

Double Materiality Assessment



Overview

As part of our commitment to creating a better world, we conducted our first Double Materiality Assessment (DMA) in 2024 to identify and prioritise the ESG (Environmental, Social, and Governance) topics most material to our business and key stakeholders. This builds on our ongoing efforts, as we have been conducting impact materiality assessments since 2022.

This assessment helps us to address sustainability issues that are significant from both financial and impact perspectives, in alignment with the Corporate Sustainability Reporting Directive (CSRD), European Sustainability Reporting Standards (ESRS) and the Global Reporting Initiative (GRI).

The scope of the DMA was global, encompassing the identification and evaluation of ESG impacts, risks, and opportunities (IROs) across our entire operations, including our value chain from upstream suppliers to downstream customers.

DMA Process

The DMA process was carried out following the steps outlined below:

Figure 1: Double Materiality Process



1. Identification of ESG Topics

We identified and refined material sustainability topics relevant to us based on former materiality studies. This process involved in-depth research on industry peers, regulatory standards, and leading sustainability frameworks, including European Financial Reporting Advisory Group (EFRAG), Global Reporting Initiative (GRI), and the International Financial Reporting Standards (IFRS). Our focus was on identifying and refreshing ESG topics from the former impact materiality with the EFRAG double materiality approach and ESRS requirements. This rigorous evaluation resulted in the identification of 60 “sub-sub-topics”, structured across 22 sub-topics within the broader environmental, social and governance topic groupings under the ESRS framework. Definitions for the shortlisted sub-topics, also referred to as “ESG topics” in the later stages for simplicity, were created and reviewed and validated by our leadership, reinforcing our commitment to robust and transparent sustainability reporting.

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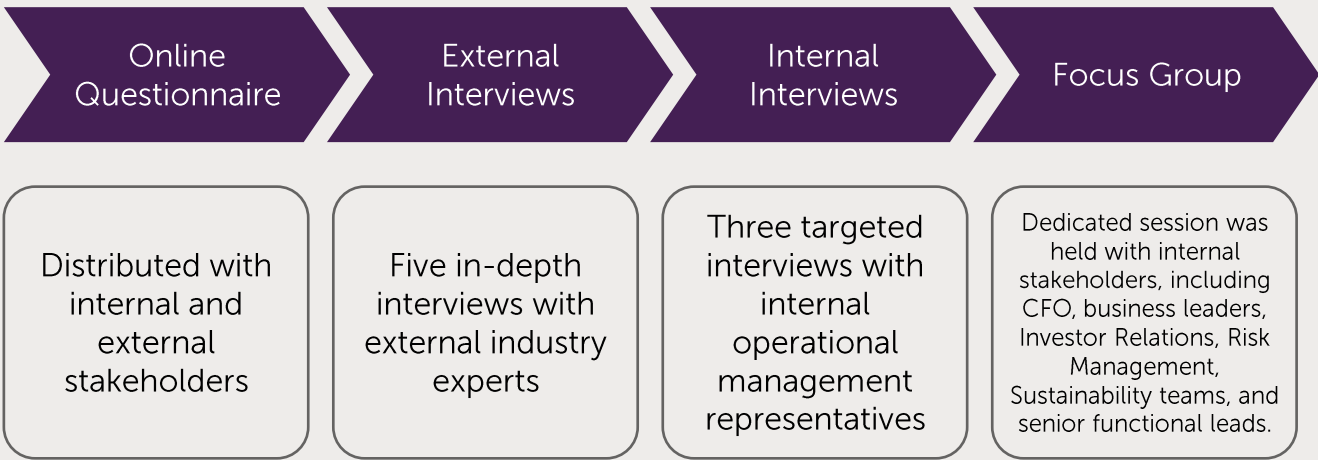
2. Stakeholder and Value Chain Mapping

To ensure a comprehensive, balanced and strategic approach to stakeholder engagement while also considering the full value chain, we conducted stakeholder and value chain mapping exercises. Stakeholder mapping provided a visual representation of key stakeholder group clusters for engagement and prioritise all parties who influence or are affected by both financial and impact materiality, while value chain mapping identified and visualised all the activities and relationships and identified the ESG topics potential impacts and dependency “hot spots” across our entire operation ecosystem. Both exercises informed decision-making by identifying critical value chain stages and key stakeholders that are important to IMI or can significantly influence its operations. They also highlighted the value chain stages where IROs are most significant.

3. Stakeholder Engagement

Through the stakeholder mapping exercise, we identified key internal and external stakeholders to engage with through a structured and multi-faceted approach. This process incorporated various engagement methods to ensure a comprehensive assessment, including IRO identification and evaluation associated to the ESG topics. The Stakeholder engagement methods we used are as follow:

Figure 2: Stakeholder engagement methods



Through this engagement process, a total of 146 IROs were identified. These findings were reviewed by internal leadership.

4. Assessment and Analysis

Each identified IRO was scored on multiple variables following the EFRAG Implementation Guidance to assess its impact and financial materiality. In addition, the impact scoring aligns with GRI standards, while the financial scoring follows our risk management process. These individual scores were then averaged at the ESG topic level to create the final double materiality matrix.

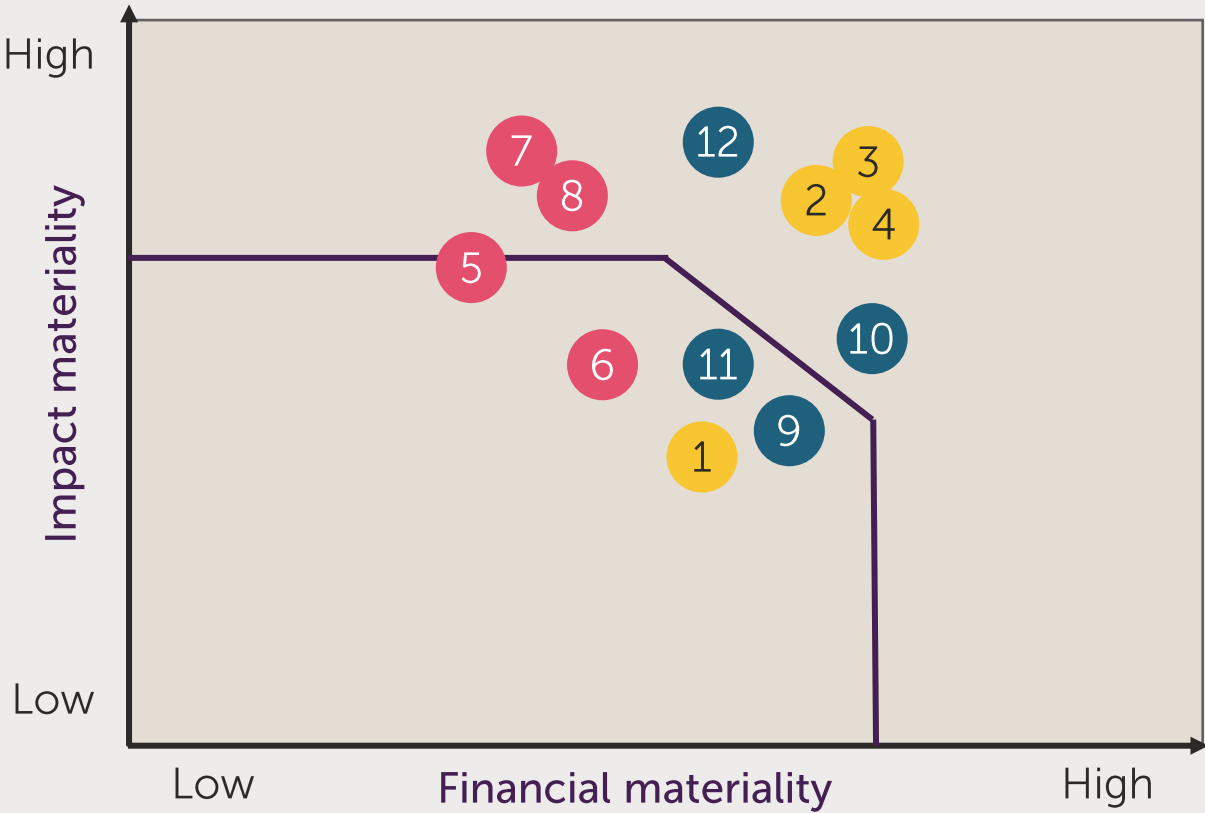


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Double Materiality Matrix

The results of the DMA and material ESG are detailed below.

Figure 3: Double Materiality Matrix



Environmental

- 1 Waste management
- 2 Sustainable products and innovation
- 3 Climate change mitigation
- 4 Climate change adaptation

Social

- 5 Human rights
- 6 Personal safety of consumers and/or end-users
- 7 Working conditions
- 8 Talent management and inclusion

Governance

- 9 Transparency in environmental & social impacts of products
- 10 Data security & privacy
- 11 Risk and compliance
- 12 Sustainable procurement

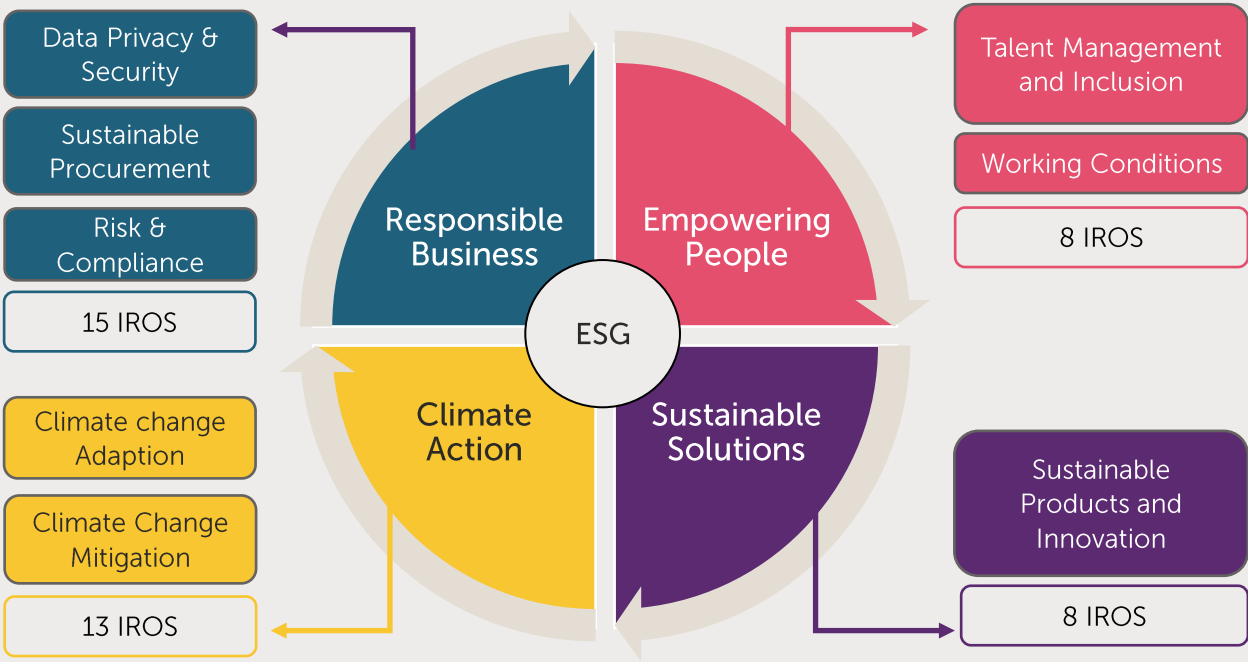
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Double Materiality Assessment Results and integration into our ESG Strategy

Following our double materiality assessment, we aligned the material ESG topics and associated IROs with our existing ESG strategy pillars: Climate Action, Sustainable Solutions, Empowering People, and Responsible Business. This allowed us to identify key gaps, which are now driving continuous improvement efforts, with the relevant ESRS data points and material IROs being systematically integrated into our ESG strategy. The diagram below details our ESG pillars and the associated ESG topics and IROs.

Figure 4: ESG Topic and IRO identification ESG Strategy Integration



IMI will periodically review the material IROs to ensure their continued relevance and alignment with its ESG Strategy. We plan to update our double materiality assessment within the next two years while continuously integrating material IROs into its strategy to support long-term sustainability and resilience.