

# Management Approaches

## BUILDING A BETTER FUTURE TOGETHER

We recognize the value and importance of incorporating sustainability, not only into our direct operations and research efforts, but throughout our value chain. This perspective helps us to identify how we can best leverage our knowledge and create the greatest value to improve efficiency and implement responsible practices. We actively engage with our customers to collaborate on developing products that impart sustainability benefits such as increased durability and energy efficiency. In addition, we support and collaborate with our suppliers to help them in their pursuit of continuous improvement in sustainability performance. Improving the overall impact of our value chain is dependent on our close collaboration with our customers and suppliers. Together, we pursue innovative solutions to improve our collective sustainability performance and address the key sustainability challenges of today's world.

### Economic Value Generated & Distributed

#### OUR COMMITMENT

Strong financial performance is key to the sustainable growth of our business and our future success. Our stakeholders around the world expect us to deliver on our financial commitments by generating and distributing economic value. We believe this approach, in combination with investing for growth in our businesses, will allow us to maintain our reputation as a leader in our markets and be well positioned to respond to the evolving needs of our customers. Through our global operations, we create value for a wide variety of stakeholders, including our local communities, shareholders, investors, suppliers, governments, contractors and employees. Our compensation programs are designed to provide a competitive package that rewards both the individual's and Cabot's performance and reflects job complexity, expertise, experience and location. Furthermore, our capital investments across our facilities generate value for local economies through our engagements with local suppliers and contractors to help execute these projects.

#### OUR MANAGEMENT APPROACH

With the support of our Executive Management Team, the Board of Directors oversees financial performance and strategy, capital structure, and market exposure, as well as Cabot's overall risk profile. Our comprehensive Enterprise Risk Management (ERM) program is led by our Chief Financial Officer and reviewed by the Executive Management Team before it is presented to the Board of Directors. As part of this process, sustainability-related issues, such as impacts of climate change on our business operations and our markets, are evaluated. Opportunities related to how we can respond to markets seeking more sustainable solutions are also a key factor in our strategic planning.

With our "Creating for Tomorrow" strategy, we will leverage our strengths to lead in performance and sustainability – today and into the future. We execute this strategy by investing for advantaged growth in key markets, developing innovative products and processes to enable a better future, and optimizing our operations for efficiency and continuous improvement. These efforts drive strong financial performance for our shareholders while delivering maximum value for our customers.

In addition to the financial metrics reported in our Annual Report and used to measure our success in executing our corporate strategy, we have established a goal to monitor other elements of our overall economic value generated and distributed. Our 2025 sustainability goals include a commitment to invest \$1 billion in capital and technology to sustain our operations and grow our portfolio by 2025. The goal includes capital investments in our operations and technology investments in our portfolio, as well as M&A expenditures for 2020 – 2025.

Our investment decisions and growth strategy are guided by an emphasis on sustainable business practices and full compliance with laws, regulations and corporate standards.

To ensure the reliability of our financial and strategic planning, we regularly monitor and evaluate both our short- and long-term needs and objectives. Specifically, we conduct a comprehensive internal review of our financial performance quarterly. We also review our financial performance with our Board of Directors on a bimonthly basis. On an annual basis, we develop and review long-range plans, establish performance targets, and review business and function budgets.

Our financial performance is evaluated closely by our investors and the broader investment community, and our annual financial statements are audited each year by an independent registered public accounting firm.

## Product Sustainability

### OUR COMMITMENT

Our "Creating for Tomorrow" strategy drives us to develop innovative products and processes that enable a better future. This is exemplified by our products that provide health, safety, environmental, and other sustainability benefits to our customers and their customers. We are committed to developing innovative products that improve the performance of our customers' products by imparting properties that extend product life spans, increase fuel efficiency, and optimize resource conservation. We look to grow our involvement in the circular economy by developing opportunities to use waste or byproducts as raw materials. As a responsible manufacturer, we understand our obligation to share comprehensive information on the health, safety and environmental aspects of our products.

### OUR MANAGEMENT APPROACH

Our Chief Technology Officer provides oversight of product innovation and development in close collaboration with our customer-focused business teams. We also regularly partner with customers to support their goals of developing sustainable products and solutions. Our research and development teams use a stage-gate process and a sustainability screening tool to assess the risks associated with the materials we use and produce regarding the health, safety, and environmental impacts of our own operations and the activities of our suppliers and customers. This approach enables our researchers to streamline our development process, allowing us to evaluate sustainability impacts across the life cycle – from design to manufacturing, use phase, and end of life treatment. Through this lens, we can make informed decisions about the design and formulation of our products in support of our 2025 goal that 100% of product and process development projects will have a sustainability benefit compared to an existing benchmark.

Our regulatory experts and toxicologists within our Product Safety and Toxicology Department lead our efforts to maintain compliance with global regulatory requirements. We maintain and evaluate environmental, health, safety and regulatory data for all of our substances and products in a central database. This forms the basis for communicating information in our safety data sheets and product regulatory statements. We are committed to developing transparent product labeling and sharing comprehensive supporting literature to ensure that those who manufacture, transport, store, or use our products are prepared to handle the materials safely. Our corporate chemical prioritization process further enhances this transparency by determining which products should receive a more detailed evaluation and assessment, including risk management measures beyond what is required by regulation. We place careful consideration on avoiding chemicals of concern and reducing hazards associated with our products. We aim to innovate more sustainably, engaging with our partners throughout our value chain to ensure we are developing products that also enable their (product) sustainability goals. Training is provided for our employees, customers, and distributors to relay the health and safety aspects of our products as well as the intended uses, ensuring that our materials are handled and used properly.

Our commitment to product sustainability extends to our engagement with peer companies in our industries. We continue to actively engage in the International Carbon Black Association and the Association of Synthetic Amorphous Silica Producers, as well as other industry associations around the world, such as the Nanotechnologies Industry Association, the American Chemistry Council and The European Chemical Industry Council. These engagements provide opportunities to further the understanding of regulatory issues, promote collaboration on the expansion of health and safety information, prevent misuse of chemicals and help ensure the long-term sustainability of our markets.

## Suppliers' Sustainability

### OUR COMMITMENT

We are committed to conducting business with the highest ethical standards, and we expect the same from our suppliers. With the rise in risks linked to social, environmental and ethical practices along the value chain, laws and regulations require that we hold trading partners accountable for noncompliance. At the same time, we look for ways to increase shared value through sustainability. As we advance on our sustainability journey, we believe partnering with our suppliers will play an important role in our ability to generate significant positive impacts beyond our own operations.

### OUR MANAGEMENT APPROACH

Our suppliers provide a wide range of goods and services, including raw materials; chemical additives; process equipment; packaging materials; logistics services; maintenance, repair, and operations; engineering; and facility and professional services. Our suppliers are managed by our global procurement organization, within our Global Business Services function, including our feedstock sourcing teams. To meet our 2025 goal of engaging with key suppliers to improve our collective sustainability performance, we are taking a strategic approach to identify and address shared challenges. Our near-term objective is to enroll all of our identified critical suppliers in our third-party

sustainability assessment process. These assessments will be used to develop supplier sustainability scorecards that evaluate environmental and social impacts against international standards such as GRI and the principles of the UN Global Compact. As this initiative rolls out, we continue to share our Supplier Code of Conduct with all of our suppliers, outlining our expectations for conducting business ethically and in an environmentally and socially responsible manner. We require our key suppliers to agree

to the expectations for responsible and ethical practices described in this document. At the same time, we are also partnering with key customers and business partners on efforts to reduce the impacts of transportation and packaging, among others. Together, we are driving sustainability performance through measures that increase efficiency, support our climate ambition and enhance circularity.

## ACTING RESPONSIBLY FOR THE PLANET

Environmental issues significantly affect us all on a global scale, and it is the responsibility of governments and corporations alike to help find solutions to these challenges. We operate our facilities responsibly while delivering innovative solutions that help address the sustainability challenges of our customers, communities, and the world. We acknowledge that we have a responsibility not only to comply with the applicable environmental regulations but also to lessen our impacts on the planet, where feasible. We are proud of the improvements in our environmental performance and the leadership we have demonstrated within our industry, but we realize this is an ongoing process. We must continue to work toward innovative, cost-effective solutions to reduce our environmental impacts while remaining competitive within our industries.

Of the 11 material topics serving as the foundation of our sustainability program, more than half are related to environmental performance. The management of these topics is guided by our SHE&S Commitment, and our performance is measured against specific goals to reduce waste, energy use, water use and emissions of GHGs, NO<sub>x</sub> and SO<sub>2</sub> by 2025. We also continuously monitor our environmental compliance performance against internal year-over-year improvement targets. To accelerate our performance, we routinely evaluate our environmental management practices to uncover broader opportunities that translate into environmental benefits, better use of our shared resources, and reduced operating costs.

The Safety, Health, Environment and Sustainability (SHE&S) Committee of our Board of Directors has oversight over environmental issues at the highest governance level. Executive leadership for implementing environmental strategies and policies is provided by the Senior Vice President for SHE&S and Chief Sustainability Officer, who oversees a team of SHE&S professionals assisting our locations in improving overall environmental performance.

## Environmental Compliance

### OUR COMMITMENT

Responsibility is one of our core values, and one way we demonstrate this is through our commitment to 100% compliance with local, regional and national environmental laws and regulations. Maintaining compliance is consistent with our license to operate and demonstrates to our stakeholders that we are committed to preserving the natural environment we all share.

### OUR MANAGEMENT APPROACH

Compliance is supported by our Drive to Zero initiative, focused on reducing environmental non-conformance events (ENCs), which we define as events resulting in a reportable spill or release, a notice of violation, a public complaint, or a permit deviation deemed to be significant. Our internal standards are developed to meet or exceed applicable laws, regulations, and the requirements of voluntary programs such as Responsible Care®. Our approach to compliance is meant to prevent environmental incidents in the design and operation of our facilities and by emphasizing proactive measures such as training and job planning with employees, contractors, and business partners. Environmental awareness

training is provided to manufacturing and laboratory employees as part of their new employee orientation, and periodic refresher training is provided to maintain a high level of awareness on the part of all employees involved in our operations.

We seek to promote continuous improvement by undertaking thorough investigations of any incidents that do occur to identify the root cause of the incident and implement appropriate corrective actions. To help minimize the potential for a similar incident to occur, the results of these investigations are shared broadly throughout our global network of facilities. We routinely verify compliance through our comprehensive corporate SHE&S audit program. These audits are conducted regularly and provide another opportunity to share best practices and learnings across our network. In addition, we support the efforts of our facilities to secure and maintain external certification of their environmental management systems, and we have set a 2025 goal of externally certifying 100% of our facilities' environmental management systems. These certifications provide an independent assessment that we are fully aware of our environmental aspects and impacts and that we have the systems in place to ensure compliance.

GRI 3-3

## Energy

### OUR COMMITMENT

Our focus on energy conservation is consistent with our corporate strategy to drive continuous improvement in everything we do. We understand that improved energy efficiency delivers both direct and indirect emission reduction and economic benefits. Our manufacturing processes are heavily dependent on energy, and we are committed to continuously looking for ways to advance toward our goal of reducing our overall energy footprint by reducing our consumption and harnessing waste energy that would otherwise be lost in our manufacturing processes. Our work focuses on maximizing the overall efficiency of existing equipment, and innovations in equipment, process technologies and waste heat recovery to minimize our energy footprint while also considering alternative energy sources. Our 2025 sustainability goal is to increase our energy ratio, which measures our performance in capturing and converting waste energy for export in relation to the energy imported. By converting what is wasted energy into useful byproducts that we export, we can reduce the use of fossil fuels and the associated GHGs that would otherwise be generated outside of our own facilities.

### OUR MANAGEMENT APPROACH

Energy is a crucial part of our manufacturing processes, and as such, in 2018 Cabot established an Energy Efficiency Team within the manufacturing organization of our carbon black network to lead our broader energy sustainability efforts. The growing need to accelerate the integration between sustainability and manufacturing brought about the creation of a Manufacturing Sustainability Team in 2022. The Manufacturing Sustainability Team expands the scope of the Energy Efficiency Team to support our environmental goals and defines the execution plan to achieve our 2025 sustainability goals consistent with our corporate sustainability and business segment strategies.

As it pertains to our energy export goal, the Manufacturing Sustainability Team collaborates with leaders from our business segments, corporate SHE&S, global engineering, and research and development to evaluate new energy-saving process technologies, implement capital programs to improve energy efficiency and develop effective means to capture and utilize waste heat and energy. The expanded role of the Manufacturing Sustainability Team allows us to identify cross media effects of the different initiatives driven by the other environmental goals.

Management practices designed to optimize operations and implement efficiency measures are undertaken at the facility level. Data on energy use and energy sources is collected and analyzed through our internally developed metric, energy ratio, which is calculated for each facility. This metric helps to monitor the effectiveness of our execution plans, determine energy trends and identify improvement opportunities.

## Nitrogen Oxides (NO<sub>x</sub>) & Sulfur Dioxide (SO<sub>2</sub>) Emissions

### OUR COMMITMENT

Clean air is essential to our quality of life and necessary to support the ecosystem upon which we depend. Our emission reduction efforts involve a variety of different techniques, including improved operational efficiency and treatment of waste gases from our manufacturing facilities resulting in SO<sub>2</sub> and NO<sub>x</sub> emissions. We monitor our process emissions closely with the aim of maintaining compliance with our regulatory obligations and reducing our global environmental footprint. By establishing goals to reduce our air emissions intensity, we commit to making our communities safer and more resilient, while promoting health and well-being for all.

### OUR MANAGEMENT APPROACH

The overall management strategy for our emission reduction program is led by our business segments working closely with our individual facilities and the SHE&S team. In the broadest sense, we continue to advance cost-effective technologies that help meet both our emission reduction and our operational efficiency goals. Our approach to reducing emissions such as NO<sub>x</sub> and SO<sub>2</sub> includes installing emission control systems and utilizing lower sulfur content feedstocks where economically and technologically feasible. When identifying air pollution controls, we will seek out systems that minimize the production of unwanted byproducts and look for ways to optimize the control systems already in place. We also actively engage with local and regional governments to effectively reduce emissions, where feasible, while working to maintain fair and competitive global marketplaces.



## Greenhouse Gas Emissions

### OUR COMMITMENT

Our greenhouse gas (GHG) emission reduction efforts involve a variety of different techniques, including improved operational efficiency at our manufacturing facilities. We measure our Scope 1 and 2 emissions closely with the aim of reducing our global environmental footprint. We also look to partner with our customers and others who share our goal of reducing emissions impacts across the value chain by providing products that can help lower their GHG emissions and lower the impact of their products throughout the product life cycle.

We face challenges in our path to decarbonization. One such challenge is that our highly engineered product grades are in demand for their broader life cycle and energy transition benefits. However, these highly engineered products tend to have a higher Scope 1 GHG intensity than many of our other products. Our commitment is to reduce Scope 1 and 2 emissions while continuing to develop highly engineered materials which have a broader lifecycle benefit to our value chain in our drive towards net zero.

### OUR MANAGEMENT APPROACH

The overall management strategy for our GHG emission reduction program is led by our business segments working closely with our individual facilities and the SHE&S team. This is governed by an ESG Steering Committee, chaired by our Chief Executive Officer; an Environment Committee, chaired by our Chief Sustainability Officer; and a Climate Subcommittee comprised of representatives from key function areas. The Climate Subcommittee brings all Scope 1 and 2 GHG emissions reduction activities across our businesses and facilities together under one umbrella to support effective progression toward our net zero ambition. We continue to advance cost-effective technologies that help meet both our emission reduction and our operational efficiency goals. Our approach toward reducing GHGs is focused on increasing the energy efficiency of our processes and equipment, capturing energy from our processes, sourcing alternative feedstocks, and procurement of renewable or low-carbon energy where feasible. In 2023 we will undertake a comprehensive Scope 3 inventory to gather relevant data and determine a long-term strategy to address our Scope 3 emissions.

## Waste & Spills

### OUR COMMITMENT

We recognize the potential impact that solid waste disposal or spills of hazardous materials could have on the environment in our local communities. Therefore, we take a targeted approach to minimizing waste through a hierarchy of management practices, and our Drive to Zero philosophy extends to an aspiration of zero spills and leaks at our operating facilities. We also believe that finding alternative uses for waste materials and byproducts presents opportunities to contribute to a circular economy.

### OUR MANAGEMENT APPROACH

Most of our waste is primarily associated with three sources: off-quality materials produced during the manufacturing process, remediation-related waste, and waste residues originating from air pollution control systems. Other waste may be generated from sources such as periodic construction and demolition projects, packaging from raw materials and products, laboratory waste from quality assurance activities, and routine office-based activities.

Expectations for the management of waste and the handling of chemicals are governed by Cabot's internal standards applicable to all our manufacturing, laboratory, and R&D facilities. Our waste management standard has established a hierarchy of waste management with the elimination of waste as the highest priority and disposal without any beneficial reuse as the lowest priority. We implement programs to identify reuse opportunities for off-quality products and other waste streams and improve facility resource efficiency to reduce waste generation. Compliance with these expectations is regularly evaluated through our comprehensive SHE&S audit program.

Where feasible, both hazardous and non-hazardous waste is recycled or reused while all other waste is disposed of by incineration or other appropriate off-site treatment at permitted and licensed facilities in accordance with Cabot's Waste Management Standard. Our 2025 goal of reducing total waste disposal by 20% from 2019 levels is designed to encourage facilities to identify beneficial uses for their waste streams with a long-term goal of eliminating all manufacturing-related waste disposal. In 2022, we aligned our waste goal baseline year to reflect the changes in our portfolio by removing the volumes associated with the divestiture of the Purification Solutions business and accounting for the underground injection well waste generated from our fumed metal oxide (FMO) plant in Tuscola, IL, USA.

We track our waste data from each site annually as part of routine reporting of waste activities and measure progress against our 2025 goal. While our goal focuses on waste impacts from our direct operations, we also seek opportunities along our value chain to work with suppliers to reduce waste associated with shipping materials and with customers by offering products that incorporate recycled content or extend the useful life of a product.

### Spills Management

We aim to avoid all spills through careful management and design of the processes at our facilities. We conduct training on spill management and emergency response to ensure personnel are prepared to respond if a spill occurs.

## Water

### OUR COMMITMENT

Water is vital to human life, healthy ecosystems and biodiversity across the globe. It is also a natural resource we depend on in our manufacturing operations, and we must pay close attention to ensuring responsible water consumption and management.

### OUR MANAGEMENT APPROACH

Cabot withdraws water, directly or indirectly, from groundwater, surface waters (fresh and brackish) and reclaimed water for use in our production operations. In some cases, we convert water into hot water and steam at our operations and supply that to our customers. Where feasible, water from our operations is recovered and reused, with the remaining water discharged directly or indirectly to waterways.

We have a responsibility to minimize our direct impacts from these activities. Therefore, we seek to conserve water across our operations and ensure that wastewater discharges are properly treated to avoid degradation of the surrounding environment. Collaborating with our colleagues and customers, we are looking to develop applications for our products that help conserve and protect water resources, including the use of our masterbatch products in durable water piping and water conservation applications.

Our 2025 water goal focuses on the withdrawal of water for production, and our overarching strategy includes mapping water use, monitoring water risks, tracking legal requirements, assessing water management costs, sharing water conservation

good practices, and implementing water efficiency projects at prioritized locations. Responsibility for water resource management predominantly resides at the facility level, under the guidance of the Environment Committee which reports to our ESG Steering Committee. Both intake and discharge of water are typically governed by state and local water permits. We strive for full compliance with our obligations under these permits and have regular reviews and audits for assurance. We also look for opportunities to increase water efficiency and recycle wastewater where feasible.

We evaluate our water management by reviewing data on water withdrawal intensity and water discharge intensity per unit of production. This allows us to evaluate our water usage for each of our operating locations. We have been monitoring annual water use and discharges at our manufacturing facilities since 2009 to better understand where our water is sourced, what our withdrawal rates are, and the volume, quality and destination of water discharged from our facilities, and treatment methods applied at our facilities. We have completed a water risk evaluation of our manufacturing locations to identify which of them may be impacted by future water scarcity issues. Facilities in areas currently classified by the World Resources Institute Aqueduct Water Risk Tool as being extremely high or high for baseline water stress are prioritized for water efficiency projects implementation. Our approach to water management is reviewed by the Environmental Subcommittee on an ongoing basis.

## CARING FOR OUR PEOPLE AND COMMUNITIES

Our commitment to providing safe working conditions and involving all our employees in our safety efforts has been fundamental to who we are as a company. This focus on safety helps us to attract and retain top talent around the world and helps to ensure reliable performance in our manufacturing operations. We also offer our employees professional development opportunities and competitive compensation and benefits. We are committed to increasing employee engagement by leveraging the diversity and aspirations of our people and developing their talents by fostering an inclusive environment that embraces diversity in its many forms. To remain a competitive employer, we acknowledge the importance of our company purpose, values, strategy, culture, and sustainability program to our employees as we aim to continuously demonstrate our commitments and enhance our performance.

Our commitments extend to our communities, where we strive to be a good neighbor through our active engagement and responsible business practices. We seek input and feedback from our local communities and look for opportunities to contribute our time and resources so we can play an active role in the growth and success of the areas where we operate.

## Occupational Health & Safety

### OUR COMMITMENT

Our responsibility as an employer is to provide a safe work environment and promote wellness across the workforce. This focus on health and safety has been deeply ingrained in our culture throughout our history. Our goal is for all employees, contractors

and visitors to return home in the same condition as when they arrived at work. We also strive to help employees lead healthy lifestyles through a variety of initiatives and benefits.

## OUR MANAGEMENT APPROACH

The Safety, Health, Environment and Sustainability (SHE&S) Committee of Cabot's Board of Directors has responsibility for overseeing health and safety issues at the highest governance level. Leadership for implementing related strategies and policies is provided by the Senior Vice President for SHE&S and Chief Sustainability Officer who oversees a global team of SHE&S professionals, including regional directors. SHE&S are critical components of our culture. The Executive Management Team plays an essential role in setting expectations and ensuring appropriate resources are available to meet our goals and objectives in this regard. As part of our Drive to Zero initiative, we have set a long-term goal of achieving zero injuries at our facilities worldwide. Recognizing that it may take many years to achieve this ambitious objective, we have established a continuous improvement goal for personal safety to achieve a 50% reduction below 2019 levels by 2025 for recordable incident and severe injury rates. Through our global [SHE&S Commitment](#), which was updated in early 2023 and approved by the ESG Steering Committee and adopted by the Cabot Board of Directors. Through this commitment, we hold ourselves accountable to demonstrate our company values and continuously improve the way we operate. The commitment defines several important objectives for our continuous improvement in safety, including:

- ◆ Complying with all applicable laws and regulations
- ◆ Sharing complete information about the safe handling of our products
- ◆ Maintaining the safety and security of our employees, contractors, and neighbors
- ◆ Managing our operations to minimize any impacts on our communities
- ◆ Exemplifying the Responsible Care® Guiding Principles
- ◆ Partnering with customers to develop innovative and sustainable solutions
- ◆ Improving efficiencies, reducing environmental impacts, and ensuring that we are prepared for all emergencies that could occur

Our facilities are required to develop and implement a safety program that upholds our SHE&S Commitment and meets all applicable health and safety laws as well as Cabot standards. This program provides oversight for all direct activities occurring in our facilities and within our operational control, including impacts on employees, contractors, and visitors. Additionally, most facilities are operated with local health and safety committees open to all workers, including union and nonunion labor participation. These committees meet on a routine basis, and their primary focus is to ensure open dialogue around SHE&S issues, provide opportunities to communicate progress and challenges, and resolve conflicts on priorities. We also incorporate contractors into our safety program through our selection process, which includes prequalification to ensure they meet minimum SHE&S requirements. Contractors receive on-site orientation

training and adhere to Cabot safe work permitting processes. In addition, contractors receive ongoing reviews and feedback on their performance through our contractor management standard.

### Hazard Identification and Risk Mitigation

Our approach to minimizing risk includes standards-based analysis of impacts and hazards, as well as training all employees to ensure that they are adequately aware of workplace hazards and can take steps to prevent injuries. All employees receive safety training that meets or exceeds all applicable government regulations. Our job safety analysis and safe work permit management ensure that risks are addressed before work begins. Risk identification and equipment training cover a range of topics, including potential exposure hazards, occupational noise, personal protective equipment, fire and flammability, physical risks, and ergonomics. To enhance these efforts, we have deployed a web-based learning platform across multiple topics and disciplines.

If a hazardous situation were to arise, workers are empowered to report unsafe conditions through various means. To ensure worker protection against reprisal, Cabot provides an anonymous reporting hotline, and investigates all claims of retaliation.

We have internal standards for monitoring and controlling long-term health risks. The standards require workplace exposure assessments, incident investigations, implementing corrective actions where necessary, communicating the results to employees, and tracking the data through our central database. Our facilities' implementation of these standards is reviewed periodically through our SHE&S audit program.

### Occupational Health Services

A suite of occupational health services strengthens our robust approach to worker well-being. These include third-party medical advisory services for occupational injuries and illness management and an independent medical director to advise Cabot on long-term and acute medical conditions associated with our manufacturing operations. All employees have access to information on chemical hazards and occupational services through internal communication networks and SHE&S experts.

We carry this approach beyond our operations through an emergency response system and advisory services to cover chemical shipments worldwide. We have a proven track record of promoting occupational health by participating in industry groups and sponsoring research on the potential impacts of our products, including long-term employee health studies dating back more than 50 years.

### **Continuous Improvement Through Responsible Care®**

As part of our commitment to Responsible Care, we remain focused on continuously improving the health and safety of our processes and products. In accordance with this certification, we report our performance metrics annually and undergo external audits regularly to evaluate our program, identify gaps, and undertake corrective actions as needed. In addition to the Responsible Care audits, our sites routinely undergo robust

internal SHE&S audits, which evaluate procedures, practices, and site conditions in accordance with regulations, internal company standards, and industry-recognized best practices. These risk-based audits are conducted by teams of internal subject-matter experts supported by external resources as needed. Employees participate in site-level and corporate audits through activities ranging from interviews to corrective actions.

## **Process Safety**

Another critical factor in keeping our employees and communities safe is our careful attention to process safety. Process safety management is the application of management systems to identify, understand, and control process-related hazards to prevent incidents. This approach includes monitoring the condition and functionality of our processes, equipment, and infrastructure to ensure our operations are as safe and efficient as possible. Before initial unit startups and when significant changes to operations occur, preparedness assessments are conducted by subject-matter experts. We also carefully track process safety events, defined by the Center for Chemical Process Safety as any unanticipated release of material or energy from a process that

results in injury, damage to property/assets, or damage to the environment through fire, explosion, or release of flammable, combustible, or toxic chemicals. In accordance with the American Petroleum Institute's recommended practice 754, we utilize the Tier 1 and Tier 2 categorization approach to track our performance and report externally.

In the event of a recordable injury, ENC, process safety incident, or high potential near miss, a thorough incident evaluation is conducted to understand the root cause of the issue and assess how we may implement measures to avoid similar safety events in the future. We share the results of these evaluations globally, so all our sites can learn from the event and reduce similar risks.

## **Retention, Diversity & Development**

With approximately 4,300 employees around the world who represent a wide variety of backgrounds and make conducting our business possible, we are committed to celebrating the diversity of all our employees and supporting them in realizing successful careers.

Reporting to the Chief Executive Officer, the Senior Vice President and Chief Human Resources Officer (CHRO) oversees programs and processes to attract, develop, retain, and support our employees and routinely updates our Board of Directors on related initiatives.

The Human Resources Department enables managers across the company to drive performance and employee development using our performance management process and the implementation of our Human Rights Policy, which establish expectations for adherence to labor practices and human rights laws, and the creation of a safe and healthy workplace.

## **Retention & Development**

### **OUR COMMITMENT**

We understand that employees have a choice of where they work, and it is our goal to remain an employer that attracts and retains top talent. We depend on the broad and diverse range of skill sets and experiences from our workforce to be successful as a business and advance on our sustainability journey. We seek diverse candidates for all positions, and we have deployed practices that help ensure all employees are treated fairly and equitably. Our ability to attract and retain top talent is due, in part, to our rich, collaborative culture, our competitive benefits programs, and our commitment to professional development at all levels of the organization. By developing our employees'

knowledge and skills, we offer our people opportunities for advancement, enhance value for our customers, and retain talent to further our leadership position. This also benefits our employees' families and local communities by building intellectual capital and supporting broader economic stability.

### **OUR MANAGEMENT APPROACH**

Reporting to the CHRO, the Director of Talent Management and Development is responsible for developing and leading the execution of our talent strategy, focused on building our current and future talent pipeline through the development of our employees and the recruitment of external candidates.



Employment decisions are made without regard to race, color, ethnicity or national origin, religion, gender or gender identity, sexual orientation, age, disability, veteran status or other legally protected status. An in-house talent acquisition team leads outreach and recruitment efforts suited to local market dynamics and business needs. We develop a talent pipeline by offering internships, apprenticeships, and training to students in many of the communities in which we operate.

In terms of employee compensation, our Board's Compensation Committee oversees Cabot's annual corporate short-term incentive program, equity incentive compensation programs, remuneration of Cabot's Management Executive Committee, including Cabot's CEO, and pay equity on the basis of elements of diversity, including gender. To ensure employees have their basic needs met to live healthy and productive lives, we offer comprehensive benefits programs designed to meet or exceed what is required and standard for the countries in which we operate. While our benefits vary by location, our core benefit programs typically include health insurance; life and accidental death insurance; disability insurance; retirement and pension plans offering robust company contributions; business travel accident insurance; medical travel insurance; vacation, holiday, and leave entitlement; educational financial assistance; and access to retiree medical coverage.

Cabot encourages a culture of well-being and offers programs providing guidance and support on physical, financial, emotional, and social health for employees and their families. The delivery of these programs varies by site and includes in-person, online, print, and digital tools. An Employee Assistance Program is available to all employees globally for well-being and emotional support. Flu vaccination campaigns are held across many regions, and on-site healthcare is available in some locations. We also offer flexible work arrangements to support our employees' efforts to meet family and personal needs while enhancing job satisfaction and productivity.

We recognize the potential each employee brings to Cabot, and we are committed to our employees' development to help them realize this potential to its fullest. Our approach to development is multifaceted and encourages:

- ◆ On-the-job development, including stretch assignments and rotations
- ◆ Continuous feedback from managers, mentors, and peers
- ◆ Formal learning opportunities, including leadership development programs, functional and technical skills training, and professional conferences

We take a holistic approach to employee development. Through our performance-based management process, managers and employees work together to plan work and set expectations, review progress and results, reward performance, and discuss development areas to support performance improvement and career growth. Our training programs are managed both globally and on a site-by-site basis, according to the unique mix of each employee's experience, skill set, and career interests, and the company's business objectives. Lastly, career transitioning at the end of employment is handled with sensitivity and commonly includes outplacement services for future job opportunities or retirement.

To support continuous improvement, our biennial employee engagement survey provides an opportunity for the company to receive feedback from our global workforce and gain insights related to engagement, retention, and development.

## Diversity

### OUR COMMITMENT

We strive to create a safe and open environment where everyone is supported to contribute to our success and have an impact – where the richness of ideas, backgrounds, and perspectives are accepted, respected, and valued. Each of us understands that we are accountable for playing an active role in building and sustaining an inclusive environment where everyone can contribute, grow, and thrive.

### OUR MANAGEMENT APPROACH

Diversity, equity, and inclusion (DE&I) is a core responsibility of our Director of Talent Management and Development, who reports to the CHRO. Our progress in DE&I is overseen by a DE&I Council comprised of leaders from across the company, with the directive to examine how we promote and support diversity in all its forms. Policies and

practices are reviewed from both global and local perspectives to ensure that we build an equitable and inclusive environment where employees with diverse backgrounds and experiences feel valued and welcome to share new ideas, challenge the status quo, and collaborate broadly within and across their teams.

We firmly believe that fostering diverse perspectives and experiences not only builds a community of employees who feel included and valued but also enhances our ability to innovate and perform. Our business success depends on our ability to create an environment where we all understand and acknowledge the importance of our differences. This supports our efforts in recruiting and retaining top talent and establishing a welcoming environment for our employees.

## Community Engagement

### OUR COMMITMENT

Throughout our history, we have maintained a strong sense of connection to our local communities and have consistently endeavored to be good community partners. We understand the value of collaborating with the communities in which we operate, and we recognize that thriving communities are essential for a sustainable future. Community engagement benefits our neighbors, resonates with employees on a personal level, and allows us to operate with the trust and confidence of our neighbors. We are fortunate to have a workforce comprised of many individuals who are willing to contribute to this important effort by offering their time and skills to positively impact our communities.

### OUR MANAGEMENT APPROACH

There are two primary conduits for our community engagement efforts. The first is our giving activities at the corporate level by the Cabot Corporation Foundation, and the second is through facility-led giving and volunteer initiatives. The Cabot Corporation Foundation was established in 1953 to support qualified charitable, nonprofit organizations in the United States. The charter was amended in 1992 to include grants to *qualified charitable organizations* outside of the United States to support our intent

to have meaningful impacts across our global footprint. A budget for the Foundation's donations is approved by Cabot's Board of Directors on an annual basis. Decisions for how these funds are distributed are the responsibility of the Foundation's Board of Directors, which meets regularly to review grant proposals and to ensure funds are used in ways that align with its charter. The Foundation plays a unique role in providing financial support to our communities across the globe while fostering long-term partnerships with organizations that support our shared sustainability goals. Our facilities are responsible for developing and fostering relationships in the local community, and they are committed to making a meaningful difference in many ways. Active community engagement teams at many of our locations take the lead in evaluating the needs of the community and identifying organizations the facility may partner with to deliver a lasting and meaningful impact. Our community engagement activities take the form of volunteer events, charitable giving, and sponsorship of local causes. In the case of monetary contributions, funds are typically managed as part of facility budgets, with additional resources available through the Cabot Corporation Foundation. Nearly all our facilities globally have dedicated Community Outreach teams responsible for preparing local community engagement plans.