

# About this Report

## Management Responsibility Statement

The Chief Sustainability Officer (CSO) is responsible for the preparation of the Sustainability Report 2020 in accordance with the GRI Sustainability Reporting Standards, including the stakeholder identification and the definition of material matters, together with the Integrated Reporting <IR> Framework.

Our Sustainability Report 2020 provides a detailed overview of IVL's holistic approach to value creation, covering both tangible and intangible, and financial and nonfinancial aspects of the business.

## Our Approach

We have been producing stand-alone annual sustainability reports since 2010 and continue to update our online sustainability-related disclosures throughout the year as appropriate. Both proactive and responsive, sustainability reporting represents one of many engagement channels with our stakeholders, allowing us to proactively summarize sustainability-related performance, outline key initiatives and highlight future plans, as well as respond to issues raised and faced globally. By adhering to recognized and consistent frameworks, sustainability reporting offers readers information that is comparable across years and sectors and in relation to other global organizations similar to IVL. We also ensure that our information is assured by independent auditors.

This report has been prepared in accordance with the GRI Standards: Core option. It has also been prepared with close reference to other international criterion such as the International Integrated Reporting <IR> Framework, UN SDGs, UNGC principles and AA1000 Assurance

## Scope of Reporting

The Sustainability Report 2020 contains information deemed of material value to our business and stakeholders, i.e., issues that have the potential to affect our ability to create value in the short, medium and long term. These issues are discussed and tested with our diverse stakeholder groups and are disclosed within our reporting boundary. The <IR> Framework requires that we explain our organizational overview, our approach to governance, our business model, the risks and opportunities that we face, our performance and our future outlook.

The Report combines the major financial and sustainability-related information necessary to thoroughly evaluate our performance; we selected the report's topics based on the GRI Reporting Principles for defining report content and quality. In addition to our report, we publish further information online. Links to this supplementary information are provided in the relevant sections.

Standard. The information in this report also serves as a Communication on Progress report on IVL's implementation of the 10 principles of the UNGC which comprises into 4 themes: Human Rights, Labours, Environment and Anti-Corruption.

As we mark the tenth year of sustainability reporting in 2020, we decided to enhance our sustainability reporting and further strengthen our internal ESG-related communications by structuring our report around key content elements of the International Integrated Reporting Council (IIRC)'s International Integrated Reporting <IR> Framework. This Report combines the necessary environmental, social, governance and financial information from across IVL and our subsidiaries to enable stakeholders to build a clear sense of the value that we create or transfer over time. The <IR> approach organizes this value creation disclosure into broad 'capitals' (Financial, Manufactured, Intellectual, Human, Social and Relationship and Natural).

For this report we have consolidated information from across 107 operating sites in 33 countries in which we are present, for our global operations, subsidiaries and factories (see 'Exceptions' below for any entities not included). Information relates to activities occurring between January 1 2020 and December 31 2020, unless otherwise stated, for example newly acquired entities are reported upon from acquisition date. In some cases, we also refer to organization and global events that took place after December 31 2020 if deemed as important context.

For those entities in which IVL represents more than 50% ownership and for joint ventures in which we have management control, we report consolidated data. We exclude data from entities in which we participate via minority ownership, and those in which we have no management control. Our quantitative environmental data is gathered from meter readings, production system outputs, detailed accounting models, and where necessary via estimations with ground rules.

Further details of our reporting boundaries can be found within the GRI Content Index on pg. 142-148.

## Greenhouse Gas (GHG) Accounting

We follow the Greenhouse Gas Protocol on Corporate Accounting and Reporting as outlined by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Previous Sustainability Reports can be accessed via the link below:

<https://sustainability.indoramaventures.com/en/downloads/sustainability-reports>

Due to a number of energy-intensity acquisitions in 2020, our global business grew and our environmental footprint changed. In order to ensure clear progress and communication towards our 2025 targets we reset the baseline to 2020. For further information on this baseline, refer to our Sustainability Ambitions section on pg. 24.

## Reporting Principles

### Value Creation

As a world-class global and integrated business, we exist to create value. Our business model - underpinned by robust governance, clear purpose and a defined strategy, represents the core through which we transform our resources (capitals) into valuable outcomes and outputs for our diverse stakeholder groups. Articulating IVL's value creation process means linking decision-making at the highest levels to performance and future targets, providing insights into our operations and supply chains and making commitments to ensure our long-term success.

### Report Content

Sustainability reporting is not a mere annual data-gathering exercises designed to fulfil external demand or tick boxes. Rather, the reports represent the output from ongoing and integrated information flows within and across IVL and its stakeholders that are critical to the long-term success of the organization. By actively engaging with our stakeholders on issues of most interest to them means we are able to:

In alignment with these standards, our GHG accounting for 2019-2020 was implemented systematically and consolidated across all our global operations.

- Allocate expertise, resources and time to those sustainability issues deemed most critical in enabling our ability to create long term value for our stakeholders.
- Test our strategic intentions against important social, environmental and economic issues and scenarios and adapt our approach where necessary as a result.
- Identify opportunities for innovation, growth and new business initiatives and maintain a competitive advantage by integrating sustainability in our day-to-day operations.
- Ensure early sight of potential risks or threats to our license to operate.

Deciding which issues are of most interest to readers of the Sustainability Report 2020 means ensuring that throughout the year, processes, feedback channels and communications platforms consolidate within a structured 'materiality' process in which issues are assessed, measured, rated and mapped according to formal principles and frameworks.

## Report Quality

Designed to be concise and complete, Integrated Reporting is the future of corporate reporting. Prepared with close reference to guiding principles rather than specific indicators, our Sustainability Report 2020 combines qualitative and quantitative information that aligns to current measurement and performance frameworks required and valued by our stakeholders. Using the <IR> approach enables us to clearly highlight interdependencies within our businesses and the external environment, show how we allocate resources across the capitals, and demonstrate how we build long-term sustainability.

The GRI standards provide organizations with principles for producing comprehensive, quality communications focused on being balanced, comparable, accurate, timely, clear and reliable. In the preparation of this report we consolidated opinions from our varied stakeholder groups to build a robust set of material issues. To apply the GRI standards on defining report content in our Sustainability Report 2020, we adhere to the following three steps:

### 1. Sustainability Context:

This Sustainability Report 2020 provides readers with detailed insight into how IVL and our subsidiaries create and deliver short, medium and long-term value. It outlines how we identify our sustainability-linked material topics, identify external trends, formulate our strategy, how we govern the implementation of that strategy, and our considered approach to managing risk and seeking new opportunities. We strongly believe that being a responsible operator and going beyond minimum requirements in the environmental, social and governance spheres makes good business sense. A business can only be sustainable and deliver benefits if it is to work actively in relation to and with respect for such factors.

### 2. Materiality Assessment:

In 2020, we undertook our materiality assessment analysis by including feedback from engagements with internal stakeholders across all our operations, businesses and core functions, as well as key external stakeholder groups, including customers, suppliers, bankers, fund providers/managers, investors and consultants. We also focused on topics of significance that relate to economic, governance, environmental and social areas of the business and ensured that discussions were framed in terms of the potential impact that these issues may have on IVL's ability to create long term value.

We mapped the issues raised within a materiality matrix. This matrix was assessed by business leaders, individual operations leadership representatives, a cross section of individuals from across IVL, external stakeholders and analyzed in detail by the Sustainability Team and reviewed by the SRMC. We also cross referenced against GRI topics and where relevant, assigned indicators. For more information, please refer to our GRI Content Index on pg. 142-151 of this report.

In 2020, 13 key material topics were identified, for which we created enhanced performance indicators and targets to drive internal performance improvements. Details of the materiality matrix are given in the Materiality Assessment section of this report on pg. 32-33 as well as on our website via the link below: <https://sustainability.indoramaventures.com/en/our-sustainability/materiality-assessment>

### 3. Sustainability Report Assurance and GHG Verification:

We believe that external assurance provides credibility and enhances transparency and completeness of our reporting. We ask independent external auditors TUV India Private Limited to verify and assure the information provided in our Sustainability Report 2020 is in accordance with the GRI Standards, <IR> Framework and the AA1000 Assurance Standard. An Assurance Statement issued by TUV India Private Limited is available in the Independent Assurance Statement section on pg. 134-137 of this report.

The information on GHG Scope 1, 2 and 3 [for just 1 category] emissions has been verified by an independent external assurance auditor, TUV Nord CERT GmbH, in accordance with the GHG Protocol, ISO 14064-1, and ISO 14064-3.

Non-financial information in this report is subject to some uncertainties due to limitations inherent in the nature of measuring such data. For example, measurement techniques and data selection criterion can vary between IVL and our subsidiaries. We remain committed to reporting the most comprehensive and accurate metrics possible within these confines for our stakeholders and the public.

## Data Methodology

### Data Coverage

In 2020, we expanded data verification coverage to 107 operating sites compared to 94 sites in 2019. Unless otherwise stated, we report data for our operations on 100% ownership basis (e.g. for an 80% owned operation we report 100% of the data).

Information provided covers the company as a whole. Data is reported using the metric system and in US\$ (dollars) unless otherwise stated.

### Changes in size, structure, ownership and developments

The list of entities acquired, incorporated and other developments is available in the [2020 Annual Report](#) on pg. 87-97 and on our website under investor-relations newsroom at:

<https://www.indoramaventures.com/en/investor-relations/newsroom/press-releases>

### Exceptions

The Sustainability Report 2020 includes environmental, safety, governance and human resources data from all entities, including joint ventures in which we hold a shareholding of 50% or more and have management control. However, environmental and safety information excludes the following:

- The information of the entities acquired, or operations commenced on or after 1 July 2020<sup>A</sup>
- Joint ventures with a 50% or less shareholding and no management control<sup>B</sup>
- Sales and corporate offices
- Human resources information other than human rights and employee engagement excludes the joint ventures with a 50% or less shareholding and no management control.

#### A: Entities acquired, or operations commenced on or after 1 July 2020:

- Indorama Ventures Recycling Poland sp. Z o.o. (Bielsko-Biała)
- Indorama Ventures Recycling Poland sp. Z o.o. (Łęczyca)

#### B: Joint ventures with a 50% or less shareholding and/or no management control

- ES FiberVisions (Thailand) Co., Ltd., Thailand
- Shenma-PHP (Pingdingshan) Air Bag Yarn Manufacturing Co., Ltd., China
- Indorama Ventures EcoMex S. de R.L. de C.V., Mexico
- Corpus Christi Polymers LLC, the United States
- Huvis Global Corporation, the United States
- PETValue Philippines Corporation

## Forward-Looking Statements

This Sustainability Report contains 'forward-looking statements' - i.e. statements relating to our projected future performance. These statements can be identified through the use of language such as 'aim', 'believe', 'estimate', 'expect', 'goal', 'intend', 'may', 'plan', 'target', 'will' and other similar terms. Forward-looking statements offer investors and other stakeholders important insight into our vision and how we believe our strategy sets us up for long term success.

In their nature they also include making some assumptions in the future business environment or wider which may affect our ability to deliver on our targets. For example, shifts in legal and regulatory frameworks, national fiscal complexities which can affect our ability to compete effectively, unforeseen economic and social challenges in the countries in which we operate etc. There is therefore a degree of uncertainty inherent within forward-looking statements which readers are asked to accept when assessing the information provided therein. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. IVL undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

## Feedback

We welcome your comments, thoughts and remarks. Please direct them to: [Sustainability@indorama.net](mailto:Sustainability@indorama.net)