

GROLMAN

GROLMAN GROUP

Sustainability Report 2024

GROW
NEW

Table of Contents

Foreword by the CEO.....	3	Climate Change and Energy	25	EU Taxonomy Disclosure	60
About us.....	5	Handling of Chemical Raw Materials	32	Appendix: figures, statistics and methodology	62
Grolman Group's Strategic Approach to Sustainability	9	Circular Economy	34	Key Environmental Figures	62
Our Purpose and Vision	9	Social	38	Key Social Figures.....	70
Our Values and Mindset	9	Human Rights	39	Key Governance Figures.....	71
Our Sustainability Commitment	11	Training and Skills Development	41	KPIs, Targets and Performance	72
Contribution to the UN Sustainable Development Goals.....	12	Health and Safety.....	44	Methodological Note Corporate Carbon Footprint	77
Engagement in Sustainability Initiatives	13	Diversity and Equal Opportunity	47		
Sustainability Governance, Policies and Management System.....	15	Governance	49		
Reporting Period and Reporting Principles.....	17	Supplier Relationships.....	50		
Double Materiality Assessment	17	Corporate Culture.....	55		
Environmental.....	24	Business Ethics, Anti-Corruption and Anti-Bribery.....	57		
		Data Privacy and Security.....	59		

Foreword by the CEO

Dear partners, colleagues and friends,

I am proud to present our Sustainability Report for 2024, marking a pivotal year in our sustainability journey—one in which we moved from laying the foundation quietly behind the scenes to confidently sharing our commitments and progress more openly. This shift reflects our growing maturity and belief in the direction we have taken.

Resilience in a Complex Global and Economic Environment

The year 2024 unfolded against a backdrop of persistent economic, geopolitical, and regulatory complexities. While inflation and interest rates showed signs of easing, overall global economic development remained slower than anticipated. In our sector, the chemical industry experienced a slight recovery—particularly in the European plastics market—however, the German economy in general continued to perform below expectations. Volatile raw material prices and cost pressures posed additional challenges for the chemical distribution industry.

Yet, despite this turbulent environment, Grolman Group achieved measurable progress. We grew sales, secured a strong 2025 project pipeline—especially in innovative circular solutions—and continued positioning ourselves for sustainable and profitable growth well into 2026 and beyond. Strategic cost optimisation, increased demand for specialty chemicals, and our clear commitment to sustainability and digital transformation form the foundation of our long-term success.

Global trade in 2024 was once again affected by geopolitical tensions—from the ongoing Ukraine conflict and instability in the Middle East to shifting U.S.- China relations. In response, supply chain security and sourcing resilience became key priorities. At the same time, increased regulatory requirements across major regions—including the EU's CSRD and the U.S. SEC's climate rules—were reshaping expectations around transparency and ESG accountability. We welcome these developments, as they align with our vision of responsible business and long-standing commitment to sustainability.

A Pivotal Year in Our Sustainability Journey

In this challenging yet pivotal year, we took significant steps forward on our sustainability journey. 2024 marked a turning point for the Grolman Group: a shift from operating behind the scenes to proactively communicating our progress and commitments. Building on two years of data, insights, and internal groundwork, we made a significant step in professionalising our internal processes, enhancing governance structures, and equipping our teams with the tools to integrate sustainability into their daily work.

We remained firmly **on track in our Net-Zero ambition**, achieving a 46% reduction in Scope 1 and 2 greenhouse gas emissions and a 24% total reduction in Scope 1, 2, and 3 emissions compared to our 2019 baseline. We strengthened **data coverage and quality** across the Group, successfully reporting both 2023 and 2024 emissions. A major milestone was the completion of a **comprehensive double materiality assessment**, providing strategic clarity and helping shape our future disclosures.

We started preparation for the **Corporate Sustainability Reporting Directive (CSRD)** with the intention to publish an integrated, CSRD-compliant report voluntarily—even if not legally required. Our **EU Taxonomy eligibility assessment** further aligned our business with evolving regulatory frameworks.

Throughout the year, we reinforced our **environmental and social data collection systems**, expanding the scope to Group level and developing a harmonised format aligned with ESRS requirements. Our workforce across regions was actively trained on the fundamentals of our **ESG strategy**, its links to our corporate vision, and key topics such as net-zero, circular economy, and human rights. We also introduced **circular categories** into our ERP system and equipped our sales teams with targeted **training in circularity**, helping to translate our vision into tangible value.

Powered by People, Driven by Purpose and Values

These achievements were once again reflected in our **EcoVadis** assessment, where we proudly retained our **Platinum** status for the second consecutive year, with a significant improvement in our score. This **recognition** belongs **to our**

entire team, whose commitment and intrinsic motivation—grounded in our company's values and purpose—continue to set us apart as a **forward-looking, family-owned business**.

Looking ahead, we see even stronger alignment with our partners and customers on the path to sustainability. Their support reinforces our belief that we are moving in the right direction—together, with responsibility, circular innovation, and resilience.

Thank you for your continued trust and collaboration.

Sincerely,
Florian Grolman



About us

Grolman Group is a family business that distributes the next generation of specialty chemicals to make the future of our industry a profitable circular economy. Distribution and innovation partner, privately owned since 1855 by the fifth and sixth generations of the Grolman family.

We create custom-made solutions based on our synergistic portfolio to meet the diverse needs of our business partners in speciality chemicals. Grolman International Distribution is representing international suppliers of pigments, mineral fillers, performance materials, resins, additives, and actives across all of Europe, as well as in North Africa, Turkey, India and China. Our production business Lifocolor develops customised colour masterbatches, additive preparations and compounds for the circular economy, supplied throughout Europe through our plants in Germany, the Czech Republic, Poland and France. For this report, we will refer to our distribution business, representing around 80% of group revenue, as Grolman International Distribution (GID) or Grolman, and to our production business as Lifocolor, both part of Grolman Group.

We operate in several business sectors, including paints and coatings, adhesives and sealants, inks, building and construction, rubber and plastics, personal care, paper and energy storage.

The key to our success has always been a strong dedication and commitment to building an efficient customer-focused organisation where the needs of our customers are the essential driving force. Therefore, we have individual local sales offices in all regions where we are present, each supported by technically trained sales staff, customer service teams, application laboratories and local warehousing, as well as five production sites and sales offices covering the Lifocolor masterbatch business.

We position ourselves as innovation partners through our proactive approach to industry trends in circular innovation and collaboration with business partners. Leveraging our extensive technical and formulation expertise, we actively seek out innovative solutions to meet evolving market demands. This is evident in our strategic partnerships with leading manufacturers and suppliers, where Grolman Group acts as a conduit for introducing cutting-edge products and technologies to its global network of customers.

Moreover, Grolman Group fosters a culture of innovation and self-responsibility internally, encouraging creativity and entrepreneurial forward thinking among its employees. Run by the 5th generation, our business has faced many transformative challenges. Each time we emerged stronger, while embodying a “Grow New” mentality. By continuously exploring new business models, innovative ideas and technologies, we remain a progressive family business, driving effective and efficient value for our customers. Today, we invite our business partners to turn challenges into business opportunities for circular innovation.

Grolman Group. Specialty chemicals for a circular future.
“Grow New” since 1855.

GROLMAN

LIFOCOLOR
MASTERBATCHES & COMPOUNDS

About us

Established 1855

Today run by the 5th generation of the Grolman family and privately owned

Specialty Chemicals

Complementary product portfolio provides synergies and multiple cross-selling opportunities

40+ Countries

Covered by 23 entities of our distribution business with 25 sales offices across Europe, Turkey, Northern Africa, India and China, as well as 4 Lifocolor entities with 5 production sites in Germany, Czech Republic, Poland and France.

500+ Employees

Our success is based on a strong dedication and commitment to building an efficient customer-focused organisation where customers' needs are an essential driving force

Solution oriented

Technical market approach to support customers to solve their daily challenges and develop innovative, circular solutions

20,000+ Customers

Excellent market penetration through a very broad customer base across all focus industries

Highlights 2024

On track with **Net-Zero ambition**, **46% reduction Scope 1 and 2** and a **24% reduction in total Scope 1, 2, 3 emissions** compared to 2019 baseline.

Reinforced **environmental and social data collection systems**, expanding the scope to Group level and developing a harmonised format aligned with ESRS requirements.

Product Circular Categories integrated into ERP system and sales teams **trained in circularity**

EcoVadis Platinum rating with an increased score from 78 to 82

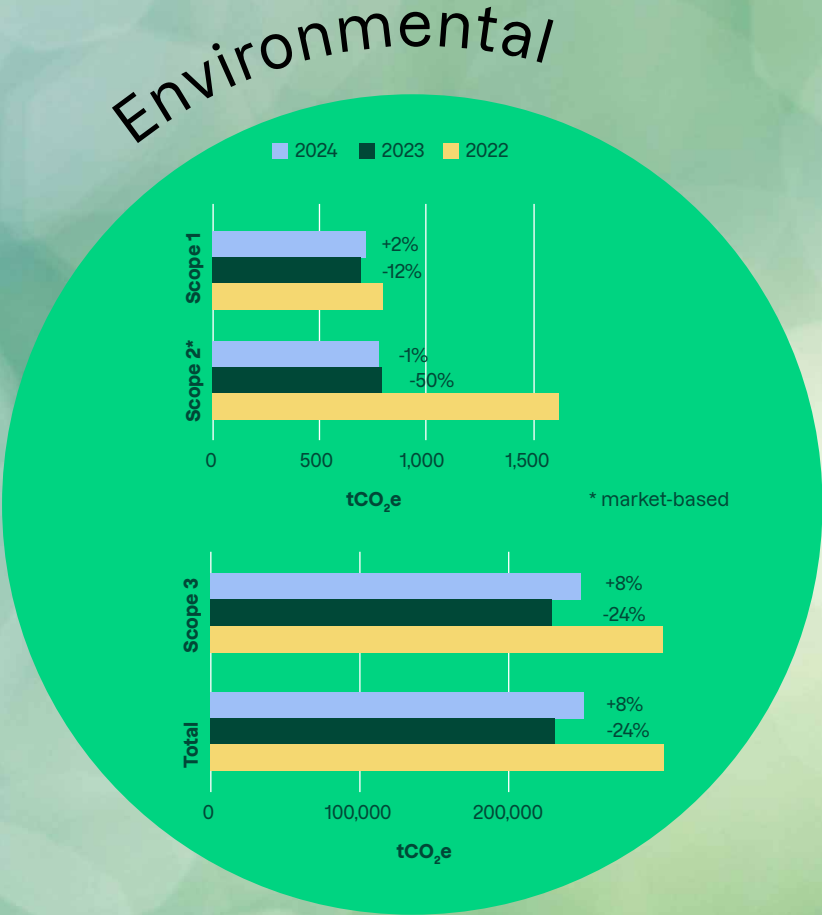
Double Materiality Assessment for the Grolman Group in accordance with the **European Sustainability Reporting Standards (ESRS)** and fully aligned with the **Corporate Sustainability Reporting Directive (CSRD)**

EU Taxonomy eligibility assessment for the Grolman Group's economic activities

Established **Sustainability Strategic Framework** via Double Materiality Assessment, aligning purpose and vision with ESG pillars and material topics, and embedding it in strategy, governance, and daily operations.

Workforce across regions **trained** on the fundamentals of our **ESG strategy**, its links to corporate vision, and key topics such as net-zero, circular economy, and human rights.

Key Sustainability Figures 2024



Number of employees
529

Social

Gender balance, women in the organisation
41.4%

Governance

Women in top leadership positions
30.7%

Number of work-related accidents and injuries
16

100%
Targeted suppliers signed the supplier code of conduct

100%
Targeted suppliers covered by CSR risk assessment

83%
Targeted suppliers covered by a CSR assessment (questionnaire)

Grolman Group's Strategic Approach to Sustainability

Our Purpose and Vision

CARING since GENERATIONS, for GENERATIONS

At Grolman Group, our commitment to sustainability and responsibility is deeply rooted in our history and our aspirations for the future. Our guiding principles, encapsulated in our purpose and vision statements, drive every aspect of our operations and decision-making processes.

Our Purpose:

To hand over a prosperous business to the next generations of family and employees.

We are dedicated to ensuring that the business we build will thrive for generations to come. Our purpose is to hand over a prosperous enterprise to the next generations of both our family and our employees. This enduring commitment underscores our role as responsible entrepreneurs who prioritise long-term success and sustainability over short-term gains.

That is why sustainability at Grolman Group means making entrepreneurial business decisions while responsibly creating value for future generations by protecting the environment and by contributing to the well-being of our society.

Our Vision:

We sell chemicals to save the planet. We want the chemical industry to be the cure and not the disease.

The only way to achieve this is through a circular economy.

A circular economy:

- Paves the way to net zero emissions whilst growing our business at the same time.
- Helps us meet our business partners' demand for more sustainable products to support their circular journey.
- Strengthens the economy on a social level.

We are prioritising and driving our business models to achieve the above.

At Grolman Group, we envision a future where the chemical industry is a beacon of positive impact for the planet and society alike. Following our vision, we are committed to transforming the chemical industry from being part of the problem to a crucial, positively impacting part of the solution. Our contribution and goal are to drive innovation and circularity in the products and services we offer.

Our vision and purpose are brought to life through the values and mindset that guide our daily actions and long-term decisions.

Our Values and Mindset

At Grolman Group, our commitment to sustainability is firmly grounded in our shared values and mindset. These are the foundation of our culture and the compass for our actions, shaping the nature of how we operate, interact, and grow as a responsible business.

Our Values

Our company values are more than ideals—they are our essential foundation. Without them, everything crumbles. These four foundational clusters of values guide us in how we work, make decisions, and engage with colleagues, customers, suppliers, and communities.

Value Cluster TRUST

The cornerstone of all our relationships, both internal and external.

- TRUST: ability to rely on others.
- INTEGRITY: our values match our actions.
- TRUTH: real-world facts and personal realities.

Value Cluster RESPECT

Every interaction should be grounded in connection and mutual appreciation.

- RESPECT: positive feeling or action shown towards others.
- EYE-LEVEL: connection from human to human.
- EMPATHY: deeply understand another person's point of view, even if different from your own.

Value Cluster ENTREPRENEURSHIP

The heart of our company's purpose.

- ENTREPRENEURSHIP: building a business with courage and foresight.
- PROGRESSIVITY: embracing the future.
- GENERATIONAL PROSPERITY: growing the business for future generations.

Value Cluster HAPPINESS

The source of motivation and a satisfying human connection in our work.

- HAPPINESS: Creating and sharing joy, seeking fulfilment in your work, and appreciating the positive impact others create.

The **Code of Conduct** is the living framework that brings our values of **Trust, Respect, Entrepreneurship, and Happiness** into everyday practice. It ensures that these principles are not only words on paper but are reflected in how we work, make decisions, and interact with colleagues, customers, suppliers, and communities. By setting clear expectations for ethical behaviour and accountability, the Code of Conduct safeguards the integrity of our business and strengthens the culture that underpins Grolman's long-term sustainable prosperity.

Our “Grow New” Mindset

At Grolman Group, driving sustainable progress means going beyond traditional solutions. With our “Grow New” mindset, we support our business partners on their path toward circular transformation—translating the challenges of complexity into opportunities for circular innovation.

We see ourselves as both a Co-Pilot and a Speedboat on this journey. As a Co-Pilot, we work side by side with our partners to imagine a circular future, turn circular innovation into a business



opportunity and co-design scalable solutions. We combine excellence in technical sales and reliable supply with the courage to challenge existing systems and unlock new circular business potential.

As a Speedboat, we accelerate, turning those business opportunities into circular sales. We enable a focused, agile progress—moving from initial ideas to implementation at speed. We aim to help partners adopt business models that unite profitability with circularity, generating measurable impact and long-term value along the entire value chain.

Our “Grow New” mindset reflects our belief that circularity should not remain a distant ambition—it must become a strategic and operational reality—a true competitive advantage. It is through this hands-on, forward-looking approach that we contribute to building a better, more resilient chemical industry—together.

Our Sustainability Commitment

We are committed to working together to address the challenges of climate change:

- We take responsibility for creating a more sustainable future by finding improved solutions in our supply chain, led by our vision: “We sell chemicals to save the planet.”

- We act responsibly for the benefit of our employees and society.
- We implement the concepts of circular economy in the chemical industry.

Grolman Group is an official signatory of the **United Nations Global Compact (UNGC)** and aligns its goals with the **Ten Principles** and the **UN Sustainable Development Goals (SDGs)**. We communicate our commitment to sustainability publicly:

- We report our performance against our corporate responsibility goals and targets, which are aligned with our environmental, social and governance commitments, and we engage and support our suppliers and customers to follow the same path as we do.
- We align our goals and targets with the SDGs (UN) and the ten principles of the UNGC derived from key UN declarations in the areas of human rights, labour, environment, and anti-corruption.
- Our Sustainability Team, Climate Vision Team and our Sustainability Steering Committee track progress in monthly meetings and review our goals annually to:
 - i. Conduct our business responsibly, fairly, and transparently and expect the same from our business partners in the supply chain.
 - ii. Promote our unique sustainability concept, the Grolman Vision. We empower everyone to continuously seek and champion opportunities for improvement in how we do things

from a sustainability perspective and to communicate our approach externally to our key stakeholders.

- iii. Uphold human rights in our business and encourage our supply chain to do the same by adopting the best practices outlined in international standards and principles such as the International Labour Organisation (ILO), the Universal Declaration of Human Rights and the Modern Slavery Act.
- iv. Treat our employees fairly - fair working conditions, development opportunities, equal opportunities and protection of their health, safety, and well-being.
- v. Manage and reduce our environmental impact by setting net-zero targets, maximising energy efficiency, avoiding pollution, reducing emissions, choosing environmentally friendly transportation, using all resources wisely, ensuring responsible end-of-life disposal of equipment, and protecting the environment and biodiversity.
- vi. Ensure continuous progress towards becoming a purpose-driven organisation by cultivating a robust company culture and developing a new organisational model. This model will seamlessly integrate sustainability initiatives across all departments, promoting a culture of shared responsibility and circular innovation.

Contribution to the UN Sustainable Development Goals

Grolman Group is an official signatory of the United Nations Global Compact (UNGC), demonstrating our commitment to sustainable and responsible business practices. The Ten Principles of UNGC are derived from key UN declarations in the areas of human rights, labour, environment, and anti-corruption. As part of our dedication to the UNGC's ten principles, we actively support and incorporate their tenets into our culture, operations, and sustainability reporting. Additionally, we submit an annual Communication on Progress (CoP) report, detailing our ongoing improvements and adherence to these principles.

As a signatory of the Climate Action target of the UNGC Forward Faster initiative, we have publicly declared our commitment to set corporate science-based net-zero emissions targets in line with a 1.5°C pathway, with the goal of halving global emissions by 2030 and reaching net-zero by 2050 at the latest.

Starting at the top level of Grolman Group, leadership, managers, and employees are held accountable for sustainability through key performance indicators (KPIs) and specific goals.

In this report, we will list these KPIs and targets to demonstrate the company's global commitment to responsible business.

Grolman Group supports the UN Sustainable Development Goals (SDGs), a set of 17 global goals established by the United Nations General Assembly in 2015.

Based on our double materiality assessment and taking a value chain approach, we have prioritised the SDGs where we believe we can have the greatest impact and to which we want to make a positive contribution.

With the publication of this report, we communicate our progress on the multi-decade goals set through our commitment to the UN Global Compact and the Sustainable Development Goals. As a signatory of the Climate Action target under the UNGC Forward Faster initiative, we reaffirm our commitment to accelerating emissions reduction and enhancing climate resilience across our value chain, and we communicate our progress. Building on our sustainability targets, these long-term ambitions aim to put us on track to achieve Net-Zero, advance circular economy practices, and enhance our positive impact on customers, society, and our company. We recognise that achieving these ambitious goals will require commitment, investment, innovation, and collaboration.



Good health and well-being
Ensure healthy lives and promote well-being for all at all ages



Decent work and economic growth
Promote sustained, inclusive, and sustainable economic growth, as well as full and productive employment and decent work for all.



Industry, innovation, and Infrastructure
Build resilient infrastructure, promote sustainable industrialisation and foster innovation.



Responsible consumption and production
Ensure sustainable consumption and production patterns



Climate action
Combat climate change and its impacts



Partnership for the goals
Strengthen the means of implementation and revitalise the global partnership for sustainable development.

Engagement in Sustainability Initiatives

At Grolman International Distribution, our commitment to sustainability is reflected in our active participation in a range of external initiatives, networks, and platforms. These memberships and certifications are key to our strategy for fostering a more sustainable and responsible business environment. Below are the key affiliations that guide our sustainability journey:



United Nations Global Compact (UNGC)

As a participant in the UN Global Compact, Grolman Group aligns with ten universally accepted principles in human rights, labour, environment, and anti-corruption. This membership, as described in the previous section of the report, reinforces our commitment to ethical business practices and global sustainability goals.



Roundtable on Sustainable Palm Oil (RSPO)

Our partnership with the RSPO (Roundtable on Sustainable Palm Oil) demonstrates our commitment to supporting sustainable palm oil production. By adhering to RSPO standards, we ensure that the palm oil in our supply chain is sourced in an environmentally and socially responsible manner.

Grolman International Distribution is an Ordinary Member of RSPO and holds a Distributor License. We adhere to the RSPO Shared Responsibility requirements in all our palm oil-related operations, and our compliance is demonstrated through our Annual Communication on Progress (ACOP) and our MyRSPO membership profile.



European Chemical Industry Council (CEPIC)

Grolman Group actively contributes to the future of the chemical industry through its membership in the European Chemical Industry Council (CEPIC), promoting innovation, safety, and sustainability at a European level.

In addition, our local entities participate in various national chemical industry associations, enabling us to stay aligned with regional developments, share best practices, and support responsible progress across all our markets.



European Association of Chemical Distributors (FECC)

As a member of FECC, we are part of a leading network that promotes best practices in the chemical distribution industry. Our engagement ensures that we stay ahead in regulatory compliance, safety, and sustainability.



International Organization for Standardization (ISO)

Compliance with ISO standards 9001 and 14001 is integral to Grolman operations. These globally recognised standards help us maintain high levels of quality, safety, and environmental stewardship across our products and services. All Lifocolor plants are ISO 9001 certified. Lifocolor's plant in Germany has also ISO 50001, the plant in France ISO 2200 and the plant in the Czech Republic ISO 14001.



Science-Based Targets Initiative (SBTi)

Through our commitment to the SBTi, Grolman Group is setting and pursuing science-based targets to reduce greenhouse gas emissions. This initiative is a key component of our strategy to mitigate climate change and achieve our long-term sustainability goals.



EcoVadis

EcoVadis is a globally recognised collaborative platform that provides sustainability ratings and performance improvement tools for global supply chains. It rates businesses' sustainability based on four key categories: environmental impact, labour and human rights standards, ethics, and procurement practices. The assessment is based on international standards and benchmarks, helping organisations evaluate and improve their sustainability practices and those of their suppliers.

Our participation in the EcoVadis assessment provides a transparent and comprehensive evaluation of our corporate social responsibility practices. This continuous evaluation process drives us to enhance our sustainability performance across various dimensions.

In 2024, EcoVadis awarded Grolman Group a Platinum rating for a second consecutive year, with a further increased score from 78 to 82. With this result, we belong to the top 1% of over 130,000 active companies working with this platform. This rating reassures our business partners that Grolman meets the highest sustainability standards across all areas of its business. It also affirms that we are making significant progress in our sustainability efforts and remain committed to continuous improvement.



Integrity Next

IntegrityNext is a leading platform for ESG risk management and compliance monitoring in the supply chain. It supports our efforts to monitor the sustainability and compliance of our supply chain. Through this platform, Grolman Group ensures that our suppliers meet rigorous social, environmental, and ethical standards, aligning with our commitment to responsible procurement.



Responsible Care

Responsible Care is a global initiative in the chemical industry that Grolman proudly supports. Our involvement underscores our dedication to the continuous improvement of health, safety, and environmental practices, going beyond regulatory requirements to achieve excellence.

These associations and initiatives are fundamental to Grolman Group's sustainability strategy, guiding us as we strive to create value for our stakeholders while contributing to a more sustainable future.

Sustainability Governance, Policies and Management System

Our Corporate Governance

Sustainability at Grolman Group is an integral part of our corporate vision, strategy, and business model. It is governed and overseen by our Managing Directors, senior executives, dedicated vision teams, and the sustainability team.

The Sustainability Steering Committee provides strategic oversight and direction to ensure the effective integration of sustainability into Grolman Group's vision, business strategy, and operations. Comprising the Group's Managing Directors, Head of Sustainability, Head of Human Resources, and Director of Sustainable Operations, the Committee is responsible for aligning sustainability goals with corporate priorities, approving resources and budgets, managing sustainability-related risks, ensuring accountability and compliance, engaging stakeholders, and fostering a culture of sustainability across the organisation.

Rather than operating through a strict hierarchical structure, sustainability is further integrated throughout the organisation and driven by purposefully involved teams. This approach ensures that sustainability initiatives are embedded across departments, promoting a culture of collective responsibility and innovation.

Our ESG Governance and Management System

At Grolman Group, sustainability is embedded in our corporate strategy, governance, and daily operations. Our ESG Governance and Management System connects vision, strategy, policies, procedures, and reporting into a coherent framework that drives progress and accountability at

all levels of the organisation. All teams receive sustainability training and understand their role in contributing to the organisation's shared vision.

Our structured ESG strategic framework connects five interlinked elements:

Level	Purpose	Governance Focus
1. Vision & Purpose	Define long-term direction: "We Sell Chemicals to Save the Planet."	Global Corporate Level with the Vision Team
2. Strategy	Translate purpose into sustainability goals via Double Materiality Assessment.	Global Corporate Level with the Leadership Team
3. Policies & SOKRs	Define principles and targets for implementation	Global Operational and Team Level
4. Procedures & Rituals	Operationalise through processes, accountability, and teams	Global and Local Operational Team Level
5. Reporting	Measure, report, and improve ESG performance	Global Corporate and Global and Local Operational Team Level

Our Key Sustainability-Related Policies

To ensure consistent implementation and ethical integrity, Grolman Group has adopted a set of core policies that guide employee and partner behaviour, risk mitigation, and long-term sustainability objectives.

Policy / Statement	Scope of Application	Accountable Unit	Impact on Value Chain	Governance Level
Code of Conduct	All employees and business partners	Group Executive Board	Entire value chain	Global
Anti-Corruption and Anti-Bribery Policy	All operations and partnerships	Group Executive Board	Entire value chain	Global
Whistleblower Policy	Internal & external stakeholders	Group Executive Board	Entire value chain	Global
Conflict Minerals Policy	Suppliers and sourcing partners	Procurement and Sustainability	Upstream value chain	Global
Human Rights, Diversity & Inclusion Statement	Employees, contractors, suppliers	HR & Group Executive Board	Entire value chain	Global
Safety, Health and Environment (SHE) Policy	Operational sites and logistics	Operations / SHE	Internal & selected partners	Regional/Global
Environmental Policy & Sustainability Standards	Operations, supply chain, product strategy	Sustainability	Entire value chain	Global

Grolman's policies are available at <https://www.grolman-group.com/resources>

Reporting Period and Reporting Principles

This is our third conclusive sustainability report, published in 2025, covering our company's goals and activities for 2023 (only environmental data) and 2024.

This report has been prepared for our owners, employees, business partners such as customers, suppliers and contractors, and the broader community in which we operate.

Grolman Group is committed to annual sustainability reporting, beginning in 2022 and extending into the future. We are committed to transparently communicating our sustainability endeavours by adhering to all relevant framework criteria, ensuring accurate and current data on both our supply chain and internal operations. As part of our ongoing commitment to sustainability, we are diligently preparing to release a CSRD-compliant report in the future, further demonstrating our accountability and progress in this vital area.

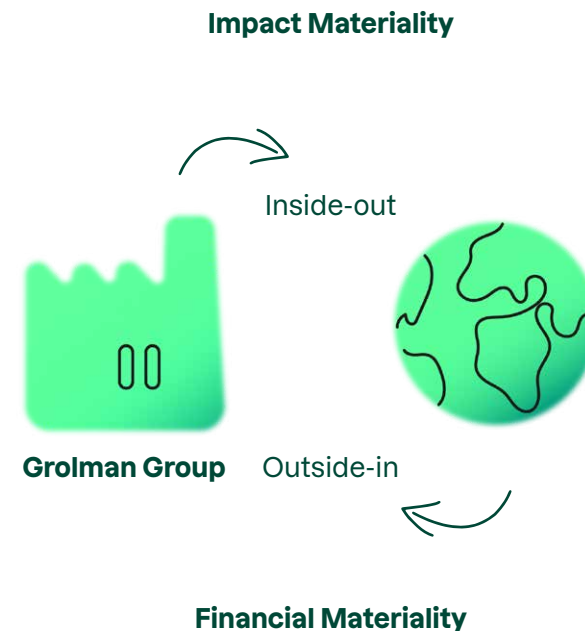
In 2024, Grolman Group continued its commitment to sustainability, building on our previous milestones and setting new ambitious goals. Our focus remains on achieving net-zero emissions by 2050, fostering circular innovation, and enhancing partnerships across the value chain. Our strategic efforts are further streamlined by the company's material matters, as determined through a comprehensive Double Materiality Assessment.

Double Materiality Assessment

Material Impacts, Risks, and Opportunities and their Interaction with Strategy and Business Model

In 2024, for the first time, we conducted a comprehensive Double Materiality Assessment (DMA) for the Grolman Group in accordance with the European Sustainability Reporting Standards (ESRS) and fully aligned with the Corporate Sustainability Reporting Directive (CSRD). This assessment plays a vital role in identifying the most significant sustainability matters that affect both our business operations and our impact on the environment and society.

As part of a series of workshops, the integration of material impacts, risks, and opportunities with the Grolman Group's strategy and business model was evaluated. The assessment confirmed that the Group is resilient in addressing material impacts and risks, while also being positioned to capitalise on emerging opportunities. These topics are reflected in our sustainability strategy and will be further embedded in the accountability of respective functions and departments.



Given its strategic importance, senior leadership—including Grolman Group's managing directors, Sustainability Steering Committee, and key functional leaders—were actively engaged through dedicated workshops and kept informed throughout each key stage of the process. The Board of Directors, as well as the members of the Grolman family, who are the sole shareholders, were regularly updated on the assessment and its outcomes.

Methodology

The DMA process and content adhered to the guidelines expressed in ESRS/CSRD and the European Financial Reporting Advisory Group (EFRAG) publications available until August 2024 and involved a structured four-step approach:

- 1. Stakeholder Engagement:** We analysed our value chain activities and business relationships, identified stakeholders, and prepared a stakeholder approach. We engaged 19 internal and external stakeholders through 16 interviews to gather diverse perspectives. Additionally, we reviewed over 20 internal and external data sources and conducted three strategic workshops.
- 2. IRO Identification:** We identified Impacts, Risks, and Opportunities (IROs) across environmental, social, and governance dimensions across the entire value chain. These IROs were formed at the most granular level possible, ensuring a comprehensive analysis. We first

established a gross list of ESG topics (e.g. from GRI and previous Materiality Assessment, ESRS topics and industry-specific). We then shortlisted potential material topics and decided on the time horizons. And finally, we conducted interviews with stakeholders to identify and clearly describe IROs based on a shortlist.

- 3. Assessment:** Each IRO was assessed for both impact materiality (based on the potential or actual effects on people and the environment) and financial materiality (based on the potential financial effects on the company). This dual perspective ensures a balanced and thorough evaluation. In the assessment process, we followed these steps: First, we gathered input from internal and external sources to identify and qualify IROs. Next, we incorporated insights from external studies to refine the qualification of IROs further. We then assessed the impacts based on severity and likelihood (impact materiality), and finally, we evaluated risks and opportunities based on magnitude and likelihood (financial materiality).
- 4. Materiality Determination:** Material IROs were determined using thresholds aligned with EFRAG guidance. The material IROs were then translated into eight key sustainability matters that are critical for Grolman Group. Further, we determined disclosure requirements and data points linked to the material matters and validated the result with the Sustainability Steering Committee.

Outcomes

The DMA process identified eight material sustainability matters for Grolman Group, categorised under three main pillars: Environmental, Social, and Governance. Each of these matters was assessed for their impact and financial materiality, resulting in a comprehensive classification:

Environment:

- **Climate Change & Energy (E1 Climate Change):** identified as double material due to its significant impact on Grolman Group's CO₂ emissions and potential financial risks related to energy consumption.
- **Resource inflow/outflow & Waste (E5 Circular Economy):** also double material, due to the environmental impact of waste management and the potential financial opportunities and risks associated with using circular and sustainable raw materials.

Social:

- **Human Rights (S1 Own workforce & S2 Workers in the value chain):** double material matter for Grolman Group due to the potential negative impact related to child labour, forced labour, adequate housing and privacy in Grolman Group's value chain from both an impact and a financial perspective, particularly relevant for upstream suppliers.

- Training and Skill Development (S1 Own workforce & S2 Workers in the value chain):** double material matter for Grolman Group for both our own workforce and value chain workers from both an impact and a financial perspective. The positive impact is linked to the training, which helps our employees and partners gain the skills needed to meet sustainability and performance goals. At the same time, insufficient training can lead to underperformance, missed targets, and lower sales of circular products.
- Health and Safety (S1 Own workforce & S2 Workers in the value chain & S4 Consumers and end-users):** impact material matter for Grolman Group due to the potential negative impact that the handling of chemicals can have on both our workforce and the value chain workers.

Governance:

- Corporate Culture (G1 Business conduct):** financially material, which relates to the impact of a purpose-driven and responsible corporate culture. It increases staff loyalty, entrepreneurial thinking and creativity, which leads to innovation, and overall employee satisfaction and productivity, which overall leads to better financial performance and underlines the Grolman’s family business culture and corporate values.
- Supplier Relationships (G1 Business conduct):** double material matter for Grolman Group due to positive impact on our suppliers’ ESG performance and potential reputational and financial risks in case of a lack of fair and sustainable supplier practices.

- Corruption and Bribery (G1 Business conduct):** financially material matter as it is related to potential reputational damage and the direct financial effect of incidents of unethical prac-

tices by Grolman Group.

Additionally, some potential sustainability matters were assessed but ruled out due to insufficient impact or financial significance.

Grolman Group’s Double Materiality Matrix

	Environment	Social	Governance
<div>Impact material</div> <div>Health and Safety</div>	<div>Training and Skills Development</div> <div>Human Rights</div>	<div>Circular Economy</div> <div>Climate Change & Energy</div> <div>Supplier Relationships</div>	
<div>Assessed, but did not meet materiality threshold</div> <div> <div>Pollution of air, water, soil</div> <div>Substances of (hiah) concern</div> <div>Impact drivers of biodiversity loss</div> <div>Microplastica</div> <div>Water management¹</div> <div>Impacts on species / ecosystems</div> <div>Working conditions (Own workforce/ workers in the value chain)</div> <div>Social inclusion of consumers and/or end-users (sonsumers andend-Users</div> </div> <div> <div>Diversity and gender equality</div> <div>Personal safety of consumers/ end-users (Consumers and ond-usars)²</div> <div>Information related impacts for (end-)users/ consumers (Consumers and end-users)²</div> <div>Animal welfare (Business conduct)</div> <div>Protection of whisticblovers¹</div> <div>Political engagement (Business conduct)</div> <div>Affected communitas¹</div> </div> <div>Non- material</div>		<div>Corporate Culture</div> <div>Corruption and Bribery</div>	<div>Financial material</div>

1 IROs have been collected in the interview process, but did not score above the threshold.

2 IROs collected in the interview process have been included in Health & Safety

The tables below list the impacts, risks and opportunities associated with our business identified as material during the DMA process. Addi-

tional information about the impacts, risks and opportunities related to each of the ESRS topical standards is provided in the relevant chapter of

this Sustainability Statement.

Results of the double materiality assessment for the 2024 business year: Material impacts

ESRS standard	Topic/sub-topic/sub sub-topic in the standard	Evaluation/classification (positive/ negative)	Time horizon (short-, medium-, long-term)	Actual/ Potential	Placement in the value chain	Material impacts (IRO name)	Short description
E1	Climate change & Energy / Climate change mitigation	Negative	Short	Actual	Upstream, operations, downstream	Contribution to GHG emissions	Business activities cause GHG emissions related to the upstream and downstream value chain.
E1	Climate change & Energy / Energy	Negative	Short	Actual	Operations	Energy intense production	High energy need in production both due to high heat requirements and torque.
E1	Climate change & Energy / Energy	Positive	Short	Actual	Operations	Using renewable energies	Grolman pushes the use of renewable energies (e.g. with their solar panels on Lifocolor's production roof).
E2	Climate change & Energy / Energy	Negative	Short	Actual	Downstream	Energy intense processing of goods	High energy need to further process master-batches and compounds.
E5	Circular Economy / Resource outflows related to products and services	Positive	Long	Potential	Upstream, Downstream	Contributing to circular design principles leading to less waste	Grolman can increase the use of circular materials/ product design via trainings for customers, supporting with selection of circular material, commercialisation of circular solutions.
E5	Circular Economy / Resource inflows including resource use	Positive	Medium	Actual	Upstream	Reduction of raw materials extraction (virgin materials)/ Increased sourcing of renewable materials	Grolman reduces the demand of raw materials/ virgin materials by offering recycled materials and applying circular principles.
E5	Circular Economy / Resource outflows related to products and services	Negative	Short	Actual	Downstream	Circular materials are applied in non circular solutions	Materials go in applications not fostering the circular economy
E5	Circular Economy / Waste	Negative	Short	Actual	Operations	Waste from production	174t/year of production waste for Lifocolor
S1	Own workforce (Health and safety) / Working conditions / Health and safety	Negative	Short	Potential	Own operation	Health and safety issues for own workforce	Health and safety impacts related to their own warehouse activities (Grolman) and in their production (Lifocolor) due to handling partly dangerous goods, use of tools, burning on the extruder in case procedures are not followed.

ESRS standard	Topic/sub-topic/sub sub-topic in the standard	Evaluation/classification (positive/ negative)	Time horizon (short-, medium-, long-term)	Actual/ Potential	Placement in the value chain	Material impacts (IRO name)	Short description
S1	Own workforce (Training and skills development) / Equal treatment and opportunities for all / Training and skills development	Positive	Medium	Actual	Own operation	Skill development in sustainability and circularity	Grolman has a training and skill development system focused on their circular and net zero vision
S2	Workers in the value chain (Health and safety) / Working conditions / Health and safety	Negative	Medium	Potential	Upstream, downstream	Health and safety issues for value chain workers	Health and safety issues caused by incidents in value chain activities such as handling of chemicals, material extraction and transportation.
S2	Workers in the value chain (Health and safety) / Working conditions / Health and safety	Negative	Short	Potential	Upstream, operations, downstream	Risk of health issues related to materials such as titan dioxide, Melamine	Titanium dioxide and dangerous goods can have a negative impact on workers in production and end-users.
S2	Workers in the value chain (Training and skills development) / Equal treatment and opportunities for all / Training and skills development	Positive	Short	Potential	Upstream, operations, downstream	Training and skill development for value chain workers	Creating positive impact in the value chain by making sustainability an integral part of technical sales activities.
S2	Workers in the value chain (Human rights) / Other work-related rights / Child labour, Forced labour, Adequate housing, Privacy, Water and sanitation	Negative	Medium	Potential	Upstream	Human rights at suppliers (upstream)	Grolman can contribute to negative impacts by not knowing & addressing Human rights situations in the upstream supply chain.
S2	Workers in the value chain (Health and safety) / Working conditions / Health and safety	Negative	Medium	Potential	Downstream	Not providing mandatory information on handling chemical substances and products	Health and safety data sheets needs to be provided by Grolman for handling of chemicals in manufacturing/ formulation and for transportation of goods.
G1	Supplier relationships / Management of relationships with suppliers including payment practices	Positive	Medium	Actual	Upstream	Sustainability criteria for suppliers (e.g. reduction of emission)/ Re-selection of suppliers according to ESG criteria	Increased sustainability requirements for suppliers

Results of the double materiality assessment for the 2024 business year: Opportunities and risks

ESRS standard	Topic/sub-topic/sub sub-topic in the standard	Evaluation/classification (risk/opportunity)	Time horizon(short-, medium-, long-term)	Actual/Potential	Placement in the value chain	Material impacts (IRO name)	Short description
E5	Circular Economy / Resource inflows including resource use, Resource out-flows related to products and services	Risk	Short	Potential	Downstream	Higher prices related to circular products	Prices of sustainable/ circular materials are higher and can impact Grolman's performance due to changing buying decisions of their customers or the end-users.
E5	Circular Economy / Resource outflows related to products and services	Risk	Short	Potential		Changing customer demands and plastics regulation	Customers change their demand for plastics due to loss of image of plastics and/or plastic tax.
E5	Circular Economy / Resource inflows including resource use	Risk	Short	Actual	Upstream	Availability of resources	Dependency between circular resource supply and end-of-life infrastructure and resources.
E5	Circular Economy / Resource inflows including resource use	Risk	Short	Potential	Upstream	Price of raw materials	Increasing prices for resources such as crude oil can pose a financial risk.
E5	Circular Economy / Resource outflows related to products and services	Risk	Medium	Potential	Own operations	Risk of not transforming towards circular economy	A missed transformation towards circular materials and solutions is seen as a competitive disadvantage (e.g. diversification of portfolio).
E5	Circular Economy / Resource inflows including resource use	Risk	Short	Actual	Operations	Availability of resources related to import duties	Import duties have a direct impact on Grolman distribution.
S1	Own workforce (Training and skills development) / Equal treatment and opportunities for all / Training and skills development	Opportunity	Medium	Potential	Own operations	Upskilling of own employees to drive market growth.	Expected market growth for circular materials and circular applications and services needs to be provided/promoted by Grolman employees / According training and enabling achieved by internal upskilling
S2	Workers in the value chain (Human rights) / Other work-related rights / Child labour, Forced labour, Adequate housing, Privacy, Water and sanitation	Risk	Medium	Potential	Upstream	Human rights violations	Human rights violations at suppliers.
G1	Corporate Culture / Corporate culture	Opportunity	Long	Actual	Own operations	Creating a sense of belonging by establishing a shared purpose	Grolman strongly focuses on a purpose driven culture.

ESRS standard	Topic/sub-topic/sub sub-topic in the standard	Evaluation/classification (risk/opportunity)	Time horizon(short-, medium-, long-term)	Actual/Potential	Placement in the value chain	Material impacts (IRO name)	Short description
G1	Supplier relationships / Management of relationships with suppliers including payment practices	Risk	Medium	Potential	Upstream	Reputational damage due to misconduct of suppliers	Supplier misconduct can be accompanied by reputational damage.
G1	Corruption and bribery / Corruption and bribery / Prevention and detection including training, Incidents	Risk	Medium	Potential	Own operations, upstream	Risk related to corruption and bribery	Colluding with suppliers / risk to divert from rules

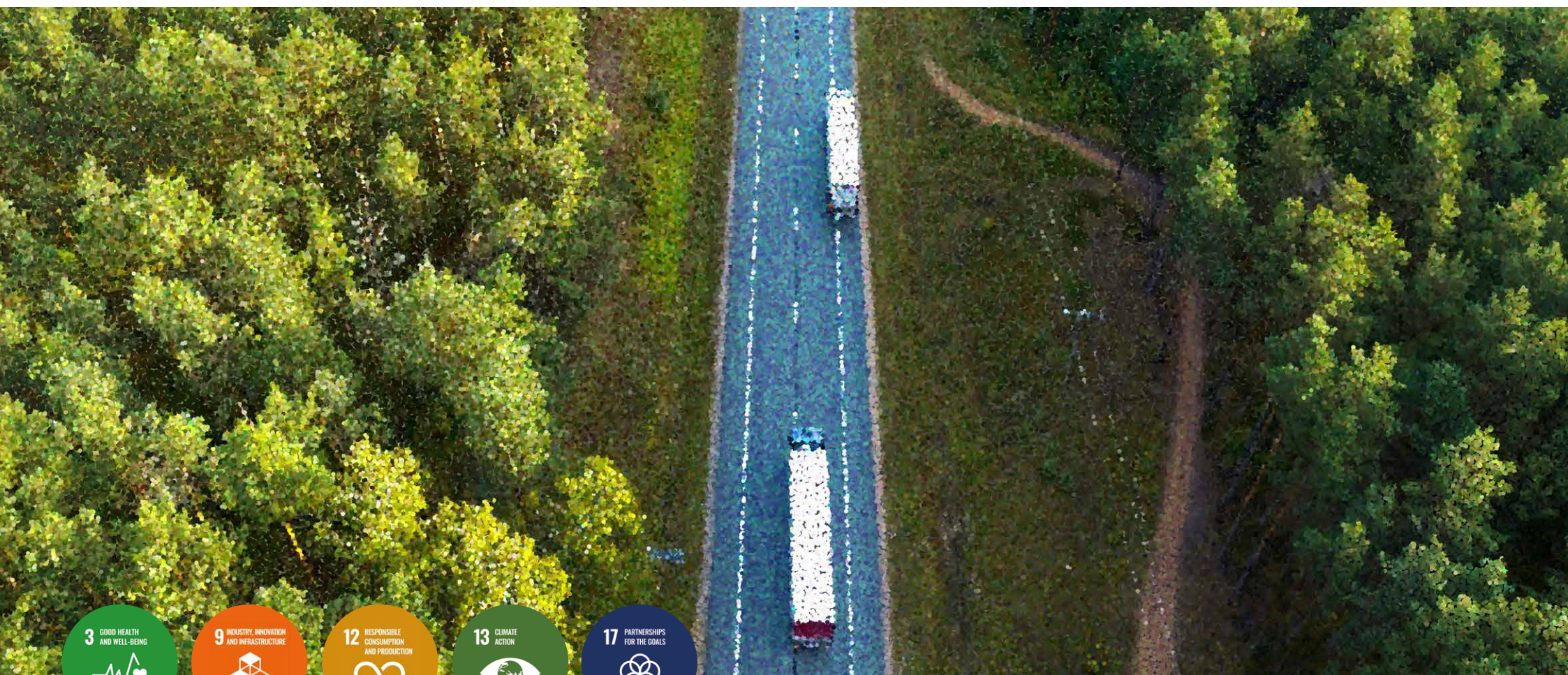
Conclusion

The identified material matters will guide the Grolman Group's sustainability strategy and reporting, ensuring that efforts are directed toward the areas with the most significant impact, risk, and opportunity. Through this Double Materiality Assessment, Grolman Group reinforces its

commitment to sustainable development and responsible business conduct. This forward-looking approach not only ensures compliance with evolving regulatory standards, it also strengthens transparency and accountability to both shareholders and stakeholders as the Group prepares for its first CSRD-compliant report. Overall, this approach provides Grolman Group with more

comprehensive guidance and a stronger foundation for continuous improvement than financial reporting alone, enabling us to move more effectively, efficiently, and safely toward our vision of 'selling chemicals to save the planet'.

Environmental



Climate Change and Energy

Materiality:

Climate change is of immense global concern, and rising temperatures reinforce the urgency to act.

Given the nature of our business and global reach, Grolman Group is committed not only to reducing its climate impact but also to supporting partners and customers along the value chain in lowering their environmental footprint. While our production business Lifocolor focuses on renewable energy and the development of more circular, environmentally friendly raw materials and masterbatches, our most significant leverage lies in distribution, which accounts for the majority of our revenue. Here, we actively promote sustainable solutions, collaborate with suppliers on lower-impact alternatives, and work with customers to advance the transition toward a more climate-conscious chemical industry.

This is a double material topic for Grolman Group due to the significant impact of Grolman Group's CO₂ emissions and potential financial risks related to energy consumption.

Climate-Related Risks and Opportunities

As part of our double materiality assessment, Grolman Group identified four climate-related risks. However, none of these risks have been classified as material at the Group level.

- Transitional Risks:** Grolman International Distribution's business model is inherently flexible, allowing for ongoing adaptation of the product portfolio in response to evolving market needs. As a result, the business is less exposed to policy and regulatory risks related to climate transition. Energy demand within Grolman International Distribution is relatively low, and our production business, Lifocolor, is covered mainly by self-generated solar energy. Therefore, the impact of rising energy costs and associated transitional risks has not been deemed material. Additionally, we see the introduction of rising CO₂ taxes as an opportunity for Grolman International Distribution, as we continue shifting our portfolio toward more sustainable, lower-emissions products.
- Physical Risks:** Physical climate-related risks have been identified primarily in connection with Lifocolor production sites. However, due to the decentralised structure of Grolman International Distribution (which accounts for the majority of our revenue) offices and warehouse network, along with its adaptable supply model, these risks are not considered material to the Group as a whole.

In summary, although certain climate-related risks exist at the entity level, no material climate-related risks have been identified for the Grolman Group overall.

Approach: strategy, policies, actions, targets and metrics

Governing Climate Change and Energy at Grolman Group

At the Grolman Group, the governance of our climate change and energy agenda is led by the Sustainability Team in close collaboration with the Climate Vision Team. Together, they drive the Group's Net-Zero journey by continuously shaping and implementing climate strategies focused on two core pillars: reducing our carbon footprint and advancing product innovation and circularity.

Our environmental policy underpins this governance structure, ensuring alignment with the UN Sustainable Development Goals and the Paris Agreement. We are committed to the Science-Based Targets initiative, with defined emissions reduction targets, a roadmap to Net-Zero, and a climate action plan aligned with the 1.5°C global warming limit.

Oversight of climate-related efforts is further supported by the Sustainability Steering Committee, which ensures that climate action remains a strategic priority, with resources, responsibilities, and progress monitored across the organisation.

We also prefer to collaborate with suppliers and partners who share this commitment to climate responsibility.

Internally, we actively engage employees in embracing environmental responsibility, ensuring that climate action is not only top-down but also embedded across teams and operations.

At Grolman Group, climate-related considerations are not factored into the remuneration of administrative, management, or supervisory bodies, and 0% of their remuneration is linked to such targets. We do not plan to introduce such links, as we believe achieving our science-based net-zero targets, validated by SBTi, depends on collective efforts across the organisation and value chain rather than individual incentives at the top level.

Grolman Group SBTi-NetZero Journey

We are proud to be the first small-to-medium-sized enterprise (SME) in the chemical industry globally to receive official validation for our Science Based Net-Zero GHG emissions reduction targets across the entire value chain, scopes 1, 2, and 3, by 2050 from the Science-Based Targets Initiative (SBTi).

Scope 1 – Direct emissions: these are GHG emissions occurring from sources that are owned or controlled by Grolman such as emissions from fuel consumption of vehicles and combustion (e.g. boilers/heaters) in our offices, production sites and own warehouse.

Scope 2 – Indirect GHG emissions: these are GHG emissions from purchased electricity or district heating consumed by our company.

Scope 3 – Other indirect GHG emissions: these are GHG emissions which are indirectly emitted due to our activities. This includes emissions of purchased products or services, transport of products to and from us, waste, commuting and work travel.

Grolman Group commits to the following Net-Zero Science Based reduction targets:

Near-term Targets: Reduce our scope 1 and scope 2 GHG emissions by 46% by 2030 from a 2019 baseline year.

Long-term Targets: reduce scope 1, 2 and 3 GHG emissions by 90% by 2050 from a 2019 baseline year.

This is aligned with the Paris Climate Agreement, which aims to limit global warming and ensure that the global temperature rise does not exceed 1.5°C above pre-industrial levels.

We track our progress by monitoring and reporting the emissions in scopes 1, 2 and 3. The calculation is based on internationally recognised standards for corporate carbon footprint (CCF), in particular the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol), especially the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The emission balance is reported in CO₂ equivalents (CO₂e). See the methodology section of this report for more information.

Over the last few years, we have focused primarily on establishing a data collection system, measuring and reducing our emissions. We have established a procedure to record and collect data, e.g. for our business travel, commuting, energy consumption, and waste generated at all sites. We calculated our Scope 3 emissions based on the Greenhouse Gas (GHG) Protocol methodology and have integrated a transparent system into our ERP to manage this data.

Product Carbon Footprint (PCF) Calculation and Transparency

At Grolman Group, we are committed to providing a Product Carbon Footprint (PCF) for all products in our portfolio. The PCF data is based on three levels of data quality: primary data directly

sourced from our suppliers (very good/good quality), secondary data from industry associations or databases (fair quality), and, where necessary, estimated data (poor quality). Ensuring transparency in emissions data is crucial for us as it allows us and our customers to monitor and manage emissions reduction progress effectively (see methodological note in Appendix of this report for more information).

To support this transparency, we openly share our PCF data both internally and externally:

- **Internally,** Grolman International Distribution has enhanced our sales controlling tools—both the management's Controlling Code of Conductkit and the Sales Team's Dashboard —by integrating emissions data. This integration enables our teams to manage their business areas with full visibility of their impact on emissions.
- **Externally,** Grolman International Distribution provides customers with cradle-to-gate emissions reports (Scope 3, Category 3.1 Purchased Goods and Services) for all products they purchase from us. This includes detailed information on data sources and data quality. From 2024 on, the reports have been enlarged by all products, which have been sampled or quoted within the last 24 months, to increase transparency for customers for all products which are part of new projects. This process has been automated to manage the increasing number of customer requests efficiently. For customers with multiple sites, we offer automated emis-

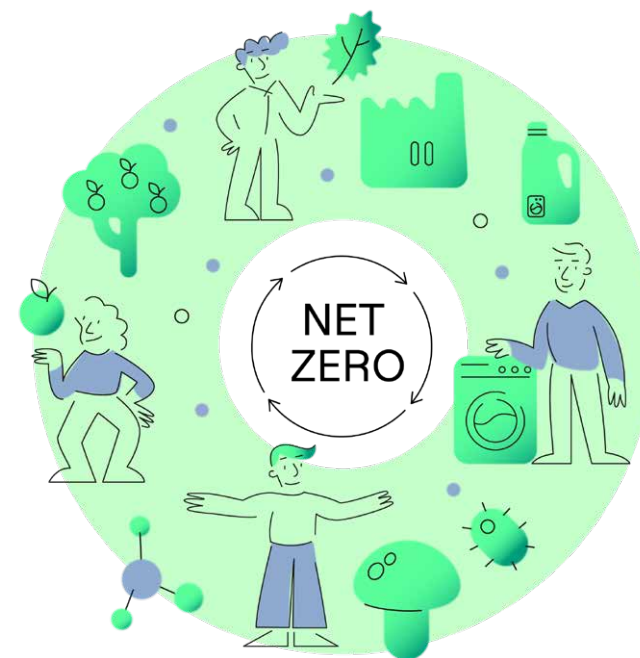
sion reports that cover all locations, ensuring comprehensive reporting for the entire group. Lifocolor provides customers with cradle-to-gate emissions calculations for the products they buy from us. The calculation methodology follows the guidelines from GHG/SBTi and includes scope 1, scope 2 and scope 3 (category 3.1 through 3.8) emissions.

This approach reflects our commitment to transparency and continuous improvement in reducing our carbon footprint.

The methodology used for calculating the corporate carbon footprint (CCF) and detailed results are presented in the Appendix section of this report. The presented carbon footprint includes emissions from company activities in the calendar year 2023 and 2024 at Grolman Group level.

We emphasise our commitment to reducing our own emissions by committing our company to Net-Zero GHG emissions on Scopes 1 and 2 by 2030 and expanding the reach to include Scope 3 in our journey to Net-Zero by 2050.

We believe it is essential to follow a Science-Based approach in our emissions reduction strategy, and we have designed our emissions reduction plan to be in line with the Science-Based Targets initiative (SBTi) requirements.



Progress 2024:

We have been reporting carbon emissions from our operations since 2019 and have launched several initiatives to reduce our environmental footprint. In order to reach our Net-Zero short-term target, we need to reduce our Scope 1 and 2 emissions by 4.2 % per annum from the 2019 baseline year.

We have continued to increase our efforts on the coverage and quality of the data, and have caught up with our data collection, thus we are reporting here both our 2023 and 2024 emissions data at Grolman Group level.

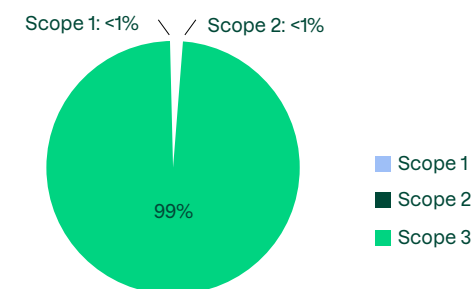
The total emissions for Grolman Group amount to **223,998 t CO₂e in 2023 and 241,058 t CO₂e in 2024**.

In 2024, indirect emissions in Scope 3 account for approximately 99% of the overall emissions. Further, within the Scope 3 boundary, the emissions category 3.1 "Purchased Goods and Services" accounts for most emissions caused along the value chain (77%), followed by 3.9 "Downstream transportation and distribution" (12%), 3.10 "Processing of sold products" (5%) and 3.4 "Upstream Transportation & Distribution" (5%).

In 2024, Grolman Group reduced its Scope 1 and Scope 2 GHG emissions by 46 % from the 2019 baseline year, and we also measured and reduced the Scope 3 emissions.

Regarding our long-term targets, in 2024, we reduced Scope 1, 2 and 3 GHG emissions by 24% from the 2019 baseline year.

Carbon footprint % by Scopes 2024



Absolute emissions Grolman Group - compared to the base year and previous years

Scope	2019 (BY) tCO ₂ e	2022 tCO ₂ e	Change % (2019 vs. 2022)	2023 tCO ₂ e	Change % (2023 vs. 2019)	2024 tCO ₂ e	Change % (2024 vs. 2019)
1	968	833	-14%	731	-24%	746	-23%
2	1,934	1,654	-14%	825	-57%	813	-58%
Total 1 & 2	2,902	2,487	-14%	1,556	-46%	1,559	-46%
3	313,980	291,430	-7%	222,442	-29%	239,499	-24%
Total	316,882	293,917	-7%	223,998	-29%	241,058	-24%

Carbon footprint by Scopes 2024

Scope	Value	Unit
Scope 1	746	t CO ₂ e
Scope 2*	813	t CO ₂ e
Scope 3	239,499	t CO ₂ e
Total CF	241,058	t CO₂e

*market-based. Sum location-based: 1,832 t CO₂e

Emissions Changes in 2024 compared to 2023:

Following a substantial decrease in category 3.1 “Purchased Goods and Services” in 2023, primarily due to a decline in sales volume, this category increased by 6% in 2024, aligning with the rise in sales volume. As category 3.1 increased, category 3.4 “Upstream Transportation & Distribution” also saw an increase. However, while tonne-kilometres (t*km) in category 3.4 rose by 13%, total emissions increased by 24%. This disproportionate rise was caused by changes in transportation modes: sea freight decreased slightly, truck freight increased, and air freight tripled in 2024 compared to 2023.

The decline in upstream sea transport was primarily due to the reduction or discontinuation of large-volume overseas imports, including titanium dioxide. On the downstream side, the use of

sea transport has even significantly increased (due to new/increased overseas sales in some entities like Egypt), but that could not compensate for the upstream decrease. Also, categories 3.9 and 3.10 slightly increased, which is in line with the sales numbers.

Emissions intensity

Besides assessing the absolute emissions, we also assess emissions intensity to accurately track the emissions performance, even if the absolute magnitude of business activities shows significant variations. The 2024 emissions intensity per unit of revenue is 1,290 t CO₂e/million EUR, per FTE 460 t CO₂e/FTE (1 FTE = Full Time Equivalent, 40 hours a week), per floor area 5.37 t CO₂e / m² and per tonne of sold product is 3.56 t CO₂e/t sold products.

A detailed analysis of the Corporate Carbon Footprint results showing the absolute amount and percentage share of the total Carbon Footprint is given in the Appendix figures and statistics, section Environmental key figures. Where changes occur, an indication is given towards the reasons, which have been derived from the data. Also, it is stated if changes in methodology are accountable for the change.

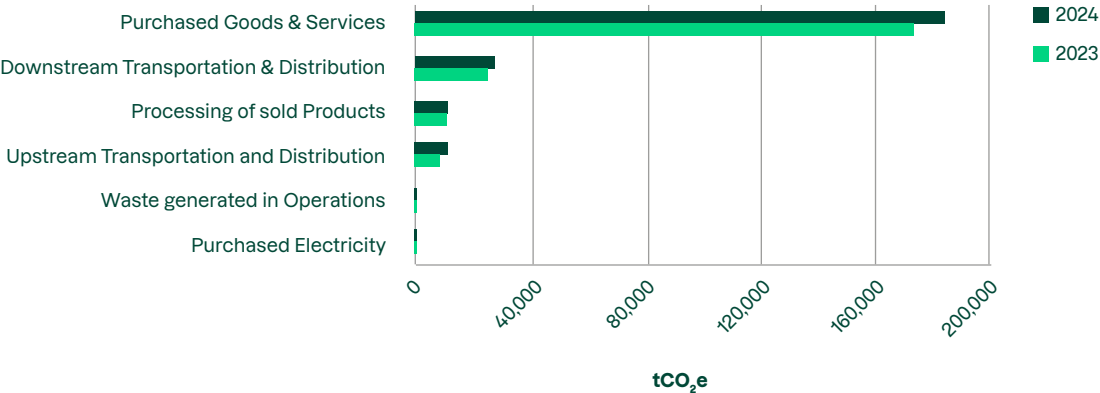
The annually updated Carbon Footprint calculation enables Grolman to track the development of our emission balance, evaluate activities and strategies towards emissions reductions, and facilitate the setting and monitoring of emissions reduction targets.

Initiatives implemented in 2024 and planned

In 2024, we implemented the following initiatives:

- **Grolman Group** continues the group-wide know-how and experience exchange to foster the transition to a fully electric fleet (where possible) and to learn from each other. The Group is preparing to set a group-wide target in 2025.
 - **Grolman International Distribution** transitions to electric cars where possible for our sales teams. Entities in Benelux, the Nordics, and the UK have continued the process of transitioning their car fleets to fully electric vehicles, reaching a 26% electric fleet for Grolman International Distribution in 2024.

Carbon footprint by categories 2024



- In 2024, **Lifocolor Germany** reported that 26% of company cars were hybrid or fully electric. This percentage is expected to grow in the coming years, with a target of 50% by the end of 2025 and further development to 85% by 2027. Similar plans are being developed for other operational sites.
- **Transition to the use of renewable energy in Grolman Group** offices and operational sites continues, with a share of renewable energy consumption of 63% in 2024.
 - **Grolman International Distribution's** offices have, as of 2024, a total of five entities with 100% green electricity.
 - **Lifocolor Germany**, with two production sites, has been sourcing 100% of its electricity from certified renewable sources since 2023. Lifocolor Poland will transition to 100% renewable energy in 2026. In Lifocolor Czech Republic, the installation of solar panels is planned for 2026.
 - Necessary preparations for installing **photovoltaic solar panels** at **Grolman International Distribution's** headquarters and own warehouse in Neuss, Germany, have been completed. This includes the installation of an energy-saving green roof in 2023 and further enhancements to the electrical infrastructure in 2024.

- Continued improvement of **data collection systems, measurement, and data quality** for Scope 1, 2, and 3 emissions: a data collection manual was developed, and relevant employees at **Grolman International Distribution** received training.
- **PCF and transport emissions data quality improvement: Grolman International Distribution**, in collaboration with its carbon accounting partner, enhanced the PCF calculation methodology, improving the quality of previously “not rated” or estimated data. A separate project focused on refining logistics emissions calculations. Both methodologies were applied in the 2023 and 2024 CCF calculations, leading to an upgraded overall data quality rating of “good” for the 2024 CCF. Further methodological details are available in the Appendix.
- **Lifocolor** is developing tools within its ERP system to improve emissions data collection. In 2025, fields are being added to the ERP system to enable the entry and calculation of CO₂ emissions data for non-raw material purchases. This system will be operational as of 2026 and will help improve the quality of Scope 3 emissions data.
- **Supplier engagement on raw material emissions: Lifocolor** continues to work with suppliers to obtain reliable PCF data for raw materials. All suppliers are requested to provide PCF values at the single raw material product level. This is an ongoing process, as many suppliers are still developing their own emission calculation tools.



- **Recycling initiative at Lifocolor Germany:** Investment, installation, and start-up of a recycling unit for polymer waste were initiated. The project was planned and funded in 2024, with installation completed in Q1 2025. This unit reprocesses part of the polymer waste into recyclable pellets for direct sale to recycling companies. Material processing targets will be set based on operational experience gathered by 2026.
- **Sustainability engagement across the organisation: Grolman International Distribution** engaged its supply chain, sales and management teams, and support functions in a series of sustainability workshops and training sessions. These initiatives enhanced knowledge and fluency on climate change, the Group's emissions reduction strategy, circularity, and joint sustainable development partnership opportunities, while also reinforcing the connection between sustainability, the company's vision, and its business model.

As we look ahead to 2025, we remain committed to advancing our climate goals and sustainability initiatives:

- **Emissions reduction:** We aim to reduce our Scope 1 and 2 emissions by 4.2% per year from our 2019 baseline through to 2030.
- **Renewable Energy:** We will expand the efforts to purchase electricity from renewable sources, wherever possible, or a sustainable alternative based on local conditions, if aligned with group

management, across all our global offices and sites.

- **Electric Vehicles:** We will encourage the transition to electric vehicles across all our global offices and sites.
- **Corporate Carbon Footprint Reporting:** We will continue to publish our Corporate Carbon Footprint (CCF) report, improve data quality and outline CO₂ reduction measures in 2025. Starting in 2025, Grolman Group will expand its Corporate Carbon Footprint (CCF) reporting by separately calculating and disclosing biogenic (negative) emissions. This applies particularly to our bio-based, renewable, and mass-balance products that are linked to renewable feedstocks.
- **Supply Chain and Sales Team Engagement:** We will deepen our engagement with our supply chain and sales teams through various sustainability workshops, supporting our sustainability efforts and addressing key topics.
- **Sustainable Innovation:** We will continue to expand our sustainable innovation approach in collaboration with our customers, suppliers, and business partners.
- **Supplier Product Carbon Footprint Data:** We will maintain our ongoing target of requesting primary carbon footprint data from all our suppliers for every product we sell and promote.
- **Transparency of CO₂ emissions to customers:** We will provide our customers with CO₂ emissions reports and the corresponding Product Carbon Footprint (PCF) data for all products

they buy from us regularly and upon request. And we will ensure clearer communication with our customers and suppliers about data quality and calculation methodology.

- **Calculation methodology and transparency of logistic emissions:** We aim to automate emissions calculation for logistics—both inbound and outbound—and make the data available internally and externally. We will also collect emissions data from logistics providers and consider emissions as a key factor in provider selection.
- **Bundled Shipments:** We will continue efforts to optimise our order management system by bundling shipments from suppliers to us and from us to our customers, helping to reduce transport-related emissions.

Handling of Chemical Raw Materials

Materiality:

In the environment in which Grolman Group operates, we responsibly manage the handling of chemical raw materials, some of which are classified as hazardous materials and dangerous goods with potential adverse impacts on human health and the environment, including land, air, and water. Appropriate safety measures are taken when handling these materials.

This is not a material topic for Grolman Group, but rather a highly regulated area where we adhere to full compliance and therefore report accordingly.

Approach: strategy, policies, actions, targets and metrics

At Grolman Group, we are taking the necessary actions to ensure the safe handling, storage and transport of our chemical raw materials. We adhere to all relevant laws, regulations, and our internal policies, maintaining the highest standards of safety and compliance.

For all hazardous materials used in our production business, Lifocolor created specific operating instructions. Annual training for employees on working with hazardous materials is conducted.

Apart from very few exceptions, once incorporated into the masterbatch, no hazards remain.

Our commitment to sustainability is reflected in these actions, contributing to a safer and cleaner environment for everyone.

Our dedicated teams in the Safety, Health, and Environment (SHE), Administration, and Logistics Departments ensure the achievement of high standards by implementing rigorous processes, continuous training, and regular assessments, fostering a culture of responsibility and care within our organisation.

Handling of Chemical Raw Materials in our operations:

To ensure the safe handling, storage, and transportation of our chemical raw materials, we are committed to maintaining full compliance with all relevant chemical regulations, including the EU-REACH Regulation, EU-GHS/CLP, and applicable national regulations. We take proactive measures to meet these regulatory requirements, prioritising safety and sustainability throughout our supply chain. Additionally, as part of our SHE policy, we continuously develop and implement procedures that support the responsible management of chemical raw materials, ensuring their safe use while minimising environmental impact and human health risks.

An essential component of our approach includes the registration of chemicals under the EU-REACH Regulation with ECHA, as well as adherence to the EU-GHS/CLP Regulation. Our long-standing membership in the Responsible Care initiative further underscores our dedication to hazard prevention and emergency planning, which we have successfully integrated into our operations for many years.

Safety and Health along the supply chain:

Our aim is to avoid environmental damage in all company processes and to minimise harmful environmental effects, which is why we have developed a HACCP concept, which is followed in our warehouse and is a prerequisite for the selection of our rented warehousing facilities. In addition, our own warehousing facility is regularly inspected by a pest controller. We ensure that accidents that can affect the environment and human health are prevented with appropriate emergency procedures and training.

There have been no reported customer health and safety accidents (e.g., truck accident) in 2024. Our SHE department collects data regarding the dangerous goods transport (sales and purchases for the Grolman entities in Germany and Switzerland). Grolman has an external dangerous goods adviser who is responsible for creating an annual report based on these data. We are developing new processes and systems to report on this KPI.

We track, monitor and manage product non-conformities via our non-conformance reporting process. Customer health and safety non-conformities (quality and technical differences) reported by customers upon receipt of the products represent 0.5% of all Grolman International Distribution's deliveries made in 2024.

We are committed to:

- Provide all our customers and business partners with Safety Data Sheets to ensure safe use and safe disposal of raw materials, hence minimising the adverse effects of chemical substances and other hazardous materials as far as possible and ensuring their safe handling and storage.
- Provide our customers with professional support and guidance regarding all relevant regulatory, health and safety topics.
- To raise awareness and improve SHE knowledge within the Grolman Group, we train all relevant new colleagues within two months on topics such as REACH, CLP, and dangerous goods. This training is repeated for all relevant colleagues every two years.

Progress 2024:

In 2024, we maintained full compliance with REACH, CLP, and other applicable regulations, reinforcing our commitment to safety and sustainability. Key developments:

- Timely training for relevant new employees; refresher training held every two years.
- Annual hazardous materials training and strict handling procedures are implemented at our production business, Lifocolor.
- Zero reported incidents affecting customer health or safety.
- Dangerous goods transport data tracked in Germany and Switzerland; annual reporting by an external adviser.
- Health and safety-related product non-conformities remained low at 0.5%.
- Proactive stock checks reduced waste; certified disposal was used when necessary.
- Continued application of HACCP-based safety standards across warehousing operations.
- All relevant Safety Data Sheets (SDSs) for hazardous goods were updated to ensure accuracy and reliability for customers.
- Ongoing support and regulatory guidance provided to customers.

These efforts reflect our strong focus on safe chemical management and our role as a reliable partner in the supply chain.

Local Pollution Reduction

Dust prevention through regular cleaning schedules and the use of dust collection carpets was implemented to minimise local air pollution at both our head office and our Grolman International Distribution-owned warehouse in Neuss, Germany.

Filters in the sewage systems of 4 out of 5 Lifocolor extrusion plants prevent masterbatch pellets from entering the water disposal systems. Special cleaning rooms with closed filtering systems for wet cleaning are installed in plants that process powder products, preventing powder substances from entering the wastewater. Special extraction systems on production machines, as well as production air conditioning units in most plants, prevent air pollution outside the production areas.



Circular economy

Materiality:

At Grolman Group, product innovation and circularity are key topics that underpin our sustainability strategy and business model.

Circular economy is a double material matter for Grolman Group, due to the environmental impact of waste management and the potential financial opportunities and risks associated with using circular and sustainable raw materials.

Circular economy is a **material topic** for us because it directly impacts our ability to deliver on our vision: to sell chemicals that contribute positively to the planet. By embedding circular economy principles into our operations, we not only **reduce** our **environmental footprint** but also **ensure long-term business viability and resilience**.

Approach: strategy, policies, actions, targets and metrics

We position ourselves as an innovation partner through our proactive approach to industry trends in circular innovation and collaboration with business partners. Leveraging our extensive technical and formulation expertise, we actively

seek out innovative circular solutions to meet evolving market demands. This commitment is evident in our strategic partnerships with leading manufacturers and suppliers, where Grolman Group acts as a conduit for introducing cutting-edge products and technologies to our global network of clients.

Championing Circular Products in Our Supply Chain

Grolman Group recognises that achieving a circular economy requires a concerted effort across the entire supply chain. We use our position in the supply chain between the supplier and the customer to champion and integrate circular products and processes actively. This involves:

1. Sustainable Procurement: Grolman International Distribution prioritises the distribution of products that are either fully or partially bio-based, utilising renewable raw materials, or derived from recycled or waste materials. Additionally, we emphasise the importance of products developed through the mass balance approach, where virgin fossil-based raw materials are combined with bio-based (renewable), recycled, or waste-derived materials. Our commitment to circularity also manifests in the plan to achieve ISCC Plus certification by 2025 for some major entities of Grolman International Distribution with reasonable market demand, enabling us to sell ISCC Plus-certified mass balance products from our suppliers.

This certification further enhances our ability to support a sustainable supply chain and contribute to a circular economy.

2. Innovation and Collaboration: We leverage our extensive technical and formulation expertise to help our customers envision and create circular formulations. Through our dedicated technical sales team and application laboratories, we collaborate closely with leading manufacturers and suppliers to identify and implement innovative solutions that meet evolving market demands. By introducing cutting-edge technologies and products to our global client network, we not only stay ahead of industry trends but also continuously enhance our sustainable product offerings. This proactive approach ensures that we support our customers in their journey towards more circular and sustainable practices.

3. Internal Culture of Innovation: We foster a culture of creativity and entrepreneurial, forward-thinking among our employees. By encouraging new business models, processes, and technologies, we enhance efficiency and value for our customers. This internal drive for innovation supports our broader sustainability goals and helps us maintain our position as a leader in the chemical distribution industry.

Driving the Circular Economy

Our commitment to a circular economy is evident in several key initiatives driven in 2024:

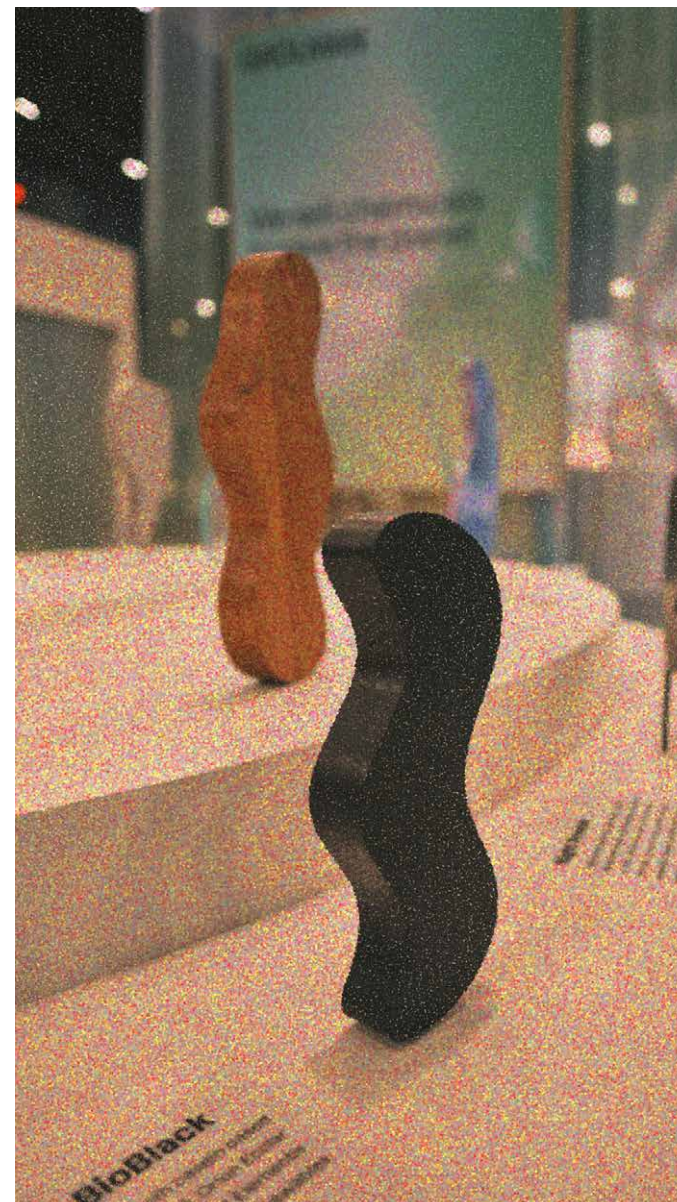
- **Net Zero Emissions:** We aim to achieve net zero emissions by 2050, a goal validated by the Science Based Targets initiative (SBTi). This involves reducing emissions across scopes 1, 2, and 3, which includes our supply chain activities.
- **Circular Solutions Portfolio:** Grolman International Distribution offers a range of circular solutions, such as wholly or partly bio-based, recycled or waste-based materials and materials produced following the mass balance approach. These products help reduce resource use, waste, and emissions, aligning with our circular economy principles. In 2024, Grolman International Distribution has defined the following 3 categories for circular products: renewable, recycled and mass-balance products. Within the mass-balance products, we distinguish those which are ISCC PLUS certified. In addition, we have defined another category for sustainable products (biodegradable/compostable). All these categories have been integrated into our ERP system. Further, we have screened our product portfolio and have identified and labelled all products falling under those categories. For all those, we have linked supplier documents such as certification, PCF/LCA, etc., proving the respective circularity/sustainability claim.

- **Legislative Alignment and Opportunity:** By proactively managing compliance with sustainability regulations like the EU Green Deal and the Circular Economy Action Plan, we not only meet regulatory requirements but also leverage opportunities to showcase our pioneering position in sustainable practices.

Progress 2024: Achieving Sustainable Value Propositions

Our goal is to ensure that our products are responsibly sourced, produced, and disposed of. This includes:

- **Engaging the Supply Chain:** We actively communicate our sustainability values to our suppliers, customers and partners, encouraging them to adopt sustainable practices. Through open dialogue, collaboration, training and know-how transfer, we aim to create a ripple effect of positive change throughout the supply chain. In 2024, Grolman International Distribution engaged with suppliers and customers during our industry-specific "Technical customer day" workshops, where we bring together suppliers, customers and other partners from the whole value chain. During those, we exchange on sustainability aspects and how we can shape a circular future. In 2024, we have conducted 3 Technical Customer Days, one each for the Plastics (DACH region), Personal Care (DACH region) and CAS/Inks (Portugal) industry. In total, we have engaged with 15 key suppliers



and 66 key customers in those workshops. We also engage with suppliers and customers on sustainability during international exhibitions and meetings.

- **Robust Reporting and Communication Mechanisms:** To maintain transparency, we are implementing comprehensive reporting systems. We also regularly update our stakeholders on our sustainability initiatives, providing detailed information on our progress and sustainable product portfolio.

We are committed to pushing the boundaries of sustainability in the chemical distribution industry. Our ambitious goals, such as achieving net-zero emissions target and promoting a circular economy, require continuous dedication and innovation. We are proud of our achievements so far, but we recognise that this is a long journey. By working together with our business partners, we aim to drive change that benefits both the planet and future generations of family and employees.

Initiatives planned for 2025:

- **Circular Solutions Portfolio:** In 2025, Grolman International Distribution will launch brochures and marketing materials highlighting circular products, marked with symbols for their categories (renewable, recycled, mass-balance). Circular solution documents per sales region will showcase all circular products in each regional portfolio. We will collect detailed data and proof documents on renewable and/or recycled content [%] for all circular products, integrate

this into our ERP system, and use it to calculate circularity rates. New KPIs, such as circularity rates (share of circular sales turnover/profit/volume vs. total), will be added to the management Controlling Code of Conductkpit and sales Dashboard, giving teams complete visibility of their impact on circularity.

- **Sustainable Procurement:** Grolman International Distribution emphasises the importance of products developed through the mass balance approach, where virgin fossil-based raw materials are combined with bio-based (renewable), recycled, or waste-derived materials. Our commitment to circularity manifests in the plan to achieve ISCC Plus certification by 2025, enabling us to sell ISCC Plus-certified mass balance products from our suppliers. This certification further enhances our ability to support a sustainable supply chain and contribute to a circular economy.
- **Target setting for circular sales:** After defining circular product categories, Grolman International Distribution takes actions to prepare the organisation to define SMART (Specific, Measurable, Achievable, Relevant, Time-bound) targets on sustainable/circular sales. As a first step, we will implement a measurement on circular sales within our ERP and sales controlling systems. Our goal is to establish SMART targets on circular sales by the end of 2026. Our production business has already set a circular sales target for Lifocolor Germany.

Waste Management

At Grolman Group, we work closely as a team to ensure waste reduction strategies are effectively planned. We are committed to reducing the use of office materials and promoting recycling across all our global offices. At our production business Lifocolor, we strive to minimise waste volumes in production. However, due to the nature of the processes involved, it is not possible to completely avoid waste.

As a distributor of chemical raw materials, Grolman International Distribution primarily uses cartons and plastic film for pallet packaging. Inbound shipments also generate packaging waste. Additionally, expired samples and obsolete materials can lead to hazardous waste. Generally, we strive to avoid any expired or obsolete materials by regularly checking our stocks and taking proactive measures in time to sell any stocks before the end of shelf life (if applicable). Disposal of stocks or samples is only the very last option when we don't find a better solution for such materials. In case we need to dispose of any stocks, we ensure that certified companies dispose of them following the respective regulations.

In Lifocolor, around 83% of total waste is production-related, while the remainder consists of household and office waste. Waste is collected in distinct fractions — including polymer types, paper/cardboard, wood, foil, metal, residual waste, and garden waste — and is recycled mainly through certified waste management partners.

In 2024, the total weight of non-hazardous waste across Grolman Group reached 853 tonnes, up from 789 tonnes in 2023. The production business Lifocolor accounted for 702 tonnes (2023: 679 tonnes), while Grolman International Distribution generated 151 tonnes (2023: 110 tonnes). The total hazardous waste across the Group remained stable at 4 tonnes annually.

Group-wide, 6% (54 tonnes) of non-hazardous waste was recycled in 2024 (2023: 7%, 53 tonnes).

- Lifocolor: 2024 – 3% (26 tonnes), 2023 – 4% (24 tonnes).
- Grolman International Distribution: 2024 – 19% (29 tonnes), 2023 – 24% (29 tonnes).

All waste generated across Grolman offices and operations is transferred to licensed waste management companies for proper treatment and disposal. We also promote circularity across our value chain by encouraging the use of innovative, low-impact materials.

Waste Minimisation and Recycling at Lifocolor

Our production business Lifocolor applies multiple strategies to reduce waste at the source:

- Production waste is reused multiple times for cleaning (e.g., flushing extrusion lines) before disposal.
- Production orders are optimally sequenced by polymer type and colour to reduce changeovers and avoid unnecessary waste.

vers and avoid unnecessary waste.

- Waste is separated by fraction, enabling efficient recycling or certified disposal.

Waste generation is closely monitored through production waste statistics and annual waste balance sheets, with the data reported as part of the quality management system.

Progress 2024: Responsible waste management

In 2024, several measures were implemented and previous continued to enhance responsible waste management:

- **Digital Documentation:** To minimise paper consumption, documents are primarily handled electronically. This shift significantly reduces the number of printed pages as well as of postal mailings.
- **Efficient Printing Practices:** When printing is necessary, double-sided printing is encouraged to further reduce paper usage.
- **Reuse of Paper:** Non-confidential printed documents and papers that are no longer required are often repurposed as scrap paper for note-taking.
- **Eco-friendly Printing Solutions:** We select printers based on their resource efficiency, and all used ink cartridges are recycled in line with the manufacturer's recommendations.
- **Packaging Reuse:** Where possible, packaging materials are reused to minimise waste. Further, when we need to purchase new packaging materials, we take their resource use and recycling content into consideration, opting for the best performance and minimal impact on the environment.

ther, when we need to purchase new packaging materials, we take their resource use and recycling content into consideration, opting for the best performance and minimal impact on the environment.

- **Digital Invoicing:** We prioritise digital invoicing to reduce paper usage, with this practice currently implemented in a growing number of our entities, both for incoming and outgoing invoices.
- **Recycled Paper:** In our head office, we meanwhile exclusively use recycled copier paper and have reduced the number of printers (and thus, their resource use) drastically. We further encourage all our entities to exclusively use recycled copier paper.
- **Investment in a new shredding unit in Lifocolor Germany** to process production waste into recyclable material. The shredded material is sold as directly recyclable feedstock, and this volume is expected to increase significantly in the coming years.
- **Improved fraction separation at Lifocolor operations,** enabling more polymer waste to be directly sold to recycling partners.

These initiatives reflect our ongoing commitment to circular economy principles and responsible resource management throughout our operations.

Social



Human Rights

Materiality:

Grolman Group respects human and labour rights. We support and respect internationally proclaimed human and labour rights as defined in the International Bill of Rights and the fundamental conventions of the International Labour Organisation (ILO). We are willing to forgo business opportunities that risk violating human and labour rights rather than risk negative impacts on people.

Human rights is a double material matter for Grolman Group due to the potential negative impact related to child labour, forced labour, adequate housing and privacy in Grolman Group's value chain from both an impact and a financial perspective, in particular relevant for upstream suppliers.

The operations of our suppliers and customers in the supply chain may take place in countries associated with high political, corruption, and human rights risks. For this reason, in 2022, we conducted a conclusive fundamental rights risk analysis using the World Justice Organisation Rule of Law Index¹, focusing on factor four: Fundamental Rights. In 2023, to enhance our efforts, we initiated a partnership with IntegrityNext, a leading platform for ESG risk management and compliance monitoring in the supply chain, which we

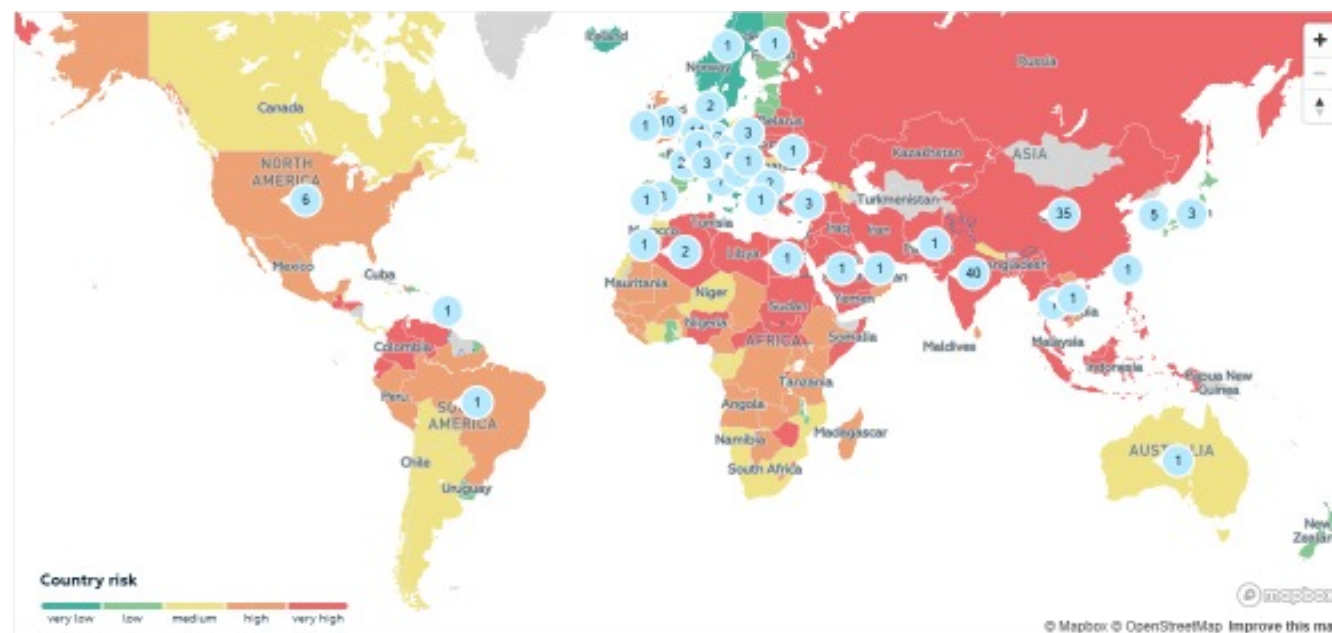
also used to monitor human rights risks in our supply chain in 2024.

The IntegrityNext platform enables Grolman Group to evaluate industry and country risks using indicators from globally recognised indices and institutions, such as the World Bank, UNEP, and SASB. This comprehensive approach, combined with media screening and individual supplier assessments, allows Grolman Group to

proactively identify and mitigate human rights risks, ensuring ethical practices are maintained across the entire value chain.

The partnership with IntegrityNext significantly improves our ability to identify and mitigate human rights risks, strengthening our reputation and relationships with ethical suppliers.

Below is presented how we can map our suppliers for human right risk with Integrity Next on the example of the Global Rights Index:



It is part of our broader IntegrityNext ESG risk assessment and due diligence programme, which helps us create a more comprehensive approach to supply chain management and align with our broader sustainability goals.

Approach: strategy, policies, actions, targets and metrics

Grolman Group has a **Code of Conduct**, approved by the senior management, that provides a framework for managing compliance and integrity risks. It outlines our commitments and requirements related to business practices, personal conduct, and expectations of business partners. The Code of Conduct outlines clear principles and rules in key compliance and integrity areas, including caring for People, which relates to human rights and labour rights, health, safety and anti-harassment, and diversity. Our Code of Conduct is regularly updated and is available on our website (both at our distribution and production business websites).

In the future, we will use IntegrityNext for risk analysis and supplier assessment, and our approach is presented in the Sustainable Procurement section of this report.

We have a standalone policy anchoring our existing commitment to respecting human rights, expressed in the code of conduct.

The policy is aligned with the requirements of the International Bill of Rights and the ILO fundamental conventions. It constitutes a building block in our framework for managing human rights risks.

Our human rights policy is approved by our managing directors and is available in our management system and our website.

Due Diligence and Activities to Identify Human Rights Violations:

Grolman Group has identified the potential risk of human rights abuses in the global supply chain.

The key provisions of the International Bill of Human Rights related to supply chain management are:

- right not to be subjected to slavery, servitude, forced labour or child labour.
- right to just and favourable conditions of work, and
- right to health.

We strive to ensure that our suppliers, business partners, consultants and agents share our commitment to safety, business integrity, respect for human rights and compliance. We also expect them, in turn, to apply the same principles to their own employees, suppliers, and other business

relations across their supply chain. We, therefore, communicate our expectations and requirements for the protection of human rights to our suppliers and business partners.

These requirements are included in our Supplier Assessment. The supplier assessment is used in our supplier prequalification process, and commitment to it is a requirement to be qualified as a supplier, contractor, or agent to Grolman. In the future we will use IntegrityNext instead.

Contractual Clauses:

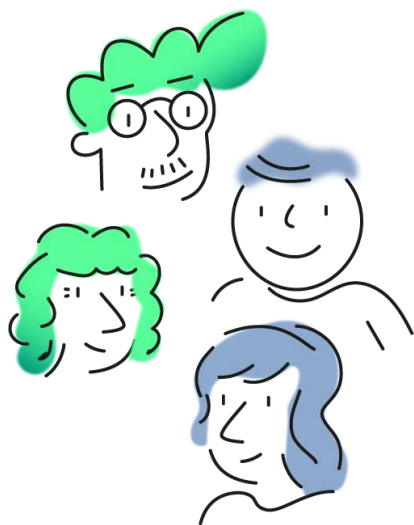
Contractual clauses are a tool to signal expectations of respect for internationally recognised human rights to our supplier's contract. Contractual clauses can allow us to make sure that all our suppliers are on the same level as us in our efforts to make sure that we operate in a human violations-free supply chain.

Training, communication, and awareness building:

Business ethics training is one of our initiatives in building awareness about business integrity and preventing unethical behaviour or breaches of the Code of Conduct, including human rights infringements.

Progress 2024

- We drive awareness and engagement by providing Code of Conduct and business ethics training to all our employees regularly. In 2024, 55% of Grolman Group employees, who were defined as the target group, completed the training.
- With our IntegrityNext platform, we review risks and continuously map key human rights issues to ensure they are in line with developments in our business and issue a report on the status of these issues.



Training and Skills Development

Materiality:

Prioritising employees' personal and professional growth enables the creation of a workforce capable of driving innovation, collaboration, and adaptability on a global scale.

This is double material matter for Grolman Group for both our own workforce and value chain workers from both an impact and a financial perspective. The positive impact is linked to the training, which helps our employees and partners gain the skills needed to meet sustainability and performance goals. At the same time, insufficient training can lead to underperformance, missed targets, and lower sales of circular products.

Approach: strategy, policies, actions, targets and metrics

At Grolman Group, we understand that balancing work and personal life is essential for maintaining a healthy, motivated, and productive workforce. To support our team members, we have implemented a range of global and local programs and policies designed to help them succeed both at work and at home, creating a pleasant and safe workplace environment.

Our commitment to continuous learning is reflected in the regular participation of all Grolman Group employees in webinars, seminars, and workshops. These training opportunities, which range from two-day workshops to three-day product training sessions with suppliers, are an integral part of our development strategy. In our distribution business, there is a need for high technical expertise among both specialists and technical sales teams. Our agile organisational model and transformation toward a circular, purpose-driven structure further increase training needs. In production, the focus is on health and safety, ISO and ERP onboarding, and individual training for employees is decided on the plant level, as needed. As we undergo audits for ISO 9001:2015 and 14001:2015 on an annual basis, we emphasise further training and standardise the scheduling and maintenance of training plans across the Grolman Group.

We take pride in nurturing emerging talent and positioning ourselves as an attractive employer for the best and brightest. Our commitment to accelerating the transition to sustainable business practices resonates with the next generation of professionals eager to contribute to meaningful change. Retaining top talent is crucial to achieving our sustainability goals, and we are dedicated to fostering an environment that supports this aim.

To promote work-life balance, we encourage our national teams to implement flexible working

arrangements tailored to local needs and cultural contexts. Our Human Resources department is dedicated to ensuring that these efforts are effectively managed and aligned with our broader organisational goals.

Own workforce Career Development and Work-Life Balance

To grow our business, we need to create the right conditions for our employees to flourish. The diversity of our company and the industries in which we operate offer our employees significant learning and development opportunities. We provide practical experience, personal responsibility and challenging tasks. These elements, combined with feedback and learning from others, create strong growth opportunities for our employees.

At Grolman Group, we encourage our employees to take responsibility for their professional development.

Whenever possible, we prefer to promote internal talent rather than hire externally to encourage professional development and retain employees. We offer a high degree of flexibility in the assignment of tasks and give our employees the opportunity to take on new roles and responsibilities within the company.

All vacancies are first advertised internally, and we strongly support internal mobility, including



"The Route to Net Zero is more than a training - it's how we turn ambition into action, together with our teams across the globe."

Erika Ustailieva, Head of Sustainability

international assignments to our companies. At Grolman Group, we invest in our employees and develop their skills to ensure a competent, committed and diverse workforce.

Grolman Group undertakes the following initiatives regularly to ensure training and skill development of our own workforce:

- **Onboarding:** To set up a well-organised onboarding for the new employees is the essence of the first few weeks and months of employment. We have integrated training requirements in the onboarding process, enhancing our engagement with new colleagues. This structured approach ensures that employees have a clear overview of their onboarding tasks from day one and throughout the following weeks, helping them feel well supported and motivated to remain with the company. We are preparing to implement a new system for online training and HR, which will provide significant benefits for our HR department, managers, and colleagues involved in the onboarding process, ensuring a smooth and efficient start for every new team member.
- **Webinars:** Similar to online training, which employees may join whenever they feel the need, webinars enable targeted knowledge transfer and serve as effective tools for training, presentations, and meetings. They offer interactive features such as Q&A sessions, surveys, and polls to enhance participant engagement and

strengthen our collective knowledge.

- **Internal training programs for our own workforce:** Alongside existing programmes such as Coaching, Role of the Leader, regular Dangerous Goods training, Health and Safety training, and technical training, in 2024 Grolman International Distribution developed and began rolling out the **Route to Net Zero training** — a full-day, on-site, interactive workshop delivered to all team members of each Grolman entity, with the aim of covering all entities by the end of 2026. This workshop aimed to ensure all employees understand their role in advancing our sustainability efforts and to provide a comprehensive overview of our strategy and the new regulatory landscape. It addresses key topics, including:
 - **Our strategic sustainability framework** – what sustainability means for us, our strategic sustainability framework connected with vision and purpose, roadmap and the governance and management systems to integrate sustainability into daily business, setting the stage for understanding our current position and future direction.
 - **Sustainability reporting frameworks** – covered KPIs ownership and explored our sustainability reporting frameworks, including annual reporting, UNGC, RSPO, EcoVadis, IntegrityNext and customer sustainability requests.
 - **CO₂ Footprint and Product Innovation and Circularity** – reviewed progress in reducing

Grolman's greenhouse gas (GHG) emissions, and the importance of sharing these milestones as we work towards our Net Zero target. Our commitment to innovation and circularity, including our circular solution categories and portfolio, demonstrating how challenges can be turned into growth opportunities. Tools and techniques for effective customer interactions were also provided.

Training and skill development in our supply chain

Training and skill development are essential in our supply chain to:

1. **Innovate and Collaborate:** We need to increase the technical and formulation expertise of our partners (suppliers and customers) and ourselves to be able to envision and create circular formulations within the whole supply chain. Only through knowledgeable, dedicated technical teams and close collaboration with our application laboratories and leading manufacturers and suppliers can we identify and implement innovative solutions that meet evolving market demands. By training our employees how to introduce cutting-edge technologies and products to our global customer network, we not only stay ahead of industry trends but also continuously enhance our sustainable product offerings. This proactive approach ensures that we support both our suppliers

and customers in their journey towards more circular and sustainable practices.

2. Establish an Internal Culture of Innovation: We foster a culture of creativity and entrepreneurial forward-thinking among our employees. By encouraging new business models, processes, and technologies, we enhance efficiency and value for our customers. This internal drive for innovation supports our broader sustainability goals and helps us maintain our position as a leader in the chemical distribution industry.

Progress 2024:

- **Own workforce average hours of training per employee:** in 2024, each employee of Grolman Group had on average 46 hours of training per year. In our distribution business, we estimate 96 hours per employee, reflecting the need for high technical expertise among both specialists and technical sales teams.
- **Training of own workforce regarding entrepreneurial and self-organising practices:** In 2024, Grolman International Distribution achieved its target of training 80% of the targeted employees (Managing Directors, Sales Directors, and Business Unit Directors) in entrepreneurial and self-organising practices, despite an increased target group due to expansion in 2024. More information on this topic is available in the Circular Economy chapter of this report.

- **Route to Net Zero training:** in 2024, 44% of Grolman International Distribution entities received a full-day, on-site, interactive workshop delivered to all team members on sustainability and circular innovation. The workshop aimed to ensure all employees understand their role in advancing our sustainability efforts and to provide a comprehensive overview of our strategy and the new regulatory landscape.
- **Supply chain engagement with suppliers and customers:** In 2024, Grolman International Distribution conducted three Technical Customer Days — one each for the Plastics (DACH region), Personal Care (DACH region), and CAS/Inks (Portugal) industries. In total, we engaged with 15 key suppliers and 66 key customers through these workshops. We also engage with suppliers and customers on sustainability during international exhibitions and meetings. More information on this topic is available in the Circular Economy chapter of this report.



Health and Safety

Materiality:

Grolman Group is committed to safe, reliable and sustainable operations to achieve the goal of “zero harm to people, facilities and the environment”.

We employ more than 500 people in more than 40 countries and work closely with our employees, customers and our broader supply chain to protect the health, safety and well-being of our own people and our partners.

This is an impact material matter for Grolman Group due to the potential negative impact that the handling of chemicals can have on both our workforce and the value chain workers.

Health and safety are integral topics, especially for our production business Lifocolor. Compared to Grolman International Distribution, the risk of injuries is elevated due to the continuous handling of chemical products on production machines. Maintaining the health and safety of our employees is therefore key to our success.

Maintaining the Health, Safety and Well-being of our employees is included in our management system to provide clarity and promote account-

ability across the organisation. The system was developed to meet our health and safety standards and outlines how everyone in the organisation should look after their own health, safety, and well-being, as well as that of their colleagues.

Approach: strategy, policies, actions, targets and metrics

At Grolman Group, the health and safety of our employees is a cornerstone of our operations. We are committed to maintaining a safe work environment and, therefore, pursue a zero-accident strategy (LTIFR = 0%) or, at the very least, to remain below the industry standard. This goal will be achieved through the continuous implementation of safe work practices across all our entities and measures based on comprehensive health and safety risk assessments conducted in collaboration with our Health and Safety Adviser for employees and subcontractors.

Our initiatives at Grolman International Distribution include:

- Providing up-to-date health and safety training for all employees on site, with additional induction training for new employees.
- Workstations are assessed for ergonomics and in accordance with workplace regulations under the guidance of safety specialists who also offer ergonomic workplace advice.
- Offering subsidies or covering costs for es-

sential workplace items such as glasses and headsets.

- Conducting a survey on psychosocial stress during the pandemic, which revealed no immediate need for additional measures at the time.
- Implementing preventive measures in warehouses, including proper storage of hazardous substances, dust control, ventilation, and the provision of personal protective equipment such as gloves, masks, and protective clothing.
- Strengthening fire safety through technical building measures, regular inspections of extinguishers and equipment, and staff training on emergency behaviour.
- Performing regular occupational health and safety audits, with workplace inspections, with consistently excellent results and no complaints from the authorities.

Grolman International Distribution complies with ISO 9001:2015 and ISO 14001:2015 standards. Our management system is built on these standards, with procedures and work instructions tailored to meet both ISO requirements and local legislation. For example, in Germany, we maintain an online register of legal obligations through www.umwelt-online.de.

As a forward-thinking employer, we are committed to creating a sustainable work environ-

ment characterised by mutual respect, security and flexibility. In Germany, for example, working hours and overtime are regulated by a bargaining agreement, and we clearly define in our contracts how overtime is handled, either through time off or financial compensation. We actively manage leaves, including maternity, paternity, and sick leave, by offering financial support or implementing dedicated insurance solutions to support our employees.

Occupational health and safety at Lifocolor

Our production business, Lifocolor, operates with an elevated risk of injury due to the continuous handling of chemical products on production machines. We therefore pursue a zero-accident strategy based on a proactive, holistic approach supported by ISO EN 9001 management rules, legal requirements, and clear operating instructions.

Workplace risk assessments, regular inspections, and comprehensive internal and external training form the foundation of our safety culture. Hazardous substances are managed through dedicated work instructions, safety data sheets, and a preference for low-hazard raw materials. A hazardous substances management system is in place, and maintenance teams monitor technical systems to ensure operational safety.

Suppliers are assessed via the IntegrityNext platform to meet occupational health and safety

requirements under the Supply Chain Act, while employees benefit from annual health checks and medical consultations.

Lifocolor Occupational Safety Committee — including external advisers, company doctors, and key employees — reviews all safety measures, tracks KPIs, and proposes follow-up actions. Results are presented annually in the Quality Management Report.

We remain committed to providing a safe, respectful, and sustainable work environment through ongoing training, strong safety governance, and continuous engagement with our workforce and suppliers.

Progress 2024 and actions planned:

- In 2024, the number of days lost to work-related injuries, fatalities and ill health at Grolman Group is 365.5 and the LTIFR (Lost Time Injury Frequency Rate) is **17.9**. At Grolman International Distribution, the number of days lost to work-related injuries and ill health is 151 and the LTIFR is **4.5**. At our production business, Lifocolor, the number of days lost to work-related injuries and ill health is 214.5 days and the LTIFR is **31.3** as a result of 14 work accidents, for which all legal procedures were followed and improvement actions implemented to achieve

the goal of zero accidents. All legal procedures are followed and improvement actions implemented to move toward our zero-accident goal.

- To further support our employees' health, safety and well-being, we plan to implement a survey tool in the coming years to measure the impact of the changes we have implemented. This will help us ensure that our commitment to our employees' well-being remains strong and effective.



Diversity and Equal Opportunity

Materiality:

Grolman Group is strengthened by its diverse workforce of various nationalities and by the number of female employees who excel and fill crucial roles in the company's global operations. A diverse and inclusive workforce enhances creativity and problem-solving by bringing together a broad range of perspectives and ideas. It improves employee engagement and collaboration, as individuals feel a sense of belonging and can bring their authentic selves to work.

Although diversity and equal opportunity are not classified as a material matter for Grolman Group under our double materiality, we choose to report on our progress in this area, as they are an integral part of who we are. Prioritising diversity and inclusion strongly contributes towards the fulfilment of our purpose and moves us more effectively towards our vision.

Approach: strategy, policies, actions, targets and metrics

Grolman Group is deeply committed to the principles of non-discrimination and equal opportunity, irrespective of gender, age, nationality, or any other characteristic. Guided by our Code of Conduct and our Human Rights, Diversity and Inclusion Policy, we strive to ensure that all human resources processes—such as hiring, promotions, skills development, and salary reviews—are free from bias. We actively monitor and promote diversity and equality across these areas. Furthermore, we have a whistleblower process in place to address and investigate any allegations of discrimination. More details on this can be found in our Whistleblower Policy and the Governance section of this report.

Diversity and equal opportunity are part of our suppliers CSR risk assessment and supply chain due diligence with IntegrityNext.

Recognising the importance of ethical behaviour, our Management and Equal Opportunity Officer serve as a representative for ethical conduct within the Grolman Group. We understand ethical behaviour as adhering to professional standards and having a codified set of ethical guidelines. Our Code of Conduct provides our employees with a clear framework for navigating any moral dilemmas they may encounter.

Women in Leadership

At Grolman Group, we are proud that women make up 30.7% of our total leadership team, reflecting our commitment to gender diversity and inclusivity. As a family-owned private business, we also have 20% female representation in the company's highest governing body.

Grolman Group is strengthened by its diverse workforce, encompassing various nationalities, and by the crucial roles filled by our female employees across global operations. Their leadership and expertise are key to our success in a dynamic global market.

We believe that a diverse leadership team enhances decision-making and strengthens our ability to meet the needs of our customers and communities. As we continue to grow, we remain dedicated to supporting and empowering women at all levels of our organisation.

Minority and Vulnerable Group Representation

At Grolman Group, we are dedicated to fostering an inclusive work environment that mirrors the diversity of the society in which we operate. In alignment with our sustainability goals, we actively track and report on the representation of minority and vulnerable groups within our organisation. We are a global organisation represented in more than 40 countries, representing a wide range of cultures. As an international company,

we do not discriminate on the basis of gender, ethnicity, religion, race, or nationality. As of the current reporting period, 2.3% of our workforce comprises individuals from these groups.

Looking forward, we are committed to refining our data collection processes to track better and support our progress. Our goal is to ensure that diversity and inclusion remain integral to our human resource strategies, ultimately contributing to a stronger, more resilient organisation.

Progress in 2024:

Key performance indicators related to our diversity and equal opportunity are presented in Appendix of this report.

In 2024, we concentrated on initiatives to advance a diversity leadership culture (focusing on the role of the leader), and skills development within our organisation. Key achievements include:

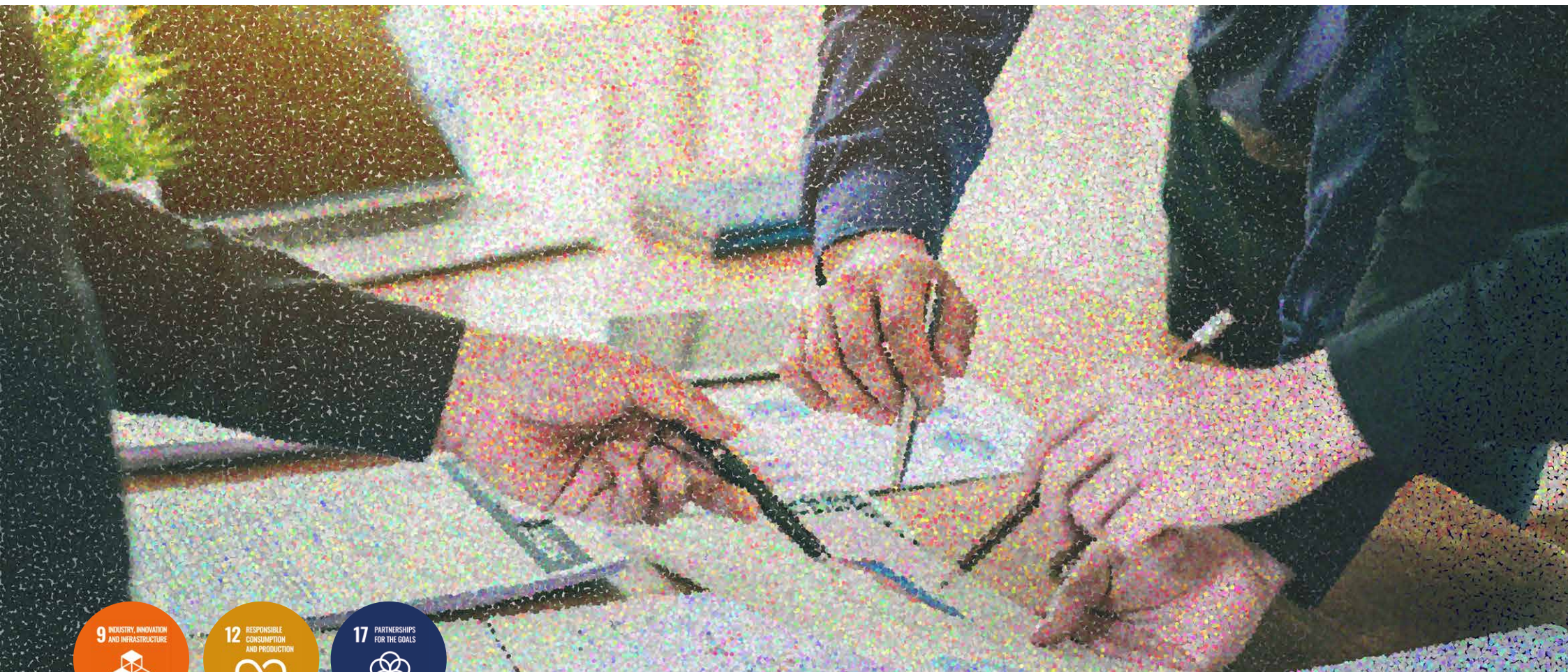
- Continue initiating dialogue sessions to incorporate diversity and gender considerations into hiring processes and competency development planning.
- Conducting targeted awareness training to prevent discrimination and harassment, focusing on key leadership roles that represent approximately 12% of our workforce. This training is refreshed every 2-3 years to maintain high levels of awareness and engagement.

- Our commitment extends to ensuring that Human Rights, Diversity and Inclusion policies are clearly articulated in our Code of Conduct, which is included in the onboarding training for every new employee. Additionally, Diversity, Equity & Inclusion are integral components of our supplier CSR risk assessments and supply chain due diligence processes, conducted in partnership with IntegrityNext. These actions underscore our ongoing commitment to building a workplace where diversity and inclusion thrive, ensuring that every team member feels respected, valued, and empowered to contribute to our shared success.



"Together, our diverse perspectives shape circular innovation"
Murielle Moneron, Application Laboratory Manager

Governance



Supplier Relationships

Materiality:

This is a double material matter for Grolman Group due to the positive impact on our suppliers' ESG performance and potential reputational and financial risks in case of a lack of fair and sustainable supplier practices.

At Grolman Group, we take pride in our unwavering commitment to sustainable practices across our operations and supply chain. As a leading chemical distribution and production company, we recognise the critical role we play in shaping a more sustainable future. Our dedication extends to upholding the highest standards in health and safety, human and labour rights, environmental stewardship, quality management, business integrity, and corporate social responsibility.

We understand that true progress is achieved by engaging our entire supply chain. Therefore, we actively communicate our sustainability values and encourage our suppliers and partners to join us on this journey. Through open dialogue, collaboration, and sharing best practices, we strive to create a ripple effect of sustainable practices that extend far beyond our immediate operations.

To ensure effective communication and transparency, we have implemented robust reporting mechanisms. We regularly engage with our

stakeholders, including customers, suppliers and employees, to share updates on our sustainability initiatives. By providing comprehensive information on our sustainable products portfolio and ongoing efforts to reduce environmental impact, we foster trust and inspire collective action towards a more sustainable future.

At Grolman Group, our commitment to sustainability permeates every aspect of our operations, including our relationships with suppliers and customers. We expect our suppliers to adhere to our business ethics and Code of Conduct, including our standards for health and safety, human and labour rights, environment, quality management, business integrity and corporate social responsibility, and to be competent and trustworthy.

Approach: strategy, policies, actions, targets and metrics

At Grolman Group, we take the responsibility of managing supplier relationships seriously. We actively monitor their activities and work diligently to diversify our supplier portfolio. Our sustainable procurement strategy and robust supply chain management systems enable continuous oversight and assessment of our supplier base.

At our distribution business, we engage our supply chain in our sustainability efforts. We aim to encourage our suppliers to deliver more sustainable goods and services by estimating supplier emissions in our internal reporting and incorporating requirements and selection criteria into our supply chain management tools.

From 2024 on, we will use IntegrityNext to establish a global due diligence process that is easy to apply locally, increase transparency on global strategic suppliers and embed ESG principles in the supplier management process. The platform supports our sustainable procurement strategy through risk analysis, supplier assessments and reporting in the following way:

• Supplier Selection

IntegrityNext abstract risk assessment (country and industry risk) will be used as an indication of the risk scores of each potential supplier during the supplier selection process.

• Supplier Onboarding and Assessment

IntegrityNext facilitates thorough onboarding by requiring new suppliers to complete detailed self-assessment questionnaires. These assessments cover critical human rights issues such as child labour, forced labour, and modern slavery. This initial step allows us to identify potential risks at the very beginning of our supplier relationships.

In addition, we engage with current and new suppliers to increase awareness of our Code of Conduct and business ethics principles, such

as human rights, diversity and equal opportunities, anti-corruption and anti-bribery. We have engaged with 100% of our global strategic suppliers to increase awareness of our Code of Conduct, and we aim to cover all of our suppliers in the future. We will include our Code of Conduct as a contractual clause in all new contracts.

• **Continuous Monitoring**

IntegrityNext continuously monitors suppliers using automated data collection and analysis tools. It scans global media and other sources for reports of human rights violations or unethical practices. This real-time monitoring ensures that we are promptly alerted to any emerging issues, allowing us to take immediate corrective action.

• **CSR Risk Scoring and Analysis**

IntegrityNext assigns risk scores to each uploaded supplier based on geographical location, industry sector, and historical performance. The industry and country risk assessments form the supplier's so-called abstract CSR risk assessment. This scoring system helps us prioritise our resources and focus on suppliers with the highest risks, enhancing our ability to manage and mitigate potential human rights violations effectively.

• **CSR Individual Assessment**

Suppliers identified as high risk based on the abstract risk assessment (considering industry and country risks) are invited to complete detailed CSR self-assessment questionnaires.

Based on the results, suppliers may be advised to implement corrective action plans, or their risk score may be adjusted to reflect a lower risk level.

• **Corrective Actions and Improvement Plans**

When risks are identified, IntegrityNext supports the development and implementation of corrective action plans. Suppliers are required to address any issues, and we collaborate closely with them to ensure these measures are both effective and sustainable. Follow-up assessments are conducted to verify the successful implementation of these plans.

If a supplier remains high risk or fails to implement the corrective action plan, they will be invited to undergo an on-site audit. Our specific risk-based human and labour rights audit program for suppliers specifies where the company focuses its audits to ensure that our supplier base complies with Grolman Group's principles and requirements.

• **Compliance and Reporting**

IntegrityNext offers comprehensive reporting tools, enabling us to generate detailed reports on supplier compliance with environmental, ethical (e.g. labour & human rights, anti-bribery and anti-corruption) and sustainable procurement standards. These reports are essential for internal audits, stakeholder communications, and meeting regulatory requirements. They provide transparency and demonstrate our commitment to maintaining high ethical standards.

• **Training and Capacity Building**

IntegrityNext offers training modules focused on human rights and ethical practices to support our suppliers. These training sessions help suppliers to understand our expectations and equip them with the knowledge and tools needed to improve their practices, ensuring long-term compliance and ethical behaviour.

Progress 2024:

In 2024, Grolman Group (both our distribution and production businesses) used IntegrityNext for supplier risk analysis, supplier assessments, and reporting. We uploaded in the platform our 2023 supplier base for IntegrityNext abstract risk analysis. Further, the suppliers have been classified into two different spend categories, one reflecting 80% of the total spend and the other reflecting the remaining 20%. We prioritised further actions on CSR self-assessment, corrective action plans and audit on the 80% spend group.

• **Code of Conduct Awareness:** Grolman Group engaged with all global strategic suppliers to raise awareness of our Code of Conduct and business ethics principles (e.g. anti-corruption and anti-bribery). We aim to extend this engagement to all suppliers.

• **Abstract Risk Assessment:** In 2024, Grolman Group performed an abstract CSR risk assessment for 100% of our suppliers (2023 supplier base). As a next step, we invited the high-risk

suppliers for individual CSR assessment, and where needed, we engaged in the development of their Corrective Action Plans (CAP). The high-risk suppliers were analysed, and as the business with them was discontinued, no further actions were taken. As a next step, in 2025, a CSR risk assessment for the 2024 supplier base will be run.

- **CSR self-assessment (questionnaire via IntegrityNext):** In 2024, 83% of the high-risk suppliers from the 2023 supplier base were covered by individual CSR self-assessment (questionnaire via IntegrityNext), and 100% will be covered by the end of 2025
- **Sustainable procurement training:** In 2024, 52% of our buyers have been trained on sustainable procurement practices. Basic training on sustainable procurement and an introduction to IntegrityNext were provided as part of the "Route to Net Zero" training. In 2025, we aim to train the rest of our buyers and develop more in-depth training for the future.
- **Contractual Integration:** Reference to our Code of Conduct and the obligation to adhere to it was included in every purchase order of our production business and will be included in the new contractual arrangement of our distribution business as we advance.

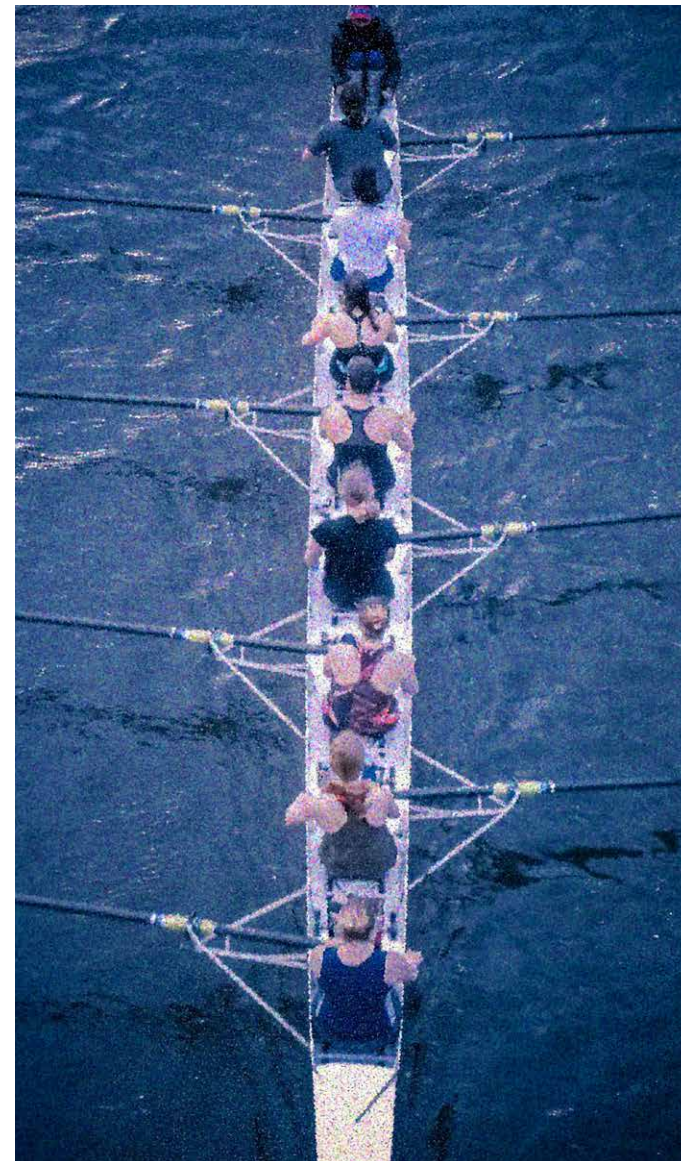
Going forward, we will continue to carefully monitor sustainability risks associated with our external operations, track them as part of our risk

management process, and ensure that the right tools are in place to avoid or mitigate these risks.

Conflict Minerals and Grolman Group Commitment to due diligence in the supply chain:

To meet its ethical standards, Grolman Group follows strict procedures based on applicable national and international guidelines, including the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We use the Responsible Minerals Initiative (RMI) reporting templates to collect information from suppliers about the sourcing of minerals in the products we purchase and require them to conduct due diligence to ensure that minerals are sourced only from outside affected and high-risk areas. These commitments are outlined in our Conflict Minerals Policy.

At Grolman Group, we are committed to fostering sustainable practices across our operations and supply chain. We recognise that responsible mineral sourcing is vital for protecting human rights, safeguarding the environment, and supporting local communities, and we embed these principles into our policies, procedures and reporting practices.



Objectives and methodology:

Our objective in advancing reporting on responsible mineral sourcing is to promote transparency, accountability, and ethical practices within our supply chain. Our approach is aligned with internationally recognised frameworks and ensures compliance with due diligence and reporting requirements set out by EU Regulation 2017/821 and Section 1502 of the US Dodd-Frank Act.

Grolman Group has identified suppliers whose products may contain conflict minerals based on the CAS number. We requested EMRT/CMRT documentation or formal statements from these suppliers. The suppliers for which we have obtained conflict minerals information represent 71% of all relevant suppliers. In addition, we have responded to all customer requests related to conflict minerals. Our production business Lifocolor has developed a formal statement on responsible mineral sourcing, which is made available to customers upon request.

Key initiatives:

Grolman Group commits to these initiatives to be conducted in its business practices regularly:

- **Supply chain mapping and due diligence:**

We have implemented a robust supply chain mapping process to identify the origin of minerals in our supply chain. Through our due diligence efforts, we are working towards ensuring that the minerals we distribute (or which are

part of the products we distribute) are free from conflict, child labour and human rights abuses.

- **Supplier engagement and capacity building:**

We commit to actively engaging with our suppliers to promote responsible sourcing practices. We plan to engage in workshops and initiatives to raise awareness about the importance of responsible mineral sourcing and work together with our suppliers in implementing responsible sourcing policies.

- **Collaboration and industry leadership:**

We actively participate in industry-wide collaborations and initiatives by sharing knowledge, best practices, and experiences. We contribute to the collective effort in advancing responsible minerals sourcing across the industry.

As a forward-looking company, we are constantly enhancing our efforts in adhering to the guidelines of responsible minerals sourcing. We are continually working towards improving our supply chain transparency, engaging our suppliers and being part of an industry-wide change.

We understand that responsible mineral sourcing is not only a business imperative but also an ethical obligation, and we will continue to prioritise this critical aspect of sustainability in our operations.

Progress 2024 and actions planned:

- We enhanced awareness and further implemented our Conflict Minerals Policy, ensuring that information related to conflict minerals is

available for all products for which we have received a customer request. We have successfully obtained the necessary information from 71% of the relevant suppliers. The suppliers for which we have conflict minerals information (e.g. CMRT, EMRT) represent 4.5% of all active suppliers.

- We continue our partnership with IntegrityNext to strengthen our approach to identifying and mitigating human rights risks, including those related to conflict minerals. This collaboration enhances our reputation and deepens relationships with ethical suppliers.
- We actively participated in industry collaborations focused on responsible mineral sourcing, contributing to the development of a best practice guide, and sharing expertise on supply chain due diligence.
- Grolman International Distribution published a due diligence report on conflict minerals, despite not being legally required to do so under current regulations. This initiative reflects our proactive approach to aligning with international best practices. The report outlines our supply chain risk assessment process, mitigation measures, and engagement with suppliers to promote responsible sourcing of tin, tantalum, tungsten, and gold (3TG). By disclosing our efforts publicly, we aim to strengthen trust with stakeholders, contribute to industry accountability, and support the development of conflict-free supply chains.

- have developed an internal procedure to improve the traceability of CMRT/EMRT documentation, including supplier requests and customer responses. This process ensures better coordination across teams, strengthens data reliability, and facilitates timely and consistent reporting throughout the supply chain.

Sustainable Palm oil and responsible sourcing at Grolman International Distribution

Palm oil is a relevant raw material for our cosmetics distribution business. In this branch, we do not purchase palm oil itself, but only palm oil-derived ingredients. Whenever possible, we source RSPO-certified products to support responsible palm oil production. This approach helps promote sustainable agricultural practices, protect biodiversity, reduce deforestation, and ensure that human rights and fair labour standards are respected throughout the supply chain. All our RSPO-certified products are sourced through the RSPO Mass Balance (MB) supply chain model.

In 2024, RSPO-certified products accounted for 82% of our palm oil-derived product sales, and we plan to continue expanding our offering with the goal of reaching 90% by 2030. Looking ahead, in 2025 we also plan to integrate dedicated fields into our ERP system to capture information on suppliers RSPO certificates and palm oil content, thereby enhancing traceability, monitoring progress, and supporting continuous improvement.



Corporate Culture

Grolman Group aims to transition into a purposeful, involved organisation driven by entrepreneurial thinking and self-organised teams by 2028. To achieve this, the focus on human capital is pivotal. By fostering individual growth through personal development, responsibility, freedom, fun, continuing education, individual fulfilment, and a sense of belonging, Grolman lays the foundation for the development of self-organised teams and entrepreneurial mindsets within the company.

Materiality:

This is a financially material matter for Grolman Group, which relates to the impact of a purpose-driven and responsible corporate culture. It increases staff loyalty, innovation, and overall employee satisfaction and productivity, which leads to better financial performance and underlines the Grolmans' family business culture.

Approach: strategy, policies, actions, targets and metrics

"Grolman's overarching goal is to develop a corporate culture towards an entrepreneurial and self-managed company which is guided by its purpose and where everyone can bring in their complete personality, strive for personal growth, feel valued and have fun"

Florian Grolman, Managing Director.

To translate this ambition into practice, Grolman International Distribution has established a set of Vision Teams. These are diverse international groups (in terms of roles, locations, and functions) from across the whole organisation. Their task is to drive visionary, conceptual and long-term thinking, ensuring that our culture is continuously aligned with our company vision.

The vision teams:

Grolman International Distribution's vision teams are diverse international teams (diverse in terms of roles, locations and functions) from across the whole organisation designed for visionary, conceptual thinking, long-term forward thinking and guiding on our company vision.

Empowering Self-Organisation and Leadership

At Grolman International Distribution, we are committed to fostering an entrepreneurial and self-organising culture that empowers our employees, enhances job satisfaction, and promotes overall well-being. Aligned with the principles of Teal organisations as described in Frederic Laloux's "Reinventing Organizations", we have implemented several key practices:

Advice Process:

Decisions are made by individuals at all levels and based upon input from those who would be affected and experts in the field. This process empowers employees to act autonomously while

ensuring that decisions consider the broader impact on the organisation.

Disagreement Resolution:

Disagreements are addressed through open, direct communication between the parties involved. The emphasis is on understanding different perspectives and collaboratively finding solutions at the most immediate level without the need for escalation.

Role of the Leader:

Leadership at Grolman is decentralised, with leaders acting as facilitators and coaches rather than traditional authority figures. Their role is to support the self-management processes, nurture the organisation's purpose, and empower others to take initiative. They do this by ensuring alignment of their team with the company's purpose, vision and goals as well as being responsible for their team's governance. In addition, all new team members of GID receive a purpose and vision introduction and training by Florian Grolman to connect our overall purpose and vision with the purpose and vision of every individual employee and their role in our company.

To embed these Teal principles, we continued to establish our own coaching team and provided ongoing training and sparring for our leadership team. Our coaching team learned and practised more teal practices in 2024, such as teal meeting practices and role-based working, to train them-

The vision teams:

CLIMATE team: is the visionary driver that shifts Grolman Group to a sustainable mindset and develops the concept frame to be a catalyst of sustainable innovation and a recognised ESG leader in the chemical industry.

INSPY team: is the visionary link that opens up Grolman to amplify the natural talent and potentiality of Grolman people, building a creative, entrepreneurial sharing culture.

PROPE team: is the visionary mindset of Grolman, creating a cooperative company culture and spirit inclusive to all our employees, where they feel valued, inspired, and appreciated.

NET team: is the visionary accelerator, creating meaningful relationships and a Grolman community to amplify the knowledge-sharing aspect of our efforts.

BIZ team: is the visionary team that drives new business models and makes sure all our efforts are directed towards a framework for profitable opportunities aligned with our vision.

SC Fantastic: is the visionary driver of supply chain transformation, creating more value for customers and suppliers while enabling Grolman to evolve, grow and stay competitive through efficiency, transparency, reduced complexity, and unified scalable processes across countries.

GEO AMT team: is the visionary integrator of the Asia–Middle East–Turkey region, unifying countries into one synergistic market voice, enabling regional agility, and driving collective expansion.

GEO Asia team: is the visionary connector for Asian markets, aligning regional opportunities with Group strategy while empowering local talent and delivering agile, customer-driven growth.

These Vision Teams work hand in hand with our efforts to empower self-organisation and strengthen leadership capabilities.

selves to coach other teams within our organisation from 2025 onwards. We continued to train our leadership team during our vision workshop in 2024 by introducing basic team roles for all vision CoPs. Our PROPE Vision Team and Human Resources Department are responsible for this effort.

Progress 2024:

As of 2023, 80% of our targeted employees (Managing Directors, Sales Directors, and Business Unit Directors) have been trained in these self-organisation practices, including the role of the leader, advice processes and disagreement resolution. In 2024, Grolman International Distribution achieved its target again with our own coaches as an expanded target group. These trainings are a crucial step in cultivating a workplace where employees feel empowered, engaged, and aligned with the organisation's evolving purpose.

Business Ethics, Anti-Corruption and Anti-Bribery

Materiality:

At Grolman International Distribution, we take pride in our long-standing heritage within the chemical industry. We honour this legacy and ensure the integrity of our present and future business by acting responsibly and ethically in all our operations. Upholding the highest standards of business integrity allows us to earn and maintain the trust of our business partners and stakeholders.

This is a financially material matter as it is related to potential reputational damage and the direct financial effect of incidents of unethical practices by Grolman Group.

Approach: strategy, policies, actions, targets and metrics

The Code of Conduct is the most important document and the foundation of our efforts to maintain the highest level of integrity and avoid unethical or illegal behaviour. It also serves as a comprehensive guide outlining our values, principles, and expectations for ethical behaviour. It provides employees and supply chain business partners with clear standards to follow in their interactions both within the organisation and with external stakeholders.

Our Code of Conduct, endorsed by the managing directors, provides a robust framework for managing compliance and integrity risks. It outlines our commitments and requirements regarding business practices, personal conduct, and expectations of our business partners.

The Code of Conduct sets forth clear principles and rules for critical areas of compliance and integrity, including anti-corruption and anti-bribery, facilitation payments, conflicts of interest, gifts and hospitality, human and employee rights, fair competition, anti-money laundering, sanctions, trade compliance, and more.

Our Anti-Corruption and Anti-Bribery Policy, also endorsed by the managing directors, complements the Code of Conduct. It specifies clear responsibilities and procedures for managing compliance and integrity risks at all levels within our organisation. By adhering to these policies, we ensure that our operations worldwide remain transparent, ethical, and free from corruption. The policy is available on our website.

Country and Business Partner risk analysis

Risks are managed through country risk assessments, sanctions compliance and trade assessments, mandatory compliance and integrity training, compliance and integrity due diligence reviews, and IDD Integrity Due Diligence procedures for business partners.

In 2024, we used IntegrityNext, a leading platform for ESG risk management and compliance monitoring in the supply chain, to enhance our anti-corruption efforts. The IntegrityNext platform enables Grolman Group to improve its corruption risk assessment by evaluating industry and country risks using indicators from globally recognised indices and institutions, such as the World Bank, UNEP, and SASB. This comprehensive approach allows us to identify, monitor, and mitigate potential corruption risks across our supply chain, ensuring a higher standard of compliance and integrity.

Training and Raising Awareness of Business Ethics

At Grolman Group, fostering a culture of compliance and business integrity is essential. To ensure our employees are equipped to handle risks and ethical dilemmas, we provide business ethics training every 2-3 years. This schedule is adjusted based on new hires, updates to the Code of Conduct, and other relevant factors. Further the business ethics principles are in our Code of Conduct part of the onboarding package of each new employee.

Up to 2024, business ethics training is given to 83% of the targeted Grolman Group employees. Each employee acknowledged their understanding of the Grolman Code of Conduct, which is also included in the onboarding process for new hires. These efforts ensure that all personnel stay informed about the latest compliance requirements and best practices for maintaining business integrity.

Whistleblowing Policy

At Grolman Group, we recognise that maintaining an ethical workplace requires everyone to take responsibility and have the courage to address ethical issues or violations promptly.

We have established an independent whistleblowing channel operated by our independent partner, Grant Thornton, to ensure that reports can be made anonymously and securely. This channel allows employees and stakeholders to report concerns, incidents, or suspected violations of our Code of Conduct, internal policies, or laws and regulations.

Key aspects of our Whistleblowing Policy include:

- 1. Confidentiality:** All reports are handled with the utmost confidentiality to protect the identity of the whistleblower.
- 2. Good Faith Reporting:** We encourage reporting of concerns in good faith, ensuring that all complaints are taken seriously.

3. No Retaliation: We strictly prohibit retaliation against individuals who ask questions, raise concerns, report suspected violations, or participate in an investigation in good faith.

4. Anonymous Reporting: Our system supports anonymous reporting to protect further those who come forward.

We strive to foster a culture of trust where employees feel comfortable seeking advice and raising concerns. By using our independent whistleblowing channel, anyone can report issues internally or externally without fear of reprisal.

Any concern can be reported at <https://grolman-group.gt-wbs.com/>.

For more detailed information on our whistleblowing system, please refer to our Whistle-blower Policy. Together, we can maintain a workplace grounded in integrity and transparency. For 2024, we have no registered signals.

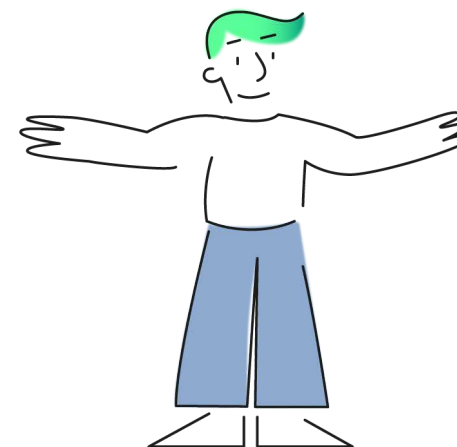
Progress 2024:

To ensure that Grolman Group continues to live up to the highest level of business integrity, we focused on the following priorities:

- Continuously improving our end-to-end process for managing business partners.
- Country's risk assessment process via IntegrityNext.

- Up to 2024, business ethics training is given to 83% of the targeted Grolman Group employees
- Code of Conduct is made part of the onboarding training for each new employee.
- In the 2024 report of our independent whistleblowing channel, operated by our independent partner Grant Thornton is stated that we have no corruption incidents. The channel is established to ensure that anyone can report issues internally or externally without fear of reprisal.

In the future, we will include our Code of Conduct as a contractual clause in all new contracts.



Data Privacy and Security

Materiality:

At Grolman Group, data privacy and security are integral to our operations, assuring compliance and business continuity.

Although this is not a material matter for Grolman Group, we decided to report on it as our company is responsible for processing data about our employees, contractors, customers, projects, and partners, all of whom rely on us to protect their privacy and handle their data securely.

Approach: strategy, policies, actions, targets and metrics

Our board of directors, human resources department, GDPR officer and external data security advisor oversee the risk exposure and mitigating controls in our data privacy and security efforts. Annual audits by external providers ensure compliance with our policies and controls.

We proactively stay ahead of developments in data protection laws, particularly the EU General Data Protection Regulation (GDPR), to ensure that all data transfers are conducted securely and in full compliance with legal standards. To maintain high standards of data protection, all our employees receive comprehensive GDPR training when they join the company, with refresher courses conducted every three to four years. This ensures

that our team remains vigilant and informed about the latest requirements and best practices. We utilise an external GDPR online database tool, offering a user-friendly and effective platform to document all aspects of data protection within our company. This tool streamlines our compliance processes, making it easier to manage and monitor our data protection efforts.

All employees agree to comply with the company's acceptable use of IT equipment procedure at the start of their employment. Regular anti-phishing campaigns and similar initiatives are conducted by our dedicated IT department, with support from our data security advisor, to prepare our employees to deal with cyber threats. We issue annual GDPR and Data Security Incidents and Data Breach Reports.

At Grolman Group, we understand that protecting personal data and secure business information is not just a regulatory obligation but also a key element of maintaining trust with our stakeholders. We are committed to upholding the highest standards of data privacy and security in all our operations.

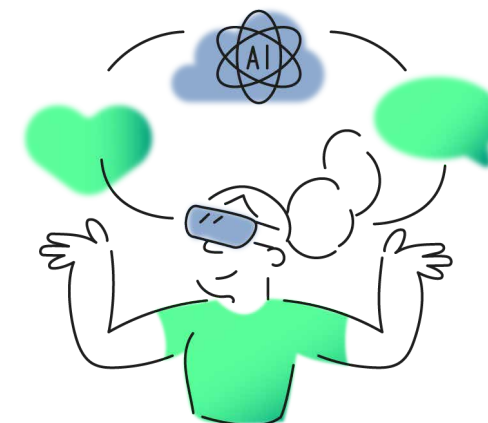
Progress 2024:

Respect for data privacy and security remained a substantial priority for Grolman Group, and we:

- Continued our annual third-party IT and data privacy and security audits. The number of

confirmed information security incidents in 2024 was 2 for which the legal procedure was followed.

- Launched company-wide anti-phishing campaigns to ensure all employees understand the importance of data security and to reduce the risk of cybercrimes and data breaches.
- Provided regular training sessions on cybersecurity awareness and data privacy.
- Provided comprehensive GDPR training to 97% of Grolman Group employees



EU Taxonomy Disclosure

Grolman Group has assessed its activities in relation to Article 10 of Regulation 2020/852 (in the following "EU Taxonomy"). Given the complexity and evolving nature of the EU Taxonomy, interpretations may vary, potentially altering future reporting. Our current methodologies reflect our commitment to transparency and sustainability, aligning with regulatory requirements and fostering a sustainable future through responsible specialty chemicals distribution and production.

A project team from Corporate Accounting, Sustainability, and Business functions, from Grolman Group, was responsible for assessing the taxonomy requirements. With the company's own activities at present, this team has analysed all potential taxonomy-eligible activities for applicability and ensured compliance through the accounting department. The Reporting Guideline EU Taxonomy 2022 is applied consistently across all companies within Grolman Group, ensuring that our activities are assessed against the European Union's criteria for environmentally sustainable economic activities. This marks a significant step in aligning our operations with the EU's sustainability framework and strengthening the transparency of our reporting.

Methodology

The assessment process followed a structured approach:

- 1. Identification of activities** using the EU Taxonomy Compass and Annex I of Regulation (EU) 2020/852, based on activity descriptions.
- 2. Verification of substantial contribution** according to Annex I criteria for each relevant activity.
- 3. Summarising eligible activities** and calculating financial figures for the reporting period.

This systematic assessment allowed us to map our business activities against the EU Taxonomy requirements and confirm where Grolman Group contributes to the EU's environmental objectives.

Eligible Activities

Grolman Group is a family-owned enterprise specialising in the speciality chemicals industry, consisting of Grolman International Distribution and Lifocolor.

Grolman International Distribution is a leading distributor of specialty chemicals, providing a wide range of products and expert technical support. We represent top global manufacturers, ensuring a reliable supply chain and innovative solutions in industries such as coatings, adhesives, and plastics.

Our production business Lifocolor focuses on the production of masterbatches and compounds. Known for its expertise in colour masterbatches and additive concentrates, Lifocolor supports the creation of vibrant, durable, and environmentally friendly products, advancing sustainable practices in the plastics industry.

The economic activities related to the above-mentioned distribution of special chemicals, providing a range of products, expert technical support and production of masterbatches and compounds are not listed in any of the annexes of the EU Taxonomy. Additionally, the economic activity "3. Manufacturing" only covers a specific range of products outlined in Annex I and II of the Climate Delegated Act, none of which are produced by the Grolman Group. Consequently, all revenue associated with these two activities is not eligible under the EU Taxonomy.

Grolman Group has identified several activities within the operations that are taxonomy-eligible under the EU Taxonomy Regulation. These activities have the potential to make substantial contributions to one or more of the six environmental objectives defined by the Taxonomy.

The analysis identified activities under **Article 10 of the EU Taxonomy Regulation (Climate Change Mitigation)**. The following were confirmed as eligible:

- **Transport by motorbikes, passenger cars and light commercial vehicles** (Grolman Distribution & Lifocolor): use of zero-tailpipe emissions electric vehicles, substantially contributing to climate change mitigation compared to conventional vehicles.
- **Electricity generation using solar photovoltaic technology** (Lifocolor): 1.254 KWp installed across 4 locations, producing approx. 1,146 MWh in 2023. Around 660 MWh were used internally, covering 26% of Lifocolor's energy demand, with the remainder fed into the public grid.
- **Electricity generation using solar photovoltaic technology** (Grolman Distribution): future planned installations (100 KWp) with expected annual production of approx. 86 MWh, of which 57 MWh can be used internally.

These activities fulfil the substantial contribution criteria for climate change mitigation as defined in the EU Taxonomy.

Results and Outlook

The EU Taxonomy assessment confirmed that both Grolman Distribution and Lifocolor have eligible activities under the environmental objective of climate change mitigation. In particular:

- Electric vehicles used across the Group qualify as eligible low- and zero-emissions activities.
- Lifocolor's solar photovoltaic systems are already making a measurable contribution to renewable energy generation, covering a significant share of site-level energy demand.
- Grolman Distribution is preparing to expand renewable energy use by installing solar photovoltaic capacity in the coming years.

This assessment strengthens the credibility of our sustainability reporting, provides a clear baseline for monitoring future progress, and ensures alignment with potential regulatory requirements. To be considered taxonomy-aligned, identified activities must not only make a substantial contribution to environmental objectives but also meet the "Do No Significant Harm" (DNSH) criteria and comply with the Minimum Safeguards. For this reporting period, the Grolman Group has identified taxonomy-eligible activities, however, as the share is immaterial from a financial perspective, no further quantitative disclosure is provided. No taxonomy-aligned activities are reported, as the necessary assessments to confirm alignment — such as physical climate risk

analyses and the full implementation of Minimum Safeguards processes — have not yet been completed. Going forward, Grolman Group will evaluate whether, and to what extent, identified eligible activities can be reported quantitatively and assessed for taxonomy alignment in future disclosures.



Appendix: figures, statistics and methodology

Key Environmental Figures

Grolman Group Carbon footprint (calendar year 2023) - absolute emissions, share of total and data quality rating^[1]

Scope	Category	t CO ₂ e	Share	Quality rating
1	Combustion – Vehicles (owned or controlled)	376	<1%	Good
	Combustion - within Company Facilities (owned or controlled)	344	<1%	Good
	Fugitive emissions	10	<1%	Very good
	Physical or chemical processing	--	--	--
	Sum Scope 1	731	<1%	Good
2	Purchased Electricity*	822	<1%	Good
	Purchased Steam	--	--	--
	Purchased Heating	3	<1%	Fair
	Purchased Cooling	--	--	--
	Sum Scope 2	825	<1%	Good
3	Purchased Goods & Services	174,151	78%	Fair
	Capital Goods	95	<1%	Poor
	Fuel- and Energy-related Activities (not covered in Scope 1&2)	568	<1%	Good
	Upstream Transportation & Distribution	9,136	4%	Good
	Waste Generation in Operations	757	<1%	Fair
	Business Travel	219	<1%	Good
	Employee Commuting	416	<1%	Fair
	Upstream Leased Assets	--	--	--
	Sum Scope 3 upstream	185,342		
	Downstream Transportation & Distribution	25,764	12%	Good
	Processing of sold Products	11,337	5%	Fair
	Use of sold Products	--	--	--
	End-of-Life Treatment of sold Products	--	--	--
	Downstream Leased Assets	--	--	--
	Franchises	--	--	--
	Investments	--	--	--
	Sum Scope 3 downstream	37,100		
	Sum Scope 3	222,442	99%	Fair
Total		223,998	100%	Fair

*Purchased Electricity (location-based): 1,567 t CO₂e

**Sum Scope 2 (location-based): 1,569 t CO₂e

Total energy consumption: 5,354,742 kWh

Renewable energy consumption: 3,391,119 kWh

Share of renewable energy consumption: 63% (+285%); in 2023 7 out of 27 entities (26%) of all Grolman entities and locations purchased 100% green electricity

Number of electric cars from Grolman International Distribution:

- United Kingdom (UK): A total of 9 company vehicles, 7 of which are electric.
- Nordic Countries: A fleet of 4 company vehicles, 2 of which are electric.
- Benelux (BNL): A total of 6 company vehicles, including 4 electric models.

[1] The figures provided in this, and the following tables are rounded to full metric tons or full percentage points, respectively. The calculations, however, were conducted using exact values. Sums may therefore differ from provided total amounts due to rounding errors.

Grolman Group Carbon footprint (calendar year 2024) - absolute emissions, share of total and data quality rating^[1]

Scope	Category	t CO ₂ e	Share	Quality rating
1	Combustion – Vehicles (owned or controlled)	361	<1%	Good
	Combustion - within Company Facilities (owned or controlled)	351	<1%	Good
	Fugitive emissions	34	<1%	Very good
	Physical or chemical processing	--	--	--
	Sum Scope 1	746	<1%	Good
2	Purchased Electricity*	811	<1%	Good
	Purchased Steam	--	--	--
	Purchased Heating	3	<1%	Fair
	Purchased Cooling	--	--	--
	Sum Scope 2	813	<1%	Good
3	Purchased Goods & Services	185,420	77%	Good
	Capital Goods	121	<1%	Poor
	Fuel- and Energy-related Activities (not covered in Scope 1&2)	636	<1%	Good
	Upstream Transportation & Distribution	11,402	5%	Good
	Waste Generation in Operations	827	<1%	Fair
	Business Travel	309	<1%	Good
	Employee Commuting	394	<1%	Fair
	Upstream Leased Assets	--	--	--
	Sum Scope 3 upstream	199,110		
	Downstream Transportation & Distribution	28,140	12%	Good
	Processing of sold Products	12,250	5%	Fair
	Use of sold Products	--	--	--
	End-of-Life Treatment of sold Products	--	--	--
	Downstream Leased Assets	--	--	--
	Franchises	--	--	--
	Investments	--	--	--
	Sum Scope 3 downstream	40,393		
	Sum Scope 3	239,499	99%	Good
Total		241,058	100%	Good

*Purchased Electricity (location-based): 1,829 t CO₂e

**Sum Scope 2 (location-based): 1,832 t CO₂e

Total energy consumption: 6,033,721 kWh

Renewable energy consumption: 3,820,604 kWh

Share of renewable energy consumption: 63% (+/- 0%); in 2024 7 out of 27 entities (26%) of all Grolman entities and locations purchased 100% green electricity

Number of electric cars from Grolman International Distribution:

- United Kingdom (UK): A total of 9 company vehicles, comprising 7 electric and 2 hybrid models.

- Nordic Countries: A fleet of 4 company vehicles, all of which are fully electric.

- Benelux (BNL): A total of 6 company vehicles, including 4 electric, 1 hybrid, and 1 petrol-powered vehicle.

Grolman Group Carbon footprint 2023 - emission intensities

Intensity metric	Value	Unit
Emissions per unit of revenue	1,115	t CO ₂ e/million EUR
Emissions per FTE*	396	t CO ₂ e/FTE
Emissions per floor area	4.96	t CO ₂ e/m ²
Emissions per t sold products	3.48	t CO ₂ e/t sold products

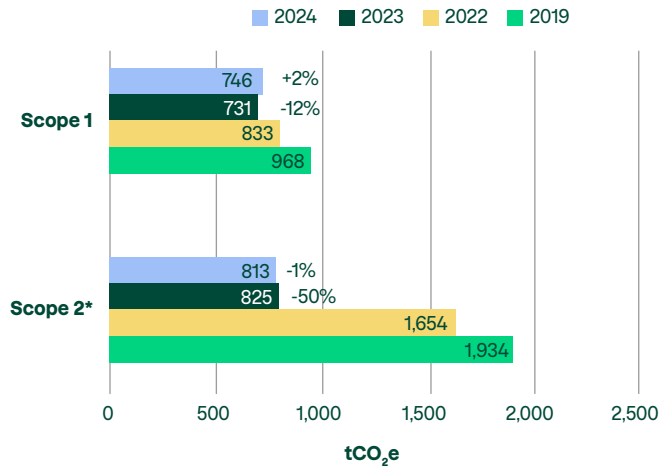
* 1 Full-Time Equivalent (FTE)= 40 h/week

Grolman Group Carbon footprint 2024 - emission intensities

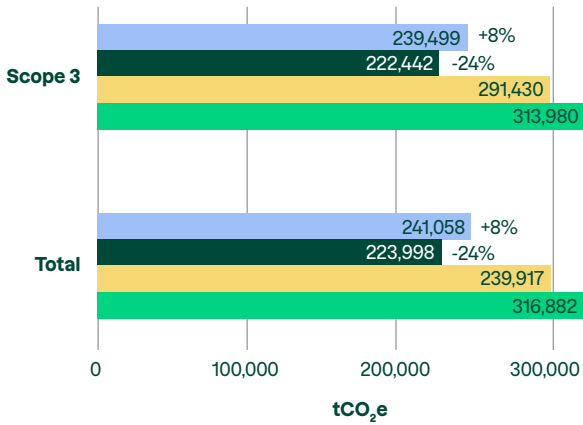
Intensity metric	Value	Unit
Emissions per unit of revenue	1,290	t CO ₂ e/million EUR
Emissions per FTE*	460	t CO ₂ e/FTE
Emissions per floor area	5.37	t CO ₂ e/m ²
Emissions per t sold products	3.56	t CO ₂ e/t sold products

* 1 Full-Time Equivalent (FTE)= 40 h/week

Grolman Group absolute emissions for 2024 and 2023 per scope and total compared to previous year and base year 2019



* market-based



Grolman Group absolute emissions for 2023 per category - compared to base year and previous year and reasons for change

Scope	Category	2019 t CO ₂ e	2022 t CO ₂ e	2023 t CO ₂ e	Change % (2023 vs. 2019)	Change % (2023 vs. 2022)	Potential reasons for change 2023 vs. 2022
1	Combustion – Vehicles (owned or controlled)	620	427	376	-39%	-12%	Significant decrease of consumption; in part, change to electric and hybrid vehicles
	Combustion - within Company Facilities (owned or controlled)	317	401	344	+9%	-14%	In part, change to district heating at some GID entities where previously, natural gas consumption was assumed due to lack of data and overall decrease of natural gas, burning oil and LPG consumption
	Fugitive Emissions	10	6	10	0%	+86%	Punctual increase in 2023 due to refills of air conditioning systems
	Physical and chemical processing	21	--	--	--	--	
	Sum Scope 1	968	833	731	-24%	-12%	
2	Purchased Electricity	1,931	1,653	822	-57%	-50%	Switch to green electricity at relevant Lifocolor locations Lichtenfels (GER) and Straufheim Adelhausen (GER)
	Purchased Steam	-	--	--	--	--	
	Purchased Heating	3	0	3	-13%	+1030%	Change to district heating at some GID entities where previously, natural gas consumption was assumed due to lack of data
	Purchased Cooling	-	--	--	--	--	
	Sum Scope 2	1,934	1,654	825	-57%	-50%	

Scope	Category	2019 t CO ₂ e	2022 t CO ₂ e	2023 t CO ₂ e	Change % (2023 vs. 2019)	Change % (2023 vs. 2022)	Potential reasons for change 2023 vs. 2022
3	Purchased Goods & Services	294,539	239,170	174,151	-41%	-27%	Drop in sales in 2023 (GID and Lifocolor) & improved data quality (more primary data GID), slight impact (-3%) of new PCF calculation methodology (GID) → category impacts entire CCF
	Capital Goods	3,256	365	95	-97%	-74%	Punctual decrease in 2023 caused by decrease in purchase of capital goods (Lifocolor)
	Fuel- and Energy-related Activities (not covered in Sc.1,2)	652	682	568	+13%	-17%	Change in line with change in Scope 1&2 consumption
	Upstream Transportation & Distribution	1,936	8,899	9,136	+372%	+3%	While t*km decreased (in line with Scope 3.1), emissions slightly increased due to changes in the product mix leading to a significant decrease of the share of sea freights versus road transports (GID)
	Waste Generation in Operations	127	254	757	+496%	+198%	More detailed / primary waste data for more GID entities
	Business Travel	487	151	219	-55%	+45%	Strong increase of flights (GID and Lifocolor)
	Employee Commuting	515	302	416	-21%	+38%	Strong increase of GID's commuting emissions due to improved data collection
	Upstream Leased Assets	-	--	--	--	--	decrease of Scope 3.1
	Downstream Transportation & Distribution	4,051	30,752	25,764	+536%	-16%	Change in line with decrease of Scope 3.1 and decrease of sales numbers
	Processing of sold Products	8,276	10,856	11,337	+37%	+4%	
	Use of sold Products	-	--	--	--	--	
	End-of-Life Treatment of sold Products	127	--	--	--	--	
	Downstream Leased Assets	13	--	--	--	--	
	Franchises	-	--	--	--	--	
	Investments	-	--	--	--	--	
	Sum Scope 3	313,980	291,430	222,442	-29%	-24%	
Total		316,882	293,917	223,998	-29%	-24%	

Grolman Group absolute emissions for 2024 per category - compared to base year and previous year and reasons for change

Scope	Category	2019 t CO ₂ e	2023 t CO ₂ e	2024 t CO ₂ e	Change % (2024 vs. 2019)	Change % (2024 vs. 2023)	Potential reasons for change 2024 vs. 2023
1	Combustion – Vehicles (owned or controlled)	620	376	361	-39%	-4%	Ongoing decrease of combustion cars whilst increase of electric vehicles
	Combustion - within Company Facilities (owned or controlled)	317	344	351	+9%	+2%	
	Fugitive Emissions	10	10	34	0%	+221%	Punctual increase in 2024 due to replacements of air conditioning systems at GID headquarter in Neuss
	Physical and chemical processing	21	--	--	--	--	
	Sum Scope 1	968	731	746	-24%	+2%	
2	Purchased Electricity	1,931	822	811	-57%	-1%	
	Purchased Steam	-	--	--	--	--	
	Purchased Heating	3	3	3	-13%	0%	
	Purchased Cooling	-	--	--	--	--	
	Sum Scope 2	1,934	825	813	-57%	-1%	
3	Purchased Goods & Services	294,539	174,151	185,420	-41%	+6%	In line with increase of sales, improved data quality (more primary data GID), slight impact (-5%) of new PCF calculation methodology (GID)
	Capital Goods	3,256	95	121	-97%	+27%	After a strong decrease in purchase of capital goods in 2023, expenses for capital goods increased again in 2024 (Lifocolor)
	Fuel- and Energy-related Activities (not covered in Sc.1,2)	652	568	636	+13%	+12%	Change in line with change in Scopes 1&2 consumption
	Upstream Transportation & Distribution	1,936	9,136	11,402	+372%	+25%	In line with increase of Scope 3.1 (increase of purchase → increase of upstream transportation) & and air freight tripled, although still <1% of t*km (GID)
	Waste Generation in Operations	127	757	827	+496%	+9%	
	Business Travel	487	219	309	-55%	+41%	Flights keep increasing (GID and Lifocolor)
	Employee Commuting	515	416	394	-21%	-5%	
	Upstream Leased Assets	--	--	--	--	--	
	Downstream Transportation & Distribution	4,051	25,764	28,140	+536%	+9%	In line with increase of sales
	Processing of sold Products	8,276	11,337	12,250	+37%	+8%	In line with increase of sales
	Use of sold Products	--	--	--	--	--	
	End-of-Life Treatment of sold Products	127	--	--	--	--	
	Downstream Leased Assets	13	--	--	--	--	
	Franchises	--	--	--	--	--	
	Investments	--	--	--	--	--	
	Sum Scope 3	313,980	222,442	239,499	-29%	+8%	
Total		316,882	223,998	241,058	-29%	+8%	

Grolman Group emissions intensity for 2023 compared to base year and previous year

Figure	Value 2019	Value 2022	Value 2023	Unit	Change (2023 vs. 2019)	Change (2023 vs. 2022)	Potential reason (2023 vs. 2022)
Emissions per unit of revenue	2,311	1,524	1,256	t CO ₂ e/ mio EUR	-46%	-18%	Decrease of emissions while revenue decreased less
Emissions per FTE	685	594	446	t CO ₂ e/ FTE	-35%	-25%	In line with decrease of total emissions while no. of FTE hardly changed
Emissions per floor area	9.49	6.26	4.96	t CO ₂ e/ m ²	-48%	-21%	In line with decrease of total emissions while floor area increased only slightly
Emissions per sold product	4.28	4.21	3.48	t CO ₂ e/t sold products	-19%	-17%	While both emissions and the volume of products sold have decreased, the reduction in emissions has been more substantial

Grolman Group emissions intensity for 2024 compared to base year and previous year

Figure	Value 2019	Value 2023	Value 2024	Unit	Change (2024 vs. 2019)	Change (2024 vs. 2023)	Potential reason (2024 vs. 2023)
Emissions per unit of revenue	2,311	1,256	1,290	t CO ₂ e/ mio EUR	-44%	+3%	Increase of revenue while emissions increased only slightly
Emissions per FTE	685	446	460	t CO ₂ e/ FTE	-33%	+3%	Emissions have risen at a higher rate than the number of FTEs
Emissions per floor area	9.49	4.96	5.37	t CO ₂ e/ m ²	-43%	+8.2%	While emissions have risen, the floor area has remained largely stable
Emissions per sold product	4.28	3.48	3.56	t CO ₂ e/t sold products	-17%	+2%	Emissions have increased slightly more than the volumes of products sold

Grolman Group - Waste generation 2023

Waste	Activity data 2023 (t)	Activity data 2022 (t)	Change 2023 vs. 2022
Total non-hazardous waste (t)	789	816	-3%
Total hazardous waste (t)	4	13	-67%
Total waste (t)	793	830	-4%
Total recycled waste (t)	53	2	+2,115%
Total recycled waste (%)	7	< 1	+2,217%

Grolman Group - Waste generation 2024

Waste	Activity data 2024 (t)	Activity data 2023 (t)	Change 2024 vs. 2023
Total non-hazardous waste (t)	853	789	+8%
Total hazardous waste (t)	4	4	-16%
Total waste (t)	856	793	+8%
Total recycled waste (t)	54	53	+3%
Total recycled waste (%)	6	7	-5%

Key Social Figures

As part of our preparation for CSRD compliance in 2024, we have improved social data collection and reporting to now cover the entire Grolman Group. In previous years, the scope was limited to Grolman International Distribution. This change also applies to the methodology and descriptions of scope and system boundaries in the social section.

Total number of staff members companywide including all countries

	2022 GID	2023 GID	2024 GID	2024 Lifocolor	2024 Grolman Group
Total number of employees	182	209	238	291	529
Number of hours worked	380,675	437,649	445,344	447,178	892,521
Full time	150	179	199	262	461
Part time	32	30	39	29	68
<30 age	9	17	19	38	57
30-50 age	137	156	117	105	222
>50 age	36	36	92	148	240

Gender Distribution

	2022 GID	2023 GID	2024 GID	2024 Lifocolor	2024 Grolman Group
Female	103	118	132	87	219
Male	79	91	106	204	310

Parental leave 2023 and 2024

	2023 GID	2024 GID	2024 Lifocolor	2024 Grolman Group
Female	2	2	2	4
Male	1	0	1	1
Total	3	2	3	5

Women in leadership positions

	2022 GID	2023 GID	2024 GID	2024 Lifocolor	2024 Grolman Group
Women in leadership positions	34%	37%	33.6%	27.5%	30.7%
Female representation in the company's highest governing body	20%	20%	20%	20%	20%

Employees from a minority and/or vulnerable groups

	2023 GID	2024 GID	2024 Lifocolor	2024 Grolman Group
Percentage of employees from a minority and/or vulnerable group in the whole organization	0.06%	0.4%	2.4%	2.3%
Percentage of employees from a minority and/or vulnerable group at top management level	0%	2.5%	0%	1.3%

Occupational Injuries and absence rate

	2022 GID	2023 GID	2024 GID	2024 Lifocolor	2024 Grolman Group
Number of occupational illnesses	0	0	0	0	0
Number of occupational accidents and injuries	0	0	2	14	16
Lost Time Injury Frequency Rate (LTIFR) for direct workforce	0	0	4.5	31.3	17.9
Number of days lost to work-related injuries, fatalities and ill health	0	0	151	214.5	365.5

Hours of training per employee (estimated average)









Company Wide	2022 GID	2023 GID	2024 GID	2024 Lifocolor	2024 Grolman Group
Hours/employee	96	96	96	5.5	46









Key Governance Figures









Governance KPIs	2023 GID	2024 GID	2024 Lifocolor	2024 Grolman Group
Percentage of targeted suppliers who have signed the supplier code of conduct	100%	100%	--	--
Percentage of targeted suppliers covered by CSR risk assessment	100%	100%	100%	100%
Percentage of suppliers for which conflict minerals information is available (e.g. CMRT)	8%	50%	100%	71%
Percentage of employees trained on ethics	80%	75%	87%	83%
Number of reports related to whistleblower procedure	0	0	0	0
Number of confirmed corruption incidents	0	0	0	0
Number of confirmed information security incidents	0	2	0	2
Percentage of targeted employees trained in data privacy and security	100%	95%	100%	97%






KPIs, Targets and Performance








*KPIs cover all Grolman Group international distribution entities and production sites. Where relevant, it is specified whether the indicator applies only to the distribution or production business.

Focus area	KPI*	Targets	Progress 2024	Performance 2024	Actions taken and planned
Environmental					
	% reduction Scope 1 and 2 emissions from baseline year 2019	46% reduction in absolute scope 1 and 2 emissions by 2030, from a 2019 baseline		-46%	Continue implementing reduction measures such as transition to electric cars for our sales teams and transition to renewable energy for our headquarters and warehouse and operational plants in Germany.
	% reduction in absolute scope 1, 2 and 3, from a 2019 baseline	90% reduction in absolute scope 1, 2 and 3 emissions by 2050, from a 2019 baseline		-24%	Further improved data quality for scope 3 emissions (more primary data) and improving calculation methodology and data quality, e.g. PCF data calculation verification and transport emissions calculation improvement
	Total energy consumption	Data KPI**	Data KPI**	6,033,721 kWh	
		Data KPI**	Data KPI**	3,820,604 kWh	
	Total renewable energy consumption	50% renewable energy consumption in our offices and sites globally by 2030		63%	Continue transition to use of renewable energy in all our Grolman Group offices and operational sites. Five GID offices use 100 %, Lifocolor Germany with two sites is procuring 100% of its electric energy from certified renewable sources. Lifocolor Poland will change to 100% renewable energy as of 2026. In Lifocolor Czech Republic, solar panels are planned for 2026. Preparation for installing solar panels in the Grolman International Distribution headquarters office in Germany has been finalised.
Climate Change and Energy	Total gross Scope 1 GHG emissions	Transform our fleet where possible to electric. Some entities individual targets are listed below.		746 tCO ₂ e	Grolman Group continues the group-wide know-how and experience exchange to foster the transition to a fully electric fleet (where possible) and to learn from each other. The Group is preparing to set a group-wide target in 2025.
		Grolman entity in Benelux will have 100% electric car fleet by 2026		67%	
		Grolman entity in Nordics will have 100% electric car fleet by 2025		100%	
		Grolman entity in UK will have 100% electric car fleet by 2026		80%	
		Lifocolor Germany will have 85% electric car fleet by 2027		26%	
	Total gross Scope 2 GHG emissions (market based)	Data KPI**	Data KPI**	813 tCO ₂ e	Established data collection and measurement system. Continue transition to use of renewable energy in all our Grolman distribution offices. Preparation for installing solar panels in the head-quarter office in Germany finalised. Lifocolor Germany is procuring 100% of its electric energy from certified renewable sources.
	Total gross Scope 3 GHG emissions	Data KPI**	Data KPI**	239,499 tCO ₂ e	Established data collection and measurement system. Further improved data quality for scope 3 emissions (more primary data) and improved calculation methodology and data quality, e.g. PCF data calculation verification and transport emissions calculation improvement and integration into ERP.
	Total gross Scope 3 Downstream GHG emissions	Data KPI**	Data KPI**	40,393 tCO ₂ e	
	Total gross Scope 3 Upstream GHG emissions	Data KPI**	Data KPI**	199,110 tCO ₂ e	

Focus area	KPI*	Targets	Progress 2024	Performance 2024	Actions taken and planned
Handling of Chemical Raw Materials	% hazardous material SDSs updated in the company data system	Successfully update and maintain an updated status for one-third (33%) of the active hazardous material safety data sheets in the company's data system.		38% (GID)	Grolman International Distribution updated one-third of the active hazardous materials SDSs in our data system to secure our position as a reliable and trustworthy partner for our customers. For our production business all hazardous materials have a SDS. Suppliers are required (by EU law/REACH) to send an updated SDS when relevant changes occur. Valid until new one is received.
	% of targeted employees attended the dangerous goods training	100% of targeted employees attended dangerous goods training every year		95.7%	Introduced training of target groups employees on the topics of REACH, CLP, and dangerous goods. Training material is regularly updated and conducted every two years. In addition SHE department ensures, that each new Grolman employee is trained latest within 2 months after joining Grolman and adding the employee on the regular training plan. Due to sickness and overlapping topics not all employees were able to attend the training in 2024. In our production business this is part of the annual safety training, which all employees receive.
	% of SHE department employees participated in trainings	100% of SHE department employees participated in trainings every year		100% (GID)	Capacity development for all employees of the SHE department by participating in at least four trainings, advanced trainings and association meetings, webinars, etc. to ensure a high level of up-to-date knowledge leading to the fulfilment of all obligations related to chemical legislation.
	% or number of customer health and safety accidents (e.g., truck accident)	Data KPI**		0% (GID)	There are no reported customer health and safety accidents (e.g., truck accident) in 2024. Our SHE department collects data regarding the dangerous goods transport (sales and purchases for the Grolman entities in Germany and Switzerland). Grolman has an external dangerous goods adviser who is responsible for creating an annual report based on these data. We are developing new processes and systems to report on this KPI.
	% or number of customer health and safety non-conformities (wrong material delivered or expired, or damaged packages)	Data KPI**		0.5% (GID)	We track, monitor and manage product non-conformities via our non-conformance reporting process. Customer health and safety non-conformities (quality and technical differences) reported by customers upon receipt of the products represent 0.5% of all our deliveries made in 2024.
Circular Economy: Product Innovation and Circular Solutions	Number of engaged suppliers in sustainability workshops within our upstream supply chain.	Engage on sustainability and circular innovation with minimum 10 suppliers per year.		15 supplier engagements (GID)	We engage with suppliers during our industry-specific "Technical customer day" workshops where we bring together suppliers, customers and other partners from the whole value chain to exchange on sustainability aspects and how we altogether can shape a circular future. In 2024, we have conducted 3 Technical Customer Days, one each for the Plastics (DACH region), Personal Care (DACH region) and CAS/Inks (Portugal) industry. We also engage with suppliers on sustainability during international exhibitions and meetings.
	Number of engaged customers in sustainability workshops within our downstream supply chain.	Engage on sustainability and circular innovation with minimum 50 customers per year.		66 customer engagements (GID)	We engage with customers during our industry-specific "Technical customer day" workshops where we bring together suppliers, customers and other partners from the whole value chain to exchange on sustainability aspects and how we altogether can shape a circular future. In 2024, we have conducted 3 Technical Customer Days, one each for the Plastics (DACH region), Personal Care (DACH region) and CAS/Inks (Portugal) industry. We also engage with customers on sustainability during international exhibitions and meetings.
	Definition of sustainable/circular product categories and integration in ERP	Define sustainable/circular product categories, integrate these in the ERP system and mark all products accordingly by end of 2024.		100% (GID)	We have defined following 3 categories for circular products: renewable products, recycled products and mass-balance products. Within the products following the mass-balance approach we mark those separately which are ISCC PLUS certified. In addition we defined more categories for sustainable products. These categories have been integrated to our ERP system.
	Portfolio assessment for circular categories	Screen the entire Grolman Industrial Distribution product portfolio and identify all products falling into the circular categories		100% (GID)	Further, we have screened our product portfolio and have identified and marked all products falling in circular categories. For all marked products in our ERP, we have linked supplier documents such as certification, PCF/LCA, etc, proving the respective sustainability/circularity supplier claim. For 2025, we aim to create brochures highlighting the circular products in the respective categories and further create regional circular product portfolio brochures.
	SMART targets on circular sales	Will be defined in 2026.		3.02% turnover based on total sales (Lifocolor Germany)	After defining circular product categories, we take actions to prepare the organisation to define SMART targets on sustainable/circular sales. As a first step, we implemented a measurement on circular sales within our ERP and sales controlling systems. Our goal is to have defined and set SMART targets on circular sales by the end of 2026.

Focus area	KPI*	Targets	Progress 2024	Performance 2024	Actions taken and planned
Circular Economy: Waste Management	Total weight of non-hazardous waste	Data KPI**	Data KPI**	853t	In our distribution business, we focus on reducing paper use in our offices and obsolete materials. In our production business, waste is mainly generated due to the production processes and cannot be avoided, but we keep waste on a minimum level and increase the waste part which can be recycled directly, by separation of different polymer fractions which are collected separately and sold directly to a recycling company.
	Total weight of waste recovered	Data KPI**	Data KPI**	54t	In our production business, plastic packaging, paper/cardboard, metal and a part of polymer waste is collected separately for direct recycling. We are working on improving the data collection and reporting in our production business, and data will be available in 2025 reporting year.
	Total weight of hazardous waste	Data KPI**	Data KPI**	3.7t (GID)	In distribution, the focus is on reducing toner cartridge use and the amount of obsolete materials. We are working on improving the data collection and reporting in our production business, and data will be available in 2025 reporting year.
Social					
Human rights	Percentage of employees trained in Human Rights in the Supply Chain.	Train relevant employees in Human Rights in the supply chain.		55%	Human Right in the supply chain training is given to targeted Grolman employees every 2-3 years to drive awareness and engagement. Further we have Human Rights, Diversity and Inclusions policy and the human rights principles are in our Code of Conduct part of the onboarding package of each new employee. Human rights are part of our suppliers CSR risk assessment and assessment in the supply chain due diligence with IntegrityNext.
Training and Skill Development	Number of hours worked	Data KPI**	Data KPI**	892.522	We have established an overview about all employment agreements for full and parttime employees in Grolman Group to monitor the working hours of all entities.
	Average hours of training per employee	Ensure continuous professional development, so our employees are equipped with the skills and knowledge necessary to drive innovation and maintain our leading role in sustainability and industry excellence.		46	This is the estimated average training time for Grolman Group. In our distribution business, we estimate 96 hours per employee, reflecting the need for high technical expertise among both specialists and technical sales teams. Our agile organisational model and transformation toward a circular, purpose-driven structure further increase training needs. In production, the focus is on health and safety, ISO and ERP onboarding and individual training for employees is decided on the plant level, upon necessity.
	Percentage of targeted employees trained in entrepreneurial and self-organising practices	80% of targeted employees (MD, SD, BUD) trained in entrepreneurial and self organisation practices such as the role of the leader, disagreement resolution and advice processes.		80% (GID)	We implement entrepreneurial and self-organisational practices such as the Role of a Leader, Disagreement Resolution, and the Advice Process to increase employee self-efficacy, leading to improved job satisfaction and enhanced employee well-being. The target of 80% of the target group being equipped to support entrepreneurial and self-organisational practices was achieved in 2023. In 2024, the target group has increased due to more senior managers joining as a result of expansion.
	Percentage of entities trained on sustainability and circular innovation - "Route to Net Zero training"	100% of Grolman International Distribution entities trained by the end of 2026.		44% (GID)	In 2024 Grolman International Distribution developed and began rolling out the Route to Net Zero training — a full-day, on-site, interactive workshop delivered to all team members of each Grolman entity, with the aim of covering all entities by the end of 2026. This workshop aimed to ensure all employees understand their role in advancing our sustainability efforts and to provide a comprehensive overview of our strategy and the new regulatory landscape.
Health & Safety	Lost Time Injury Frequency Rate (LTIFR)	Maintain our current Lost Time Injury Frequency Rate (LTIFR) at 0 or at minimum below the industry level		17.9	Achieving these targets requires the continuous implementation of safe work practices across all our entities. We work closely with Health & Safety (H&S) advisers to ensure that all necessary measures are in place, safeguarding our employees every day. Each accident is investigated separately and appropriate measures are taken based on the accident and analysis.
	Number of days lost to work-related injuries, fatalities and ill health	Maintain the number of days lost to work-related injuries, fatalities and ill health at 0 or at minimum below the industry level		365.5	
	Number of work-related accidents and injuries	Maintain our current work-related accidents and injuries at 0 or at minimum below the industry level		16	
	Number of occupational illnesses	Maintain our current occupational illnesses at 0 or at minimum below the industry level		0	

Focus area	KPI*	Targets	Progress 2024	Performance 2024	Actions taken and planned
Diversity and equal opportunity		Foster an inclusive workplace and ensure that our commitment to diversity and equal opportunity extends to all our business partners.			We have Human Rights, Diversity and Inclusions policy and the diversity and equal opportunity principles are in our Code of Conduct part of the onboarding package of each new employee. Diversity and equal opportunity are part of our suppliers CSR risk assessment and supply chain due diligence with IntegrityNext.
	Percentage of women employed in the whole organisation	Data KPI**	Data KPI**	41.4%	
	Percentage of women at top management level	Data KPI**	Data KPI**	30.7%	
	Percentage of women within the organization's board	Data KPI**	Data KPI**	20%	
	Percentage of employees from a minority and/or vulnerable group in the whole organization. Vulnerable means employees with a disability.	Data KPI**	Data KPI**	2.3%	As an international company, we do not discriminate on the basis of gender, ethnicity, religion, race, or nationality. As of the current reporting period, 2.3% of our workforce comprises individuals from these groups.
	Percentage of employees from a minority and/or vulnerable group at top management level. Vulnerable means employees with a disability.	Data KPI**	Data KPI**	1.3%	
	Percentage of employees trained in Diversity and Equal opportunity.	Data KPI**	Data KPI**	12%	
Governance					
Supplier Relationships	Percentage of targeted suppliers who have signed the supplier code of conduct	Increase awareness of our code of conduct and business ethics principles such as anti-corruption and anti-bribery with all global strategic suppliers.		100% (GID)	All targeted suppliers (global strategic suppliers). We engage with suppliers to increase awareness of our code of conduct and anti-corruption, anti-bribery policy and aim to cover both global and regional strategic suppliers in 2025.
	Percentage of targeted suppliers covered by CSR risk assessment	100% of the supplier base for 2024 to be covered by CSR risk assessment		100%	In 2023, we initiated a partnership with IntegrityNext to enhance our sustainable procurement. In 2024, we performed an abstract CSR risk assessment for 100% of our suppliers (2023 supplier base). As a next step we invited the high-risk suppliers for individual CSR assessment and where needed we engage in development of their Corrective Action Plan (CAP). The high-risk suppliers were analysed, and as the business with them was discontinued, no further actions were taken. As a next step, in 2025 a CSR risk assessment for the 2024 supplier base will be run.
	Percentage or number of targeted suppliers covered by a CSR assessment (questionnaire)	100% high risk suppliers from the 2024 supplier base to be covered by individual CSR assessment (questionnaire via IntegrityNext) by 2025		83%	All high risk suppliers from our supplier base each year will be covered by individual CSR assessment (questionnaire by IntegrityNext) and where needed we ensure their Corrective Action Plan (CAP) is in place.
	Percentage of targeted suppliers covered by a CSR on-site audit	100% high risk suppliers from the 2024 supplier base after CSR assessment (questionnaire via IntegrityNext) to be covered by on-site audit by 2026.		0%	There are no high-risk suppliers in 2024 supplier base.
	Percentage of suppliers for which conflict minerals information is available (e.g. CMRT or EMRT)	Ensure that information related to conflict minerals is available for all relevant suppliers.		71%	We have identified suppliers whose products potentially could contain conflict minerals based on the CAS number. The suppliers for which we have obtained conflict minerals information represent 71% of all relevant suppliers. In addition, we have responded to all customer requests related to conflict minerals.

Focus area	KPI*	Targets	Progress 2024	Performance 2024	Actions taken and planned
Supplier Relationships	Percentage or number of all buyers (BUD, SD, GPM, SCM) who received training on sustainable procurement	100% of buyers of products to be trained on sustainable procurement practices		52%	In 2024, 52% of our buyers have been trained on sustainable procurement practises. Basic training on sustainable procurement and introduction to IntegrityNext was provided as part of the "Route to Net Zero" training. In 2025, we aim to train the rest of our buyers and develop more in-depth training for the future.
	Percentage or number of audited/assessed suppliers engaged in corrective actions or capacity building	Data KPI**		0%	There are no high-risk suppliers in 2024 supplier base.
	Percentage of palm and/or palm-based products traceable to plantation	Data KPI**		0% (GID)	All RSPO-certified products in our portfolio are sourced through the RSPO Mass Balance (MB) supply chain model. It remains challenging to our suppliers to produce palm-based materials certified according to RSPO Segregated (SG) or Identity Preserved (IP) supply chain models due to the lack of availability and demand on the markets where we operate.
	Percentage of certified palm and/or palm-based products	90% of our sales volumes of palm-based products for the cosmetics branch certified by 2030.		82% (GID)	In 2024, the sales volumes of the RSPO-certified products represent 82% of our palm oil-derived product sales, and we plan to continue expanding our offering, with the goal of reaching 90% of our palm oil-derived product sales certified by 2030.
Business ethics, Anti-Corruption and Anti-bribery	Number of confirmed corruption incidents	No corruption incidents at all time		0	We have established an independent whistleblowing channel, operated by our independent partner Grant Thornton, to ensure anyone can report issues internally or externally without fear of reprisal. In the report it is stated that there is no corruption incident.
	Number of reports related to whistleblower procedure	Establish an independent whistleblowing channel, operated by independent partner		0	We have established an independent whistleblowing channel, operated by our independent partner Grant Thornton, to ensure anyone can report issues internally or externally without fear of reprisal.
	Percentage of employees trained on ethics	Increase the employees awareness and engagement regarding business ethics		83%	Business ethics training is given to Grolman employees every 2-3 years to drive awareness and engagement. Further the business ethics principles are in our Code of Conduct part of the onboarding package of each new employee.
Data Privacy and Security	Number of confirmed information security incidents	Conduct an annual third-party IT and data security audit by the end of each calendar year, with no major security breaches detected during the audit.		2	We conduct an annual third-party IT and data security audit by the end of each calendar year. All employees complete the regular cyber security awareness and data training.
	Percentage of employees trained in data privacy and security	Provide comprehensive GDPR training to all employees		97%	To maintain high standards of data protection, all our employees receive comprehensive GDPR training when they join the company, with refresher courses conducted every three to four years.

** Data KPIs are data points we measure and report on an annual basis

Methodological Note Corporate Carbon Footprint

Carbon Footprint Definition

The carbon footprint is the overall amount of carbon dioxide (CO₂) and other GHG emissions associated with a single product, or the entire activities of a company:

- **The Product Carbon Footprint (PCF)** describes the emissions caused by one unit of a product (or a service) along its life cycle.
- **The Corporate Carbon Footprint (CCF)** is a balance of the emissions of one company and its supply chain over a period of time, usually a year.

Non-CO₂ GHGs are converted into units of carbon dioxide equivalent (CO₂e) by means of global warming potential (GWP).

Accounting and Reporting Standard

The GHG Protocol

DFGE's carbon footprint projects are based on the internationally recognised accounting and reporting framework developed by the GHG Protocol, in particular the "Corporate Accounting and Reporting Standard" and the "Corporate Value Chain (Scope 3) Accounting and Reporting Standard".

The GHG Protocol is the outcome of a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). It represents a set of voluntary standards for the accounting, reporting and management of GHG emissions for both Product and Corporate Carbon Footprints, and is the most widely used framework for these purposes.

Reporting principles

The DFGE's calculation follows the requirements and principles of the GHG Protocol in terms of:

- **Relevance**, to ensure that the inventory reflects the GHG emissions and serves the decision-making needs of users.
- **Completeness**, to account and report all GHG emission sources and activities within the company boundary, while disclosing any exclusions.
- **Consistency**, using consistent methodologies, allowing a meaningful tracking over time
- **Transparency**, addressing all relevant issues based on a clear audit trail and making appropriate references to the sources used.
- **Accuracy**, to ensure the quantification of GHG emissions is carried out systematically and with integrity.

DFGE Top Down Approach

To optimise and rationalise the carbon footprint

assessment within the framework of the GHG Protocol, DFGE has derived an innovative approach for approximating the CCF of companies of any size very quickly and accurately – the DFGE "Top Down Approach". Its basic idea follows the Pareto principle. Transferred to GHG emissions, this means that only 10% to 20% of the emitters cause 80% to 90% of the total emissions.

The experience of DFGE allows developing a holistic balance in less time by focusing on items of big importance, the "sensitive elements". Based on an estimation of the total balance, single items are compared, assessed and then prioritised in order to further specify and analyse the sensitive elements. The analysis can become more detailed over time, and the results constantly improve in an iterative and recursive process. Thus, a high accuracy can be achieved with fewer efforts, compared to a "Bottom Up" approach that consists of many micro analyses for every single input factor, independent of its impact on the overall results.

Tracking emissions over time

An annually updated carbon footprint calculation enables a company to track the development of its emissions balance, to evaluate activities and strategies towards emission reductions and to facilitate the setting and monitoring of emission reduction targets. To allow the interpretation of emission changes, factors that may influence a company's emission balance and affect compa-

rability have to be identified and reported. In this respect, structural changes within the company, methodological changes as well as the selection of the base year and the recalculation policy play a key role.

- **Structural changes:** Structural changes within an organisation may have a strong influence on the GHG balance (for example, acquisition and integration of subsidiaries, abandonment of major business areas). In such cases, the changes must be documented because they affect the comparability over time. Likewise, changes in calculation methods (e.g. other organisational boundaries, inclusion of different categories, changed data basis) may affect comparability.
- **Methodological changes:** Methodological changes may be necessary in some cases due to the available data and situational circumstances.
- **Base year selection:** For comparing emissions over time, and especially for defining an emission reduction target, it is necessary to select a base year as a point of reference. If no reduction target is set, comparison is usually based on the previous year.
- **Recalculation policy:** In case of substantial variations due to structural and/or methodological changes, a recalculation of the base year (and potentially other previous years) emissions should be conducted, so that a statement about the actual emissions performance can

be made (for example, a part of the company which has been sold after the base year, is excluded in the base year recalculation). The GHG Protocol requires setting a clear policy for the treatment of such changes.

System Boundaries

Greenhouse gases and Global Warming Potentials

There are further greenhouse gases besides carbon dioxide which are taken into account when calculating the CF. The GHGs required by the UNFCCC/Kyoto Protocol are currently carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). Their harmfulness in terms of climate change varies greatly. To express their effect, the CO₂ equivalent (CO₂e) for each greenhouse gas is calculated. This is done by multiplying the emitted amount of greenhouse gas by a specific factor, the so-called Global Warming Potential (GWP). Because different greenhouse gases behave differently over time, the GWP was defined by the Intergovernmental Panel on Climate Change (IPCC) as an indicator fixed to a certain period of time, such as 100 years (GWP100). The GWP values are expressed in CO₂ equivalents (CO₂e) and refer to the latest assessment report of the Intergovernmental Panel on Climate Change (IPCC).

Organisational boundaries

Corporate Carbon Footprints (CCFs) usually cover the entire company. However, for more complex corporate structures with subsidiaries, investments, joint ventures, etc., an explicit definition of the organisational boundaries of the reporting area is necessary. The GHG protocol proposes two approaches: the control and the equity share approach. In the control approach, all operations are included over which the company exerts control – this can either be determined regarding operational control or financial control. Minority participations are usually not included. The equity share approach, on the other hand, considers the CO₂e emissions from participations proportional to the financial involvement.

- **Operational Control:** A company reports 100 percent of the GHG emissions from those (affiliated) companies over which it has operational control. An organisation has operational control over an operation, , site or subsidiary/entity if it has the ability to affect its operating policies or operating decisions directly or indirectly.
- **Financial Control:** The GHG emissions of all affiliated companies over which an entity has financial control are accounted for. An organisation has financial control over an operation, site or subsidiary if it has the ability to control the financial and operating policies and thereby affect the economic performance. All emissions are accounted for at 100 percent. Only in the case of joint ventures where the partners have

joint financial control, the emissions are to be included in their own balance sheet according to the share approach (percentage according to the share).

- **Equity Share:** Under the equity share approach, a company accounts for GHG emissions from operations according to its share of equity in the operation. The equity share reflects economic interest, which is the extent of rights a company has to the risks and rewards flowing from an operation.

In the case of Grolman Group, the operational control approach was applied.

Temporal boundaries

In general, the CCF includes emissions from corporate activities in a calendar year from January 1 to December 31. Upstream and downstream emissions from activities in this period are also included, regardless of whether they occur in the same period.

Operational boundaries

To better highlight the distinction between direct and indirect emissions, three “scopes” (scope 1, scope 2, and scope 3) are defined for GHG accounting and reporting purposes.

- **Scope 1 – Direct emissions:** These are GHG emissions occurring from sources that are owned or controlled by the company, such as

emissions from fuel consumption of vehicles, combustion (boilers, furnaces, etc.), fugitive emissions, as well as process emissions

- **Scope 2 – Electricity indirect GHG emissions:** These are GHG emissions from the generation of purchased electricity and district heating acquired by the company. Scope 2 emissions physically occur at the facility where electricity is generated.
- **Scope 3 – Other indirect GHG emissions:** These are GHG emissions which are indirectly emitted due to activities by the company. This can include emissions of purchased products or services, waste, commuting and work travel.

Scope 2 allows for two allocation methods: **location-based** and **market-based**. A **location-based method** reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A **market-based method** reflects emissions from electricity that companies have purposefully chosen. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy.

See Figure 1 for an overview of the scopes and emissions across the value chain according to the GHG Protocol standards.

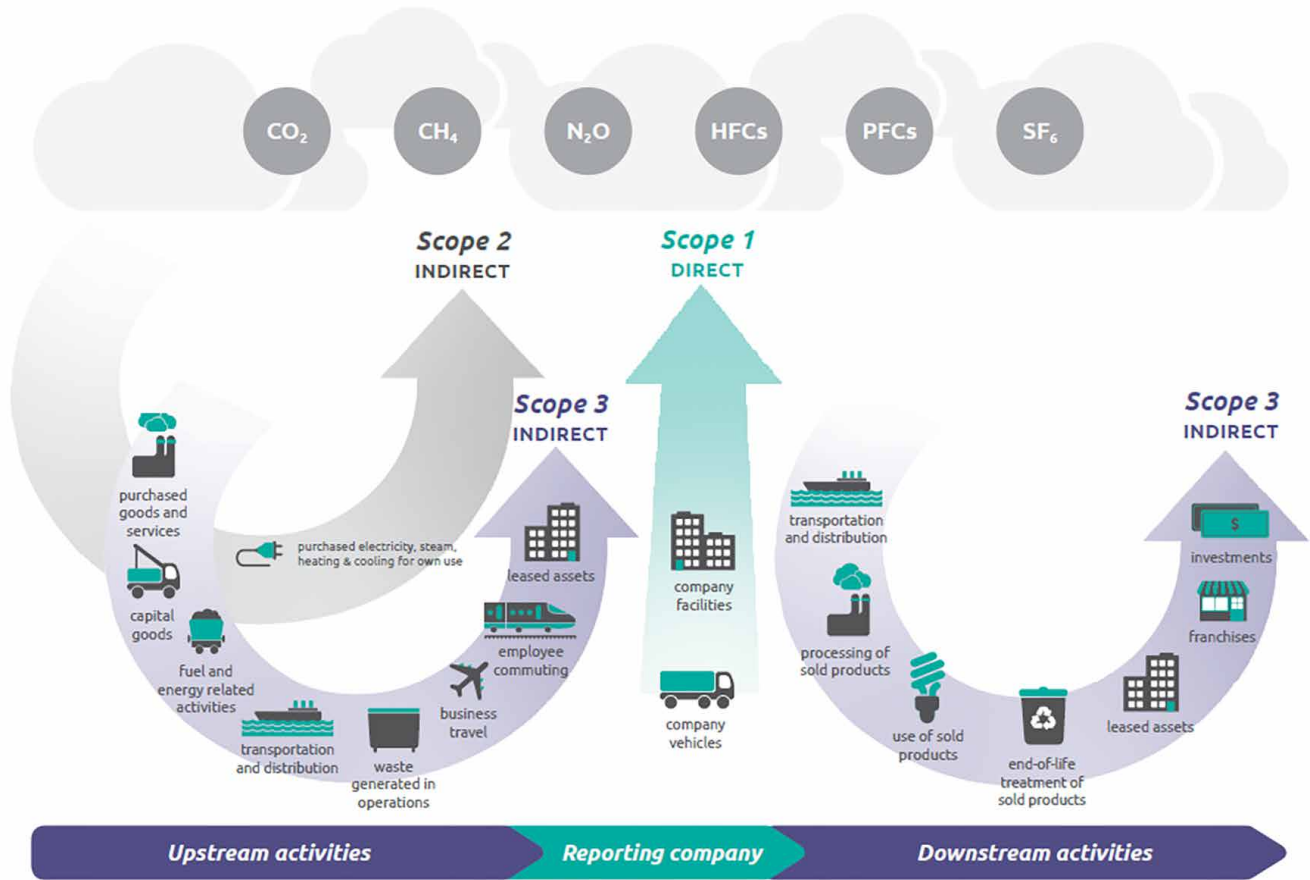
Choosing relevant emission sources

The GHG Protocol defines 21 categories for emissions, separated into three scopes. Together, these capture all influences on a company’s emission balance, both direct and value chain related. Following the principles of the GHG Protocol, relevant emissions are identified using the following criteria in Table 1:

Table 1 - Criteria identifying relevant GHG emissions according to GHG Protocol

Criteria	Description
Size	Sensitive positions, contributing significantly to the total footprint
Influence	Sensitive positions and potential emission reductions
Risk	Risk exposure of a company in regard to financial, regulatory, supply chain, customers, ...
Stakeholders	Critical key stakeholders (customers, supplier, investor, ...)
Outsourcing	Transparency to outsourced activities and their contribution to the CF
Sector Guidance	Defining if sector guidance of the GHG is applicable
Other	Additional requirements for the specific industry or business sector

Figure 1: Scopes as defined by the Greenhouse Gas Protocol^[8]



Data Collection and Quality Assessment

Data Management Plan

To facilitate data collection with the Grolman, a data collection plan was developed by DFGE. This simplifies the GHG inventory documentation process and the internal quality assurance and quality Control (QA/QC) procedures to enable the creation of the inventory from inception through final reporting. The data management plan is a valuable tool for managing data and tracking the progress of the inventory over time. During the data collection process, DFGE consulted with the company at regular intervals to provide support and clarify potential issues. Below is the data management plan components and their implementation in DFGE's CF projects, based on the suggestions of the GHG Protocol^[9]:

Data Management Plan implementation

Component	Implementation in DFGE CF project
	Name and contact details of persons responsible for:
Responsibilities	<ul style="list-style-type: none"> • Management of GHG inventory • Data collection for each process • Internal audit procedures • External audit procedures
Boundary and inventory description	<ul style="list-style-type: none"> • Description of the boundary decision based on the GHG Protocol Corporate Standard • Description of what scope 3 categories and activities are included in the inventory • Description of what categories are excluded and why (as the company may begin including these, as data becomes available, for example)
Data summary	<ul style="list-style-type: none"> • Data collection procedures, including data sources for each process • Quality of data collected for each process and if and how a data quality assessment was undertaken • Gap analysis identifying where better-quality data is preferable and plan for how to improve that data • Information on how data assumptions were determined, including use profiles of sold products, product lifetimes, waste treatment profiles, and other relevant assumptions • Information on criteria used to determine when an inventory is to be re-evaluated, including the relevant information needed to be tracked, and how this should be tracked over time.
Emissions calculations	<ul style="list-style-type: none"> • Calculation methodologies used (and references), as well as areas where calculation methodologies are needed for the inventory but not available • Changes in calculation methodologies over time
Data storage procedures	<ul style="list-style-type: none"> • How and where data is stored • Length of time data is archived • Backup procedures
QA/QC procedures	<ul style="list-style-type: none"> • Transcription errors in primary and secondary data • Uncertainty estimates • Transcription errors in references and storage of all references used • Storing information on data and data quality • Recording parameter and unit information • Recording calculation methodologies • Database/calculation sheet integrity • Review of internal documentation and archiving • Aggregation of emissions • Emissions trends • Calculation methodology(ies)

Data quality and bandwidth estimation

For all data used to calculate the GHG emissions, DFGE did an assessment of the data quality following the GHG Protocol data quality indicators shown in Table 2:

Table 2 - Data quality indicators according to the GHG Protocol standard^[10]

Indicator	Description
Technological representativeness	Degree to which the data set reflects the actual technology used
Temporal representativeness	Degree reflecting actual time or age of activity
Geographical representativeness	Degree to which the actual geographic location is reflected
Completeness	Statistical relevance of the data
Reliability	Degree to which the sources and data are dependable

According to the results of the quality assessment, an error analysis is performed for the different emission sources, including an estimation of the bandwidth in which the actual value is located.

The quality rating is stated using four levels, from “Very good” over “Good”, “Fair” to “Poor” [11]. By standard, DFGE aims to utilise data that meets the level “Very Good” or “Good”, shown in detail in the following Table 3 and 4:

Table 3 - Data quality scores

Indicator	Score: Very Good	Score: Good
Technology	Data generated using the same technology	Data generated using a similar but different technology
Time	Data with less than 3 years of difference	Data with less than 6 years of difference
Geography	Data from the same area	Data from a similar area
Completeness	Data from all relevant sites over an adequate time period to even out normal fluctuations	Data from more than 50 percent of sites for an adequate time period to even out normal fluctuations
Reliability	Verified data based on measurements	Verified data partly based on assumptions or non-verified data based on measurements

Table 4 - Data quality scores according to the GHG Protocol standard^[13]

Indicator	Score: Fair	Score: Poor
Technology	Data generated using a different	Data where technology is unknown
Time	Data with less than 10 years of	Data with more than 10 years of difference or the age of the data are unknown
Geography	Data from a different area	Data from an area that is unknown
Completeness	Data from less than 50 percent of sites for an adequate time period to even out normal fluctuations or more than 50 percent of sites but for a shorter time period	Data from less than 50 percent of sites for shorter time period or representativeness is unknown
Reliability	Non-verified data partly based on assumptions, or a qualified estimate (e.g. by a sector expert)	Non-qualified estimate

In order to correctly determine the quality of aggregated data (e.g., category/scope sums or total amount), internally, a bandwidth is associated with each quality level (see Table 5). This bandwidth represents the interval around the stated figure in which the actual value is likely to be located.

Table 5 - Quality ratings and corresponding bandwidths

Quality rating	Bandwidth
Very good	+/- <5%
Good	+/- 6-15%
Fair	+/- 16-30%
Poor	+/- >30%

Calculation Methodology of 3.10 Processing of Sold Products at Grolman Group

If a company produces and sells intermediate products, category 3.10 "Processing of Sold Products" is relevant. This category accounts for the Scope 1 and 2 emissions of downstream companies that occur during the processing of the sold intermediate products (e.g. from energy use), as in the case of Grolman Group. Depending on the type of intermediate products and of their way of being processed, the calculation methodology varies as it must be adapted to the respective company.

For Grolman Group, the 3.10 emissions were calculated using the following methodology:

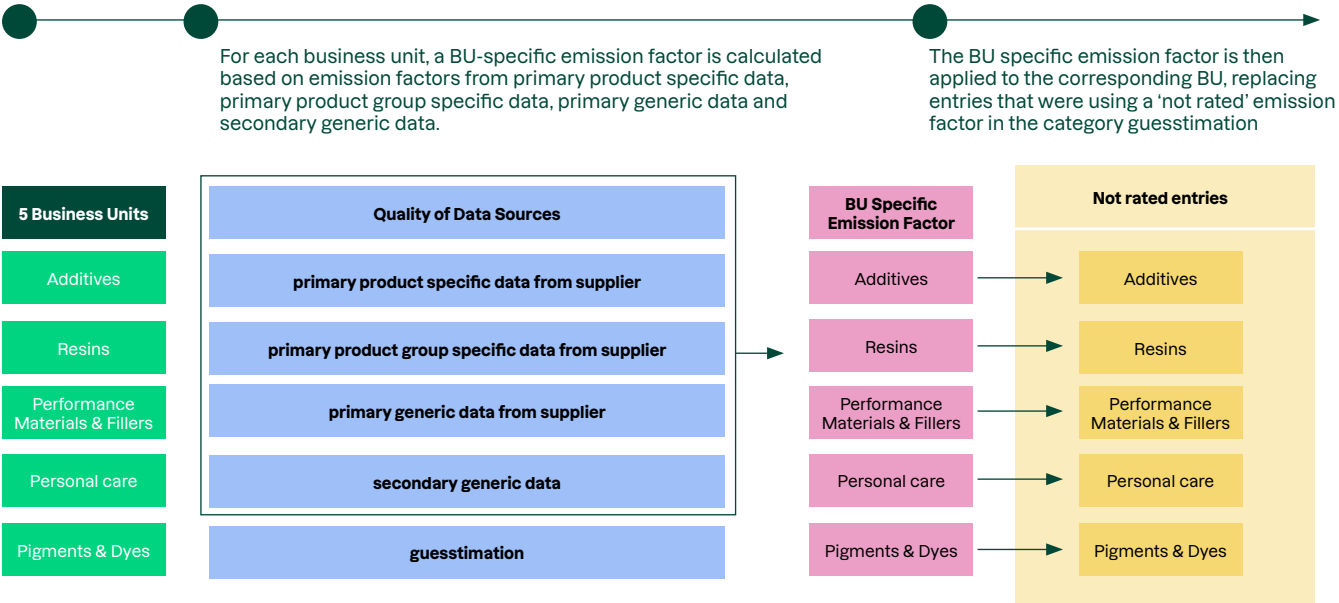
Grolman International Distribution sells products in five different categories (Additives, Resins, Performance Materials and Fillers, Pigments & Dyes and Personal Care) to various other industries. Lifocolor, one of their customers but part of Grolman Group, purchases products from the "Additives" and "Pigments & Dyes" categories to be processed in a "Plastics" (masterbatch) application. Lifocolor carried out tests to determine the energy consumption associated with further processing these products. Based on an average electricity consumption data provided by Lifocolor to DFGE, emissions for the electricity consumption of these two product categories were calculated using a location-based emission factor for Germany. This data was then extrapolated to estimate emissions for the other product categories in the "Plastics industry" and subsequently for the remaining industries.

To improve data quality in this category, it is necessary to obtain primary data on the energy consumption of more customers across a wider range of industries.

Calculation Methodology of 3.1 Purchased Goods and Services at Grolman International Distribution

In the beginning of 2025, DFGE run a project to validate and improve the methodology for the calculation of the emissions of category 3.1 Purchased Goods and Services for Grolman International Distribution (GID), starting from the CCF 2023. In the current report covering environmental data for 2023 and 2024, the emissions are calculated using business unit-specific emission factors (EFs) for the calculation of GID's main product categories Additives, Resins, Performance Materials and Fillers, Personal Care, and Pigments & Dyes. These business unit-specific emission factors (EFs) were derived from a combination of data sources within the respective business units: primary product-specific data, primary product group-specific data, primary generic data, and secondary generic data. The business unit-specific EFs are calculated by DFGE and applied to their respective business units, replacing the previous "not rated" entries (which previously used one "not rated" emission factor for the whole product portfolio with data source category guesstimation).

PCFs applied per Business Unit



Grolman International Distribution (GID). As of the CCF 2023, for the calculation of Grolman International Distribution (GID)'s emissions in category 3.9 "Downstream Transportation & Distribution", a distinction is made between heated ("thermo transport") and non-heated transports.

After the assessment of Grolman's data on downstream transportation and distribution by DFGE and in close collaboration with Grolman International Distribution, this improved approach was developed and applied.

By applying this new methodology, a more accurate representation of actual emissions and, by this, a data quality improvement could be achieved.

Grolman Inventory and Boundary Description

This chapter describes how the carbon footprint calculation has been implemented in the present case for Grolman Group with regards to the GHG Protocol requirements.

Included Greenhouse Gases

The present CCF includes emissions of CO₂ and the six other GHGs specified in the Kyoto Protocol and adopted by the GHG Protocol standard: CH₄, N₂O, HFCs, PFCs, SF₆, NF₃. These are converted into CO₂ equivalents (CO₂e) by means of their respective GWP values.

In the framework of this project, Grolman International Distribution (GID)'s methodology of calculating emissions resulting from purchased goods (Category 3.1) was thoroughly reviewed and assessed by DFGE and further refined in collaboration with GID. Drawing on its technical expertise and sectoral know-how, DFGE provided a critical assessment of the approach and, thereupon, improved it as described above.

Applying this improved methodology resulted in a 5% reduction in emissions in 2024 compared to the previous calculation methodology. Further-

more, a significant improvement of data quality could be achieved for category 3.1 from "Poor" to "Good" by this methodological improvement.

Calculation Methodology of 3.9 Downstream transportation & Distribution at Grolman International Distribution

At the beginning of 2025, DFGE conducted a project to improve and validate the methodology for the calculation of the emissions of category 3.9 "Downstream Transportation & Distribution" for

No biogenic CO₂ emissions are taken into account. Exceptions are emissions from mandatory biofuel shares in regular fuel, and from the bioenergy share within the grid-based electricity mix. Unless otherwise stated, these emissions are included in the respective scope 1-3 categories.

Organisational boundaries

The boundaries in this report are defined using the control approach based on operational control. The use of this approach is usually recommended by DFGE due to its more straightforward application. In the present case, this signifies that all emissions from operations over which the company exerts operational control are included in the emission inventory.

It should be noted that Grolman Group, according to the company, holds no minority corporate investments. Therefore, the result of the CF is independent of the chosen approach.

Basic figures for company locations

Grolman Group is operating from multiple locations around the world with its headquarters in Neuss, Germany. For the calculation of the Carbon Footprint, the following locations with the corresponding floor areas were included:

Table 6 - Locations and floor areas

Description	Floor area	Unit
Grolman International Distribution	9,295	m²
Lifocolor	39,723	m²

Consolidation of the corporate carbon footprint

Grolman Group consists of the two businesses Grolman International Distribution and Lifocolor. For each of them, a corporate carbon footprint has been calculated. This present report covers the consolidated corporate carbon footprint at Grolman Group level. This means that for each scope and category, the emissions of the two businesses have been summed. To avoid double counting, the intercompany purchases by Lifocolor from Grolman International Distribution were deducted from Grolman International Distribution's emissions in Scope 3.1 – Purchased Goods & Services and in Scope 3.4 – Upstream Transportation.

Temporal boundaries

The present carbon footprint includes emissions from company activities in the calendar year 2024. Therefore, the period covered is January 1 - December 31 2024. Upstream and downstream emissions from activities in this period are also included, regardless of whether they actually occur in the same period.

Operational boundaries

The attribution to different scopes and categories follows the guidelines of the GHG Protocol. This emission balance includes all relevant direct and indirect emissions related to the operations of Grolman Group, including Scope 1, 2 and 3 emissions.

Table 7, Table 8 and Table 9 provide an overview of the scopes and categories according to the GHG Protocol and show which data sources have been used in the present case. For the calculation, emission factors of the relevant balance year of DEFRA, IEA, AIB and Ecolnvent were used as well as supplier-specific emission factors if provided.

Optional emissions are only accounted for at the request of the customer. In the standard case, the definition of the minimum boundary according to the GHG Protocol is adhered to.

Table 7 - Scopes 1 and 2, categories according to the GHG Protocol

Scope	Category	Description	Input Data
1	Energy consumption of combustion for vehicles (owned or controlled)	Emissions from fuel used by vehicles owned or controlled by the reporting company (e.g. leased vehicles)	Grolman International Distribution: Mix of fuel consumption and mileage per year (average fuel consumption 7l/100km for Diesel, 7.7l/100km for Gasoline); gasoline consumption for hybrid cars calculated based on driven distance (3.9l/100km); fuel-specific emission factors Lifocolor: Total fuel consumption, fuel-specific emission factor
	Energy consumption of combustion within Facilities (owned or controlled)	Emissions from fuel combustion (for heating, cooling, power generation or other applications) in facilities owned or controlled (e.g. leased) by the reporting company.	Grolman International Distribution: Measured natural gas consumption for several locations, estimated natural gas consumption for some entities based on headquarters; fuel-specific emission factor; Measured heating oil consumption; fuel-specific emission factor Lifocolor: Measured methane and propane, heating oil and LPG consumption; specific emission factor for methane provided by Lifocolor, fuel-specific emission factors for heating oil and LPG
	Fugitive Emissions	These emissions result from intentional or unintentional releases, e.g., equipment leaks from joints, seals, packing, and gaskets.	Grolman International Distribution: : Measured leakage of refrigerants R410A and R32; refrigerant-specific emission factors Lifocolor: non-recurring leakage of refrigerants R410A and R32; refrigerant-specific emission factors
	Process Emissions	Most of these emissions result from the manufacture or processing of chemicals and materials.	Grolman International Distribution, Lifocolor: No process emissions
	Purchased Electricity	Emissions associated with the production of electricity the reporting company purchased or acquired from an external supplier.	Grolman International Distribution: Electricity consumption measured for most entities; estimated electricity consumption for some entities; supplier-specific emission factors for some entities, market-based emission factors for other entities; energy consumption for electric vehicles calculated based on driven distance (15kwh/100km for BEV, 9.7 kwh/100km for hybrid cars) market-based emission factors per country Lifocolor: Electricity consumption measured; supplier-specific emission factors for some locations, market-based emission factors for other locations ;
2	Purchased Steam	Emissions associated with the production of steam the reporting company purchased or acquired from an external supplier.	Grolman International Distribution, Lifocolor: Not applicable: No purchased steam
	Purchased Heat	Emissions associated with the production of heat the reporting company purchased or acquired from an external supplier.	Grolman International Distribution, Lifocolor: Not applicable: No purchased heating
	Purchased Cooling	Emissions associated with the production of cooling the reporting company purchased or acquired from an external supplier.	Grolman International Distribution, Lifocolor: Not applicable: No purchased cooling

Table 8: Scope 3 (up & downstream), categories according to the GHG Protocol

Scope	Category	Description	Input Data
3 up-stream	Purchased Good & Services	Extraction, production, and transportation of goods and services purchased, not otherwise included in Categories 2 – 8.	<p>Grolman International Distribution: weights for purchased goods by product category were provided; material-specific emission factor for business groups (additives, binders, pigments, performance materials, fillers and personal care) calculated by DFGE were applied to these business units; emissions for intercompany purchased from Lifocolor to Grolman International Distribution were deducted</p> <p>Lifocolor: emissions of certain purchased goods were provided by Lifocolor; weights for other purchased goods by product category, weight-based emission factors per product category;</p>
	Capital Goods	Extraction, production, and transportation of capital goods purchased or acquired by the reporting company.	<p>Grolman International Distribution: not applicable; no capital goods acquired</p> <p>Lifocolor: Expenses for capital goods by category, spend-based emission factors per product category</p>
	Fuel and Energy related Activities (not covered in Scope 1 or 2)	Extraction, production and transportation of fuels and energy not already accounted for in scope 1 or scope 2.	Grolman International Distribution, Lifocolor: Energy related activities not included in Scope 1&2, including upstream fuel and emissions resulting from transmission and distribution (T&D)
	Upstream Transportation & Distribution	Transportation and distribution (T&D) of purchased products between tier 1 suppliers and the reporting company, T&D services purchased by the reporting company, (e.g., of sold products), and T&D between own facilities (always in vehicles and facilities not owned or controlled by the company).	<p>Grolman International Distribution: Weight of shipments and mailings per transport mode road, air and ship; reference emission factor for transport mode categories of shipments and mailings; emissions for upstream transportation of intercompany purchased by Lifocolor from GID were deducted</p> <p>Lifocolor: Total weight and distances per product; reference emission factor for weight categories of shipments and mailings</p>
	Waste Generation in Operations	Disposal and treatment of waste generated in company's operations (in facilities not owned or controlled by the company)	<p>Grolman International Distribution: Weight per waste type, waste type specific emission factors</p> <p>Lifocolor: Weight per waste type, waste type specific emission factors</p>
	Business Travel	Transportation of employees for business-related activities (in vehicles not owned or operated by the reporting company)	<p>Grolman International Distribution: Number of km travelled by different transport modes; assumptions for fuel and electricity consumption of electric and hybrid vehicles see Scope 1 and 2; average emissions per km for transport modes</p> <p>Lifocolor: Number of km travelled by different transport modes, average emissions per km for transport modes</p>
	Employee Commuting	Transportation of employees between their homes and their worksites (in vehicles not owned or operated by the company)	<p>Grolman International Distribution: Number of employees commuting, estimated average distances; assumptions for fuel and electricity consumption of electric and hybrid vehicles see Scope 1 and 2; Average emissions per km for transport modes</p> <p>Lifocolor: Number of employees commuting by different modes, number of km per transport modes; average emissions per km for transport modes</p>
	Upstream Leased assets	Operation of assets leased by the reporting company (lessee) and not included in scope 1/2	Grolman International Distribution, Lifocolor: Not applicable: No Upstream Leased assets

Table 9 - Scope 3 (up & downstream), categories according to the GHG Protocol (continued)

Scope	Category	Description	Input Data
3 downstream	Downstream Transportation & Distribution	Transportation and distribution of products sold by the reporting company between company and end consumer (if not paid by the company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company)	Grolman International Distribution: weight of shipments and mailings per transport mode road, air and ship; reference emission factors for transport mode categories of shipments and mailings by transportation mode for heated and non-heated transport Lifocolor: Total weight and distances; reference emission factor for weight categories of shipments and mailings by transportation mode
	Processing of sold products	Processing of intermediate products sold by downstream companies (e.g. manufacturers)	Grolman International Distribution, Lifocolor: Number of weights of sold product per category; Estimation of energy consumption of processing by Lifocolor; average energy emission factor
	Use of sold products	End use of goods and services sold by the reporting company in the reporting year	Grolman International Distribution, Lifocolor: Not applicable: No emissions in use phase
	End-of-life treatment of sold products	Waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life	Grolman International Distribution, Lifocolor: Not included: Not within influence of company, no data available
	Downstream leased assets	Operation of assets owned by the reporting company (lessor) and leased to other entities, not included in scope 1/2.	Grolman International Distribution, Lifocolor: Not applicable: No downstream leased assets
	Franchises	Operation of franchises in the reporting year, not included in scope 1/2 – reported by franchisor	Grolman International Distribution, Lifocolor: Not applicable: No franchises
	Investments	Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in scope 1/2	Grolman International Distribution, Lifocolor: Not applicable: No investments

A few slight deviations from the GHG Protocol standards have been made to increase practicability and comparability of results:

- Company vehicles are all treated as own vehicles, regardless of whether they are leased or owned, due to the operational control over these vehicles.

^[1] GHG Protocol 2011, p. 23

^[2] The Pareto principle states that 80% of the work causes 20% of the results – 20% of the work determine 80% of the results (values may differ to 90%-10% or even 95%-5%).

^[3] GHG Protocol 2004, p.35

^[4] GHG Protocol 2013, Accounting and Reporting Standard Amendment, p. 2

^[5] IPCC Sixth Assessment Report, 2021 (AR6)

^[6] GHG Protocol 2004, p. 17

^[7] GHG Protocol 2015, p. 4

^[8] GHG Protocol 2011, p. 5

^[9] GHG Protocol 2011, p.129

^[10] GHG Protocol 2011, p. 76

^[11] GHG Protocol 2011, p. 77

^[12] GHG Protocol 2011, p. 77

^[13] GHG Protocol 2011, p. 77

^[14] GHG Protocol 2011, p. 47

^[15] GHG Protocol 2013, p. 1