



Report of Independent Accountants

To the Management of Clydesdale Acquisition Holdings, Inc.

We have reviewed the accompanying management assertion of Novolex Holdings, LLC (“Novolex”) that the greenhouse gas (GHG) emissions, total energy consumption, and emissions intensity metrics (collectively the “metrics”) for the year ended December 31, 2022 in management’s assertion, are presented in accordance with the assessment criteria set forth in management’s assertion. Novolex’s management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the metrics. Our responsibility is to express a conclusion on management’s assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management’s assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management’s assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The firm applies the Statements on Quality Control Standards established by the AICPA and, accordingly, maintains a comprehensive system of quality control.

The procedures we performed were based on our professional judgment. In performing our review, we performed inquiries, tests of mathematical accuracy of computations on a sample basis, read relevant policies to understand terms related to relevant information about the metrics, reviewed supporting documentation in regard to the completeness and accuracy of the data in the metrics on a sample basis, and performed analytical procedures.

Greenhouse gas (GHG) emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

The preparation of the total energy consumption and emissions intensity metrics that are subject to measurement uncertainty requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

As discussed in management's assertion, Novolex has estimated GHG emissions for certain emissions sources and consumption for certain energy sources for which no primary usage data is available.

Based on our review, we are not aware of any material modifications that should be made to Novolex's management assertion in order for it to be fairly stated.

PricewaterhouseCoopers LLP

June 15, 2023



Management’s Assertion

With respect to the greenhouse gas (GHG) emissions, total energy consumption, and emissions intensity metrics (collectively, the “metrics”) for the year ended December 31, 2022 (reporting year) presented in the table below, management of Novolex Holdings, LLC (Novolex) asserts that such metrics are presented in accordance with the assessment criteria set forth below. Note that Novolex is a wholly owned subsidiary of Clydesdale Acquisition Holdings, Inc. Management is responsible for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the metrics and for the completeness, accuracy, and validity of the metrics.

Metrics	Definition of Metric and Assessment Criteria ^{1,2,3}	Metric Quantity ^{4,7}
Total Scope 1 Emissions	Direct emissions from natural gas consumption at operating locations ^{6,8}	29,234 MT CO ₂ e ⁵
Total Scope 2 (Location-based) Emissions	Indirect emissions from the use of purchased electricity and purchased heat at operating locations ^{6,9}	245,517 MT CO ₂ e ⁵
Total Scope 2 (Market-based) Emissions	Indirect emissions from the use of purchased electricity and purchased heat at operating locations ^{6,9}	276,198 MT CO ₂ e ⁵
Total Energy Consumption	Energy consumption related to natural gas, purchased electricity and purchased heat ^{10,11,12}	3,295,355 GJ
Emissions Intensity	Scope 1 and 2 (market-based) Emissions over Total Production ^{13,14}	0.23 MT CO ₂ e/MT Production

GHG Emissions and Energy Disclosures

1. Novolex considers the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development’s (WBCSD), *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition* and the *GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard* (together, the “GHG Protocol”) to guide the criteria to assess, calculate, and report total Scope 1 and 2 emissions total energy consumption as well as emissions intensity.
2. Novolex uses the operational control approach to calculate Scope 1 and 2 emissions, total energy consumption, and emissions intensity. This includes all manufacturing or production sites (where Novolex manufactures our products), warehouses, and office spaces that were operated by Novolex during the reporting year (defined as “operating locations”).
3. The following sources of energy and emissions-related data were excluded: those associated with refrigerant gas releases, diesel generators, gasoline used for mobile combustion and propane used for forklifts. Management has estimated that emissions from these sources are less than 10% of total reported Scope 1 GHG emissions.
4. Novolex’s Scope 1 and Scope 2 GHG emissions and total energy consumption are rounded to the nearest whole number. Emissions intensity is rounded to the nearest two decimal places.
5. Carbon dioxide equivalent (CO₂e) emissions are inclusive of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). The other GHGs of hydrofluorocarbons (HFCs), sulfur hexafluoride (SF₆), perfluorocarbons (PFCs) and nitrogen trifluoride (NF₃) are not emitted by Novolex’s operating locations based on the reported emission sources. Prior to conversion to CO₂e, metric tons of Scope 1 emissions by gas are 29,204, 0.55, and 0.06, respectively, and metric tons of Scope 2 location-based emissions by gas are 244,102, 21 and 3, respectively. Emissions data by individual gas is not disclosed for Scope 2 market-based emissions as many utility-specific or residual emission factors only disclose the emission factor in

units of CO₂e or CO₂/kWh. All CO₂e emissions utilize Global Warming Potentials (GWPs) defined by the Intergovernmental Panel on Climate Change's (IPCC) Fourth Assessment Report (AR4 - 100 year). CO₂e emissions are calculated by multiplying actual or estimated energy and fuel usage by relevant emission factors and GWP.

6. GHG emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

7. MTCO₂e = Metric tons of carbon dioxide equivalent, GJ = Gigajoules, and MT Production = Metric tons of production.

Scope 1 and 2 Emissions

8. Related to total Scope 1 emissions:

- Total Scope 1 emissions include those from natural gas consumed at Novolex's manufacturing sites and warehouses.
- Natural gas consumption is collected for Novolex's manufacturing sites and warehouses for which natural gas consumption data was available. Natural gas consumption was obtained from third-party invoices or documentation provided by Novolex facility managers. Certain manufacturing sites or warehouses did not consume natural gas, and therefore, consumption is reported as 0.
- When natural gas consumption data was unavailable for certain months for manufacturing sites or warehouses, Novolex estimated natural gas consumption and accounted for seasonal trends by taking the average of neighboring months' reported usage. For example, if October data was unavailable, a proxy value would be created using the average of reported consumption from September and November.
- Emissions for CO₂, CH₄, and N₂O are calculated using emission factors from the United States (U.S.) Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories, 2022: Table 1 (last modified April 2022). The emissions from CO₂, CH₄ and N₂O are converted to CO₂e using IPCC's AR4 GWPs.
- Estimated emissions from natural gas account for approximately 2% of total reported Scope 1 emissions.

9. Related to total Scope 2 emissions:

- Total Scope 2 emissions include those from purchased grid electricity used at Novolex's operating locations and purchased heat at warehouse and office spaces.
 - Electricity consumption is collected for Novolex's manufacturing sites and warehouses for which electricity consumption data was available. Electricity consumption was obtained from third-party invoices or documentation provided by Novolex facility managers.
 - For manufacturing sites and warehouses where consumption data was not available or was not available for certain months, a hierarchy of approaches was utilized to estimate monthly consumption based on reported data for the account and other accounts at the manufacturing site or warehouse. Estimation approaches for consumption in specific months depended on available data, and included either an average of neighboring months, an average of reported months, or a weighted average calculated based on other accounts at a given manufacturing site or warehouse.
 - A subset of Novolex's warehouses and office locations do not receive energy utility invoices, accounting for approximately 4% of total operating locations by square footage. Each of these locations are conservatively assumed to consume both electricity and heat, with the latter originating from natural gas. For these operating locations, electricity and heat consumption is estimated using energy factors from the U.S. Energy Information Administration's

(EIA)2018 Commercial Buildings Energy Consumption Survey (CBECS) based on location size by square footage and type (e.g., warehouse or office space). Once total energy consumption for both sources has been estimated, emissions from electricity use at these operating locations are calculated using the methods outlined below and emissions from purchased heat are calculated using the same method and emission factors used for Scope 1 calculations.

- Scope 2 electricity location-based calculations and emission factors
 - Grid-average emission factors are applied to annual electricity consumption based on the operating location. Specifically, the following emission factors are used for location-based calculations based on location:
 - United States: U.S. EPA Emissions & Generated Resource Integrated Database (“eGRID”) 2021 summary tables: Subregion Output Emission Rates (released in January 2023)
 - Canada: Environment and Climate Change Canada National Inventory Report 1990-2020: Greenhouse Gas Sources and Sinks in Canada Part 3 Table A13-5 – A13-10 (released in 2022)
 - All other countries: International Energy Agency (IEA) Emission Factors 2022, Summary Table (released in September 2022)
 - Emissions for CO₂, CH₄, and N₂O are calculated using the above emission factors and are converted to CO₂e using IPCC’s AR4 GWPs, as recommended by the United States Environmental Protection Agency (USEPA).
- Scope 2 electricity market-based calculations and emission factors:
 - The GHG Protocol’s hierarchy of market-based emission factors are used to calculate Scope 2 market-based emissions.
 - Novolex purchases renewable electricity at a select number (5 in the 2022 reporting year) of manufacturing sites for a portion or all the reporting year. Novolex purchases renewable electricity at a select number (5 in the 2022 reporting year) of manufacturing sites for a portion or all the reporting year. To calculate its GHG emissions from purchased electricity using the market-based method, Novolex retired [RECs] to reduce the impact of its emissions and any remaining electricity that is not associated with a [REC] was converted to emissions using the market-based emission factors as described below.
 - Where available, utility specific emission factors are used to calculate market-based emissions at operating locations. Emission factors for certain utilities in the United States and Canada are sourced from utilities who publish their emission factors to the Electric Company Carbon Emissions and Electricity Mix Reporting Database for Corporate Customers (released June 2022).
 - For European operating locations, published country-wide residual emission factors are used to calculate Scope 2 market-based emissions. These emission factors are sourced from the Association of Issuing Bodies European Residual Mixes 2021, Version 1.0 (2021 data released May 31st, 2022).
 - For all other operating locations, the grid-average emission factors used for location-based calculations are used.
 - Emissions reported in units of CO₂e are calculated using the above emission factors as well as leveraging AR4 GWP as referenced above.
- Estimated emissions from purchased electricity and purchased heat account for less than 2% of total reported Scope 2 location-based and market-based emissions, respectively.

Energy Consumption

10. Total energy in gigajoules includes direct natural gas consumption and indirect energy purchased which is comprised of purchased electricity and heat. Energy is calculated by conversion to gigajoule of direct and indirect energy consumption from Scope 1 and 2 consumption data as further discussed in the Scope 1 and 2 Emissions section above. Consumption data is then converted to gigajoule.

11. The preparation of the total energy consumption metric requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in a materially different amount or metric being reported.
12. Estimated energy consumption accounts for less than 2% of total reported energy consumption.

Emissions Intensity

13. Total production is compiled by Novolex for each manufacturing site monthly in pounds of product, disaggregated by business unit. Each business unit maintains its own ERP, and production data is pulled from each ERP and total annual production is then aggregated by the Sustainability team and converted from pounds to metric tons. The overall emissions intensity is then calculated by dividing Scope 1 and 2 (market-based) emissions in metric tons CO₂e by metric tons of production.
14. The preparation of the emissions intensity metric requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in a materially different amount or metric being reported.