Altered weather patterns, prolonged periods of drought, and widespread soil degradation create increasingly complex growing conditions for farmers worldwide.

Our company is taking proactive measures to confront the impact of climate change and secure the future well-being of both our planet and our industry. A pivotal pledge we have undertaken is to achieve net-zero greenhouse gas (GHG) emissions across our entire value chain by 2035. In line with the Paris Agreement's objectives and the Science Based Target initiative (SBTi) Net-Zero Standard, which aims to limit global temperature rise to 1.5°C above pre-industrial levels, we are resolute in our commitment. By 2030, we aim to achieve a 42% absolute reduction in Scope 1 and 2 emissions and a 25% absolute reduction in Scope 3 emissions. We obtained SBTi approval for our net-zero ambition in March 2023.

Beyond curtailing emissions, we are dedicated to effecting meaningful transformations in waste and water management. By 2035, we are determined to attain 100% waste-to-beneficial-reuse across all our sites and implement sustainable water practices. In 2023, we joined the Alliance for Water Stewardship (AWS), reinforcing our dedication to their vision of fostering a water-secure world that sustains people, cultures, businesses, and the environment.

Recognizing the inherent significance of comprehending climate change's implications for our operations, we are staunch supporters of the Taskforce for Climate-Related Financial Disclosures (TCFD). Employing scenario analysis to inform our strategic decisions and risk management approach, we have also reported our GHG emissions and mitigation strategy to the CDP (formerly Carbon Disclosure Project) since 2016. Our climate change reports to CDP provide an extensive overview of the opportunities and risks that stem from climate change. These insights guide our ongoing efforts to incorporate climate risks into our decision-making processes, as outlined in our CDP Climate Change Module and 10-K filings, in accordance with TCFD recommendations.

In the face of projected planetary warming, we anticipate alterations in resource availability, growing seasons, weather patterns, species distribution, sea levels, and biodiversity. These shifts could impact the supply of raw materials essential for maintaining production capacity and raise sourcing costs. Furthermore, the escalation of climate-change-induced extreme weather events could lead to physical damage to our assets and infrastructure, as well as interruptions in our supply chain.

Being deeply entrenched in the agricultural sciences sector, we are acutely aware of climate change's effects on our customers, the farmers. Drastic temperature shifts in regions with significant agricultural landscapes could influence land use, suitable crop choices, and pest prevalence. The accelerated and persistent emergence of pests due to rising temperatures and heightened GHG levels is a pressing concern. Nevertheless, our innovation pipeline holds promising solutions to help our customers adapt to and mitigate these challenges. Our agricultural solutions are designed to enhance yield, energy and water efficiency, and decrease GHG emissions. These offerings also empower growers to navigate unpredictable growing conditions and their impact on crops. Our unwavering commitment to invest our entire research and development budget into sustainable products and agricultural solutions underscores our resolve to address these concerns. By enhancing existing products and developing novel technologies, we aim to counteract climate change's repercussions, potentially leading to groundbreaking solutions for our current and prospective customers.

March 2023 Moreover, our focus extends to energy consumption across our value chain, recognizing its influence on climate change and operational costs. Our aspiration for net-zero GHG emissions encompasses the entire value chain, which encompasses collaborations with suppliers, contractors, and customers. Our active collaboration seeks to bolster energy efficiency and decrease GHG emissions at every stage.

Recent years have witnessed the introduction of various legislative mandates pertaining to climate change mitigation and reporting in regions where our company operates. We diligently monitor global and regional legislative developments, including initiatives like the EU Green Deal. Regulations governing greenhouse gases could potentially subject some of our manufacturing operations to increased costs or operational restrictions. Several of our overseas operations adhere to national or local energy management and climate change regulations, exemplified by our Danish plant's participation in the EU Emissions Trading Scheme.

The prospect of future GHG regulatory requirements entails potential energy cost increases, additional capital investments for emissions control, and potential costs tied to cap and trade or carbon taxes. We continue to closely monitor evolving regulations, although estimating the precise costs associated with future climate change requirements remains challenging.

Water Stewardship

Addressing water scarcity, a pressing global concern, is integral to our commitment to environmental responsibility. Acknowledging the water-intensive nature of chemical manufacturing and agriculture, we pledge to be diligent water stewards, upholding responsible water resource management in our communities of operation.

By adhering to the Alliance for Water Stewardship (AWS) five-step process, we are determined to realize sustainable water practices at all our sites by 2035. This holistic approach encompasses sound water governance, sustainable water balance, high water quality standards, critical water-related areas, and ensuring access to safe water, sanitation, and hygiene for all (WASH). High-risk areas, as defined by the WRI Water Aqueduct Water Risk Atlas, will be prioritized for implementation.

As a chemical enterprise, water is integral to our manufacturing processes, serving as a coolant, solvent, and cleaning agent. We are resolutely committed to collaborating with contract manufacturers, suppliers, and customers to propagate sustainable water practices throughout our entire value chain.

Innovation anchors our dedication to sustainable agriculture and global farming communities. This commitment extends to addressing the water-intensive nature of agriculture, given its substantial contribution to freshwater withdrawals. We identify opportunities within our product portfolio to combat climate change's impact on water availability. Our innovative offerings encompass products with reduced water usage during manufacturing and application, inventive application systems that curtail water consumption, and formulations compatible with water-saving techniques like drip irrigation. These solutions empower farmers to adapt to unpredictable conditions and mitigate crop vulnerabilities. Echoing our earlier assertion, our commitment to allocate 100% of our research and development budget toward sustainable products and solutions underscores our resolute drive for innovation.

Aligned with the UN Sustainable Development Goals (SDGs) #2 (Zero Hunger), #13 (Climate Action), and #15 (Life on Land), we steadfastly acknowledge the universal right to water and sanitation.

Preserving Biodiversity

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The far-reaching ramifications of climate change on ecosystems underscore the urgency of safeguarding biodiversity in accordance with the Global Biodiversity Framework outlined during the United Nations Biodiversity Conference. Our company remains vigilant in monitoring biodiversity-related risks and invests in innovative products, initiatives, and partnerships to champion biodiversity preservation.

Crop protection products play a pivotal role in optimizing yields on existing farmland, mitigating land use change—a prime driver of ongoing biodiversity loss. To address this, farmers require effective solutions against destructive pests, diseases, and weeds that can lead to substantial crop failures. Deploying crop protection products judiciously is imperative to avert the need for expanding agricultural land to meet the demands of a growing population. In alignment with UN SDG #2 (Zero Hunger), we firmly believe that responsible use of crop protection products is vital to achieving sustainable food production.

We also acknowledge the imperative of ensuring the sustainability of the products we offer to farmers. Our unwavering commitment to invest 100% of our R&D expenditure into the development of sustainably advanced products underscores our dedication. The Sustainability Assessment