Hollingsworth & Vose®
Creating a Cleaner World™

Task Force on Climate-related Financial Disclosures (TCFD) Report

At Hollingsworth & Vose, we are committed to our mission of a cleaner, healthier, more sustainable world. We're taking action to address the challenges of global climate change and speed the transition to a low-carbon economy.

To better communicate the financial implications of our climate risks and opportunities, we are adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and publishing our initial findings in this report.

Governance

a) Describe the board's oversight of climate-related risks and opportunities.

The Board of Directors has oversight of sustainability and Environmental, Social and Governance (ESG), including climate-related risks and opportunities. The executive leadership and sustainability team regularly update the board and stakeholders on ESG matters.

As part of its focus on long-term business strategy, our Board oversees management of climate-related risks and mitigation strategies, including sustainability-driven innovation, as part of its overall strategic decision-making process.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

Hollingsworth & Vose's executive leadership team has oversight and accountability for the day-to-day management of company risks, including climate-related risks, and how they inform overall business strategy. They are also responsible for ensuring that sustainability initiatives are aligned and integrated into the overall company strategy.

The sustainability function is responsible for influencing, coordinating, and driving sustainability progress. They collaborate with H&V's site and functional teams to develop targets and strategies to meet our 2030 sustainability goals. A core responsibility of this group is collecting and organizing ESG data for reporting.

Strategy

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.

Hollingsworth & Vose performed a climate-related risk and opportunity assessment to identify the priority issues to which the organization is exposed. H&V began with the TCFD universe of physical and transition risks and opportunities and supplemented them with insights drawn from peer disclosures, industry research and internal knowledge. These risks and opportunities were then prioritized based on potential impact and likelihood.

Each of the prioritized risks and opportunities were assessed against three of the Intergovernmental Panel on Climate Change's (IPCC's) Shared Socioeconomic Pathways (SSPs) and considered over a short (1-2 years), medium (3-5 years) and long (5-10 years) term horizon. The SSPs considered were an Aggressive Climate Action Scenario (SSP1-2.6), Moderate Climate Action Scenario (SSP2-4.5), and Insufficient Climate Action Scenario (SSP5-8.5).

b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Risk 1: Reduced Demand for Products in Carbon-Intensive Markets

- *Risk Type:* Market
- *Description:* As the world transitions to a low-carbon economy, industries that rely on carbon-intensive fuels will likely be replaced with alternatives. Hollingsworth & Vose provides filtration services to some of these industries, including but not limited to gas turbine engines and internal combustion engine motor vehicles. Additionally, customers are becoming increasingly aware of the environmental impact of products and could require that we meet specific standards around reducing the carbon product footprint of our materials.
- *Impact:*
    - *Time Horizon:* Medium-to long-term
    - *Magnitude of Potential Impact:* High
    - *Primary Potential Financial Impact:* Decreased revenue due to reduced demand
- *Approach:* While Hollingsworth & Vose's products are used in some carbon-intensive industries, our materials are sold into almost every industry including industries critical to the climate transition. Our R&D department is committed to innovating in product categories that improve air quality, protect human health and advance solutions such as electric vehicles and energy storage facilities. We also continue to focus on efforts to develop longer-life products and process technologies that reduce energy and water usage.

Risk 2: New and Emerging Climate-Related Regulatory Requirements

- *Risk Type:* Legal and Regulatory
- *Description:* Hollingsworth & Vose is subject to various environmental laws and regulations that could impose additional costs or other liabilities. This includes but is not limited to increased environmental disclosure requirements, carbon pricing mechanisms, and supply chain traceability mandates. The implementation of new regulations may require Hollingsworth & Vose to invest additional capital into our manufacturing facilities and IT systems and even limit our ability to perform certain core business functions in specific jurisdictions. As a global company, even if Hollingsworth & Vose is not directly impacted by new regulations, we are often indirectly impacted by our suppliers and customers' compliance needs.
- *Impact:*
    - *Time Horizon:* Short to medium term
    - *Magnitude of Potential Impact*: Medium
    - *Primary Potential Financial Impact:* Increased capital, raw material and operational costs
- *Approach:* Our legal and sustainability team regularly monitors new and pending environmental regulations globally and develops agile action plans to respond when

appropriate. Our sustainability program develops long-term strategies to support the key components of climate-related regulations. This includes but is not limited to greenhouse gas emissions reductions within our own operations, R&D investments to improve the energy efficiency of our products, investments in supply chain ESG risk and traceability, and improved data management and disclosure practices.

Risk 3: Business and Supply Chain Disruptions from Physical Risks

- *Risk Type:* Acute and Chronic Physical Risk
- *Description:* Hollingsworth & Vose may see business disruptions and productivity losses as our own operations and those in our supply chain respond to the growing physical risk of climate change such as acute extreme weather events (e.g. floods, fires and storms) and more chronic changes in weather and resource availability (i.e. reduced water availability and increased frequency of heat waves).
- *Impact:*
    - *Time Horizon:* Short-, medium- and long-term
    - *Magnitude of Potential Impact:* Medium to high
    - *Primary Potential Financial Impact:* Decreased revenues and higher costs due to raw material cost increases, business interruptions, productivity losses
- *Approach:* Our facilities monitor their largest exposures to natural disaster risks from perils like storms, flooding, and wildfires. We also assess the impact of more chronic physical risks that could have a material impact on our manufacturing processes, like drought. H&V invests in facility improvements to ensure our sites are resilient and process improvements to reduce our impact on limited resources. For example, water availability is critical to some of our manufacturing processes, and our sustainability program includes a process for assessing and mitigating water risks. Our supply chain team has invested in an ESG risk assessment software that will support both the identification and mitigation of the largest environmental risks in our supply chain.

Opportunity 1: Increased Demand for Climate-Friendly Products

- *Opportunity Type:* Markets
- *Description:* As the world transitions to a low-carbon economy, there will be an expanded market for technologies that support this shift. This includes markets that Hollingsworth & Vose already supplies products into - battery and energy storage. Additionally, as customers and consumers look to reduce their carbon footprint, demand will continue to grow for filtration media that supports more energy efficient and longer-lasting products. We also expect air and water filtration products to continue to support climate adaptation responses to increased natural disaster risks like wildfires and storms.
- *Impact:*
    - *Time Horizon:* Medium- to long-term
    - *Magnitude of Potential Impact:* High
    - *Primary Potential Financial Impact:* Revenues and market share from increased sales
- *Approach:* H&V has been committed to delivering inventive and efficient solutions to our valued customers since our founding. H&V's advancements in energy and battery solutions produce safer, more efficient and lower-carbon technologies for energy storage. H&V's filtration product applications address key sustainability issues, including indoor air quality, human health and energy efficiency. High-efficiency filters, which remove

particulate matter more effectively, tend to use more energy compared with low-efficiency filters. H&V products help customers navigate this balance by producing filter media technologies that have high filtration efficiency and low-pressure drop, resulting in higher energy efficiency. By consistently enhancing our products for optimal performance, durability and longevity, we have achieved significant year-on-year growth with reductions in our products' environmental impact.

Opportunity 2: Cost Savings Due to Improved Energy Efficiency and Renewable Energy Procurement

- *Opportunity Type:* Resource Efficiency
- *Description:* Hollingsworth & Vose's operational sustainability program is closely tied to our continuous improvement strategy. Efforts to reduce energy consumption, waste generation and water use have cost savings opportunities. Additionally, as energy markets continue to be volatile, investments in low and stable energy prices through renewable energy procurement can reduce energy costs and provide price stability.
- *Impact:*
    - *Time Horizon:* Short- to medium-term
    - *Magnitude of Potential Impact:* Low
    - *Primary Potential Financial Impact:* Reduced operational costs and increased energy price stability
- *Approach:* Hollingsworth & Vose's GHG emission reduction plan includes developing and executing energy efficiency plans at our manufacturing locations. Our engineering and R&D departments continue to research and invest in innovative manufacturing processes that can reduce the energy needed to produce our products. We are also actively scoping and investing in on-site and off-site renewable energy opportunities when financially viable. We currently have on-site hydro-electric and solar generation at a select number of our United States locations and recently invested in a solar PPA to supply electricity to our manufacturing facility in Mysore, India.

c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Hollingsworth & Vose assessed the potential impacts of climate-related risks and opportunities through scenario analysis, examining three time horizons and three climate scenarios. The time horizons are short (1-2 years), medium (3-5 years) and long (5-10 years). The scenarios use information consistent with the Intergovernmental Panel on Climate Change's (IPCC's) Shared Socioeconomic Pathways (SSPs). The SSPs considered were an Aggressive Climate Action Scenario (SSP1-2.6), Moderate Climate Action Scenario (SSP2-4.5), and Insufficient Climate Action Scenario (SSP5-8.5).

Under the low temperature-rise scenario (RCP 2.6), a high level of transition risk is likely due to the challenges of quickly reducing GHG emissions at scale. Therefore, we placed greater weight on assessment of transition risks under this scenario. The two scenarios that envision growth in GHG emissions and global temperatures (RCP 4.5 and 8.5) are likely to produce lower transition risk but a higher degree of physical risk, prompting a prioritization of these scenarios when evaluating physical risks.

We believe we are well-positioned to mitigate risks and seize opportunities across the evaluated scenarios through the approaches described above. Environmental stewardship is a core component of H&V's mission of a cleaner, healthier, more sustainable world. Our innovative solutions help create clean air, water and energy.

Risk Management

a) Describe the organization's processes for identifying and assessing climate-related risks.

Hollingsworth & Vose performs an annual risk assessment where the leadership team, with support from functional and technical experts, reviews and prioritizes business risks based on both magnitude of potential impact and likelihood of occurrence. Risk mitigation strategies are developed for all high-risk categories.

Our sustainability team performs an additional TCFD-specific process to identify and prioritize climate-related risks and opportunities. Outcomes from this process are considered in H&V's broader risk management and strategy-setting.

b) Describe the organization's process for managing climate-related risks.

Climate-related risks are identified and monitored through the sustainability function, with the management of the specific risks occurring at the relevant site and functional level as part of our normal strategy setting process.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Climate-related risks are managed as part of Hollingsworth & Vose's overall process for the management of key business risks. The executive leadership team has responsibility for the oversight of risk management. Further integration and planning of climate-related risks into overall risk management is ongoing.

Metrics and Targets

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

H&V is committed to helping mitigate climate change and operating sustainability. We have an emissions reduction roadmap that focuses on energy efficiency, renewable energy procurement, and research and development.

The methodology used to calculate our GHG emissions is in accordance with the World Resources Institute (WRI) GHG Protocol. H&V uses the operational control approach to set an emissions inventory boundary. Our data includes all H&V manufacturing facilities, excluding sites that contribute less than 1% of our Scope 1 and 2 emissions.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

Scope	FY24
Scope 1 (mt CO2e)	147,587
Scope 2 (mt CO2e)	96,082
Scope 3 (mt CO2e)	H&V does not currently track or report Scope 3 GHG emissions.

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Hollingsworth & Vose's sustainability strategy provides goals and objectives across three main pillars: Performance, People and Planet. This includes both a GHG emissions reduction target for our manufacturing operations and an R&D commitment to continue to invest in products that utilize resources, including energy, more efficiently. We have committed to reduce our Scope 1 and 2 GHG emissions by 20% by the end of 2030 (compared to 2024 GHG emissions). This target was established in 2024 after an in-depth assessment process. Both our GHG emissions reduction target and our R&D strategy allow Hollingsworth & Vose to make the necessary investments in climate-risk management.