SUSTAINABILITY REPORT 2024

JUNE 2025

AFYREN

SUMMARY

FOREWORD

According to the World Meteorological Organisation (WMO), 2024 was the hottest year on record and, it seems, the first to exceed the symbolic threshold of 1.5 degrees Celsius of global warming compared with the pre-industrial era - a threshold that should not be crossed, according to the 2015 Paris Agreement.[1] The seriousness of the climate situation and the urgency of taking effective action mean that we have to shoulder our responsibilities with humility, while maintaining a high level of ambition and high standards. Today, humanity consumes almost 75% more than the planet's ecosystems can regenerate each year, or the equivalent of the resources of "1.7 Earths" in terms of surface area. Efforts to reduce energy consumption and improve energy efficiency will therefore not be enough on their own to regenerate and preserve our ecosystems.

Organisations must fundamentally rethink their value-creation system and go well beyond simply limiting their impact to become fully-fledged players in environmental and social regeneration.

« If we want to preserve the planet, we have to move the lines to avoid reaching a point of no return. This is what motivated the creation of AFYREN, which designed and continues to develop a breakthrough innovation in green chemistry, while developing a sustainable business model

Nicolas Sordet and Jérémy Pessiot, co-founders of AFYREN

By entering the biomolecules market, AFYREN offers innovative solutions for manufacturing the ingredients of tomorrow by replacing petroleum-based products with products derived from renewable non-food biomass. At AFYREN, we are determined to combine economic profitability with respect for the environment by building plants with low greenhouse gas emissions, aiming for zero waste as part of a circular economy and promoting short supply chains.

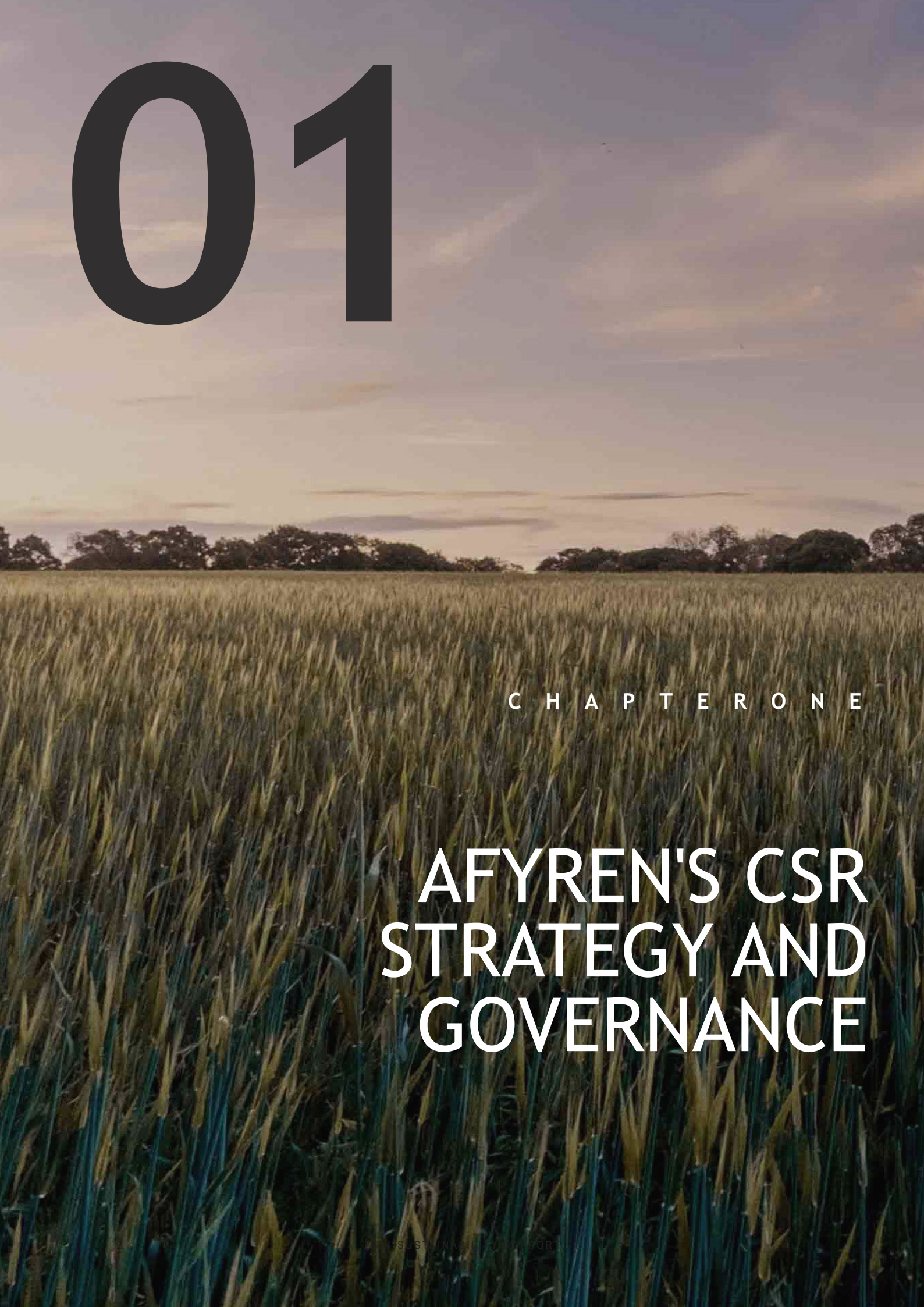
« By contributing to a low-carbon and circular bioeconomy, we are showing that it is possible to transform our current production habits and standards, to contribute to the regeneration of ecosystems while meeting a real need of the market and our customers. The development of this type of solution is key to enabling society to meet its basic needs while limiting its environmental footprint and respecting the planet's limits. »

Today, our ambition is to use our products to become the benchmark in a global market worth $15 billion a year[2] by 2022, thereby enabling a genuine transformation of production chains by limiting our use of and dependence on oil.

Consumers have become aware of the need to consume better, and decision-makers must also factor the risks of climate change into their decisions.

Our entire team is driven by a shared desire to get involved in a meaningful; by the desire to build a useful project, rooted in France but with a global reach, to increase the impact of our actions on the environment.

[1] https://news.un.org/fr/story/2025/01/1152031
[2] "Global Carboxylic Acid Market 2021 - Global Industry Analysis 2021-2031", Transparency Market Research



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CHAPTERONE

AFYREN'S CSR STRATEGY AND GOVERNANCE

1.1. AN INNOVATIVE AND RESPONSIBLE INDUSTRIAL MODEL

1.2. RESPONSIBILITY, A KEY ELEMENT OF AFYREN'S STRATEGIC GUIDELINES

1.1. AN INNOVATIVE AND RESPONSIBLE INDUSTRIAL MODEL

1.1.1. History

AFYREN, at a glance

7 Organic acids
100% BIOSOURCÉS
for a market of 18 million tonnes

>130 Coworkers
BY THE END OF 2024
3 sites in France

13 Years
TO RESEARCH AND DEVELOPMENT
1/4 of dedicated resources in 2024

/5 Divided
A CARBON FOOTPRINT

10 Patent Families
BIOMIMETIC
GMO-free technology

85/100
NON-FINANCIAL RATING
Ethifinance : Silver Medal

16 000 T/ Year
INSTALLED PRODUCTION CAPACITY
1 plant in France

€170 Millions
FINANCING OBTAINED
~ €70 millions from IPO

Mission

AFYREN's mission is to transform industry by offering biobased ingredients derived from renewable co-products obtained by fermentation to replace fossil resources in our everyday products!

19 M€
financing secured for NEOXY

Stock market listing AFYREN

EURONEXT GROWTH*

Launch of NEOXY
Start of internationalisation
130 employees

TROPHÉES DES USINES 2023

Fundraising
~€70m

Construction
of our plant

Inauguration
AFYREN NEOXY

La FRENCH TECH FT120

FRANCE RELANCE

2023 2024

Creation
AFYREN NEOXY
Fundraising :
~€60m

bpifrance

~€20m
BBI grant

BBI JU

European Investment Bank

Funded by the Horizon 2020 Framework Programme of the European Union

Creation
AFYREN
2 Co-workers

1st site :
Clermont Ferrand

Pilot Plant

Fundraising :
€2m

1st Patent

1st Fundraising
€40K

2nd site :
Lyon

3rd site :
Carling Saint-Avold

2012 2013 2016 2018 2019 2020 2021 2022

From regional to international

RESEARCH	SCALE-UP	INDUSTRIAL & REPLICATION
R&D	DEVELOPEMENT	PRODUCTION
Discovery and development of anaerobic natural fermentation	Process optimisation from pilot to pre-industrial scale Proof of concept	1st plant construction (capacity 16 000 tons/year) Industrial start International expansion

1.1.2. Strategy, business model and value chain

Solutions offered by AFYREN

AFYREN is a sustainable chemical company (“Greentech”) offering innovative solutions to replace ingredients which are today 99% petroleum-based with 100% biobased products made from natural micro-organisms.
AFYREN's technology produces a family of seven fully biobased organic acids: acetic acid, propionic acid, butyric acid, isobutyric acid, valeric acid, isovaleric acid and caproic acid.
The acids produced by AFYREN are platform molecules, which can in turn be transformed into a multitude of derivatives to target other applications and serve other customers.
The AFYREN manufacturing process also produces a potassium-rich fertiliser that can be used in organic farming. This type of fertiliser is widely used in wine-growing, market gardening and arboriculture in France and around the world.

Target markets and customers

AFYREN's biomolecules meet strong and growing demand from manufacturers in the human and animal nutrition, flavours and fragrances, lubricants, life sciences and materials science sectors, who are looking for sustainable ingredients with performance equivalent to their petro-sourced counterparts.

The fertiliser produced by AFYREN meets a strong demand for sustainable, 'local' soil nutrient solutions in organic farming.

The European market (around 35% of worldwide demand for C3 to C6) is the main target for its first plant, AFYREN NEOXY. The Asian market (25% of demand) and North America (27% of demand) are also target markets for the group.

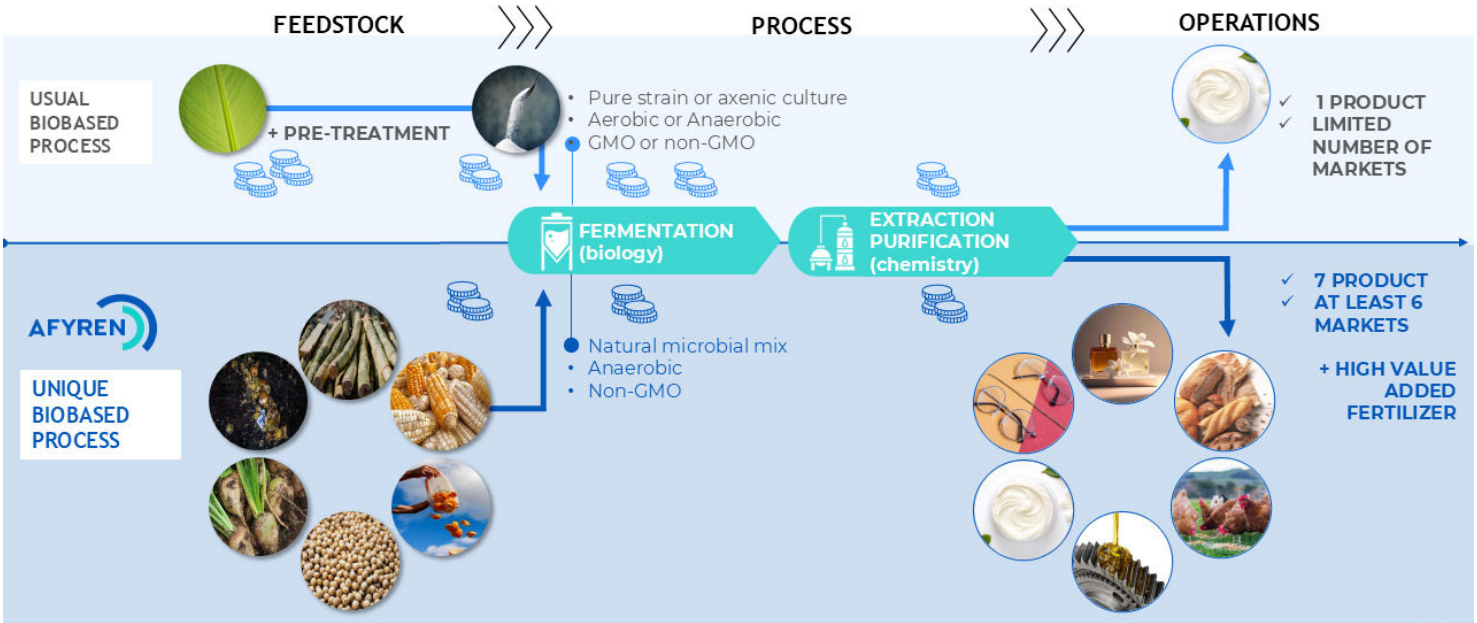
AFYREN stands out significantly from its competitors, particularly through the diversity of its wide range of acids and the manufacturing processes used, giving it a unique position in its market. The technological choices adopted by AFYREN have resulted in a manufacturing process that is more economical and environmentally friendly than traditional petroleum-based processes.

Innovative biomimetic technology

The AFYNERIE® process is protected worldwide through ten patent families. This biomimetic technology, the result of more than ten years of R&D, uses a fermentation process to transform non-food biomass from agro-industrial co-products and waste into high value-added organic acids that are usually petroleum-based.

This technology is based on the mastery of natural microbial mixes, without genetic modification, capable of transforming a wide variety of biomasses, such as by-products of the sugar industry (beet and cane), other organic by-products (wheat, cane, maize, beer production) or municipal waste (household organic waste). In 2024, AFYREN passed the milestone of 2 million hours of laboratory fermentation to identify the raw materials that will support its industrial expansion in the short circuit.[3]

The choice of natural fermentation avoids the need for pre-treatment stages, as well as the associated costs and risks: this means that several molecules can be produced competitively using a single process.
Inspired by living organisms and entirely biomimetic, the process reproduces on an industrial scale the fermentation that has existed for millions of years in natural ecosystems, and on which the methanisation process, used today to produce bioenergy, is based.
AFYREN uses biomass residues as raw materials and transforms them using a biomimetic process to manufacture regenerative solutions. AFYREN's business model is based on a completely circular bioeconomy and an agile team united around strong values.



The fermentation by-products are recycled in the form of fertiliser, with a logic of complete circularity insofar as this fertiliser, usable in organic farming, promotes the growth of biomass, which is the key raw material in the AFYREN process. The process therefore generates no industrial waste. Finally, as the process operates in a closed loop, the use of water for fermentation is kept to a minimum. It is envisaged that one or more additional transformation steps, such as esterification or hydrogenation, will be added using specific installations, enabling these platform molecules to be transformed into derived products.

[3] https://afyren.com/en/blog/afyrens-fermentation-lab-reaches-2-million-hour-mark-as-it-identifies-new-raw-materials-to-fuel-industrial-expansion/

« AFYREN stands for frugal, high-performance innovation with industrialisable processes: its "drop-in" approach means we can offer molecules that are already known and present on the market, and that meet current specifications and regulations. As a result, AFYREN maintains a controlled annual R&D budget, which represents up to 25% of the company's overall budget. Since its creation, AFYREN has devoted more than 2 million hours to developing its fermentation process and elaborating its unique biomimetic process

Jérémy PESSIOT
AFYREN's CTO

Country of operation

The AFYREN group is currently based in France, mainly to sell on the European market. In the medium term, it also aims to expand internationally to produce and sell its products, particularly on the Asian market from Thailand, a major sugar-producing country. AFYREN is also considering setting up operations on the American continent.

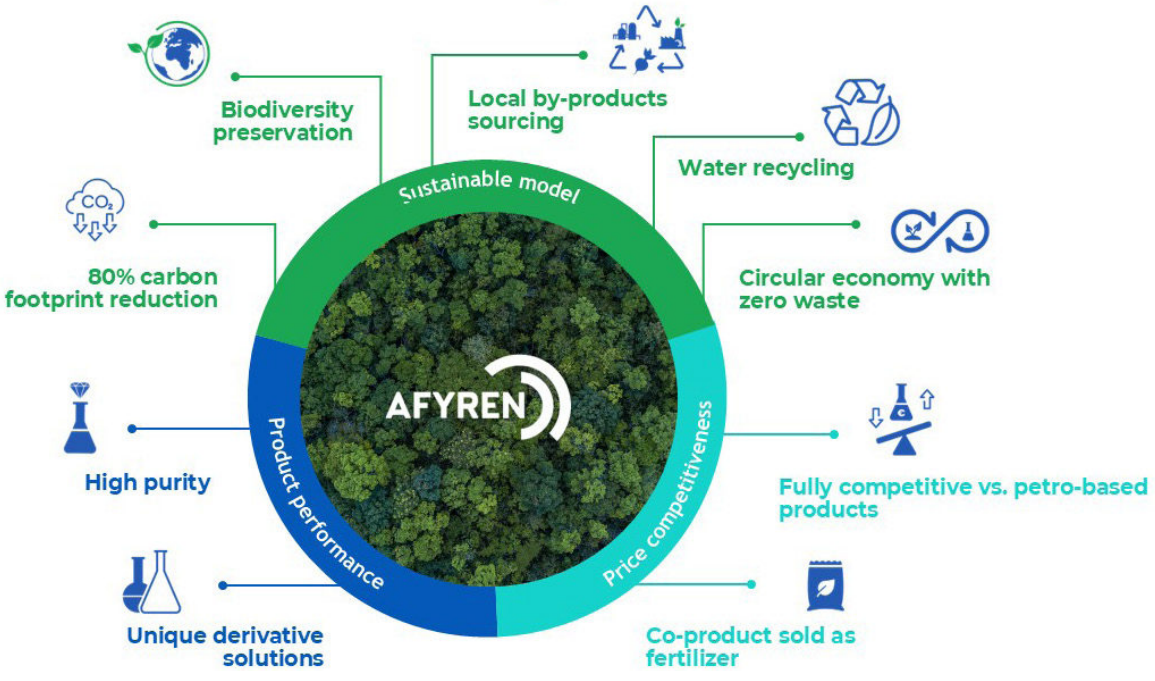
Description of the business model

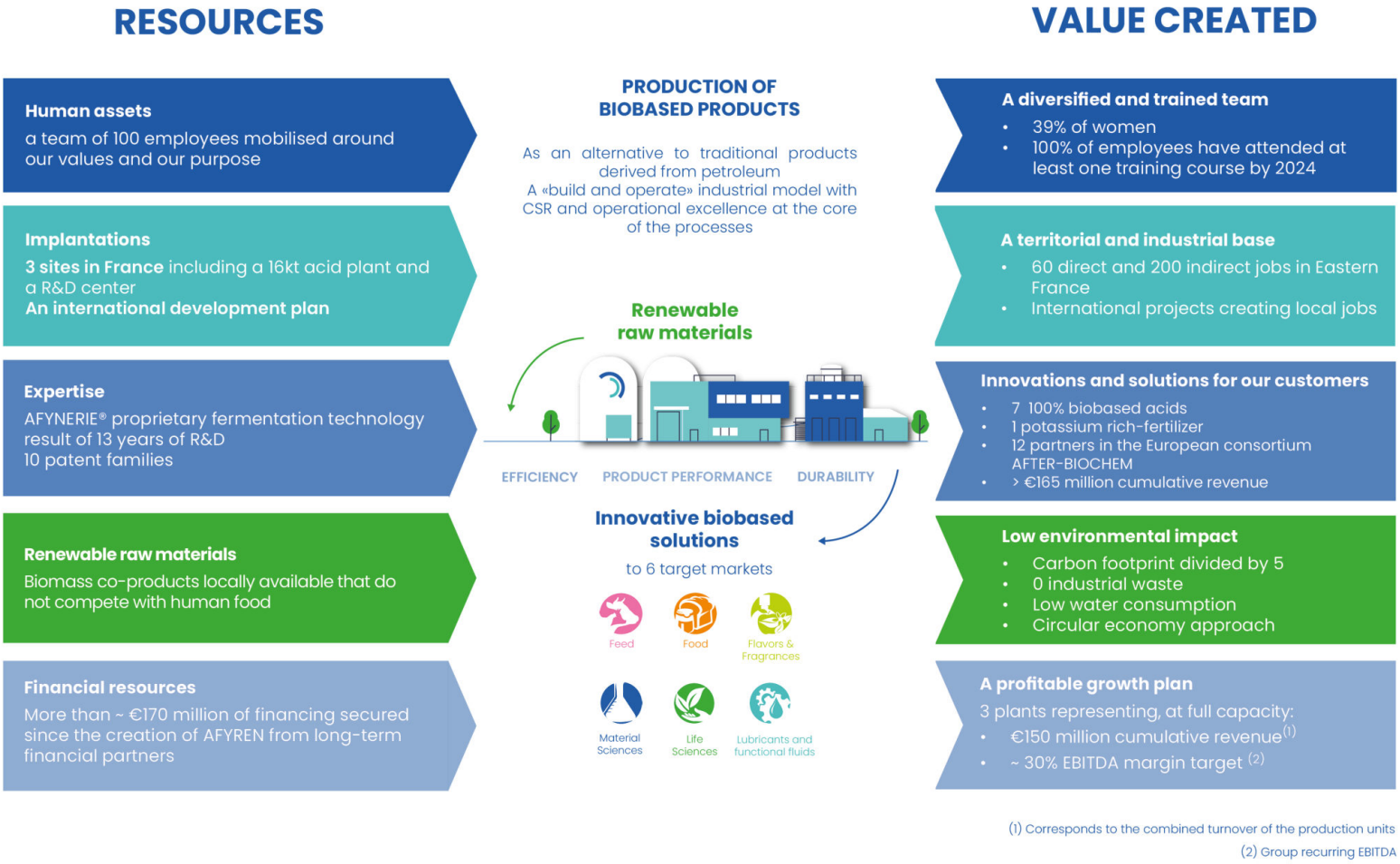
Since its creation, AFYREN has aimed to be an innovative and responsible company, as reflected in its raison d'être:

> **To enable low-carbon, circular and regenerative industry by providing biobased solutions built with our partners to benefit the environment**

The distinctive feature and strength of AFYREN's model is that it is based on a solid three-pronged approach that combines competitiveness, performance and product durability.

AFYREN's business model is built around this purpose, with unique resources and expertise to create value for our economy and our environment, based on a clear mission, a well-defined strategy and strong values.



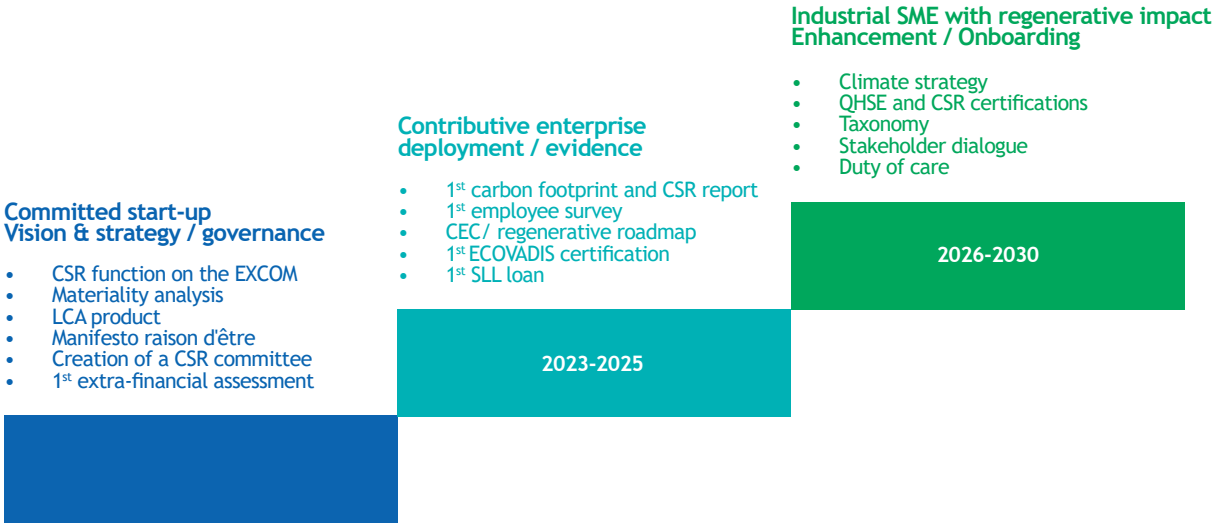


(1) Corresponds to the combined turnover of the production units

(2) Group recurring EBITDA

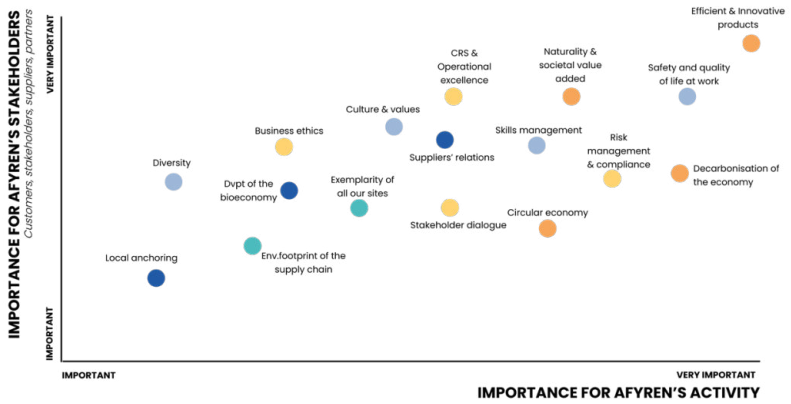
1.1.3. CSR strategy and commitments

Since 2020, AFYREN has officially integrated CSR into its governance in order to structure a robust approach and give itself the means to perpetuate its sustainable business model and achieve its ambitions. AFYREN's CSR strategy is part of a 10-year trajectory, with three major milestones to reach. Having laid the foundations and fundamentals in terms of vision and governance, the Group is now in the deployment phase with the steering of performance indicators, the development of external evaluations and the deployment of concrete actions. Today, AFYREN sees itself as a contributory company and aims to become, in the medium term, an industrial SME with an impact and a regenerative dimension



Stakeholder consultation

To ensure that the Group's commitments and ambitions are aligned with the main impacts of its activity and the expectations of its stakeholders, AFYREN carried out a consultation with its internal and external stakeholders in 2021. This exercise enabled us to position the main CSR issues identified by AFYREN in relation to its value creation model. The materiality analysis carried out in 2021 made it possible to map AFYREN's stakeholders, to conduct around fifteen interviews with them, and to establish trustful relationships with them. Collaboration with stakeholders is one of AFYREN's CSR operating methods.



In a spirit of gradual and voluntary compliance with the CSRD, the Group plans to carry out its double materiality exercise in the medium term. This reporting process requires expertise and rigour, which is why AFYREN, aware of this complexity, has opted for a gradual approach in order to guarantee the relevance and quality of the work. In the chapters dealing with the materiality of the impacts and the financial materiality of AFYREN's activities, the analyses are currently based on a simple materiality and risk assessment approach. A review will be carried out when double materiality is implemented.

To serve the company's purpose, three pillars and nine CSR commitments were defined based on the materiality analysis carried out in 2021. In 2024, around twenty steering performance indicators were defined and validated by AFYREN's Board of Directors, with a selection of six strategic overall indicators to report on the company's CSR strategy and medium-term vision to external stakeholders

1 : Products and innovation

100% of our solutions have a sustainability benefit for the industry and consumers

/5
Product Carbon Footprint vs. petro market

0%
Share of biobased feedstock in competition with human food

MID TERM AMBITION

- Production of **~70k tons/year of biobased acids**
- **100%** products with **better LCA results vs market**
- Biobased feedstock not used for human food

2 : Operations and governance

Industrial development fully fit to world Net Zero trajectory and circularity optimization

2nd
CCF estimation
Carbon intensity

100%
Share of biobased feedstock sourced from residues

MID TERM AMBITION

- 3 plants with **optimized energy supply**
- **Saving of 130k tons of CO^2** in the value chain
- **100%** of biomass **feedstock from sustainable sourcing**

3 : Employees and stakeholders

Safe, engaged and connected team

3.56
Total Recordable Incdent Rate (TRIR)

40%
Share of women in management position

MID TERM AMBITION

- Creation of **hundreds of local** qualified industrial jobs with **multicultural and diverse** team, **fully engaged and safe** (0 accident policy)

PILLAR I -PRODUCTS & INNOVATION — 2024 RESULT

100% OF OUR SOLUTIONS OFFER A SUSTAINABILITY ADVANTAGE FOR INDUSTRY AND CONSUMERS

1.1 Placing eco-design at the heart of our innovation	Share of commercial products analysed by LCA	100%
	Share of innovation projects with a sustainability benefit	100%
1.2 Offering low-carbon alternatives to fossil fuels	Installed production capacity for biobased products	16 kT/ Year
	Average carbon footprint of our key biobased products vs petroleum-based products	-80%
1.3 Bringing to market biobased or natural products with high societal value	Share of our commercial products with sustainability certification	100%
	Share of our raw materials in direct competition with human food	0%

PILLAR II - OPERATIONS & GOVERNANCE — 2024 RESULT

INDUSTRIAL DEVELOPMENT PERFECTLY SUITED TO THE "NET ZERO" TRAJECTORY AND THE OPTIMISATION OF CIRCULARITY

2.1 Reducing our carbon footprint	Carbon intensity (tonnes of CO2 emitted / tonne of product manufactured2)	NA[4]
	Maximum distance between plant and biobased raw materials	<350 km
	Energy consumption (MWH)	8936 MWh
2. 2 Preserving the planet and its resources by making our business part of the circular economy circulaire	Share of renewable raw materials derived from by-products	100%
	Share of recovered industrial waste	97,8
	Number of new biobased substrates tested in the laboratory	18
2.3. Striving for excellence in all our operations	Non-financial evaluation	Ethifinance 85/100[5]
	Action to structure governance	Audit and CSR committees

PILLAR III - EMPLOYEES & STAKEHOLDERS — 2024 RESULT

A COMMITTED, CONNECTED AND SAFE TEAM

3.1 Ensuring a safe environment for all our employees and our neighbourhood	TRIR (per 200,000 hours worked)	3.56 (AFYREN Group)
3.2 Providing a motivating and fulfilling working environment for all our employees, without distinction	Share of women in top management positions[6]	40%
	HR barometer participation rate	98%
3.3 Fully engaging in our operating regions by developing the bioeconomy and working with our external stakeholders	Number of new development projects	6
	Dialogue or cooperation with stakeholders	Materiality, CSE
	Number of industrial and skilled jobs created[7]	79 at Carling st Avold

NB: the data in the table concerns the entire manufacture of AFYREN's key products: 100% biobased carboxylic acids.

[4] Carbon intensity can only be measured during actual industrial production; in 2023, however, the company carried out its first scope 1, 2 and 3 carbon balance and an estimated balance (see section 2.3.2).

[5] This ESG rating was carried out according to the 2024 evaluation framework and relates to the 2024 financial year. It is based on the methodology in force at the time of the 2024 campaign and does not incorporate changes to the 2025 framework -

[6] Comex AFYREN and CODIR AFYREN NEOXY

[7] Since the creation of the plant

CSR assessments

AFYREN is keen to pursue its development in a responsible manner, in line with its purpose, and has had its CSR approach assessed by independent, recognised third parties: Ecovadis & Ethifinance. These assessments enable us to measure the real impact of our actions, their alignment with sustainable development issues and also to identify areas for improvement. Through this voluntary evaluation policy, AFYREN also seeks to identify ESG issues that present financial risks for the company, and to reduce as far as possible its impact on the environment and society.

The Group has already obtained five EthiFinance extra-financial assessments, which have risen steadily over the last five years, and a score of 85/100 for achievements in 2024.[8]

In November 2024, for the second year running, AFYREN was awarded a silver medal by the global reference platform Ecovadis. Its score of 68/100 places the Company in the top 15% of companies in terms of sustainable development and in the top 8% of its industrial sector. This rating has improved by 7 points compared with last year, despite a more demanding benchmark due to a change in category (from small to medium-sized company). This recognition testifies to AFYREN's ongoing efforts in the area of corporate social responsibility ("CSR"), with a notable improvement in its score in the social and ethical categories.

AFYREN plans to carry out a double materiality analysis in the near future. This exercise will be an opportunity for AFYREN to update the list of its material subjects and to detail more precisely the impacts, risks and opportunities associated with each of these subjects.

[8] This ESG rating was carried out in accordance with the 2024 evaluation framework and is based on the methodology in force at the time of the 2024 campaign. It does not take into account changes in the 2025 framework.

GOALS

UN SUSTAINABLE DEVELOPMENT

AFYREN Group fully adheres to the principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption and its business model also contributes to the achievement of several United Nations Sustainable Development Goals

By taking part in the Lyon Basin section of the Convention des Entreprises pour le Climat (CEC) in 2023, AFYREN had become more aware of its potential impact on a much more ambitious and regenerative future, thanks to its model that is totally connected to the living world from upstream to downstream.

1.1.4. CSR strategy and sustainable finance

Since its creation in 2012, AFYREN has raised nearly €170 million in financing to enable its development. CSR has been a key differentiating factor in all these fund-raising and financing operations.
The company's good extra-financial ratings, its maturity in terms of governance and management of environmental and social issues, its transparency and the formalisation of its commitments at an early stage in its development have helped to prove the value of its business model and convince its economic and financial partners. This was particularly important when the company was floated on the stock market in 2021, and also when it secured €10 million in sustainability-linked financing at the end of 2024. In line with its commitment to adopting and disseminating best practice in sustainable development, AFYREN has been able to link the cost of credit to its ESG performance by using a Sustainability-Linked Loan. The credit margin will therefore be adjusted according to objectives relating to the social pillar, the ESG rating and the company's environmental impact.

At the same time, the stock market flotation has enabled the company to undergo a complete transformation, in terms of the financial resources available for its development, the recognition it has generated internally and externally, and the governance and transparency requirements with which it must comply. It has also enabled the company to forge special relationships with its investors, most of whom are funds committed to CSR.

Over the last few years, AFYREN's finance and CSR teams have developed a daily working relationship, with very close interactions and functions that have been enriched and nurtured, enabling them to move faster and further.

AFYREN's teams are regularly asked to share their experience of stock market listing and explain how CSR is a major lever in the success of its fund-raising operations. In 2024, AFYREN's Chief Financial Officer was awarded the special jury prize in the Dirigeant Financier Responsable award organised by DFCG (in collaboration with Grant Alexander, Endrix and Ethifinance).

Having worked together on governance, risk management, ethics, financial reporting and the carbon footprint, our teams are now collaborating on CSRD reporting, climate strategy, taxonomy and possible ways of measuring our performance.

« As CFO of a GreenTech start-up, our value in relation to our competitors lies in the low environmental footprint, while offering economic competitiveness. This sheds light on a challenge that all CFOs of our generation must now grasp: managing environmental value as well as financial value. In this respect, our approach to performance is now twofold: to manage financial performance in parallel with environmental performance, both in the structuring of data and reporting, and in the assessment of performance. Climate impact, through the analysis of carbon performance, is obviously one of these major issues, but it is not the only one.

Maxime CORDONNIER
CFO
AFYREN

1.1.5. Stakeholder mapping and identification of challenges

Stakeholder mapping

Like the materiality analysis exercise, AFYREN is committed to interacting with its stakeholders at many levels. The diversity of these players and the related achievements is a strength for AFYREN. As part of its integrated management system, the company maps out its stakeholders and analyses the quality of its interactions with them each year.

AFYREN STAKEHOLDERS	ACHIEVEMENTS (EXAMPLES)
INTERNAL	
CSE (AFYREN NEOXY) Employees	• Monthly internal meetings/webinars, events focusing on the safety culture • Participatory work/co-construction workshops • Internal surveys carried out since 2023 among all employees. A resounding success, with participation rates of 97% and 98% respectively.
CUSTOMERS	
Biobased ingredients customers (animal nutrition, human nutrition, flavours & fragrances, materials sciences, life sciences and lubricants & technical fluids) and fertilisers Economic partners	• Ongoing dialogue with customers to keep them informed of the progress of operations, find out about their current and future needs and requirements, and share best practices on supply chains. • Final referencing of industrial products has been initiated and finalized for some of our customers and prospects. • In 2024, although production had not yet begun on a continuous basis, AFYREN's strategic customers renewed their confidence and confirmed their commercial commitments, for a cumulative secured turnover of more than 165M euros.
INVESTORS	
Executive Management, Finance Department, CSR Director, Investor Relations	• Regular dialogue with the financial community via webinars (2 in 2024), roadshows and forums (9 in total in 2024), site visits (including two open days for institutional and individual investors in 2024), letters to shareholders (2 issues in 2024). • Response to investor ESG reporting
SUPPLIERS	
Biomass suppliers Reagent suppliers Equipment suppliers	• Ongoing dialogue with AFYREN's strategic suppliers to share the company's requirements in terms of CSR and business ethics
INSTITUTIONAL ORGANISATIONS	
French State State agencies Local authorities Professional organisations European institutions	• AFYREN is firmly rooted in the region via platforms such as the biopôle in Clermont Ferrand and the Chemesis industrial **platform in Carling Saint Avold.** The company has benefited from the support of numerous local and national partners and institutions • Partnership with **Saint Avold University Technology Institute,** Pole Emploi and OPCO 21, France Chimie Grand Est in the local recruitment of production operators at the beginning of 2022 via the MRS method. • AFYREN is involved in a number of professional organisations that aim to advance the industrial consideration of sustainability issues, including several competitiveness clusters, associations and networks, as well as local authority working groups. • Support for the AFTERBIOCHEM project (see below) from the European Commission and the European Joint Undertaking Biobased Industry (BBI-JU), which is providing a €20 million grant for the project.

Partnerships and collaboration with stakeholders

AFYREN has always based its development on collaboration with players across the entire bioeconomy chain, from upstream agriculture to a variety of downstream sectors, to create a new biomass value chain.

Upstream for the supply of raw materials :

With **Südzucker** in Europe (sugar beet co-products)

And more recently with **Mitr-Phol** in Asia (sugar cane co-products).

With **Suez** (a world leader in circular solutions in water and waste) to study the recovery of organic waste from SUEZ's collection and treatment activities

Downstream, to develop sustainable solutions for agriculture:

Partnership with **Terrial** (France's number 1 organic fertiliser producer) to supply a potassium-rich fertiliser for use in organic farming.

More broadly, AFYREN is behind an unprecedented partnership with key players in the bioeconomy: 12 European companies (Südzucker AG, Technip Energies, Kemin Europa NV, Terrial, Sphera, Pole Bioeconomy For Change, PNO Consultants, Firmenich SA, Fiabila, Suez Groupe and Celanese Europe BV), united around an innovative project to build the 1st biorefinery of its kind in Europe: the AFTER-BIOCHEM project (https://after-biochem.eu/).

JULY 2024

members of the AFTERBIOCHEM consortium & CBE-JU

Meeting and visit to the AFYREN NEOXY plant

AFYREN's commitment to internationalisation is also based on this collaborative approach with stakeholders. The project in Asia is a good illustration of this. AFYREN is in the process of setting up a joint venture in Thailand with Mitr-Phol, the world's third-largest sugar group, with the aim of creating a biobased carboxylic acid plant near Bangkok. The project targets the Asian market, which accounts for 25% of the global carboxylic acid market.

Finally, opportunities for partnerships beyond its direct sector have begun to emerge following AFYREN's participation in the Convention des Entreprises pour le Climat and the formulation of its regenerative roadmap.[10]
For example, the company contributes (mentoring commitment) to Société Générale AURA's SG planet A incubator, which aims to support committed start-ups that put "Life Sciences" at the service of current social and environmental issues.[11]

[9] https://afyren.com/en/blog/afyren-is-ramping-up-its-efforts-to-create-a-new-path-for-organic-waste-recovery/
[10] https://afyren.com/wp-content/uploads/Feuille-de-route-AFYREN-CEC.pdf
[11] https://sg-planete-a.sg.fr/lieu/lyon

1.1.6. Risk identification and management / management system

The procedures for identifying and assessing significant risks are described in paragraph 3.15 of the Annual Financial Report. In its internal risk analysis, AFYREN distinguishes between two main categories of risk: risks related to strategy and risks related to strategy execution.
The first category is the responsibility of management (Executive Committee) and is based on three analyses which are reviewed annually: AFYREN's SWOT analysis, a PESTEL-type macro analysis and a competitive analysis.

Strategy execution risks, which are more operational in nature, fall into 3 categories:

- Project risks, characterised by their cross-functional nature and limited duration, are placed under the responsibility of the Project Directors and are assessed on a regular basis, on a monthly or quarterly basis depending on progress;
- Operational risks relating to the Company's overall performance, under the responsibility of an AFYREN Global Performance Manager, are reviewed every six months;
- Finally, risks relating to plant operations, under the responsibility of the Plant Management Committees, are also reviewed quarterly.

Each manager is responsible for identifying and documenting risks in a dedicated reporting tool, which serves as a basis for risk mapping. Risk mapping is based in particular on risk ratings, which are the result of an assessment of the seriousness (5 levels on a scale from 1 to 16) multiplied by the probability (5 levels on a scale from 1 to 16) of the risk.
Risks are managed as standard, and particular attention is paid to rated risks (> or = 128), which are covered by action plans and periodically reviewed by the Executive Committee.
Once the action plan has been put in place, regular reviews are organised to ensure continuous improvement.

RISKS RELATED TO THE GROUP'S BUSINESS SECTOR
- Risks related to the competitive environment in which AFYREN operates
- Risks related to specifications, certification standards and quality standards for the Group's products
- Risks related to the supply of raw materials and energy, including climate risk
- Risks associated with the lack of commercial outlets or dependence on certain customers

RISKS RELATED TO THE GROUP'S STRATEGY
- Risks associated with plant construction and start-up
- Risks related to future development, including international expansion
- Risks related to the ownership structure of the NEOXY plant

RISKS RELATED TO THE GROUP'S FINANCIAL SITUATION
- Risks related to liquidity, financing requirements and indebtedness
- Foreign exchange risk

RISKS TO THE GROUP'S IMAGE

HUMAN RESOURCES RISKS
- Risks related to the Group's recruitment needs
- Risks associated with the need to retain key people

RISKS RELATED TO CYBERCRIME AND INFORMATION SYSTEMS

LEGAL AND REGULATORY RISKS
- Risks related to the regulatory environment
- Intellectual property risks

CLIMATE CHANGE RISKS (IN PROGRESS)
- Risks associated with the impact of climate change (adaptation)
- Transition risks

Summary table of the various risks

All risk factors and their management are described in the Group's financial report. With specific regard to climate change risks, further work has been undertaken to include them in each process. It has already been assessed that the main risk in this area is related to the supply of renewable raw materials.

The renewable raw materials used by AFYREN are naturally available and correspond to local agricultural residues that cannot be used directly in the human food chain and are usually treated as low-value waste or co-products. These by-products are more generally used in the animal feed (livestock) or methanisation sectors. It cannot be ruled out that the company may be exposed to (i) excessive dependence on some of its raw materials suppliers, (ii) uneven quality of the raw materials supplied, or (iii) a shortage of raw materials in the event that the number of new entrants to the carboxylic acid sector or new companies using these raw materials for other purposes is greater than anticipated, thereby increasing demand and reducing the supply of raw materials.

What's more, as these raw materials are naturally available, they can potentially be affected by any sudden climatic accident and, more generally, by any climatic change that could result in a drop in crop yields.
Thus, it cannot be ruled out that a specific type of material may become scarce in the area where a Group production site is located, forcing the site to source it from outside the regional circuit, and therefore at higher prices.
Finally, to operate its plant, AFYREN must also obtain energy supplies (electricity and steam) and its financial performance will depend in part on the prices charged by suppliers, partly in deregulated markets for its European activities, the volatility of which has increased significantly following wars involving gas and/or oil exporting countries. A shortage of water could also have an impact on the Group's activities.

Faced with these risks, the company has a number of strengths:

- A technology that allows the use of different raw materials (possible diversification) and "second generation" raw materials (residues). To date, its raw material requirements represent only a tiny fraction of the available resource.
- Secure long-term supply contracts for raw materials. AFYREN NEOXY has signed an exclusive multi-year contract with the German sugar group Südzucker AG for its beet molasses and pulp requirements. This raw material is particularly resilient in a scenario of contained global warming.
- Industrial locations determined by access to competitive and sustainable energy and by the availability of raw materials in the regional supply chain, in order to control the risk of scarcity of raw materials at controlled prices.
- The internationalisation of operations will also help to limit the impact of Europe's energy situation.
- A process that greatly reduces the water input after the fermentation cycle, as the water then circulates in a closed loop.
- To date, the plants and plant projects are not located in areas particularly exposed to climatic risk (coastal, flood or seismic zones, for example).

AFYREN Global Performance management system

A high-performance integrated management system is used to assess and manage risks. The management system enables risks to be identified proactively and effectively, thereby ensuring that issues are managed in a controlled manner, strengthening the company's resilience and sustainable performance.

« Our organisation is based on an integrated QEHS management system," explains Sabine Dossat, AFYREN QEHS Manager. "Adapted, collaborative tools enable us to measure the overall performance of our processes and to maintain our focus on continuous improvement. These measures provide us with the conditions of excellence we need to obtain our FSSC 22000, ISO 9001, GMP+ and ISO 14001 certifications and to comply with the ***Responsible Care® standard.***

Sabine DOSSAT
AFYREN's QEHS Manager

AFYREN implements a certified process management system at each of its industrial sites and ensures that the technology used enables it to manufacture products that comply with the standards and regulations in force in the areas where they are marketed. The Group has also put in place a voluntary certification policy aimed at achieving all the standards required by its customers, but also at obtaining additional certifications that may prove differentiating in the future, and thus strengthen our competitive edge, such as Cosmos, Ecocert, Kosher and Halal attestations for its products (further information is available on the Group's website). Cradle-to-gate life cycle analyses (LCAs) carried out periodically on the entire product portfolio also help us to understand their environmental impact.

1.2. RESPONSIBILITY, A KEY ELEMENT OF AFYREN'S STRATEGIC GUIDELINES

1.2.1. The role of administrative, management and supervisory bodies

AFYREN is a joint stock company listed on Euronext Growth® Paris since 2021. AFYREN NEOXY is the operating company of AFYREN's first industrial-scale production plant for biobased organic acids from sugar beet co-products. AFYREN NEOXY is co-owned with Bpifrance (AFYREN holding 51% of its capital and Bpifrance 49%).

To organise its governance, AFYREN's Board of Directors has decided to refer to the corporate governance code for small and mid caps as published in its latest version in September 2021 by Middlenext (the "Middlenext Code") and validated as a reference code by the Autorité des Marchés Financiers.

From the very start of the company, AFYREN's directors have wanted to give sustainable development a very important place. CSR was therefore integrated into the operational strategy at a very early stage, with the appointment of a CSR Director (Chief Sustainability Officer) to AFYREN's Executive Committee from 2021, in order to guarantee it maximum impact.

« By integrating CSR at the heart of its strategy at a very early stage, AFYREN has chosen to write its own history, to give itself the means to develop the company while remaining in phase with its raison d'être. It is a way of protecting its value proposition and its unique sustainable model, and of preparing for the future while giving meaning to the present

Caroline PETIGNY
Directrice RSE et Affaires publiques AFYREN

Management team

Steering and implementing the company's strategy relies on the commitment of the management team around the founders, in particular the Executive Committee. At AFYREN, the COMEX fully integrates the company's vision of sustainability, ensuring that strategic decisions reflect its commitments to sustainability and longevity, while aligning these choices with the company's purpose. Today, the COMEX is made up of 9 business expertises, represented by varied and experienced profiles from different industries (including 1/3 women):

CEO, Managing Director & R&D, Chief Commercial Officer, Chief Financial Officer, CSR and Communications/Public Affairs Director, Human Resources Director, Innovation Director, Industrial Director, Industrial Projects Director.

AFYREN is governed by the Board of Directors and its three committees (Remuneration Committee, CSR Committee and Audit Committee).

GOVERNANCE BODIES	
Board of Directors	Determines the Company's strategic guidelines, and ensures that they are implemented in accordance with its corporate interest, taking into account the social and environmental challenges of its business.
CSR Committee (reports to the Board of Directors)	Supports the Company in implementing an ambitious and appropriate CSR strategy and facilitates decision-making on these issues, particularly in relation to the five CSR pillars (governance, economic, social, societal and environmental).
Audit Committee (reports to the Board of Directors)	Ensures, under the exclusive and collective responsibility of the members of the Board of Directors, full monitoring of issues relating to the preparation and control of accounting and financial information, as well as internal control and risk management.
Compensation Committee (reports to the Board of Directors)	Supports the Company in implementing a compensation policy and its associated objectives, and defines and develops compensation structures for senior executives and appoints independent directors.
Executive Committee	Develops and manages AFYREN's strategy
AFYREN NEOXY Social and Economic Committee (CSE)	Relays concerns about wages, employment law and collective bargaining agreements

Composition of the Board of Directors

AFYREN's Board of Directors is made up of seven members:

- One executive member (Nicolas Sordet) and six non-executive members;
- Two independent directors (Stefan Borgas and Patrizia Marraghini) and five non-independent members;
- Two women (Caroline Lebel and Patrizia Marraghini) and five men.

There are no employee representatives on the Board of Directors.

In 2024, the Board of Directors met 10 times, with an attendance rate of 100%.

SEPTEMBRE 2022

AFYREN Board of Directors

AFYREN NEOXY plant's inauguration

AFYREN NEOXY's Board of Directors is made up of five members (3 representatives of AFYREN and 2 representatives of Bpifrance's Spi fund). Jérémy Pessiot is President of the AFYREN NEOXY subsidiary; Frédéric Louis is the Director of the AFYREN NEOXY plant.

Composition of the CSR Committee

Set up in 2022, AFYREN's CSR Committee is made up of two members of the BoD and led by the company's CSR Director. Several members act as permanent guests, and experts may be called in according to the agenda:

- Caroline Lebel (Chair of the CSR Committee, Board member) ;
- Nicolas Sordet (Managing Director of AFYREN, Board member) ;
- Caroline Petigny (CSR and Public Affairs Director, member of AFYREN's Executive Committee);
- Patrizia Marraghini (independent director, Chairman of AFYREN's Audit Committee, Board member)
- Delphine Lebidois, Legal Director of AFYREN, Group Ethics Officer.
- Léa Bassegoda, AFYREN Human Resources Director, Member of the Executive Committee
- Mark Reinhard, Head of Investor Relations at AFYREN

Roles and responsibilities of the Board of Directors and the CSR Committee in monitoring the procedure for managing material impacts, risks and opportunities

The Board of Directors determines the Company's strategic orientations and ensures that they are implemented in accordance with its corporate interests, taking into account the social and environmental challenges of its business.

The company's main ESG achievements in 2024 and discussed by the BoD during the 2024 financial year were:

- The first voluntary sustainability report in preparation for gradual compliance with the CSRD
- Deployment of climate murals for all employees
- AFYREN's second HR barometer (AFYREN Global People Survey), with 98% participation AFYREN's second carbon footprint;
- Second Ecovadis certification - Silver Medal - with clear progress compared to 2023

The CSR Committee Charter states that "the CSR Committee will deal with issues relating to the 5 pillars of CSR: governance, economic, social, societal and environmental.

The CSR Committee, created in 2022, has the following roles and responsibilities:

- Review CSR strategy and ensure consistency with overall strategy
- Critical analysis and recommendations and/or remediation plan;
- To make proposals on the direction of the Company's CSR strategy;
- Review CSR reporting and reporting procedures;
- Report to the Board on CSR strategy and performance and submit proposals;
- Supporting the Company's CSR Manager on specific projects.

In 2024, the CSR Committee met three times with an attendance rate of 100%, and twice presented to AFYREN's Board of Directors the ESG risks identified, as well as the results and effectiveness of ESG policies, actions, metrics and targets.

1.2.2. Declaration on due diligence

AFYREN's sustainability approach and strategy drive the company's due diligence process in relation to its material sustainability topics.

RECOGNITION & AWARDS

Since its creation, AFYREN has won numerous awards for its innovation and commitment, including :

The 2030 Global Innovation Competition in the "**Plant proteins and plant chemistry**" category twice, in 2014 and 2017;

The 2015 **Cleantech** competition;

The **"Efficient Solution**" label of the Solar Impulse foundation (2019);

The **Grand Est Bioeconomy** trophy (2020);

Ernst and Young's Start-up of the Year Award for the Auvergne Rhône-Alpes region (2021);

The innovation prize of the **Innovana** contest in the Grand Est region (2022);

The **Tech for Good Awards** in the Resources category (2022);

The **AURA CSR** trophy in the eco-design category (2022);

The **AFTER BIOCHEM SUEZ** new services trophy (2022);

The **Pierre Potier Prize** under the aegis of France Chimie and the French Ministry of the Economy (2023);

The **Responsible Care France Chimie** award in the "Societal" category (2023);

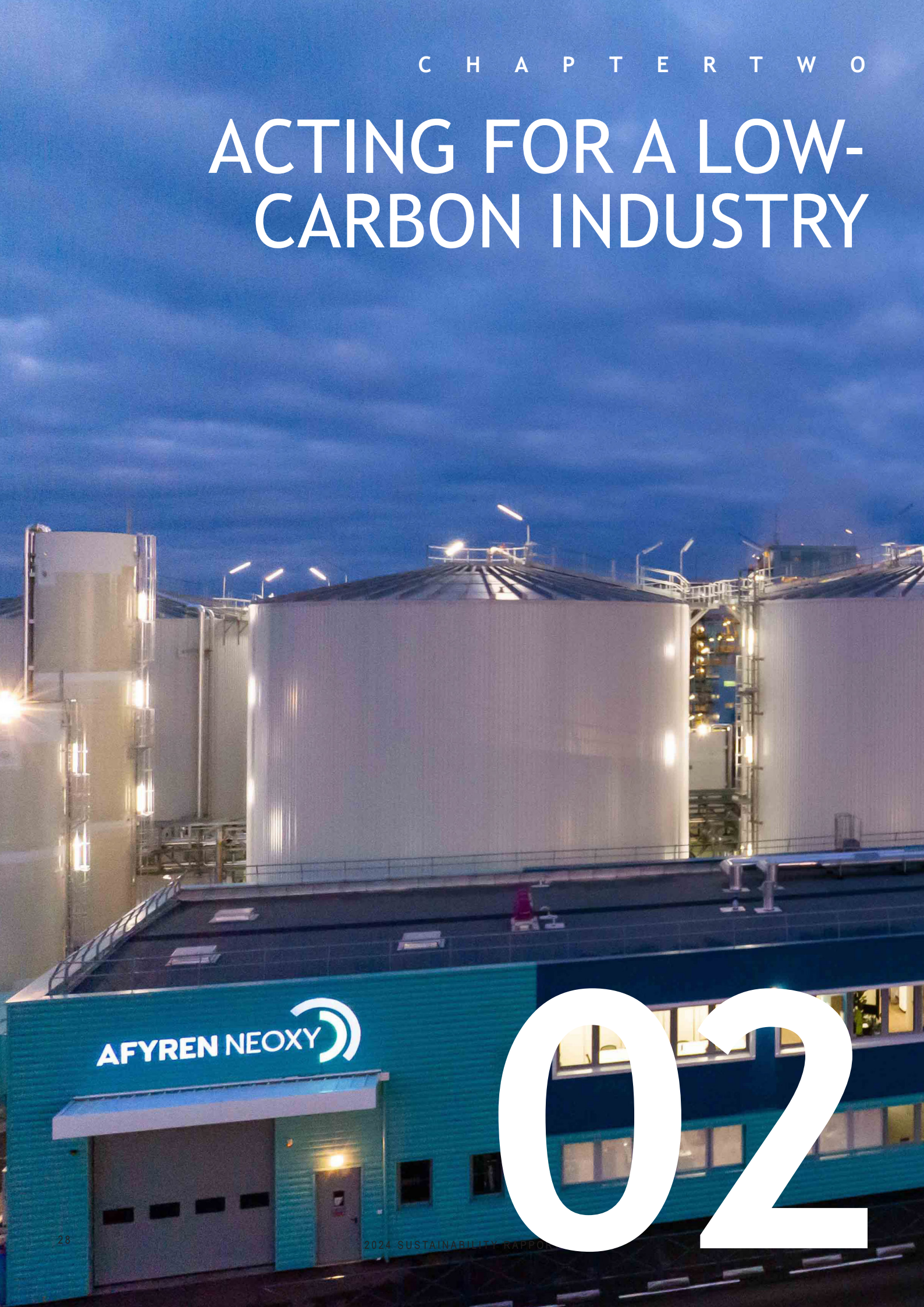
The **Usine Nouvelle** favourite trophy (2023);

The **Lorraine Crystal Wings** (2023).

The **Responsible Care France Chimie** national trophy in the "Societal" category (2024) ;

CHAPTER TWO

ACTING FOR A LOW-CARBON INDUSTRY



02

2.1. STRATEGY

2.1.1. Understanding and controlling our emissions
2.1.2. Identifying the impacts, risks and opportunities of climate change

2.2. IMPACT, RISK AND OPPORTUNITY MANAGEMENT

2.2.1. Reducing GHG emissions in our processes and for our customers
2.2.2. Actions and resources for decarbonisation and climate transition culture

2.3. INDICATORS AND OBJECTIVES

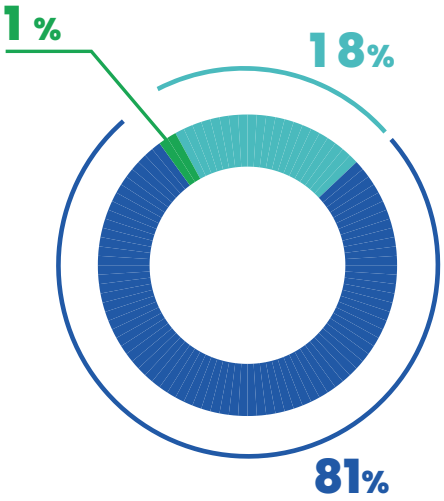
2.3.1. Energy consumption and mix
2.3.2. Carbon footprint for scopes 1, 2 and 3
2.3.3. Assessing the financial impact (risks and opportunities) of climate change

2.1. STRATEGY

2.1.1. Understanding and controlling our emissions

As industrial production is just beginning, AFYREN's current greenhouse gas (GHG) emissions are not representative of the company's future impact simply by making projections. It is therefore difficult for AFYREN to outline a transition plan.

Despite this, AFYREN has carried out a corporate carbon assessment of its scopes 1, 2 and 3 in 2023, measuring its actual emissions. AFYREN has also estimated the future emissions of the Saint-Avold site when it will be producing at full capacity and its GHG emissions will have increased accordingly. This enables the company to project its future and identify the main sources of emissions at a very early stage; scope 3 (upstream) accounts for 75% of emissions, with raw materials predominating. The company has also decided to monitor its carbon intensity from 2024.



EMISSIONS SOURCES	VOLUME IN TCO_2e
SCOPE 1	≈ 800
SCOPE 2	≈ 10 000
SCOPE 3	≈ 46 000

Estimated carbon footprint by 2025

Still in the early stages of its industrial history, AFYREN is not in a transition phase, but is rather defining a development plan that is as low-emissions as possible from the outset. To achieve this, AFYREN has, for example, set up its first production site in Saint Avold (Moselle), as close as possible to its raw material supply sources and markets, and is already looking to reduce future greenhouse gas emissions from its manufacturing process.

AFYREN's strategic plan initially aims to build and operate three production units. Once the first unit has reached full production capacity, AFYREN plans to refine its development plan by integrating compatibility with the Paris Agreement, in line with an overall global carbon neutrality objective.

In the meantime, AFYREN's climate objective is to achieve a more detailed understanding of its impact by carrying out annual corporate carbon audits (scope 1, 2, 3). The climate management plan will then be drawn up on the basis of this in-depth knowledge.

Finally, by offering its customers biobased products to replace petroleum-based products, AFYREN is helping them to reduce their own GHG emissions (via their scope 3), and is therefore making a direct contribution to the chemical industry's transition plan. Based on predictive calculations of the carbon footprint of its products, the Group estimates that the products from its first plant (16,000 tonnes of biobased acids) will prevent the emission of nearly 30,000 tCO2e per year by replacing their petroleum-based equivalents in the value chain.

2.1.2. Identifying the impacts, risks and opportunities of climate change

For AFYREN, the main environmental risks relate to the supply of raw materials and energy, including climate risk.
AFYREN's climate impacts are identified through the materiality analysis carried out in 2021, the annual corporate carbon footprints and the cradle-to-gate life cycle analyses (LCA) periodically carried out on its entire product portfolio. The main sources of greenhouse gas emissions relate to the purchase of raw materials.
The ecological transition is also a source of opportunities for AFYREN. The Group is helping to mitigate global warming by providing its customers with biobased alternatives to organic acids made from petroleum derivatives, which currently account for the vast majority of products on the market
By becoming part of the short carbon cycle, the biogenic carbon cycle, AFYREN products have a carbon sink effect, which is essential in reducing the carbon intensity of the product.

As these biobased alternatives are a low-carbon supply solution for many industries, AFYREN anticipates a significant increase in demand for its products in the medium and long term, in the current context of the search for alternatives in the face of the climate emergency.

BIOGENIC CARBON:
WHAT IS IT?

Biogenic carbon is the carbon stored, sequestered and emitted by organic matter, or biomass. In other words, biogenic carbon is the carbon fixed by the plant during the photosynthesis from CO2 in the air.
The most common biogenic raw materials are trees, plants and soil, which absorb carbon as part of their life cycle through photosynthesis. Biogenic carbons therefore come from the atmosphere and arrive in a short cycle, i.e. with a short renewal time, in the finished product. Non-biogenic carbon refers to carbon stored in fossil fuels such as oil, coal and gas.

2.2. IMPACT, RISK AND OPPORTUNITY MANAGEMENT

2.2.1. Reducing GHG emissions in our processes and for our customers

AFYREN is helping to mitigate climate change by offering biobased alternatives to products that are usually manufactured from petroleum derivatives. Its solutions emit on average five times less greenhouse gases than competing products (see the life cycle analysis of AFYREN products[12]).

To go even further, and in order to protect itself against risks, seize opportunities and act on its environmental and social impacts, the AFYREN Group is committed to integrating consideration of its climate impact (as with all its environmental impacts) at a very early stage in its new projects. For example, access to less carbon-intensive supplies and energy are essential criteria in AFYREN's choice of location for a new site. In terms of research and development, a simplified carbon footprint analysis is always taken into account when deciding whether or not to pursue a project. Only projects that represent an improvement on the existing situation pass the selection stage.

[12] https://afyren.com/analyse-cycle-de-vie-des-produits/

2.2.2. Actions and resources for decarbonisation and climate transition culture

The decarbonisation levers used by AFYREN are many and varied.

Decarbonising the supply chain

Firstly, as the largest source of greenhouse gas emissions is the sourcing of raw materials, AFYREN is working to decarbonise its supply chain. The criteria taken into account in the raw materials purchasing process include:

- Geographical proximity to the production site;
- No deforestation and no impact on land use associated with production, thanks to the use of agricultural production residues as a raw material
- The compatibility of raw materials with international certifications linked to the sustainability of supply chains

The company also encourages its suppliers to reduce their environmental footprint, and has selected players committed to sustainable development for its strategic biomass supplies. For example, a dialogue has been initiated with Südzucker, AFYREN's major partner for the supply of sugar beet co-products, on various issues such as biodiversity, transport optimisation and energy consumption.

Reducing and improving energy supplies at its industrial sites

Generally speaking, the company tries to minimize its energy consumption in the most intensive areas. Right from the design stage of the AFYREN NEOXY plant, these issues have been taken into account, for example through the installation of heat recovery loops on certain equipment. A more detailed diagnosis will be carried out in the coming years to identify the next areas for improvement in energy efficiency.

In 2024, AFYREN joined the Chemesis For Future (C4F) project led by the Chemesis industrial platform and supported by the Agence de l'Environnement et de la Maîtrise de l'Énergie as part of the ZIBAC (low-carbon industrial zone) call for projects under the France 2030 investment program. This ambitious project is part of the platform's decarbonisation and ecological transition plan up to 2050, and involves all Chemesis stakeholders. Several key areas will be studied, including the identification of decarbonisation trajectories, anticipation of global climate change and security of supply, assessment of CO2 capture techniques and hydrogen storage and recovery.

AFYREN is also closely studying the types of energy available for its industrialisation projects. AFYREN's future plant in Thailand could benefit from access to renewable, low-carbon electricity and steam produced by biomass cogeneration, reinforcing the biorefinery and circular economy model.

Employee commitment

AFYREN employees share a strong commitment to the ecological transition and the development of low-carbon products. This motivation is often reflected in individual practices that are also encouraged by the company, such as favouring public transport or soft mobility to get to work and carpooling for inter-site journeys (shared planning).

AFYREN assumes its role as a precursor by disseminating knowledge to improve understanding of the causes and mechanisms of climate change, but also by asking its employees to generate ideas. On the occasion of the climate frescoes deployed for all employees in 2024 (see chapter 7.2.1), idea generation workshops were organised to generate proposals for concrete actions in favour of decarbonisation and other environmental and societal issues. The many proposals put forward (transport of raw materials, improvements to the manufacturing process, employee mobility, etc.) must now be analysed to identify the most relevant ones for improving the company's carbon footprint.

Participation in the Businesses for Climate Convention (CEC)

In 2023, AFYREN took part in the Lyon Business Convention for the Climate (CEC). The aim of this awareness-raising program for business leaders is to encourage companies to switch to a more sustainable model and accelerate their transition, with contributions from a number of climate and life science experts. At the end of the course, the company published its regenerative roadmap and began to roll out projects based on this roadmap (see chapter 1.1.4).

DECEMBER 2023

Closing session of the CEC for the Lyon, Alps and Vercors areas

Objective

To enable industrial development in line with the global "Net Zero" trajectory.
In the medium term: three plants with optimised energy supply.
Savings of 130,000 tonnes of CO_2 per year in the value chain.

2.3. INDICATORS AND OBJECTIVES

2.3.1. Energy consumption and mix

AFYREN's energy consumption continued to increase in 2024 due to the gradual start-up of its industrial production. It should be noted that current energy consumption does not reflect future consumption in continuous production mode, due to the start-up period, which does not yet allow the energy efficiency of the process to be optimised.

	2022	2023	2024
Total electricity consumption (MWh)	3 401,80	4 320,01	5 421,37
Total oil consumption (MWh)	0,00	0,00	0,00
Total gas consumption (MWh)	2 157,00	3 569,11	3 514,87
Total energy consumption (MWh)	**5 558,80**	**7 889,12**	**8 936,24**

*Excluding fuel consumption for company vehicles

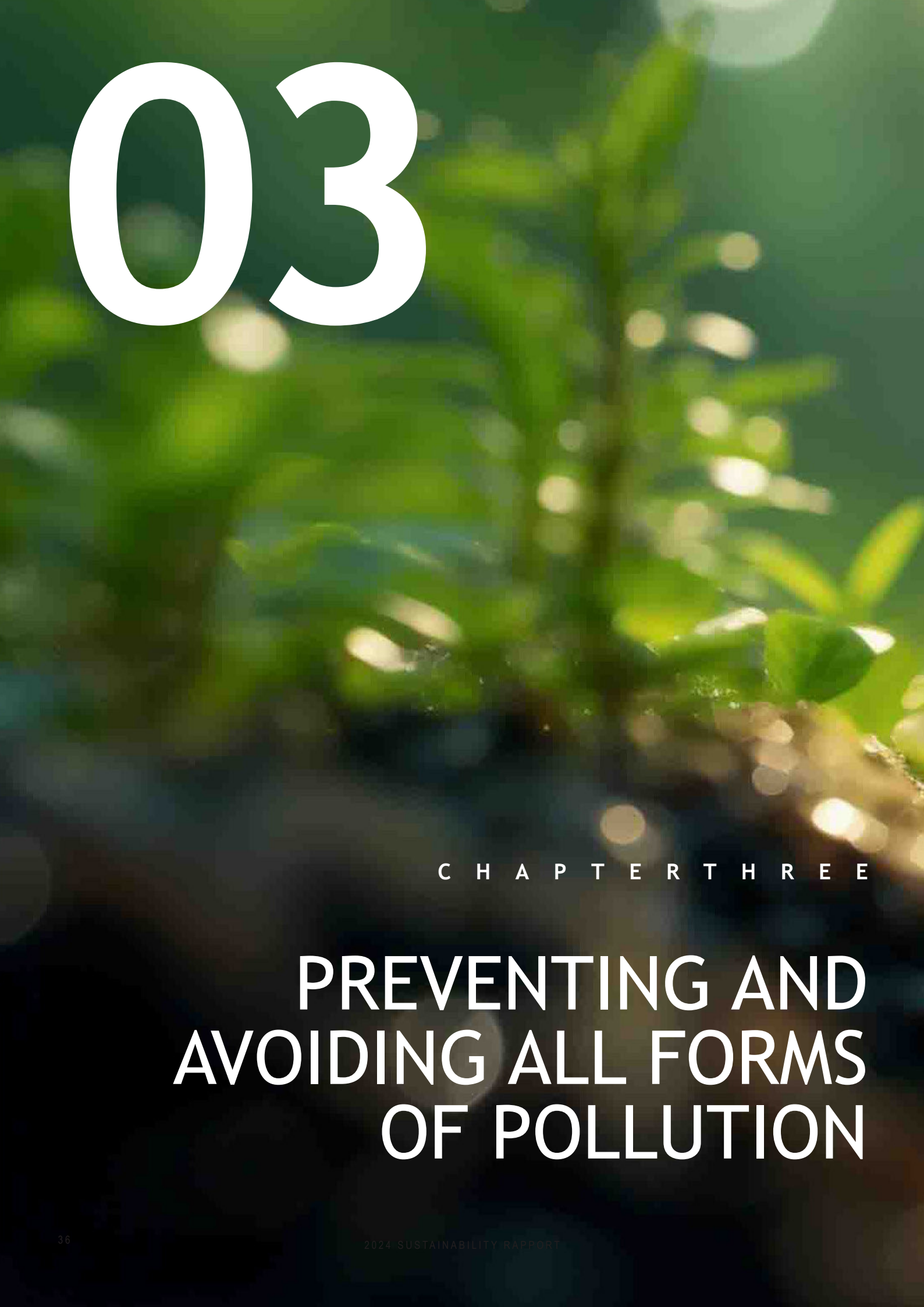
2.3.2. Carbon footprint for scopes 1, 2 and 3

The 2024 corporate carbon footprint presented below is not indicative of AFYREN's future emissions. These will necessarily increase with the start-up of continuous production and the achievement of full capacity.

	2022	2023	2024
Greenhouse gas emissions for scope 1 (tCO2e)	57,00	83,00	92
Greenhouse gas emissions for scope 2 - location-based (tCO2e)	3,00	672	1736
Greenhouse gas emissions for scope 2 - market-based (tCO2e)	4,00	689	1758
Greenhouse gas emissions for scopes 1 and 2 location-based (tCO2e)	60,00	755	1828
Greenhouse gas emissions for scopes 1 and 2 market-based (tCO2e)	61,00	772	1852
Greenhouse gas emissions for upstream scope 3 (tCO2e)	1519	2615	3254
Greenhouse gas emissions for downstream scope 3 (tCO2e)	Non relevant	Non relevant	Non relevant
Greenhouse gas emissions for scope 3 (tCO2e)	1519	2615	3254
Total greenhouse gas emissions (tCO2e)	1579	3386	5082

2.3.3. Assessing the financial impact (risks and opportunities) of climate change

The transition to a less carbon-intensive economy represents a twofold economic opportunity for AFYREN. On the one hand, buyers of organic acids will increasingly look for solutions that emit less greenhouse gas. Secondly, regulatory mechanisms will tend to support the development of more sustainable alternatives.



03

CHAPTER THREE

PREVENTING AND AVOIDING ALL FORMS OF POLLUTION

3.1. IDENTIFYING AND MANAGING THE IMPACTS, RISKS AND OPPORTUNITIES ASSOCIATED WITH WATER, AIR AND SOIL POLLUTION

3.2. PREVENTION POLICIES AT EVERY PRODUCTION STAGE

3.3. MEASURING POLLUTION-RELATED IMPACTS

3.3.1. Air, water and soil pollution
3.3.2. Assessing the financial impact (risks and opportunities) of pollution

3.1.IDENTIFYING AND MANAGING THE IMPACTS, RISKS AND OPPORTUNITIES ASSOCIATED WITH WATER, AIR AND SOIL POLLUTION

AFYREN's industrial activities, based on the handling of chemical products, expose the Group to the risk of incidents that could lead to direct pollution of water, air and soil. However, the nature of the process (green chemistry) means that pollution risks are very limited, and the Group is careful to minimise any possible impact.[13]
For the year 2024, no risks have been identified in relation to water, air and soil pollution.

3.2. PREVENTION POLICIES AT EVERY STAGE OF PRODUCTION

Management has introduced a policy aligned with environmental challenges, with a strong focus on pollution prevention throughout the AFYREN NEOXY site.

AFYREN incorporates risk prevention measures into all its activities and for its employees at the AFYREN NEOXY site, including training on environmental issues and good prevention practices.

Analyses are carried out regularly to detect any drift and prevent any form of pollution.

AFYREN is actively committed to reducing the risks of air, soil and water pollution through a series of actions.
In order to limit soil and subsoil pollution, the company has initiated the installation of retention basins for the storage of raw materials and finished products, as well as the installation of retention basins for the potting and storage areas for raw materials. All operational areas are waterproofed to prevent any infiltration of polluting substances.

As far as water pollution is concerned, all effluent produced is collected and sent to the Chemesis platform treatment plants, with which a discharge agreement has been signed, covering discharges from the manufacturing process, the laboratory and grey water.

In terms of groundwater monitoring, AFYREN carries out analyses every six months to ensure the condition of these vital resources.

Finally, to prevent air pollution, a treatment unit (thermal oxidiser) for volatile organic compounds (VOCs) has been installed and is monitored annually by a certified body. This makes it possible to treat waste and prevent the emission of polluting substances into the atmosphere.

[13] It should be noted that the molecules produced and used by AFYREN are not considered to be polluting substances within the meaning of Regulation (EC) No. 166/2006 (European Pollutant Release and Transfer Register "E-PRTR Regulation"), the reference text for the CSRD, nor according to the prefectoral decree issued as part of the ICPE authorisation. Nevertheless, although our substances are not classified as pollutants according to certain regulatory frameworks in force, we remain particularly vigilant about their environmental impact and adopt a responsible approach to limit any negative impact.

3.3. MEASURING POLLUTION-RELATED IMPACTS

3.3.1. Air, water and soil pollution

Residual pollutants from the fermentation process are treated at the platform's wastewater treatment plants.
Analyses of discharged substances are also carried out, as is mandatory for all facilities classified for environmental protection (ICPE)..

3.3.2. Assessing the financial impact (risks and opportunities) of pollution

As described above, the NEOXY plant has been designed to limit the risk of pollution (construction on retention tanks) and benefits from the platform's infrastructure and equipment to manage this risk. The amounts of financial guarantees allocated to the risk of pollution are insignificant.

04

CHAPTER FOUR

OPTIMISING WATER CONSUMPTION AT OUR SITES

4.1. IDENTIFYING AND MANAGING THE IMPACTS, RISKS AND OPPORTUNITIES ASSOCIATED WITH WATER RESOURCES

4.2. STRONG AMBITIONS IN RELATION TO WATER RESOURCES

4.3. INDICATORS AND OBJECTIVES RELATING TO WATER RESOURCES

4.1. IDENTIFYING AND MANAGING THE IMPACTS, RISKS AND OPPORTUNITIES ASSOCIATED WITH WATER RESOURCES

The municipality of Saint-Avold is not affected by a Flood Risk Prevention Plan (PPRI), and AFYREN's current installations are not affected by a flood risk.

Although a shortage of water could have an impact on the Group's activities, this risk is limited by the small amount of water required to run the processes. Water is used to start the fermentation process, which then takes place in a closed loop. This generates surplus water, which is reused in a continuous production system once full capacity has been reached.

No water-related financial risk has therefore been identified for 2024.

4.2. STRONG AMBITIONS IN RELATION TO WATER RESOURCES

Although there is currently no formal water policy, AFYREN has nevertheless set three clear and ambitious targets for water use at its production sites in its regenerative roadmap:

- Include industrial sites in a circular approach to reduce their water consumption, optimise its reuse, recycling and recovery;
- Integrate water treatment at the end of the process to recover it locally;
- To be a net producer of water.

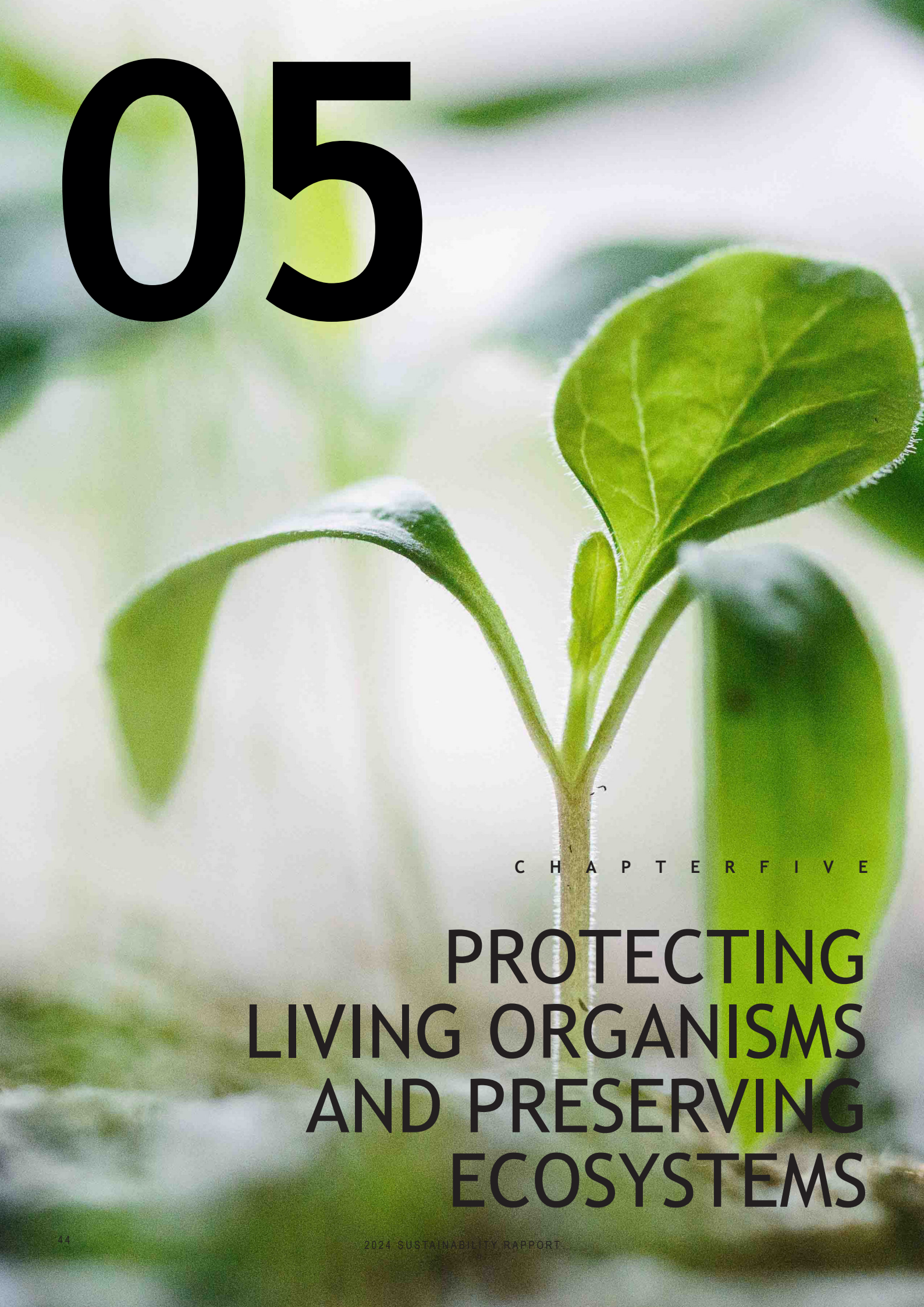
4.3.INDICATORS AND OBJECTIVES RELATING TO WATER RESOURCES

Once the Saint Avold plant is operating at full capacity, AFYREN will examine whether the above objectives are tenable as they stand, or whether they need to be adjusted.

The volume of water consumption at the plant measured in 2024 (31230 m3) is higher than that expected during normal production, but it corresponds to a year of production tests at the plant, during which consumption has not yet been optimised.

When the site is operating continuously, AFYREN's fermentation cycle will produce surplus water (from the biomass), which can be recycled.

To this end, water consumption will be optimised over the coming years.



05

CHAPTER FIVE

PROTECTING LIVING ORGANISMS AND PRESERVING ECOSYSTEMS

5.1. IDENTIFYING AND MANAGING THE IMPACTS, RISKS AND OPPORTUNITIES ASSOCIATED WITH BIODIVERSITY AND ECOSYSTEMS

5.2. MINIMISING PRESSURE ON ECOSYSTEMS AND AIMING TO SET AN EXAMPLE ON SITE

5.3. IDENTIFYING A SUITABLE MEASUREMENT TOOL TO CONTROL OUR FOOTPRINT

5.4. BIODIVERSITY AND ECOSYSTEM PROTECTION OBJECTIVES

5.1. IDENTIFYING AND MANAGING THE IMPACTS, RISKS AND OPPORTUNITIES ASSOCIATED WITH BIODIVERSITY AND ECOSYSTEMS

For the year 2024, no risk has been identified in relation to biodiversity. However, as living organisms are at the heart of its business model, AFYREN is fully aware of its responsibility to respect natural resources and takes care to minimise its impact on biodiversity. This is why the Group has made a strategic commitment to use only biomass by-products for its supplies. This avoids changes in land use, which can be the case for some of our competitors' products (for example, some palm oil supplies remain controversial).

The Group also aims to be exemplary in the way it operates each of its sites, whether AFYREN NEOXY or the administrative sites in Lyon and Clermont-Ferrand. Wherever possible, AFYREN aims to locate its new projects on existing sites with a revitalisation dynamic and strong local roots. This is why the AFYREN NEOXY plant was built on the Chemesis platform, an industrial site that has been involved in petrochemicals for over 70 years. In accordance with regulations, an impact study was carried out before work began. It concluded that the green toad, a protected species, was present.

5.2. MINIMISING PRESSURE ON ECOSYSTEMS AND AIMING TO SET AN EXAMPLE ON SITE

Following the identification of the presence of green toads on the Saint-Avold industrial site, measures to protect and preserve this species have been put in place. In particular, a refuge area has been created and maintained.

AFYREN already supports virtuous practices by purchasing European raw materials for production at the Saint-Avold site - which are therefore subject to high quality criteria - and wishes to extend this commitment. To this end, the company maintains a regular dialogue with its main raw materials suppliers to ensure that it is fully aware of its supplies, and has decided to work towards obtaining sustainability certification for raw materials (ISSC + type). Among other things, this guarantees the protection of land with a high biodiversity value.

Downstream, AFYREN's products can be used to protect crops and offer interesting alternatives to certain controversial plant protection products. In addition, the fertiliser developed by AFYREN is a certified product that can be used in organic farming (UAB) and its high potassium content makes it a product with interesting agronomic value for crops.

Finally, the technology developed by AFYREN is based on a biomimetic approach, which aims to mimic nature as closely as possible while maintaining industrial performance objectives.[14] This biomimetic approach creates direct links between AFYREN and the living world in all its activities; the company is fully aware of the need to understand and preserve ecosystems and to raise awareness of these issues among its teams.

BIOMIMICRY AND BIODIVERSITY:

WHAT IS IT?

Biomimicry[15] involves drawing inspiration from living organisms to take advantage of solutions and innovations developed over more than four billion years of evolution. This approach is inspired by natural strategies, recognised for their performance, efficiency and resilience, as part of a sustainable innovation approach.

It consists of technically reproducing the processes, structures, interactions and compositions of biological systems found in nature. By drawing on the intelligence and sobriety of biological principles, biomimicry makes it possible to design technologies that are robust, sober and sustainable. By incorporating these concepts into industrial and technological innovations, it also helps to preserve biodiversity.

[14] https://afyren.com/blog/afyren-de-la-fermentation-naturelle-a-lindustrialisation-dun-procede-biomimetique-innovant/
[15] https://www.fondationbiodiversite.fr/biomimetisme-et-biodiversite/

5.3. IDENTIFYING A SUITABLE MEASUREMENT TOOL TO CONTROL OUR FOOTPRINT

In order to manage its impact on biodiversity, AFYREN wishes to assess its footprint more accurately and is looking for the most suitable tool. Biodiversity footprint measurement tools are still underdeveloped, so this exercise is still at the exploratory stage.

However, the initial results have confirmed the predominance of land use and occupation linked to the agricultural production from which the co-products used by AFYREN originate. Further research is required to refine this estimate.

5.4. BIODIVERSITY AND ECOSYSTEM PROTECTION OBJECTIVES

In line with its desire to limit pressure on land and competition with human food, AFYREN aims to source 100% of its raw materials, excluding reagents, from biomass by-products or residues.

Objective

100 %

of the biomass used as a raw material comes from sustainable sources and only from by-products or residues.

06

CHAPTER SIX

MAKING OUR PROCESSES MORE CIRCULAR AND REDUCING PRESSURE ON RESOURCES

6.1. IDENTIFYING THE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ASSOCIATED WITH RESOURCE USE AND THE CIRCULAR ECONOMY

6.2. A MORE CIRCULAR AND LOCAL SOURCING POLICY

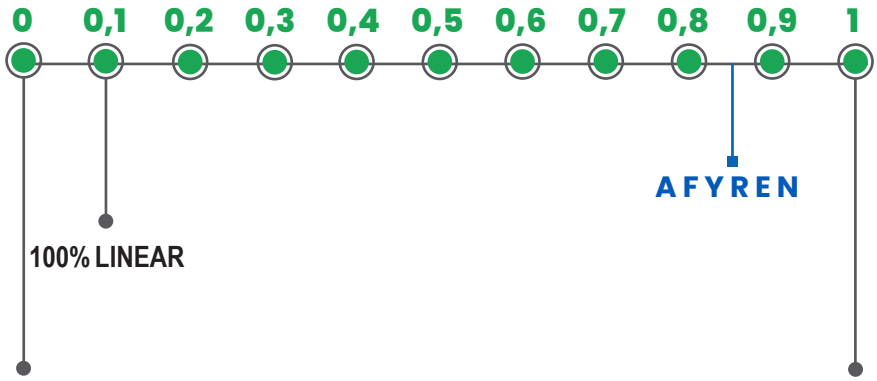
6.3. INDICATORS AND OBJECTIVES

6.3.1. Targets related to resource use and circular economy
6.3.2. Resource inflows
6.3.3. Resource outflows, products sold and waste
6.3.4. Assessing circular economy-related financial impacts

6.1. IDENTIFYING THE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ASSOCIATED WITH RESOURCE USE AND THE CIRCULAR ECONOMY

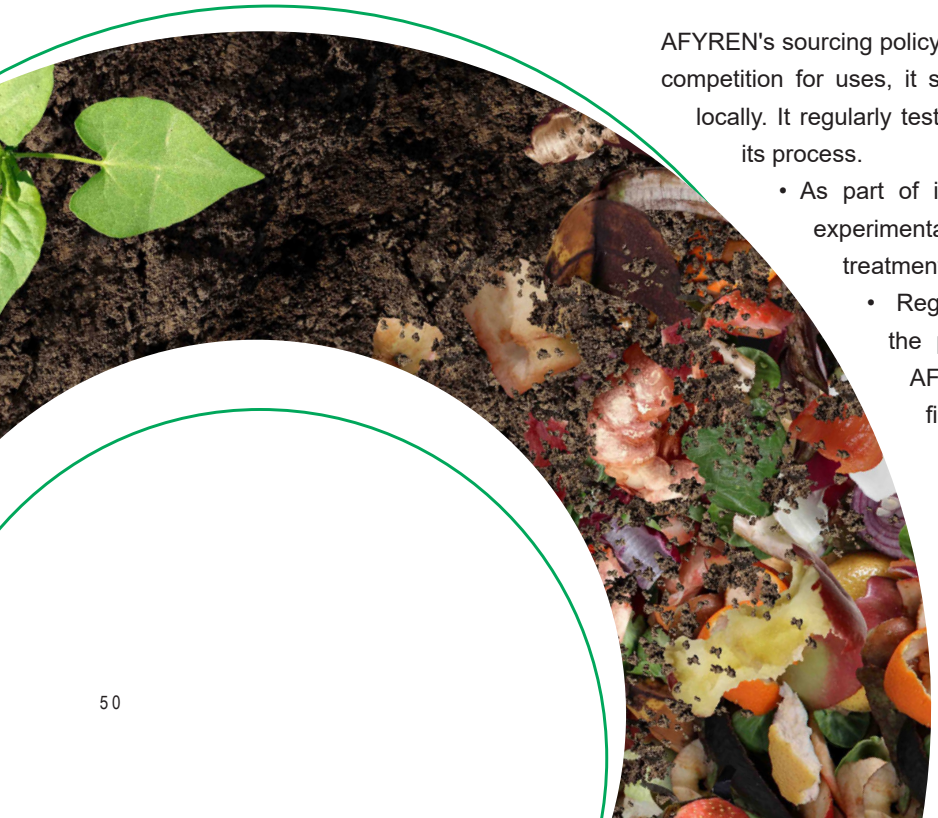
AFYREN closely monitors the risks associated with the supply of raw materials and energy, including climate risk. Its process can operate with a variety of biomass by-products. This approach, which serves an overall objective of circularity and preservation of natural resources, also makes it possible to secure supplies of raw materials, reduce the risks associated with stresses on biomass (disease, climate change, etc.) and secure the economic equation for raw material producers.

Based on a renewable and circular model, AFYREN decided to work on a quantitative measure of the circularity of its model. With the help of an external firm specialising in environmental analysis, the circularity of AFYREN's biorefinery was measured using the indicator developed by the Ellen Mac Arthur Foundation. This exercise should also be considered as forward-looking, but it confirmed AFYREN's good performance in terms of circularity (estimated at 0.85/1).



A 100% linear product with shorter lifetime and/or less functionality than the industry average may have MCI < 0.1

6.2. A MORE CIRCULAR AND LOCAL SOURCING POLICY



AFYREN's sourcing policy limits the risk of shortages of raw materials. To limit competition for uses, it seeks to use only biomass by-products purchased locally. It regularly tests new raw materials to increase the adaptability of its process.

- As part of its regenerative roadmap, AFYREN plans to test experimental projects on new outlets such as upstream bio-waste treatment or downstream by-products.
- Regional supply chain contracts will be studied, from the producer (agro-ecological practices, etc.) through AFYREN and its customers (traceability of supplies, financial support) to the end consumer (traceability, financial support).

6.3. INDICATORS AND OBJECTIVES

6.3.1. Targets related to resource use and circular economy

In line with its desire to limit pressure on land and competition with human food, AFYREN wishes to maintain a 100% supply of renewable (biobased) raw materials from biomass by-products or residues. The raw materials used by the Group, in particular plants and other incoming raw materials, are naturally available and correspond to local agricultural residues that cannot be used directly in the human food chain and are usually treated as low-value waste or co-products. These co-products are more commonly used in the animal feed (livestock) or methanisation sectors.

6.3.2. Resource inflows

For the AFYREN NEOXY plant, the resources consumed are all of European origin. Both the biobased feedsstock (biomass residues) and the inputs (regulation products) are produced in Europe within a radius of a few hundred kilometres of the plant (neighbouring countries).

The unique biotechnological approach developed by AFYREN is a biomimetic process based on natural micro-organisms. Water is also consumed during the process (see section 4).

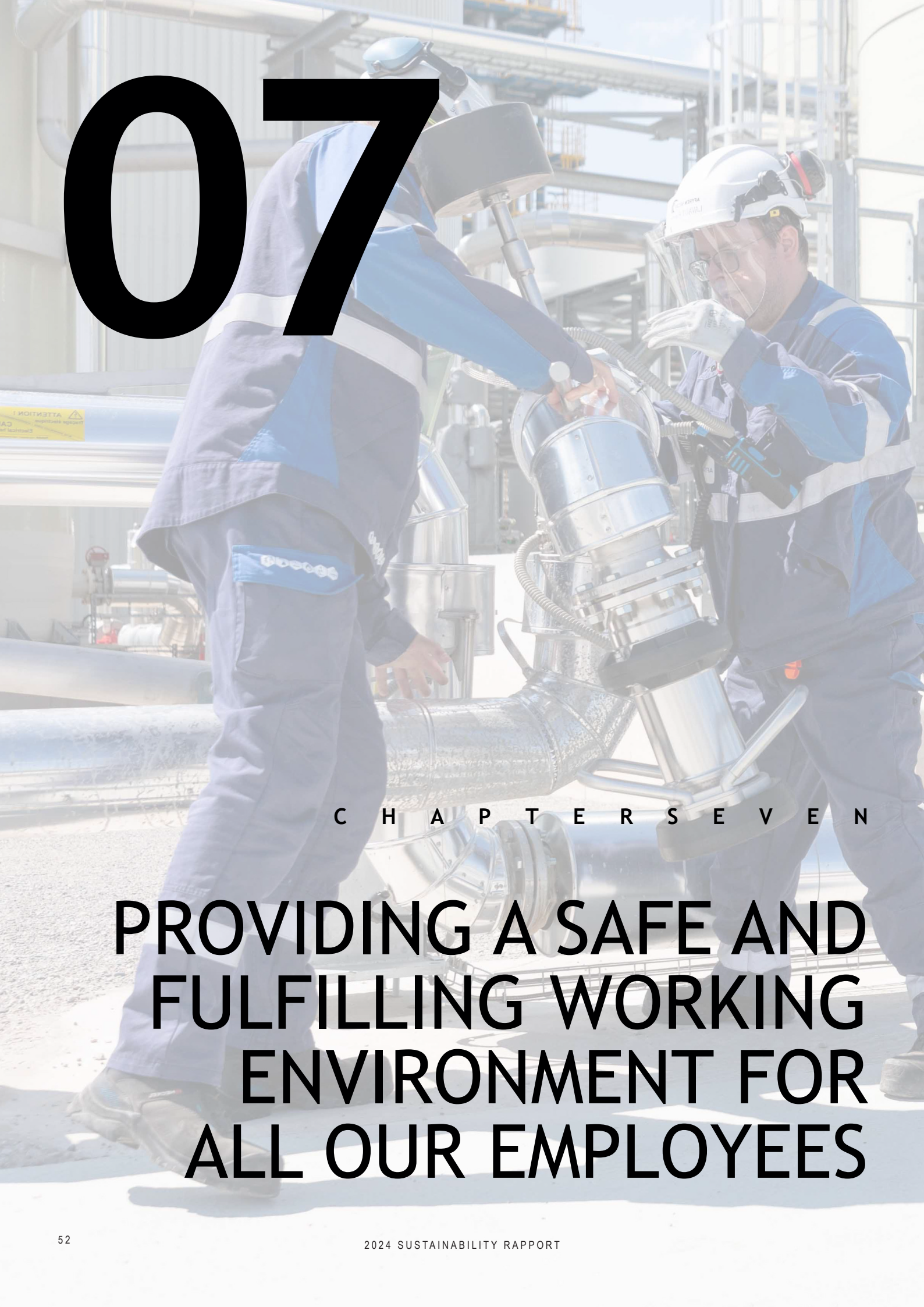
6.3.3. Resource outflows, products sold and waste

AFYREN produces 7 biobased organic acids and a potassium-rich fertiliser that can be used in organic farming. This fertiliser can then be used as a nutrient on agricultural land, reinforcing the circular dimension of the process. In this way, everything that comes out of the fermentation process is recycled, making the process 'zero industrial waste'. As far as 'residual' waste is concerned, the Group has set up an action plan for waste management at its industrial site, and carries out rigorous monitoring. The company is currently in a start-up phase, generating an exceptional volume of waste that is not representative of its normal operating mode. However, the actions taken enable the vast majority of this waste to be reused, recycled or recovered. As mentioned in section 4, excess water (after recycling) is also present at the end of the process.

The normal running of a company also generates flows of everyday purchases and waste that are not specific to its activity: stationery, furniture, catering, etc.

6.3.4. Assessing circular economy-related financial impacts

Adding value to fertiliser, a co-product of the organic acid manufacturing process, enables AFYREN to increase the circularity of its business. It is also a source of financial opportunities, since the entire annual volume of this high added-value fertiliser (23,000 tonnes per year at full capacity) is covered by a marketing contract. This type of fertiliser is widely used in vineyards, market gardening and arboriculture in France and Europe.



07

CHAPTER SEVEN

PROVIDING A SAFE AND FULFILLING WORKING ENVIRONMENT FOR ALL OUR EMPLOYEES

7.1. STRATEGY

7.1.1. Creating opportunities for dialogue to take account of employee expectations
7.1.2. Impacts, risks and opportunities

7.2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

7.2.1. Policies and actions relating to employees
7.2.2. Processes for dialogue and action with employees and their representatives
7.2.3. Processes to remediate negative impacts and channels for own workforce to raise concerns

7.3. INDICATORS AND OBJECTIVES

7.3.1. Employee objectives
7.3.2. Characteristics of company employees
7.3.3. Characteristics of employees and non-employees (temporary employees and freelancers)
7.3.4. Adequate wages and social protection
7.3.5. Indicators
7.3.6. Incidents, complaints and severe human rights impacts

7.1. STRATEGY

The AFYREN Group is committed to guaranteeing a safe working environment for all its employees and to providing a motivating and fulfilling working environment for everyone, without distinction. In a context of rapid growth for the company and its workforce (x5 in three years), the HR policy is deployed to attract the best talent, structure the Group and ensure good organisational efficiency. In this growth phase, AFYREN is moving from an R&D approach to an industrial operation, a change that is taking place in stages and involves adapting its needs in terms of skills. In the short term, these rapid changes make it difficult to analyse quantified HR indicators. The company's efforts are focused primarily on structuring and organisational issues.

« We don't operate in the same way with 10 employees as we do with 130, especially in a context of industrial scale-up. Structuring our governance, defining the roles and responsibilities of everyone within the organisation and structuring our internal interfaces are all strategic priorities if we are to ensure that our operational efficiency matches our challenges.

Léa BASSEGODA
Director of Human Resources AFYREN

7.1.1. Creating opportunities for dialogue to take account of employee expectations

There are several channels through which the company can find out what its employees think:

- AFYREN NEOXY's Social and Economic Committee (CSE), which relays concerns about wages, labour law and collective agreements;
- AFYREN's social and economic committee (CSE) set up end of 2024;
- Regular information-sharing meetings, during which everyone can express their needs and expectations. Every six to eight weeks, for example, AFYREN Group gives presentations on the latest developments in the Group, followed by discussions between teams and management;
- Aninternal survey, launched in 2023, which achieved a 98% participation rate for the second edition in 2024. It helped to identify the priority actions to be implemented in 2024, defined following collaborative sessions with all the teams. The third edition will take place in 2025;
- Occasional discussions organised to coincide with strategic developments.

7.1.2. Impacts, risks and opportunities

The AFYREN Group, made up of AFYREN and AFYREN NEOXY, includes production teams employed by AFYREN NEOXY in Carling Saint-Avold and support, project, industrialisation and R&D functions split between the Clermont-Ferrand head office and the Lyon site.

For AFYREN, the main risks relate to the management of the Group's recruitment needs and the retention of key personnel. AFYREN works continuously to ensure the transmission and transfer of skills.

The Group pays particular attention to its operational teams, who are subject to greater health and safety risks than other staff.

7.2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

7.2.1. Policies and actions relating to employees

Human rights commitments

The AFYREN Group fully adheres to the principles of the United Nations Global Compact in terms of human rights and labour law, in particular. It firmly opposes all forms of violation of human dignity, and in particular child labour, forced labour and slavery. Operating solely in France, it is subject to French and European law, which protects its employees. Since 2023, the Group has had a Code of Ethics that affirms its commitment to human rights.

These measures also ensure that equal treatment is respected on a day-to-day basis. Although there is no specific policy in this area, the 2024 barometer showed that the Group performs well in the fight against sexist and sexual harassment. Indeed, 77% of respondents indicated that immediate action was taken when an incident was reported. Within the framework of the CSE mandates, a referent for the fight against sexual harassment and sexist behaviour has been defined at each site. AFYREN aims to increase the diversity of its teams, in particular by including more women and people with disabilities. Skills-based recruitment is one way of achieving this objective; every recruitment offer contains a reference to non-discrimination in order to communicate these values to each candidate.

Health and safety

Because the industrial environment inherently presents health and safety risks, AFYREN has made it one of the pillars of its human resources policy. The Group has adopted an occupational health and safety policy based on awareness, communication and team involvement. As a result, 100% of employees have been trained in safety issues and rules (golden rules, workplace safety, single document, etc.). The Chemesis industrial platform also offers tools for better management of the health and safety of employees and local residents (safety drills, fire-fighting team and shared occupational health service) and organises an annual safety awareness day bringing together all the companies on the platform (on World Safety Day). AFYREN NEOXY plays an active part in these initiatives

An overall plan to develop a strong safety culture at all sites has been put in place, with regular indicators, communication initiatives with teams and a steering committee for the overall safety policy.

For example, within the operational teams, "safety talks" are organised on a regular basis. These consist of field visits to observe work situations carried out by managers or employees trained in this practice. The situation is discussed with those who took part. Good practice is reinforced and areas for improvement are identified. These talks are organised under the impetus of the QHSE team, with a target of 2 per week on the industrial site. Monthly QHSE rituals or workshops are organised at all sites, covering all types of risk (industrial, quality, tertiary, etc.).

The Group is also strengthening its safety policy through more dynamic awareness campaigns and participation in events such as World Safety Awareness Day. In addition, a program dedicated to communication, awareness-raising and training is being drawn up to strengthen the prevention of health and safety risks.

In 2024, AFYREN recorded 2 accidents without lost time and 2 accidents with lost time. The teams are delighted with the fall in lost-time accidents and the significant increase in safety observations. This shows that everyone is taking responsibility. However, the observation of two accidents with lost time obliges the teams to be more vigilant and to reinforce the safety culture. Although not serious, these accidents were analysed in detail. This increase can be explained in particular by the context of works and the start of industrial production. AFYREN is committed to correcting and preventing these accidents and has made them a priority for 2025.

AFYREN has a proactive policy in terms of safety training, in particular by offering its emploees regular first-aid training sessions. A large number of first aiders have been trained at all the sites (Carling Saint Avold: 27, Clermont Ferrand: 7 and Lyon: 3), thus completing the occupational risk prevention policy.

Recruiting and retaining key skills

To meet its recruitment needs, the AFYREN Group is strengthening its employer brand. It is increasing its visibility on LinkedIn and taking part in student forums and engineering schools.

In 2024, AFYREN launched the **AFYREN ACADEMY** program, designed to support apprentice students at its three sites. The aim of this initiative is to encourage the creation of a close-knit community, strengthen links between participants and support their employability, train them in project management methods while promoting the employer brand.
Thanks to this program, apprentice students from different sites get to know each other, create links, work together on joint projects and explore the different areas of the company. The first project to emerge from this dynamic was a video highlighting the apprenticeship at AFYREN, while sharing the values that drive the company.

« From designing the script to filming, editing and broadcasting, each stage was an opportunity to demonstrate our creativity, rigour and ability to work as part of a team. This project has enabled us to develop new skills and strengthened our involvement in the life of the company, highlighting the importance of work-linked training and the integration of young talent within AFYREN »

Alma BOUAMARI and Marjane MOUSSAOUI
work-linked students in Human Resources and Communications

The training policy evolved in 2024 with the introduction of a reinforced 'onboarding' process for all new arrivals at the three sites, aimed at establishing a common base of knowledge. This process includes training in the Code of Ethics and legal rules, to ensure that they are understood and applied by all employees.

It is also committed to retaining its employees through personalised skills development plans, facilitated by a clear definition of the roles and responsibilities associated with each position. During 2024, AFYREN designed and deployed a management program aimed at strengthening managerial skills. This training is based on five fundamental principles: Development, Rigour, Inspiration, Valorisation and Efficiency. All members of the Executive Board and current managers have taken part in the program. In addition, a training course dedicated to feedback has been set up for all employees to encourage communication between contacts and thus adjust or reinforce the actions taken.

Well-being at work

As the balance between private and professional life is an essential condition for well-being at work, AFYREN has decided to offer an additional week's parental leave to employees who have become parents since 2023.
AFYREN has implemented a proactive teleworking policy, allowing employees in eligible positions to telework up to 2 days a week.

Workstations have been studied with the help of an ergonomist to adapt equipment correctly and limit musculoskeletal disorders. Finally, friendly events are regularly organised at the three sites to help create links and strengthen team spirit and well-being. For example, participation in sports races is encouraged and facilitated throughout the company. More than 171 km were run together by AFYREN employees in 2024.

NOVEMBER 2024

Beaujolais' Marathon

Employee commitment

As mentioned in section 2.2.2, Climate Frescoes have been proposed at all sites. This illustrates AFYREN's desire to bring its employees to a shared understanding of environmental and social issues. In total, 119 employees were trained, i.e. 91%. Idea generation workshops were organized, during which coworkers worked on six challenges: carbon impact, water, territory, biodiversity, social commitment and product innovation. Over a hundred ideas were collected during this exercise.

Finally, short- and medium-term incentive mechanisms also enable some employees to be associated with overall performance. It should be noted that the variable remuneration of all employees with such a scheme (including members of the Executive Board) depends on collective objectives, of which the non-financial part (safety and HR) represents 15% of the total.

7.2.2. Processes for dialogue and action with employees and their representatives

Social dialogue is conducted in compliance with French law.
AFYREN NEOXY is covered by the Chemicals collective agreement and has a works council.
AFYREN is covered by the Syntec collective bargaining agreement and its staff representatives on the CSE were elected at the end of 2024. In addition to the staff representative bodies, the management team provides many opportunities for dialogue with teams at all levels of the organisation, through collective sessions.

7.2.3. Processes to remediate negative impacts and channels for own workforce to raise concerns

Employees may report any case of non-compliance (actual or anticipated) with a legal or regulatory provision or with AFYREN's Code of Ethics through the whistleblowing mechanism described in this code. In the first instance, the employee is advised to contact the line manager or the local Human Resources department. However, the whistleblowing system also allows direct recourse to the Group's Ethics Officer via a dedicated channel.

More specifically, in terms of health and safety, everyone is invited to report risk situations on a daily basis using an online form that is accessible to everyone.

7.3. INDICATORS AND OBJECTIVES

7.3.1. Employee objectives

To build the best team, the HR team's priorities are focused on structuring and organisation. Steering indicators are gradually being put in place to monitor action plans, but the company still has little relevant comparative history.

In 2024, AFYREN stabilised its internal organisation, secured key skills and reduced staff turnover. In 2023, the reorganisation of the governance of the industrial site, combined with the particular context of the start-up, had led to an exceptionally high turnover of staff.

Priority continues to be given to ensuring the diversity of our teams, in terms of age, career path and gender, at all hierarchical levels. Gender parity within AFYREN is above the average for the chemicals sector (see table below).

7.3.2. Characteristics of company employees

The AFYREN Group employs 51 people at AFYREN and 79 at AFYREN NEOXY, making a total of 130 employees.

Diversity

AFYREN is also committed to innovation in social issues. With this in mind, a unique recruitment program was launched in 2021, in partnership with Pôle Emploi, the IUT in St Avold, OPCO 2I and with the support of France Chimie Grand Est, to complete AFYREN NEOXY's production team, against a backdrop of a scarcity of profiles for industrial jobs. The aim was to build up a diverse team using the SRM method (Simulation Recruitment Method). The program resulted in the recruitment and training of 23 operators, including 12 using the SRM method, with very varied and complementary profiles.

« The program has enabled us to attract profiles with complementary and very varied skills, abilities, as well as diverse professional experience that is sometimes far removed from the industry. »

Sandrine HILGERT
Human Resources Manager at AFYREN NEOXY

In 2024, AFYREN took on 10 apprentice students at its three sites in a variety of professions (R&D, support functions, HSE, etc.). In this way, we are committed to developing students' skills in order to boost their employability on the job market. In-house tutors are made aware of and trained to supervise trainees.

By 2024, 39% of AFYREN's workforce were made up of women and 40% of the management bodies (COMEX and CODIR) were made up of women.

	2022	2023	2024
Total workforce (end-of-period FTE)	117	122	130
Of which % young people (<30 years old)	32 %	29%	29 %
Of which % senior citizens (over 50)	14 %	13%	14 %
Of which % women	35 %	39 %	39 %
Gender pay gap	16 %	12 %	15 %
Share of permanent contracts in workforce (%)	90 %	89,5%	88 %

7.3.3. Characteristics of employees and non-employees (temporary employees and freelancers)

The AFYREN Group occasionally uses temporary employment agencies to absorb peaks in activity. The profile most commonly sought is that of production operator.

7.3.4. Adequate wages and social protection

As AFYREN currently only operates in France, all its coworkers are subject to French law, which guarantees a minimum wage for all.

AFYREN offers everyone social protection against loss of income due to illness, unemployment, accidents at work, parental leave and retirement.

7.3.5. Indicators

TRAINING AND SKILLS DEVELOPMENT	2022	2023	2024
Average number of training hours per employee	31,75	49,00	60,00
Number of permanent employees who attended at least one training course during the reporting period	103	108	114

HEALTH AND SAFETY	2022	2023	2024
TRIR (per 200,000 hours worked)	NA	6,1	3,56
Number of lost-time accidents - AFYREN employees	0	0	2
Number of accidents without time off work - AFYREN employees	2	6	2
Number of comments received	206	161	385

PAY GAP	2022	2023	2024
Ratio of the total annual remuneration of the highest paid person to the average total annual remuneration of all employees[16]	4,31	4,62	3,59

The changes within our organisations over the last two years have led to changes in the payroll, which should gradually stabilise. AFYREN's remuneration policy is designed to attract and retain key talent for the organisation. Remuneration data is regularly reviewed to ensure internal fairness and a competitive market position.

7.3.6. Incidents, complaints and severe human rights impacts

In 2024, no serious accident or impact in terms of human rights was detected in connection with AFYREN employees, for whom French law, which is very protective in this area, applies.

Objective

0 Accidents

Build a committed, connected team in a safe environment
Medium-term: Creation of hundreds of skilled local industrial jobs within a multicultural and diverse team, fully committed and in a safe environment (0% accident policy).

[16] excluding the highest paid person


sartorius

08

CHAPTEREIGHT

ENSURING THE SATISFACTION OF CONSUMERS AND END-USERS AND MEETING THEIR NEW EXPECTATIONS

8.1. STRATEGY

8.1.1. Interests and views of consumers and end users
8.1.2. Impacts, risks and opportunities

8.2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

8.2.1. Policies and actions relating to consumers and end users

8.1. STRATEGY

8.1.1. Interests and views of consumers and end users

Consumers and end users are people who use a product or service as a last resort or for personal use.[17]

As AFYREN's products go through several stages of processing before being consumed, the company has no direct relationship with the consumers and end-users of its products. However, as the company has already consolidated agreements or pre-agreements worth €165 million, significant efforts have been made to raise customer awareness internally, with employee-trainings on our markets and products (regulatory issues) and the structuring of our customer service processes, from production to quality delivery of our products. AFYREN also monitors the interests, wishes and needs of consumers and end-users in a number of ways: firstly, the relationships maintained with its customers give the company an insight into the expectations of its downstream value chain.

AFYREN also keeps abreast of studies and publications produced by professional associations and unions related to its sector of activity, and abreast of trends and information published on social networks by influencers relevant to its sector of activity. AFYREN is actively involved in the community by publishing content and relaying key information to raise awareness of biobased solutions and CSR issues. AFYREN also collaborates with external experts, as illustrated by a series of articles produced in partnership with Apu Gosalia, a specialist in sustainability in the lubricants sector.[18]

« While the vast majority of carboxylic acids on the market are still derived from fossil resources, we are seeing very strong demand from economic players for biobased and more sustainable products, ranging from naturalness to a lower carbon footprint. This demand is driven not only by changing consumer expectations, but also by committed CSR strategies on the part of the business world and increasingly stringent regulations. Our ambition is to meet these expectations and contribute to the transformation of value chains.

Joachim MERZIGER
AFYREN's Commercial Director

8.1.2. Impacts, risks and opportunities

No risks relating specifically to consumers and end users have been identified.

AFYREN's social impacts are identified through the materiality analysis carried out in 2021 and the social LCA carried out in 2022. No specific impact has been identified in this area. Finally, our products have no specific health impact. The properties of the products manufactured by AFYREN are exactly the same as those of the products they replace (petro-sourced versions of the same molecules). These products have been known for many years, are registered under REACH and are subject to marketing authorisations where necessary (depending on the sector of application).

[17] *Commission Delegated Regulation (EU) 2023/2772 gives the following definitions:*
- *Consumer: a person who acquires, consumes or uses goods or services for personal use, either for themselves or for third parties, and not for resale or for commercial, industrial, craft or professional purposes;*
- *End-users: people who ultimately use or are expected to ultimately use a particular product or service.*

[18] *https://afyren.com/en/blog/how-the-lubricant-industry-took-action-to-lower-its-carbon-footprint/ and: https://afyren.com/en/blog/inspiringtalks-part-2-how-the-lubricant-industry-took-action-to-lower-its-carbon-footprint-a-discussion-with-apu-gosalia-also-known-as-the-sustainalyst/*

8.2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

8.2.1. Policies and actions relating to consumers and end users

The AFYREN Group fully adheres to the principles of the United Nations Global Compact in terms of human rights, as set out in its Code of Ethics, which also details the whistleblowing procedure in the event of non-compliance.
We are also committed to providing consumers and end-users with reliable, accurate and easy-to-read information about our products. This is why we have obtained COSMOS, ECOCERT, Kosher and Halal certification, and are preparing for Responsible Care, GMP+ and FSSC22000 certification. All this information is available on the AFYREN website

Objective

100 % of our solutions

offer a sustainability advantage for industry and consumers.
In the medium term, we want to offer around 70,000 tonnes per year of biobased acids, all with a better life cycle assessment (LCA) than products on the market.
And the biobased raw materials we use do not compete with use in human food.

CHAPTER NINE

ENSURING RESPONSIBLE BUSINESS CONDUCT

09

9.1. IDENTIFYING AND MANAGING BUSINESS CONDUCT-RELATED IMPACTS AND RISKS

9.2. RESPONSIBLE BUSINESS CONDUCT POLICIES

9.3. MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

9.4. PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

9.5. POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

9.1.IDENTIFYING AND MANAGING BUSINESS CONDUCT-RELATED IMPACTS AND RISKS

In 2024, AFYREN did not identify any significant risks relating to business conduct, supplier relationship management, corruption or bribery.

9.2. RESPONSIBLE BUSINESS CONDUCT POLICIES

In 2023, AFYREN introduced a Code of Ethics [19]

This Code of Ethics details AFYREN's policies on competition law, business gifts, the fight against corruption, influence peddling, fraud and conflicts of interest.

It also explains how an employee can report a case of non-compliance with AFYREN's ethical standards to AFYREN's General Counsel, who has been appointed Group Ethics Officer.

9.3. MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

In 2022, AFYREN adopted a Supplier Code of Conduct.[20]

The Supplier Code of Conduct sets out the principles to be respected with regard to respect for the law and the rights of third parties, business integrity, dignity and respect for people (health, safety and hygiene), the safety of the products and services supplied, and the security of shared data.

AFYREN has already laid the foundations of a sustainable and responsible purchasing policy, which needs to be translated into more operational commitments. A dedicated working group will be set up in 2025 to look into this subject in greater depth.

AFYREN does not yet have a formal policy to prevent late payment, but attaches great importance to respecting its suppliers' payment terms and communicates very transparently on this subject.

9.4. PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

AFYREN is firmly committed to fighting corruption and bribery through its Code of Ethics, its Supplier Code of Conduct and its "zero tolerance" policy.

The new Code of Ethics has been communicated to all AFYREN and AFYREN NEOXY employees, who have all confirmed that they have received and read it.

Several information and awareness-raising webinars were offered in November and December 2023 to explain the Group's approach to ethics and business conduct, and to ensure that the new whistleblowing process was properly understood. Since 2024, dedicated awareness-raising sessions have been part of the onboarding process for new employees. The Ethics Officer runs these sessions and is available to employees to supplement discussions and answer questions.

The reference documents are available to employees and the public on the company website.

Rigorous financial procedures also strengthen the prevention framework.

AFYREN has not identified any breaches of anti-corruption laws since 2020.

As part of its international development, AFYREN will implement similar policies on ethics, business conduct and whistleblowing.

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[19] Code of ethics: https://afyren.com/wp-content/uploads/Code-dEthique-AFYREN.pdf; Supplier code of conduct: https://afyren.com/wp-content/uploads/afyren-rse-operations-gouvernance-code-conduite-fournisseurs.pdf

[20] https://www.chimieduvegetal.com/livre-blanc/

9.5. POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

Institutional relations and public affairs are coordinated by AFYREN's CSR, communications and public affairs director, as part of an approach based on dialogue and transparency with all stakeholders. The company's objective is to raise awareness of its activities, share the obstacles and levers to the development of the bioeconomy and contribute to sustainable industrialisation in the regions.

Lobbying activities are mainly carried out collectively to defend the interests of industry sectors via trade associations, such as the Association Chimie du Végétal, France Chimie, etc. They also involve taking part in sectoral discussions, promoting biobased products and supporting industrial start-ups. They also involve taking part in sectoral discussions, promoting bio-sourced products and supporting industrial start-ups.

In 2024, AFYREN contributed to two major publications for the bioeconomy sector and industrial start-ups:

- ACDV white paper: Biobased products, a solution to support the ecological transition
- CleanTech For France report: 30 proposals to accelerate their development and seize every opportunity for the French people [21]

The company is also regularly asked to share its experience in the field, both as a young company and as a pioneer in terms of CSR and the bioeconomy. AFYREN is strongly committed to the work carried out by the Grand Est region to promote the bioeconomy, and is one of the signatories of the bioeconomy industry contract.

There were no lobbying expenses or political contributions in 2024.

To date, AFYREN is an active member of the following organisations:

TRADE ASSOCIATIONS/UNIONS

France Chimie Grand Est
ACDV (Association Chimie du Végétal)
AFCA CIAL
START Industrie
PERL
SYNPA (Association Professionnelle des Producteurs et distributeurs d'ingrédients de spécialités)

COMPETITIVENESS CLUSTERS

B4C
AXELERA
BPI excellence/coq vert
C3D
Clean Tech For France
Ex French Tech120

For AFYREN's experts, taking part in these working groups and initiatives gives them a forward-looking vision of the political and environmental changes that are having an impact: a guarantee that the company will be able to adapt more nimbly to possible futures.

OCTOBER 2024 : visit by the President of the Grand Est region and local elected representatives to the AFYREN NEOXY plant

[21] https://cdn.prod.website-files.com/62c1fe8049a83b12fefd1878/670d4137b38fa21ebd864042_CfF_Rapport_France_141024.pdf

In 2024, the company was also involved in very specific projects relating to communication and promotion of its sector:

- Participation in the club of biorefineries in the Grand Est region to share best practice, contribution to the Bioeconomy Olympics to raise awareness of the sector and its professions among students.
- Launch of a working group with the Association Chimie du Végétal and ADEME on responsible communication around biobased products
- Taking part in round tables to share feedback from an industrial start-up on the obstacles and levers to industrialisation.
- Membership of the Bpifrance green rooster community. In the autumn of 2024, Nicolas Sordet, CEO of AFYREN, took part in an open discussion with Isabelle Albertalli, Climate Director of Bpi France, resulting in a podcast.


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CHAPTER TEN

APPENDICES

10.1. CSR PERFORMANCE ACCORDING TO CSRD INDICATORS

10.2. CSRD CORRESPONDENCE TABLE

10.3. PROCEDURES FOR PREPARING ESG INFORMATION

10.3.1. Scope of the CSR report
10.3.2.Methodological note on the forthcoming report

10.1. CSR PERFORMANCE ACCORDING TO CSRD INDICATORS

CSRD REPORTING INDICATORS	UNIT	2023 (2022 VALUES)	2024 (V2023 VALUES)	2025 (2024 VALUES)	#KPI LSME
GOVERNANCE					
Number of executive members	VA	1	1	1	S2 19 a i
Number of non-executive members	VA	6	6	6	S2 19 a ii
Percentage of independent board members	%	28,57%	28,57%	28,57%	S2 19 a vi
Gender diversity in number and percentage at general management level (Executive Committee and Management Committee)	%	22,62%	25,79%	40%	S5 S1 50 a
Representation of employees and other workers on the Board of Directors/Supervisory Board	VA	0	0	0	S2 19 a iii
CLIMATE					
Scope 1 gross GHG emissions (in metric tonnes of CO_2 equivalent)	tCO^2e	57	84	92	S4 E1-2 17 a
Scope 2 gross GHG emissions based on location	tCO^2e	3	755	1736	S4 E1-2 18 a
Gross Scope 2 market-based GHG emissions	tCO^2e	4	689	1758	S4 E1-2 18 b
GHG emissions for each significant category in scope 3	tCO^2e	1519 (upstream scope 3 only)	2695 (upstream scope 3 only)	3254 (upstream scope 3 only)	S4 E1-2 19
Energy mix	VA	Electricity/Gas	Electricity/Gas	Electricity/Gas	S4 E1-1 6
Total energy consumption	MWh	5559	7889	8936	S4 E1-1 7
Total consumption from fossil fuels	MWh	2157	3569	3514	S4 E1-1 8 a
USE OF RESOURCES AND CIRCULAR ECONOMY					
Total quantity of waste produced in the course of its business	t	NA	NA	6072	S4 E5-2 64
Total quantity of hazardous waste	t	55	47	301	S4 E5-2 65 a
Percentage of waste reused, re-employed, recycled or recovered (internally or externally)	%	15	85	98	S4 E5-2 64 b
WORK ENVIRONMENT / EMPLOYEES					
HEALTH / SAFETY					
Number of fatalities as a result of work-related accidents and work-related ill health for own employees	VA	0	0	0	S5 S1-7 37 ai
Work-related accident rate for non-employees. *(Number of accidents with days lost X 1,000,000 / Number of hours worked)*	VA	0	0	0	S5 S1-7 37 b iv
Work-related accident rate for employees. *(Number of accidents with days lost X 1,000,000 / Number of hours worked)*	VA	0	0	8,91	S5 S1-7 37 b ii
EMPLOYEES					
Total number of employees, broken down by gender and by country for countries in which the company has 50 or more employees representing at least 10% of its total number of employees.	VA	117	122 of which 47 only in France	130 only in France	S5 S1-1 11 a
Number of permanent employees	VA	103	109	114	S5 S1-1 11 bi i
Percentage of employees covered by collective agreements	%	100	100	100	S5 S1-3 19
Breakdown of permanent employees by gender	VA		37 women 72 men	40 women 74 men	S5 S1-1 11 b i

Number or full-time equivalents (FTE) of full-time employees		117	122	130	S5 S1-1 12 a
Breakdown by gender of full-time equivalent (FTE) employees	% of women	36%	39%	39%	S5 S1-1 bi
Ratio of the total annual remuneration of the highest-paid person to the average total annual remuneration of all employees (excluding the highest-paid person)	VA	4,31	4,62	3,59	S5 S1-8 41 b
Average number of hours of training per employee and per gender	h / employees	32	49	60	S5 S1-6 34
Employee turnover during the reference period.	%	25%	33%	19%	S5 S1-1 11 c
Gender distribution in senior management	%			29%	S5 S1-10 50 a
Gender pay gap (the difference in average pay levels between male and female employees, expressed as a percentage of the average pay level of male employees)	%	16%	12%	15%	S5 S1-8 41 a
Percentage of employees with disabilities	%	1,32%	0	0,88%	S5 S1-10 50 b
Proportion of workforce covered by collective agreements	%	100%	100%	100%	S5 S1-3 19
RESPONSIBLE BUSINESS CONDUCT					
Fines for breaches of anti-corruption and bribery legislation	VA	0	0	0	S5 G1-2 10 b ii
Number of convictions for offences under anti-corruption and bribery legislation	%	0%	0%	0%	S5 G1-2 10 b i
Number of consumer and end-user complaints received during the reference period.	VA	0	0	0	S3 AR109
Total amount of fines, penalties and compensation for damage resulting from the incidents and complaints mentioned	%	0%	0%	0%	S5 S1-9 47 b
WATER					
Total water consumption	m^3	20328	20554	31230	S4 E3-1 46 a

10.2. CSRD CORRESPONDENCE TABLE

The table below shows, for each part of this CSR report and the RFA 2023, the CSRD (ESRS LSME) disclosure requirements covered (see section 10.2.2).

SUMMARY OF THIS CSR REPORT	CSRD
1. AFYREN's CSR strategy and governance	
1.1. An innovative and responsible industrial model	
1.1.2. Strategy, business model and value chain	Section 2 : DR 3 (GOV-1) Section 2 : DR 4 (GOV-2) Section 2 : DR 6 (SBM-2)
1.1.4. Stakeholder mapping and identification of challenges	
1.2. An innovative and responsible industrial model	
1.2.1. The role of the administrative, management and supervisory bodies	Section 2 : DR 5 (SBM-1)
1.2.2. Due diligence statement	Section 2 : DR 6 (SBM2)
2. Acting for a low-carbon industry	
2.1. Strategy	
2.1.1. Understanding and controlling our emissions	Section 2 : DR 7 (SBM-3)
2.1.2 Identifying the impacts, risks and opportunities of climate change	Section 2 : DR 7 (SBM-3), DR 8 (SBM-4)
2.2. Management of impacts, risks and opportunities	
2.2.1. Reducing GHG emissions in our processes and for our customers	Section 3 : DR 11 (IR-3)
2.2.2. Actions and resources for decarbonisation and climate transition culture	Section 3 : DR 11 (IR-3)
2.3. Indicators and objectives	
2.3.1. Energy consumption and mix	Section 4 : DR E1-1
2.3.2. Carbon footprint for scopes 1, 2 and 3	Section 4 : DR E1-2
2.3.3. Assessing the financial impact (risks and opportunities) of climate change	Section 4 : DR E1-4
3. Preventing and avoiding all forms of pollution	
3.1. Identifying and managing the impacts, risks and opportunities associated with water, air and soil pollution	Section 2 : DR 7 (SBM-3)
3.2. Prevention policies at every production stage	Section 3 : DR 11 (IR-3)
3.3. Measuring pollution-related impacts	
3.3.1. Air, water and soil pollution	Section 3 : DR 11 (IR-3)
3.3.2. Assessing the financial impacts (risks and opportunities) of pollution	Section 4 : DR E6
4. Optimising water consumption at our sites	
4.1. Identifying and managing the impacts, risks and opportunities associated with water resources	Section 2 : DR 7 (SBM-3)
4.2. Strong ambitions in relation to water resources	Section 3 : DR11 (IR-3), DR 12 (IR-4)
4.3. Indicators and objectives relating to water resources	Section 4 : DR E3-1
5. Protecting living organisms and preserving ecosystems le vivant et préserver les écosystèmes	
5.1. Identifying and managing the impacts, risks and opportunities associated with biodiversity and ecosystems	Section 2 : DR 7 (SBM-3), DR 9 (IR-1)
5.2. Minimising pressure on ecosystems and aiming to set an example on site	Section 3 : DR 11 (IR-3)
5.3. Identifying a suitable measurement tool to control our footprint	Section 2 : DR 9 (IR-1)
5.4. Biodiversity and ecosystem protection objectives	Section 3 : DR 12 (IR-4)
6. Making our processes more circular and reducing pressure on resources	
6.1. Identifying material circular economy-related impacts, risks and opportunities	Section 2 : DR 7 (SBM-3)
6.2. A more circular and local sourcing policy	Section 3 : DR 11 (IR-3)
6.3. Indicators and objectives	
6.3.1. Targets related to resource use and circular economy	Section 3 : DR 12 (IR-4)
6.3.2. Resource inflows	Section 4 : DR E5-1
6.3.3. Resource outflows, products sold and waste	Section 4 : DR E5-2
6.3.4. Assessing circular economy-related financial impacts	Section 4 : DR E6

7. Providing a safe and fulfilling working environment for all our employees	
7.1. Strategy	
7.1.1. Creating opportunities for dialogue to take account of employee expectations 7.1.2. Impacts, risks and opportunities	Section 3 : DR 11 (IR-3) Section 2 : DR 7 (SBM-3) Section 5 : DR S1-1, DR S1-1
7.2. Management of impacts, risks and opportunities	
7.2.1. Policies and actions relating to employees	Section 3 : DR 11 (IR-3)
7.2.2. Processes for dialogue and action with employees and their representatives	Section 3 : DR 11 (IR-3)
7.2.3. Processes to remediate negative impacts and channels for own workforce to raise concerns	Section 3 : DR 11 (IR-3)
7.3. Indicators and objectives	
7.3.1. Employee objectives	Section 3 : DR 12 (IR-4)
7.3.2. Characteristics of company employees	Section 5 : DR S1-10, DR S1-8
7.3.3. Characteristics of employees and non-employees (temporary employees and freelancers)	Section 5 : DR S1-2
7.3.4. Adequate wages and social protection	Section 5 : DR S1-5
7.3.5. Indicators	Section 5 : DR S1-6, DR S1-7
7.3.6. Incidents, complaints and severe human rights impacts	Section 5 : DR S1-9
8. Ensuring the satisfaction of consumers and end-users and meeting their new expectations	
8.1. Strategy	
8.1.1. Interests and views of consumers and end users	Section 2 : DR 6 (SBM-2)
8.1.2. Impacts, risks and opportunities	Section 2 : DR 7 (SBM-3)
8.2. Management of impacts, risks and opportunities	
8.2.1. Policies and actions relating to consumers and end users	Section 3 : DR 11 (IR-3)
9. Ensuring responsible business conduct	
9.1. Identifying and managing business conduct-related impacts and risks	Section 6 : DR G1-2
9.2. Responsible business conduct policies	Section 2 : DR 11 (IR-3)
9.3. Management of relationships with suppliers	Section 6 : DR G1-1
9.4. Prevention and detection of corruption and bribery	Section 3 : DR 11 (IR-3) Section 6 : DR G1-2
9.5. Political influence and lobbying activities	Section 6 : DR G1-3
10. Appendices	
10.1. Correspondence table	
10.2. Procedures for preparing ESG information	
10.2.1. Scope of the CSR report	Section 2 : DR1 (BP-1), DR5 (SBM-1)
10.2.2. Methodological note on the forthcoming report	Section 2 : DR1 (BP-2)

SECTION OF THE RELEVANT RFA 2024	CSRD
2.9. Risk factors	Section 2 : DR 7 (SBM-3), DR 9 (IR-1)
2.10 - Risk management and internal control procedures implemented by AFYREN relating to the preparation and processing of accounting and financial information	Section 2 : DR 9 (IR-1)

10.3. PROCEDURES FOR PREPARING ESG INFORMATION

10.3.1. Scope of the CSR report

Scope of the sustainability report

AFYREN is a public limited company with a Board of Directors, listed on Euronext Growth Paris.

At 31/12/2024, AFYREN owned the following subsidiaries:

- "AFYREN NEOXY, the operating company of AFYREN's first industrial-scale plant for the production of biobased organic acids from sugar beet co-products. The plant is located on the Chemesis industrial platform in Carling-Saint-Avold, in the Grand Est region of France. AFYREN NEOXY is jointly owned with Bpifrance (AFYREN holding 51% of its capital and Bpifrance 49%). AFYREN NEOXY's accounts are included in those of AFYREN using the equity method.

In this report, the quantitative data concerning AFYREN NEOXY are integrated at 100% because the AFYREN Group has operational control of the production plant.

- "9478-2687 Québec Inc. is a wholly-owned subsidiary with no activity at the date of publication of this document, and therefore has no impact on the ESG issues of the AFYREN Group.

At 31/12/2024, AFYREN had 130 employees, a balance sheet total of €58,560K and sales of €2,862K in 2024.

Following delivery of the AFYREN NEOXY plant in 2022 and its successful industrial commissioning, the operational teams focused in 2023 on the start-up of production, with the first tonnes of products manufactured in June 2023. The Company's priority objective is to start continuous production in 2025.

As AFYREN's industrial activities are in a start-up phase, environmental, social and governance issues are part of a particular context. Nevertheless, the company has already taken a number of steps to ensure that ESG issues are at the heart of its business model, strategy and policies.

The Company has been communicating its CSR commitments in its Annual Financial Report since 2021 (chapter 5) and now wishes to share these subjects even more widely through a dedicated sustainability report, drawn up on a voluntary basis. Chapter 5 of the Company's Annual Financial Report has therefore been adapted in the light of the information that will be shared in the sustainability report.

10.3.2. Methodological note on the forthcoming report

Under EU Directive 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation 537/2014 and Directives 2004/109/EC, 2006/43/EC and 2013/34/EU as regards the publication of sustainability information by companies, known as the CSRD Directive, companies listed on a regulated market are required to draw up a sustainability report.
As AFYREN is a company whose shares are admitted to trading on Euronext Growth, an organised market, and does not fall within the scope of large companies, AFYREN is not currently required to publish a sustainability report.

However, mindful of its impact, the Company has chosen to work voluntarily on a sustainability report. A first sustainability report was published in 2024, based on data from the 2023 financial year and drawn up on the basis of the working version of the ESRS for "Listed Small-and-Medium-sized Enterprises" (ESRS LSME). In the uncertain regulatory context following the omnibus simplification proposal, AFYREN is staying on course and continuing its voluntary reporting on the same basis.

This report has been drawn up as exhaustively as possible, considering that all the thematic ESRS of the "LSME" could be considered as material. It is based on the same scope and reference period as AFYREN's financial statements, from 1/1/2024 to 31/12/2024. It will highlight appropriate links between backward-looking and forward-looking information, where appropriate, in order to provide a clear understanding of the relationship between historical and forward-looking information.

AFYREN will continue its efforts to communicate on sustainability with a view to continuous improvement and transparency.

In the meantime, AFYREN p lans to carry out a dual materiality analysis that will enable it to update the material financial impacts and risks of its activities.

Upstream and downstream value chains

This 2024 Sustainability Report includes, where appropriate, material information relating to its upstream and downstream value chain.

Omission of sensitive information

In this report, AFYREN has not made use of the option that allows it to voluntarily omit particular information relating to intellectual property, know-how or the results of innovation.

Time horizons used

AFYREN has not deviated from the medium or long-term time horizons defined in the LSME ESRS (less than or greater than 5 years).

Sources of uncertainty associated with estimates and results

None of the KPIs or monetary amounts communicated by AFYREN in this report are subject to a high level of measurement uncertainty.

Change in the preparation or presentation of sustainability information

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