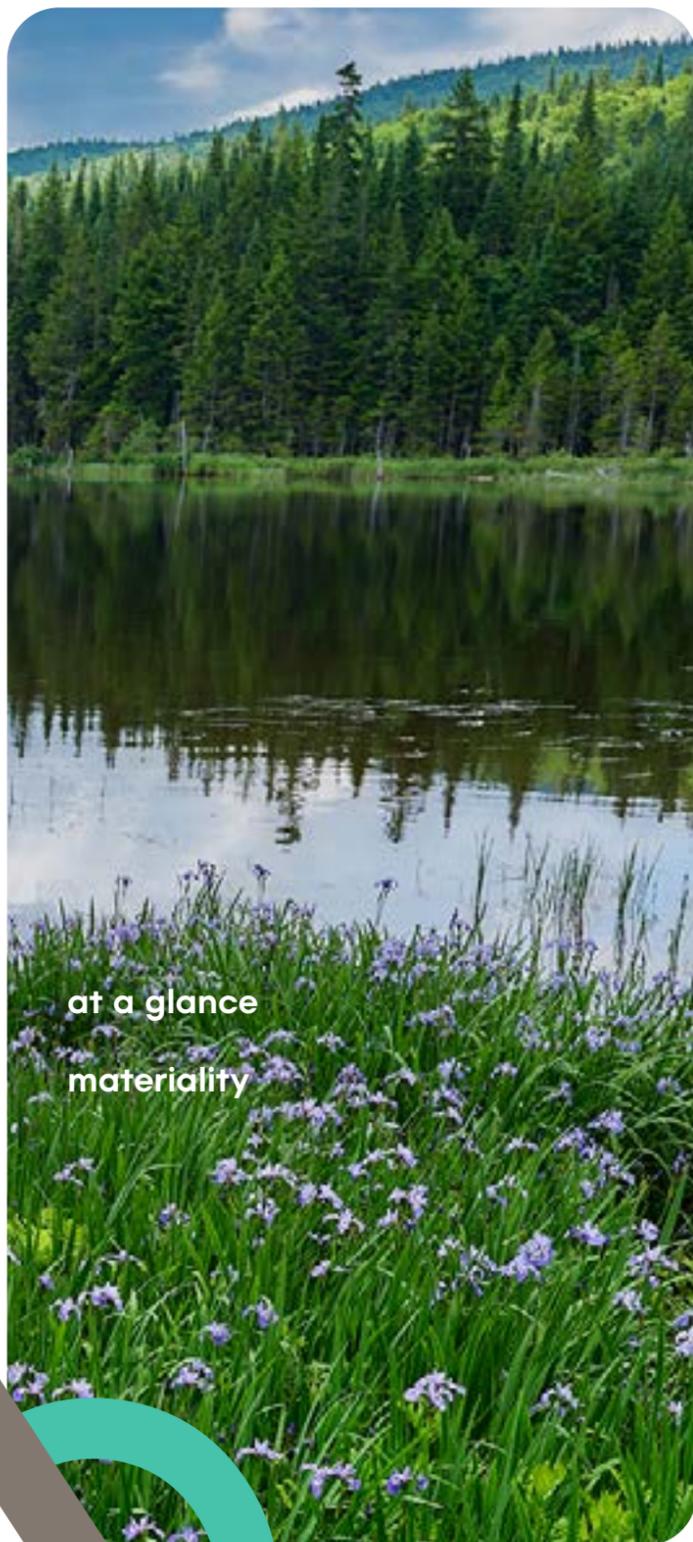


esg report
2024





at a glance
materiality



Science Based Targets
process safety
sustainable solutions
R&D targets



I&D
STEM



risk management
board oversight &
committee efforts
board & executive
leadership



Dear stakeholders,

Looking back at 2024, the chemicals industry stood at a pivotal moment in its journey toward sustainability and responsible growth. During the year we witnessed a remarkable acceleration in sustainability-focused innovation, powered by advanced artificial intelligence. Leveraging AI to analyze historical data, companies expedited the development of sustainable materials and optimizing production processes. This digital transformation promised to enhance efficiency and reduce energy consumption, enabling better management of operational capacity and inventory with greater precision.

Ashland's commitment to Environmental, Social, and Governance (ESG) principles continued to shape our strategy, drive innovation, and reinforce our position as an industry leader. Our commitment to Science Based Targets (SBT) helps drive productivity, fostering innovation and efficiency, which can lead to cost savings and new business opportunities. Included in our long-term strategic plan, SBT helps us increase resilience and competitiveness by reducing operational costs (like energy) and preparing for future regulations. Reducing emissions can also lead to operational improvements, better brand reputation, and greater stakeholder confidence. Our commitment to Science Based Targets (SBTi), continues to strengthen our core values and our purpose to responsibly solve for a better world.

Our new technology platforms gained momentum, for Ashland, our customers and suppliers, and helped deliver on collective business goals in ways that sustainably address people and the planet. Our ESG disciplines continued driving a new portfolio powered by innovation and market expertise, with products that are increasingly natural, nature-derived, biodegradable and sustainable in use.

On the social front, we continued to recognize the importance of sustainably and ethically sourced raw materials and resilient supply chains in an increasingly complex global landscape. External pressures and geopolitical dynamics prompted us to reconfigure our supply networks, ensuring regional reliability while optimizing for both social and environmental impact. Our focus on workplace sustainability strengthened our competitiveness while fostering a culture of responsibility and innovation.

Governance remained a cornerstone of our ESG approach. We are committed to transparency and accountability, as evidenced by our growing emphasis on publishing annual ESG Reports in alignment with standards such as the Global Reporting Initiative (GRI). We set and disclosed medium- to long-term, quantifiable targets, and enhanced the visibility of board-level responsibility for sustainability. As regulatory frameworks matured, our attention shifted from rulemaking to rigorous supervision and enforcement, ensuring full compliance and integrity in our operations.

We believe that these strategic initiatives not only position us for long-term success but also create lasting value for our stakeholders. Thank you for your continued trust and partnership as we advance our ESG journey and shape a more sustainable future for our industry.

Sincerely,

Guillermo Novo

Chair and CEO
Ashland



at a glance

performance

	FY 2022	FY 2023	FY 2024
energy			
total energy consumption (GJ)	8,621,109	7,891,795	7,777,235
electricity (GJ)	1,691,560	1,503,975	1,493,677
% grid electricity	19.6%	19.1%	19.2%
natural gas (GJ)	4,557,682	4,186,046	4,218,335
other fuels (GJ)	2,371,867	2,201,774	2,065,224
GHG emissions			
scope 1 emissions (MT CO2 eq. emitted)	304,460	269,700	273,710
scope 2 emissions (MT CO2 eq. emitted)	235,959	215,929	201,814
scope 3 emissions (MT CO2 eq. emitted)	807,087	681,649	644,967
employee safety			
employees+ at year-end	3,847	3,852	3,229
employee recordable injury rate	0.58	0.39	0.51
employee lost-time incident rate	0.24	0.19	0.23
employee fatalities	0.0	0.0	0.0
indirect contractors'++++ recordable injury rate	1.60	0.97	0.18
indirect contractors'++++ lost-time incident rate	0.20	0.32	0.0
indirect contractors' fatalities	0.0	0.0	0.0
indirect contractors' hours	998,536	1,235,175	1,101,151
incidents, spills, waste, and releases			
hazardous waste disposal (MT)	3,026	2,188	2,258
transport incidents	3	3	2
water			
water withdrawal (m3)	15,174,343	14,165,992	14,262,405
community engagement			
cash and in-kind donations (\$USD)	355,536	677,000	1,149,000

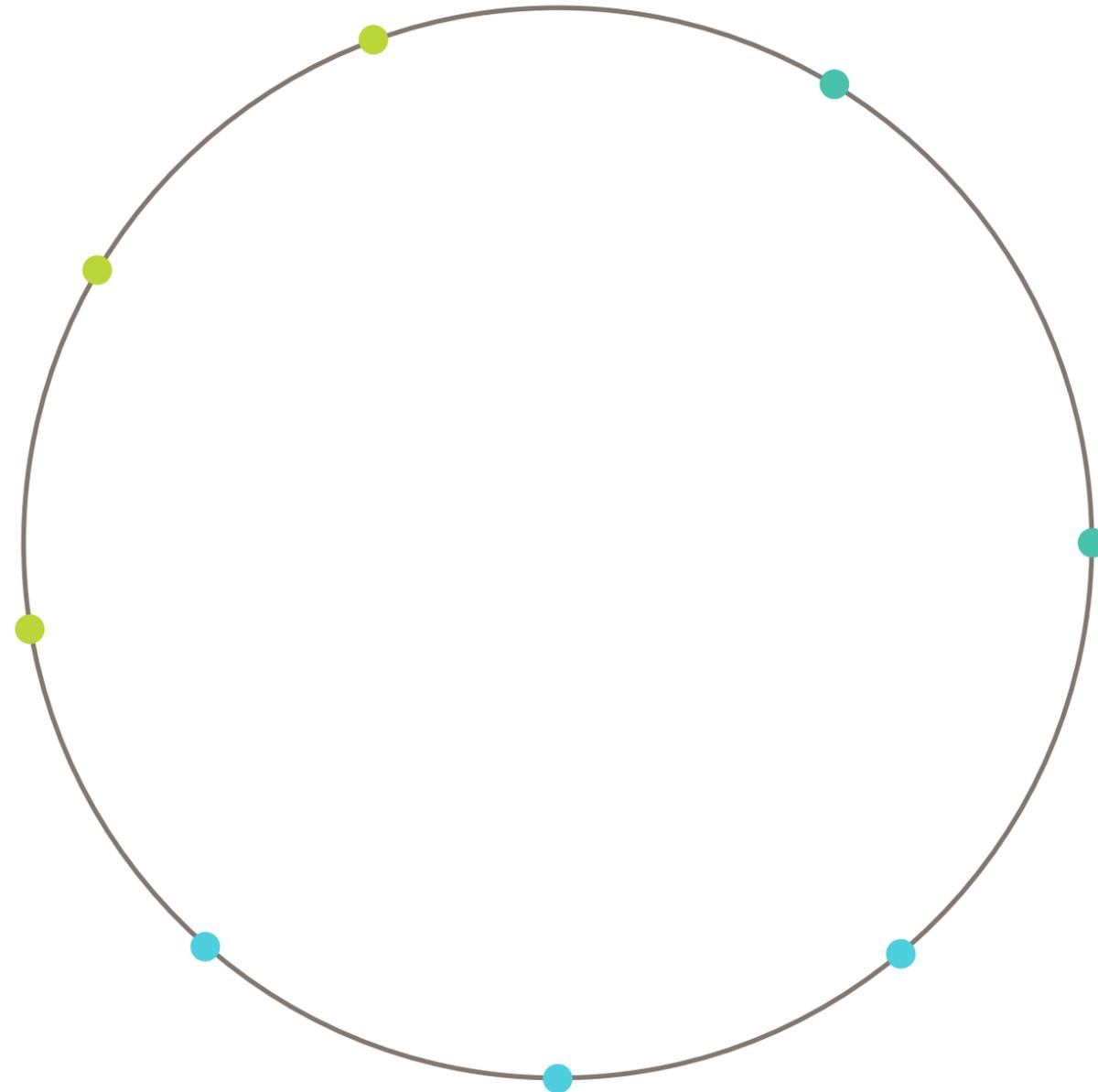
Employees include directly supervised contractors: these are employees defined as those employees on the entity's payroll, whether they are full-time, part-time, executive, labor, salary, hourly, or seasonal employees. Contract employees are defined as those who are not on the entity's payroll, but who are supervised by the entity on a day-to-day basis, including independent contractors and those employed by third parties (e.g., temp agencies and labor brokers).

materiality matrix

This Materiality Matrix is part of a larger assessment to depict the positioning of our most materially significant internal and external ESG topics. Ashland uses Datamaran to perform this assessment for a data driven approach to collecting, identifying, and assessing material ESG topics.



**click the topics
to learn more**





environmental

[visit webpage >](#)



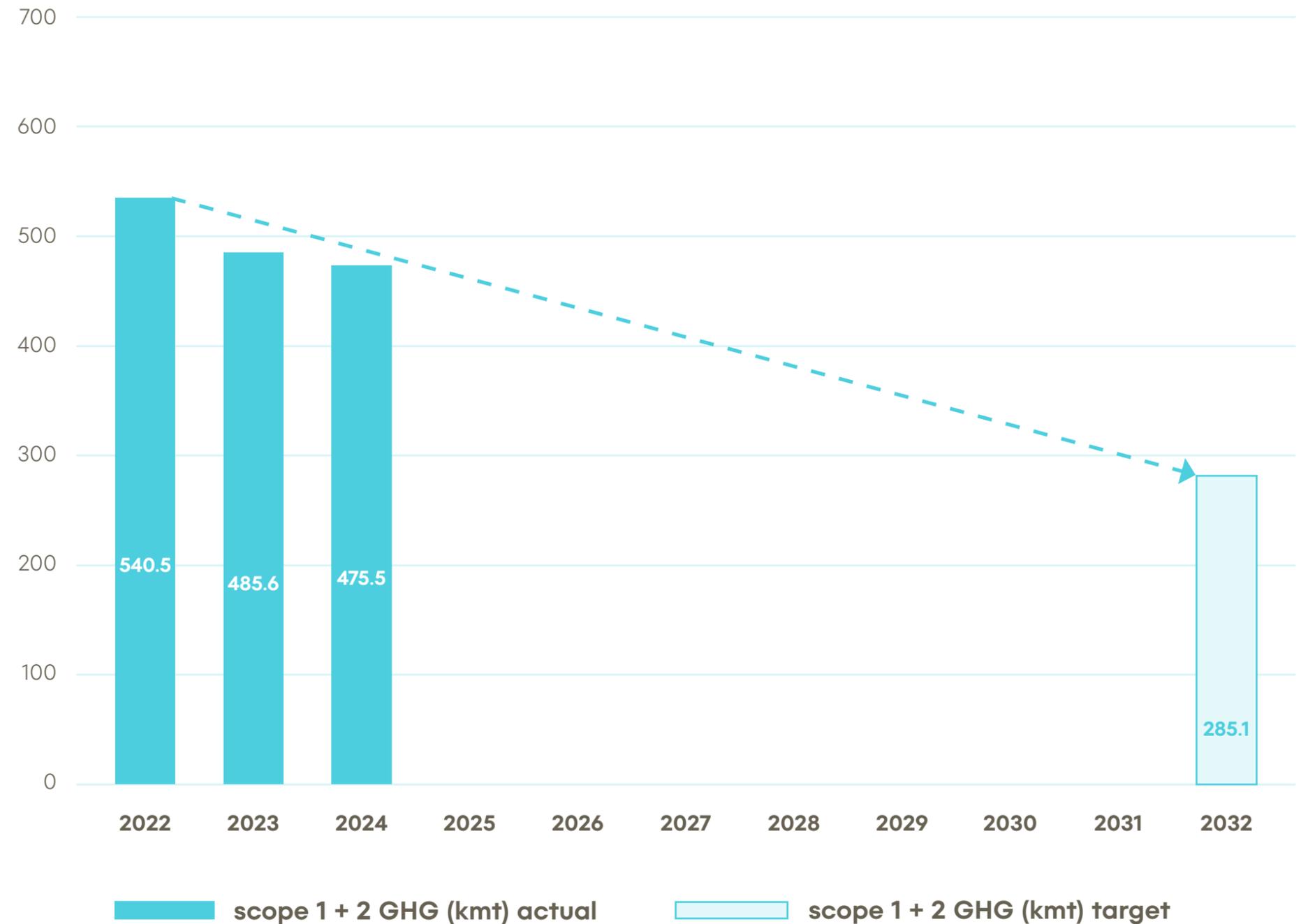
Science Based Targets initiative

Ashland received SBTi-approval in November, 2023 for near-term GHG reductions targets aligned with the Paris Agreement 1.5°C goal:

- scope 1 + 2: 50.4% reduction by 2032 against 2022 baseline year
- scope 3: 50.4% reduction by 2032 against 2022 baseline year

FY2024 Scope 1, 2, and 3 GHG emissions data were calculated in alignment with Ashland's current operating footprint. FY2022 and FY2023 Scope 1, 2, and 3 GHG emissions data were also updated and re-stated to reflect structural changes within the business, such as divestitures. By adjusting our prior year emissions to match the current organizational structure, we ensure that our progress reporting remains "like-for-like," accurate, and transparent.

total scope 1 + 2 GHG emissions (kmt)



scope 3 emissions

understanding Ashland's value chain footprint

As part of Ashland's comprehensive efforts to meet science based targets, Ashland undergoes thorough reviews of the company's up and downstream value chain emissions. Data has been developed in accordance with the USEPA GHG Protocol using primarily spend-based estimates.

In limited cases, such as Category 10 - Processing of Sold Products, impacts are difficult to estimate or were not estimated due to lack of data. Ashland's products are specialty ingredients that are sold to a large number of customers used as singular components in a wide variety of applications.

Category 1 - Purchased Goods and Services contributes just over half of Ashland's scope 3 emissions, driven particularly by the raw material product subcategory. Ashland is actively engaging with suppliers to better understand raw material emissions as well as customer strategies and commitments towards emissions reductions.

Methodology used to calculate Category 4 - Upstream Transportation and Distribution and Category 9 - Downstream Transportation and Distribution emissions was updated in FY2024 to more accurately calculate intra-country transport, leading to changes of -51.1% and 133.9% over prior year, respectively.

Data used to calculate Category 12 - End-of-Life Treatment of Sold Products emissions was improved in FY2024, resulting in a -11.6% change over prior year.

	category	status	emission (mt CO2e)	% of total
1	purchased goods and services	relevant - calculated	413,296	54.8%
2	capital goods	relevant - calculated	6,445	0.9%
3	fuel and energy related activities	relevant - calculated	103,858	13.8%
4	upstream transportation and distribution	relevant - calculated	36,415	4.8%
5	waste generated in operations	relevant - calculated	1,753	0.2%
6	business travel	relevant - calculated	2,453	0.3%
7	employee commuting	relevant - calculated	9,526	1.3%
8	upstream leased assets	not relevant	-	-
9	downstream transportation and distribution	relevant - calculated	42,467	5.6%
10	processing of sold products	relevant - not calculated	-	-
11	use of sold products	not relevant	-	-
12	end-of-life treatment of sold products	relevant - calculated	134,175	17.8%
13	downstream leased assets	not relevant	-	-
14	franchises	not relevant	-	-
15	investments	relevant - calculated	4,479	0.6%
			total	754,867



process safety performance

In 2024, Ashland continued to improve process safety performance through sustained focus on assessing and reducing risk. The 2024 risk reduction was achieved through execution of projects identified in risk assessments, progress on mechanical integrity inspection initiatives, and focus on operational discipline. Ashland teams continued to meet to share best practices across sites and ensure management system gaps were addressed. To address a changing manufacturing portfolio and workforce, Ashland worked with industry process safety subject matter experts to identify opportunities to streamline the management system procedures while maintaining focus on leading metrics as a driver for continual improvement.

process safety events (PSE)	FY 2022	FY 2023	FY 2024
process safety event rate - Tier 1	0.20	0.16	0.14
process safety event rate - Tier 2	0.40	0.29	0.17

Process safety performance data has been updated to reflect both Tier 1 and Tier 2 process safety event rates, aligning reporting definitions and methodology to the API RP 754 industry standard.



sustainable solutions

visit webpage >



Ashland defines sustainable solutions as the design of products or processes which:

- reduce or eliminate the use, generation, or risk of substances hazardous to humans, animals, plants or the environment
- promote health and wellness
- reduce environmental waste and encourage circularity and responsible use (or reuse) of resources
- are biodegradable by design, sustainable in-use and offer health and wellness benefits and aligned with the United Nations Sustainable Development Goals

Ashland defines sustainable solutions as natural or nature-derived (according to ISO16128), biodegradable (according to OECD 301 methods), or sustainable in use (through innovative solutions that enhance sustainability product profiles in product applications or which promote social sustainability through health and wellness benefits). The design of these products supports reduced environmental impacts, the use of renewable resources, and reduced footprint across the product life cycle.

R&D targets

80%

from sustainable* chemistry by 2025 (based on GP)

65%

from natural or nature derived according to ISO 16128 methods by 2025 (based on GP)

85%

new product launches from sustainable* chemistry by 2025

>70%

of natural or nature derived ingredients from sustainably sourced** raw materials by 2025

multi functional starch platform technology

breakthrough platform technology designed to expand choices and opportunity for customers; predicated on a sustainable* supply. This is just one example of how we enable value-chain transformation, serving as catalysts for change.

*Ashland defines sustainable solutions as natural or nature-derived (according to ISO16128), biodegradable (according to OECD 301 methods), or sustainable in use (through innovative solutions that enhance sustainability product profiles in product applications or which promote social sustainability through health and wellness benefits)

**sustainably sourced: made from renewable raw materials, and/or contains third party certification for raw materials or products where applicable, which includes: RSPO-MB, or FSC/PEFC Controlled wood certifications



social

[visit webpage >](#)

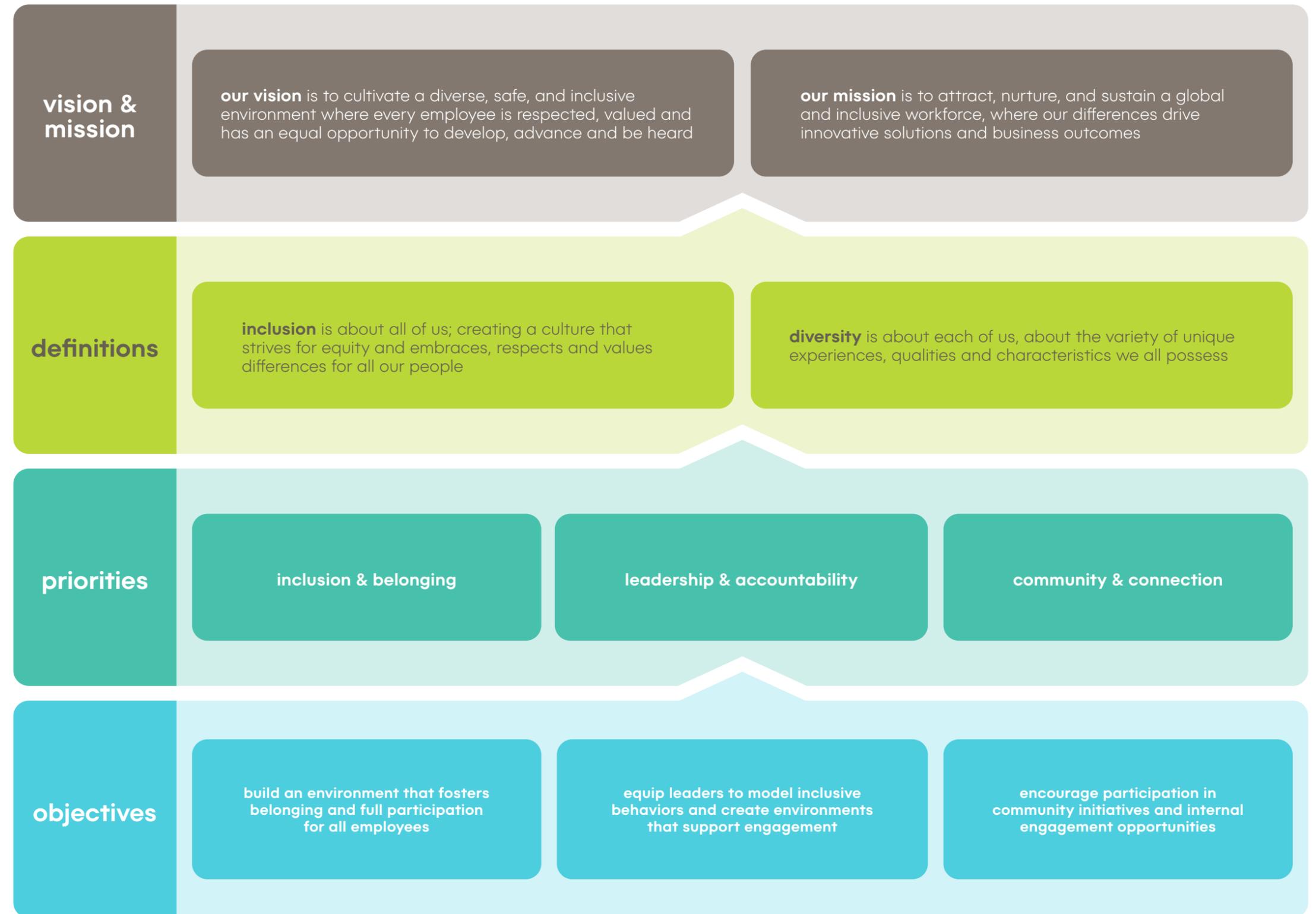
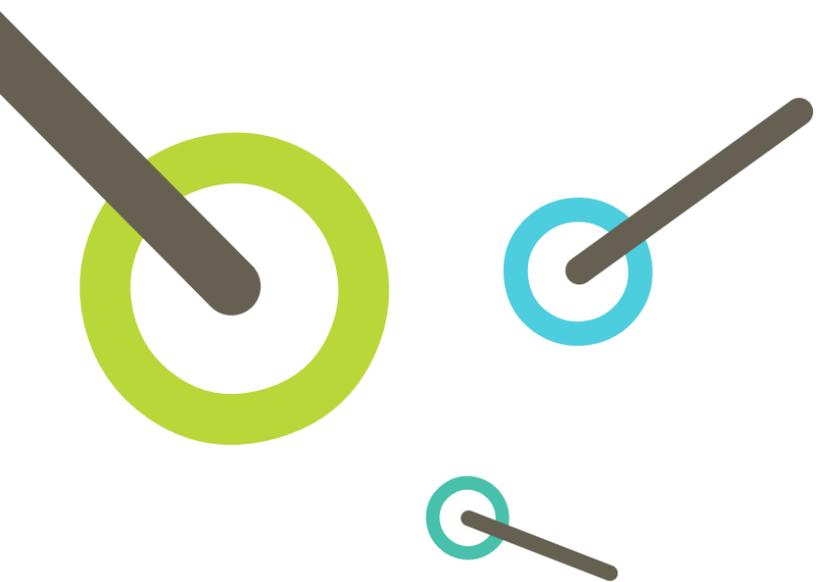


inclusion and diversity

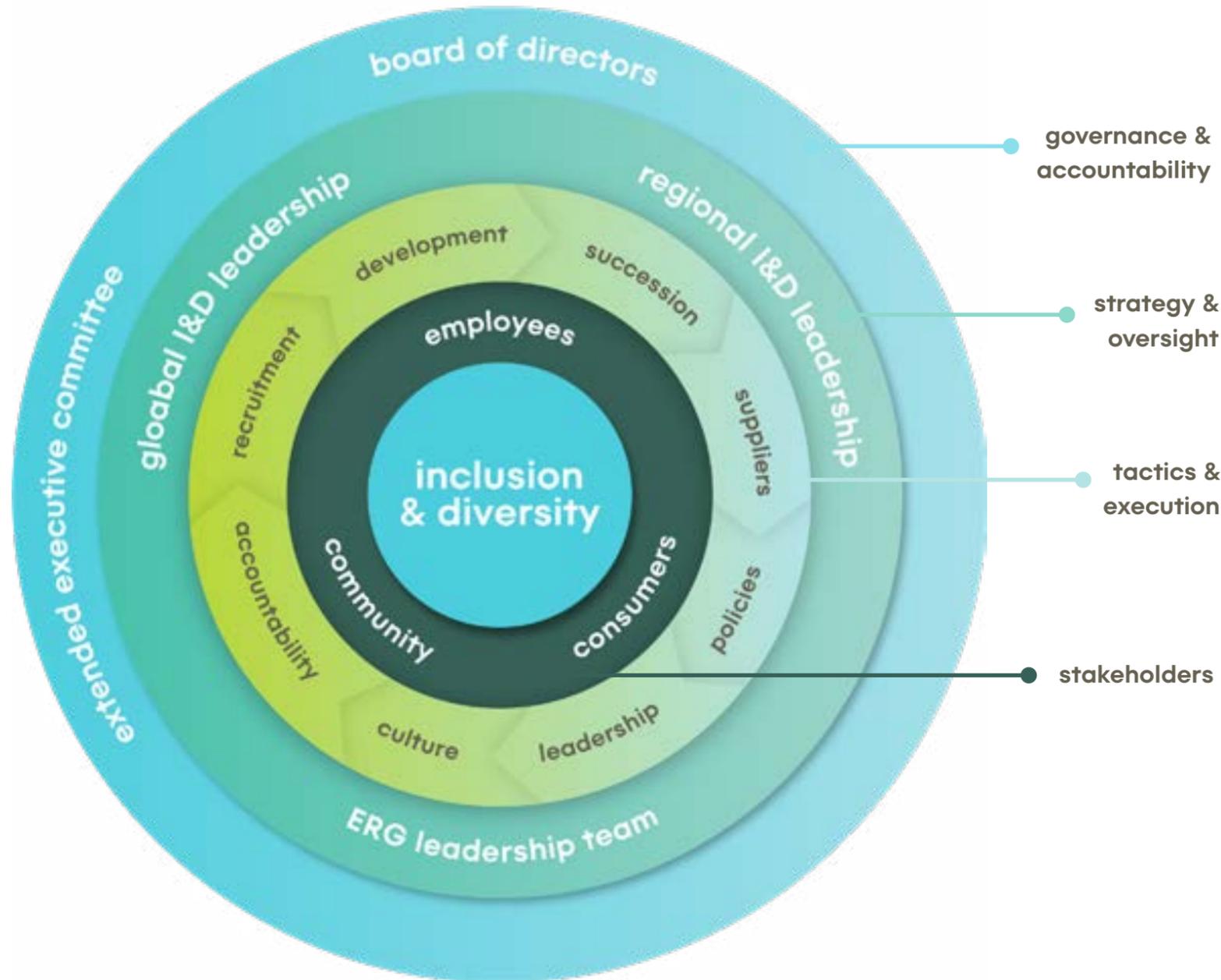
Ashland's purpose is to responsibly solve for a better world.

We believe one powerful and necessary way to live that purpose is to proactively strengthen both the diversity of our workforce and the inclusiveness of our culture.

We achieve our vision and mission through three key priorities from which we have built global and local objectives and initiatives to advance our progress.



our ecosystem



mission of I&D leadership

attract, nurture, and sustain a global and inclusive workforce, where our differences drive innovative solutions and business outcomes

role of participants

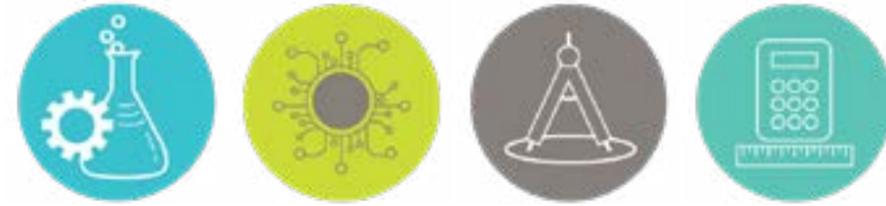
senior level commitment, governance, oversight, and execution of global and regional inclusion and diversity efforts and goals

cadence of leadership meetings

range from monthly to quarterly meetings to review Inclusion & Diversity implementation plans, scorecard progress, support needed, and global goals

social responsibility through

stem



STEM pervades every part of our lives, and is critical to business success.

As a technology and innovation driven company, Ashland understands that science touches every aspect of our professional and personal lives, and ultimately helps us support the next generation of solvers.

Through a philanthropic focus on science, technology, engineering and math (STEM) education, we're maximizing our impact in local communities around the globe to:

- broaden awareness and access to a STEM skillset for women and minorities
- elevate significant portions of economies in the communities in which we operate
- increase social equity and equity in compensation for people we impact
- further our sustainability goals

Central to this work are the relationships we have with the organizations in the communities where we live, work and play.



collective purpose

Responsibly solving for a better world is our collective purpose. We can't achieve our plan to contribute to the welfare of society and the environment without our global organization planning and executing locally, for what is most needed in our regions. The examples that follow, demonstrate our activities at the ground level.

global STEM

Ashland's corporate STEM program supports Greenlight for girls, an international, non-profit organization, with headquarters in Belgium.

The organization is fueled by passion for instilling confidence in girls and encourages them of any age and any background to consider STEM-related careers. Since its inception the organization has reached more than 60,000 girls in 39 countries.

In 2023, alongside other corporate partners Ashland was able to impact more than 9,000 girls from hard-to-reach and economically challenged environments in seven countries.

regional STEM

Ashland supports many regional STEM programs range from internships and co-ops to sponsorships and on and off campus programs and more.

Here are just a few highlights and more regional STEM programs can be accessed from our website.



[governance](#)
visit webpage >



overview

By fostering a culture that emphasizes compliance with the law and ethical business behavior and by adopting strong principles of corporate governance, our constituents can feel confident about their association with Ashland.

The cornerstone of Ashland's compliance program is our Global Code of Conduct. We also have a strong and active preventive law program and apply strict ethical standards to our financial audit practices.

Our system of corporate governance includes an independent board of directors and board committees composed entirely of independent directors as well as stock ownership guidelines for key employees.

At Ashland, we value the trust our constituents place in us, and we work every day to keep their trust.



risk management

enterprise risk management

Ashland has a risk assessment process to assess risks and opportunities for both near - and long-term.

The risk assessment process identifies key risk areas, including ESG and other impacts which could pose threats to business continuity. Additionally, the risk process encompasses a definition of the responsibilities of risk owners, functional experts, and independent verifiers.

Each risk type is managed and supported by functional organizations that are responsible for specifying corporate requirements and processes. These processes include the critical elements of leadership, people, risk identification and management, and continuous improvement.

We continue to evaluate ESG-related risks in our enterprise risk assessment process to ensure that our risk identification and mitigation efforts are forward-looking and sustainable.



board oversight and committee efforts*

audit committee

Ashland's audit committee supports oversight of internal and external validation of ESG metrics and reporting. The committee actively monitors anticipated or known disclosure requirements that will impact future reporting of key ESG information.

The Audit Committee assists the Ashland Inc. (hereinafter singly or collectively referred to as the "Company") Board of Directors (the "Board") in fulfilling its oversight responsibilities relating to the Company's accounting and financial reporting processes, internal control over financial reporting, internal controls and compliance with legal and regulatory requirements, the independent registered public accounting firm, and the internal audit function.

The Audit Committee is responsible for appointing, compensating, retaining and overseeing the work of the Company's independent registered public accounting firm.

All members of the Audit Committee satisfy the independence and financial literacy requirements of the New York Stock Exchange and the Securities and Exchange Commission (the "SEC").

compensation committee

Ashland's compensation committee supports compensation tied to ESG performance and KPIs, including current and future compensation for the company sustainability progress.

The Compensation Committee assists the Board in discharging its responsibilities relating to compensation of the Company's executive officers and oversight of the Company's human capital management strategy.

The Compensation Committee reviews and approves the Compensation Discussion and Analysis (CD&A) and prepares the Compensation Committee Report for inclusion in the Company's Proxy Statement.

The Compensation Committee reviews the results of the stockholder advisory vote on executive compensation and considers those results in making future compensation decisions.

The Compensation Committee oversees human capital matters, including talent development, succession planning, workforce engagement, and retention initiatives.

environmental health, safety, and quality committee

Ashland's environmental, health, safety, and quality committee reviews ongoing implementation of sustainability efforts, including Ashland's direct and indirect GHG emissions reduction efforts and sustainable sourcing initiatives.

The Environmental, Health, Safety and Quality Committee assists the Board in overseeing the Company's commitment to protecting human health and safety and minimizing environmental impact through compliance with applicable laws and regulations.

The Environmental, Health, Safety and Quality Committee oversees environmental, health and safety compliance, sustainability initiatives, ESG-related risks, and related public disclosures.

governance and nominating committee

Ashland's governance and nominating committee supports ESG governance efforts, including communication, transparency, and oversight of ESG programs. The committee also supports community engagement and STEM initiatives.

The Governance and Nominating Committee assists The Board in overseeing corporate governance matters, director independence determinations, and director nominations.

The Governance and Nominating Committee oversees Board and committee succession planning and conducts annual evaluations of the Board and its committees.

director independence standards

The Board has adopted director independence standards consistent with the New York Stock Exchange listing standards. The Board annually evaluates the independence of each director and affirmatively determines whether each non-employee director has a material relationship with the Company.

*Each committee operates pursuant to a written charter approved by the Board and available on the Company's website.

board of directors

Guillermo Novo

Chair and Chief Executive Officer,
Ashland Inc.

Steve D. Bishop

Former CEO, Consumer Health Care,
Procter & Gamble,

Sanat Chattopadhyay

Executive Vice President
Merck & Co.

Suzan F. Harrison

Former President, Global Oral Care,
Colgate-Palmolive Company

Susan L. Main

Former Senior Vice President and Chief Financial Officer,
Teledyne Technologies Incorporated

Sergio Pedreiro

Chief Financial Officer,
New Wave Tech SA

Jerome A. Peribere

Former President and CEO,
Sealed Air Corp.

Scott A. Tozier

Strategic Advisor to Chief Executive Officer,
Albermarle Corporation

executive leadership

Guillermo Novo

Chair and Chief Executive Officer

Eric N. Boni

Vice President, Finance and Principal
Accounting Officer

Karl Bostaph

Senior Vice President, Operations

Dago Caceres

Senior Vice President and General Manager,
Specialty Additives

Eileen Drury

Senior Vice President and Chief Human
Resources Officer

Alessandra Faccin Assis

Senior Vice President and General Manager,
Life Sciences and Intermediates

Robin E. Lampkin

Senior Vice President, General Counsel
and Secretary

James Minicucci

Senior Vice President and General Manager,
Personal Care

Osama Musa, Ph.D.

Senior Vice President and
Chief Technology Officer

J. Kevin Willis

Senior Vice President and Chief Financial Officer



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