GROLMAN

GROLMAN GROUP

Sustainability Report 2025

Building a circular future through specialty chemicals

GROW NEW

Table of Contents

Foreword by the CEO

Dear partners, colleagues and friends,

We believe circularity will increasingly reshape the specialty chemicals industry. In 2025, we took important steps to translate this conviction into commercial action. Despite geopolitical uncertainty, economic pressure and evolving customer and regulatory expectations, we continued to advance circular innovation, strengthen our specialty chemicals portfolio and develop resilient supply chain solutions.

The environment in which we operate remained challenging. The ongoing war in Ukraine, instability in the Middle East and increasing trade tensions continued to affect global trade flows, sourcing strategies and supply chain resilience.

Market conditions gradually improved during 2025, although recovery remained uneven across the European chemical industry. High energy costs, weak industrial production, global competition and margin pressure continued to challenge our industry. At the same time, evolving regulation and customer expectations increased demand for transparency, product stewardship and circularity. Demand for specialty chemicals remained more resilient, particularly where innovation, sustainability and application expertise create tangible value.

In this increasingly complex environment, we see the transition towards a circular and low-carbon economy as an important business opportunity. Customer demand for sustainable, bio-based and circular solutions continued to grow, alongside expectations for traceability and reliable sustainability data. At the same time, these solutions must demonstrate clear added value while remaining competitively priced.

As a specialty chemicals distributor and producer, we see an important role for Grolman Group in this transformation: connecting supplier innovation, our technical expertise and customer needs to help turn circular solutions into viable business opportunities.

From circular ambition to commercial action

For us, circularity is increasingly more than a sustainability objective. It is becoming part of how we develop our portfolio, collaborate with suppliers and customers, identify growth opportunities and create long-term value.

In 2025, we expanded the availability of renewable, bio-based and circular solutions and established our first circular sales targets for both our distribution and production businesses. Together with further training of our sales organisation, circularity is being embedded more directly into our commercial decision-making.

We also remained on track with our Net Zero ambition, achieving a 60% reduction in Scope 1 and 2 greenhouse gas emissions and a 40% reduction across Scope 1, 2 and 3 compared with our 2019 baseline. We also set a Group-wide target to transition at least 70% of our company fleet to non-fossil-based vehicles by 2030.

Strengthening the foundation

In 2025, we continued strengthening sustainability governance, data quality and the integration of financial and non-financial reporting. Our Double Materiality Assessment now informs our reporting structure and sustainability priorities.

We intend to continue aligning our sustainability reporting with the ESRS, while evaluating the extent to which further CSRD reporting principles could be applied voluntarily if Grolman Group remains outside the scope of the CSRD.

Our progress was once again recognised externally, as we achieved EcoVadis Platinum status for the third consecutive year, further improving our score from 82 to 86.

Powered by our people and purpose

None of this progress would be possible without our people. Their commitment and intrinsic motivation, grounded in our purpose and values, continue to distinguish Grolman as a progressive family-owned business. Across our regions, we trained more than 70% of our employees on our sustainability strategy, its connection to our vision and business goals, and key material topics such as Net Zero, circular economy and human rights. We also continued developing the purpose-driven, entrepreneurial and self-managed organisation we aim to build.

Our transformation became more visible through the comprehensive relaunch of our corporate design and brand story, reflecting our long-standing commitment to circularity and innovation.

Looking ahead, our ambition is to be a catalyst for circular innovation in the specialty chemicals value chain – connecting manufacturers, technologies and ideas with customers and applications where they can create real value. Circular solutions will succeed at scale when environmental benefits go hand in hand with technical performance and commercial value.

I would like to thank our employees for their commitment and entrepreneurial spirit, and our customers, suppliers and partners for their continued trust and collaboration.

Together, we are building a more circular future through specialty chemicals.

Sincerely,
Florian Grolman

Highlights 2025

Climate

Exceeded our **SBTi near-term climate target**, reducing **Scope 1 and 2** GHG emissions by **60%** and total **Scope 1, 2 and 3** GHG emissions by **40%** vs. 2019.

Materiality & Targets

Integrated our **Double Materiality Assessment** into reporting and governance, supporting ESRS-aligned reporting and the establishment of new **Group-wide targets** for our material topics.

Product Carbon Footprint

Expanded the use of **primary supplier PCF data** and introduced a **new KPI to track primary PCF data coverage**, alongside separate reporting of **biogenic emissions and removals**.

Circularity

Established our **first circular sales targets** for distribution and production businesses and further trained our sales organisation to support their achievement.

EcoVadis

Retained **EcoVadis Platinum** for the **third consecutive year**, increasing our score from **82 to 86**.

ESG Data

Expanded and harmonised **Environmental and Social data collection** across the Group through an **ESRS-aligned reporting format, guidance and employee training**.

Sustainability Training

More than **70% of employees** trained on Grolman Group's sustainability strategy, Net Zero and circular economy.

Brand

Launched our **new corporate brand and "Grow New" identity**, reflecting our **transformation towards a purpose-driven, entrepreneurial organisation focused on circularity and innovation**, and recognised with a **Red Dot Award 2025**.

Key Sustainability Figures 2025

Environmental

€5.6m
Circular sales (Distribution)*

↓ 21%
Total GHG emissions reduction vs. 2024

190,290 tCO_2e

↓ 3%
Total Scope 1**

↓ 46%
Total Scope 2**

↓ 21%
Total Scope 3**

61%
sales quantity with primary PCF data***

Social

548
Number of employees

40.4%
Gender balance, women in the organisation

36.5%
Women in top leadership positions

16
Lost Time Injury Frequency Rate (LTIFR)

Governance

98%
Targeted suppliers signed the Supplier Code of Conduct

100%
Targeted suppliers covered by ESG risk assessment

84%
Targeted suppliers completed the ESG assessment questionnaire

*Reflects only the circular content of products
** Scope 2 market-based; change vs. 2024
***For Scope 3.1 Purchased Goods & Services

About Grolman Group

Building a circular future through specialty chemicals

Grolman Group is a family business, founded in 1855, that distributes the next generation of specialty chemicals to make the future of our industry – a profitable circular economy – work for our partners.

Grolman International Distribution represents international suppliers of pigments, mineral fillers, performance materials, resins, additives, active ingredients and functional ingredients 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 plastics converting industry, where circular economy is in focus and a fast-growing segment. Lifocolor supplies masterbatch solutions throughout Europe from its production sites in Germany, the Czech Republic, Poland and France. For this report, we will refer to our distribution business, representing around 75% of group revenue, as Grolman International Distribution (GID) or Grolman, and to our production business as Lifocolor, both part of Grolman Group.

We operate across a broad range of industries, including paints and coatings, adhesives and sealants, inks, building and construction, rubber and plastics, personal care, paper and energy storage.

To support our customers with local expertise and reliable supply, we operate dedicated sales offices in every region where we are present. Our technically trained sales teams work alongside supply chain specialists and local warehousing, complemented by Lifocolor's production sites and sales organisations across Europe.

As distribution and innovation partners, we help customers navigate the changes shaping our industries. Increasing sustainability requirements, evolving regulations, resource constraints and changing market demands are transforming the way products are developed and manufactured. By combining technical expertise, formulation know-how and local market insight, we translate innovative material technologies into practical industrial solutions. Through close collaboration with leading manufacturers and our customers, we connect innovation with real-world application and help turn new possibilities into commercially viable solutions.

Run by the 5th generation of the Grolman family, our business has faced many transformative challenges and emerged stronger each time, embodying a "Grow New" mentality. We foster a culture of curiosity, entrepreneurial thinking and personal responsibility, encouraging our employees to continuously develop new ideas and embrace change. By exploring new business models, technologies and collaborative ways of working, we continue to evolve as a progressive family business while creating lasting value for our partners.

Today, we invite our business partners to turn challenges into business opportunities for circular innovation.

Together we Grow New.

Grolman Group. Specialty chemicals for a circular future.

GROLMAN

LIFOCOLOR
MASTERBATCHES & COMPOUNDS

About us

Established 1855

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

>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.

Solution oriented

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

Specialty Chemicals

Complementary product portfolio provides synergies and multiple cross-selling opportunities.

>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.

>20,000 Customers

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

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.
- Drives innovation and thus long-term prosperity along entire value chains.

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

At Grolman Group, we believe the future of our industry is a profitable circular economy. Our ambition is to help make this future work for our partners by driving innovation and circularity through the products, expertise and services we provide. Together with our suppliers and customers, we work to turn today's challenges into tomorrow's business opportunities.

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 translated into everyday behaviour and responsible business practices. 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 Corporate Brand

In 2025, Grolman Group introduced a new corporate brand and visual identity that reflects the transformation of our business and our ambitions for the future. More than a new design, our brand expresses who we are, what we stand for and where we are heading.

Rooted in our purpose of handing over a prosperous business to future generations and guided by our vision to help transform the chemical industry through circular innovation, our new identity communicates our commitment to sustainability, entrepreneurship and long-term value creation. It reflects our evolution from a traditional specialty chemical distributor to an innovation partner helping customers create profitable circular solutions.

Our new brand embodies our "Grow New" mindset. It represents curiosity, progress and the courage to challenge conventional approaches while remaining true to our family values and entrepreneurial heritage. It brings together our purpose, vision, values and strategy into one consistent identity that guides how we communicate, collaborate and create value for our business partners.

By aligning our external identity with our internal transformation towards a purpose-driven, entrepreneurial and self-managed organisation, our new brand provides a strong foundation for the next chapter of Grolman Group's journey.

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.

„Sustainability is increasingly shaping how we operate, innovate and create value at Grolman. Our unique position between suppliers and customers enables us to connect circular innovation with market opportunities, while our climate, social and governance commitments guide how we grow responsibly. This report reflects both the progress we have made and our ambition to keep transforming our business for the future."

Erika Ustailieva
Head of Sustainability Grolman Group

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.

International Sustainability and Carbon Certification (ISCC PLUS)

ISCC PLUS is a globally recognised certification system that supports the transition towards a circular and bio-based economy through the traceability of recycled, renewable and mass-balanced materials along the value chain.

Grolman International Distribution holds ISCC PLUS certification, supporting the distribution and traceability of renewable, recycled and mass-balanced products within our circular portfolio. The certification provides credible verification of sustainable sourcing and supply chain practices, supports reliable sustainability-related product claims and helps our customers advance their sustainability ambitions and transition towards more circular and resource-efficient value chains.

European Chemical Industry Council (CEFIC)

Grolman Group actively contributes to the future of the chemical industry through its membership in the European Chemical Industry Council (CEFIC), 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.

Fecc
EUROPEAN ASSOCIATION OF CHEMICAL DISTRIBUTORS

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.

ISO

International Organization for Standardization (ISO)

Compliance with ISO 9001 and ISO 14001 standards is integral to Grolman operations. These globally recognised standards help us maintain high levels of quality and environmental management across our products and services.

Within Grolman International Distribution, entities covering operations in Austria, Belgium, Bulgaria, Czech Republic, The Netherlands, Denmark, Sweden, France, Germany, Greece, Hungary, Italy, Morocco, Poland, Portugal, Croatia, Spain, Switzerland, Turkey and the United Kingdom are certified according to both ISO 9001 and ISO 14001.

All Lifocolor plants are ISO 9001 certified. Lifocolor's plant in Germany is also certified according to ISO 50001, the plant in France according to ISO 22000, and the plant in the Czech Republic according to ISO 14001.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

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 2025, EcoVadis awarded Grolman Group a Platinum rating for a third consecutive year, with a further increased score from 82 to 86. 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.

Figure 1. Grolman Group's EvoVadis Platinum Medal 2025, score 86/100.

Ecovadis Platinum Medal | GUSTAV GROLMAN GMBH & CO KG

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.

Sustainability is embedded throughout the organisation rather than managed through a strict hierarchical structure. Actively engaged teams across multiple functions drive initiatives and integrate sustainability into daily operations and decision-making, fostering a culture of shared 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 connect 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:

Table 1. ESG Strategic Framework and Governance Structure

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.

Table 2. Key Sustainability-Related Policies and Governance Responsibilities

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/sustainability#sustainabilityandresponsibility

Reporting Period and Reporting Principles

This is our fourth conclusive sustainability report, published in 2026, covering our company's goals and activities for 2025.

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 efforts by progressively aligning our reporting with relevant sustainability reporting frameworks and providing accurate and up-to-date data on our supply chain and internal operations. As part of this commitment, we are continuing to align our sustainability reporting with the ESRS, further strengthening transparency and accountability.

In 2025, 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. The material matters identified through our comprehensive Double Materiality Assessment guide our sustainability priorities, actions and reporting.

Double Materiality Assessment

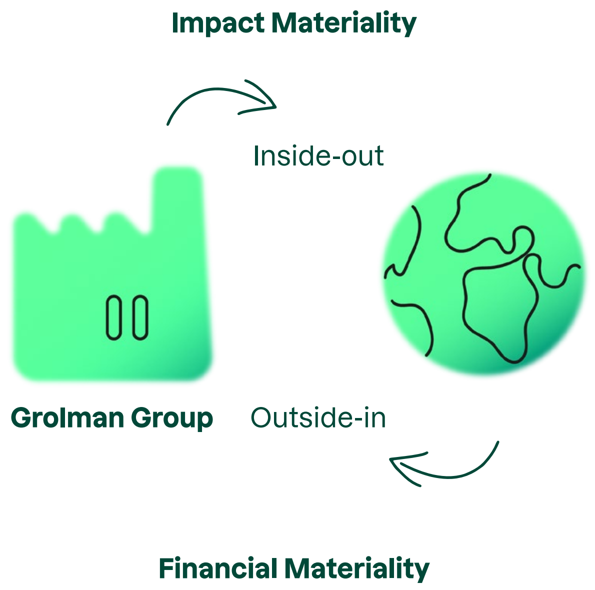
Material Impacts, Risks, and Opportunities and their Interaction with Strategy and Business Model

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.

Figure 2. Double Materiality Concept



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 CO_2 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

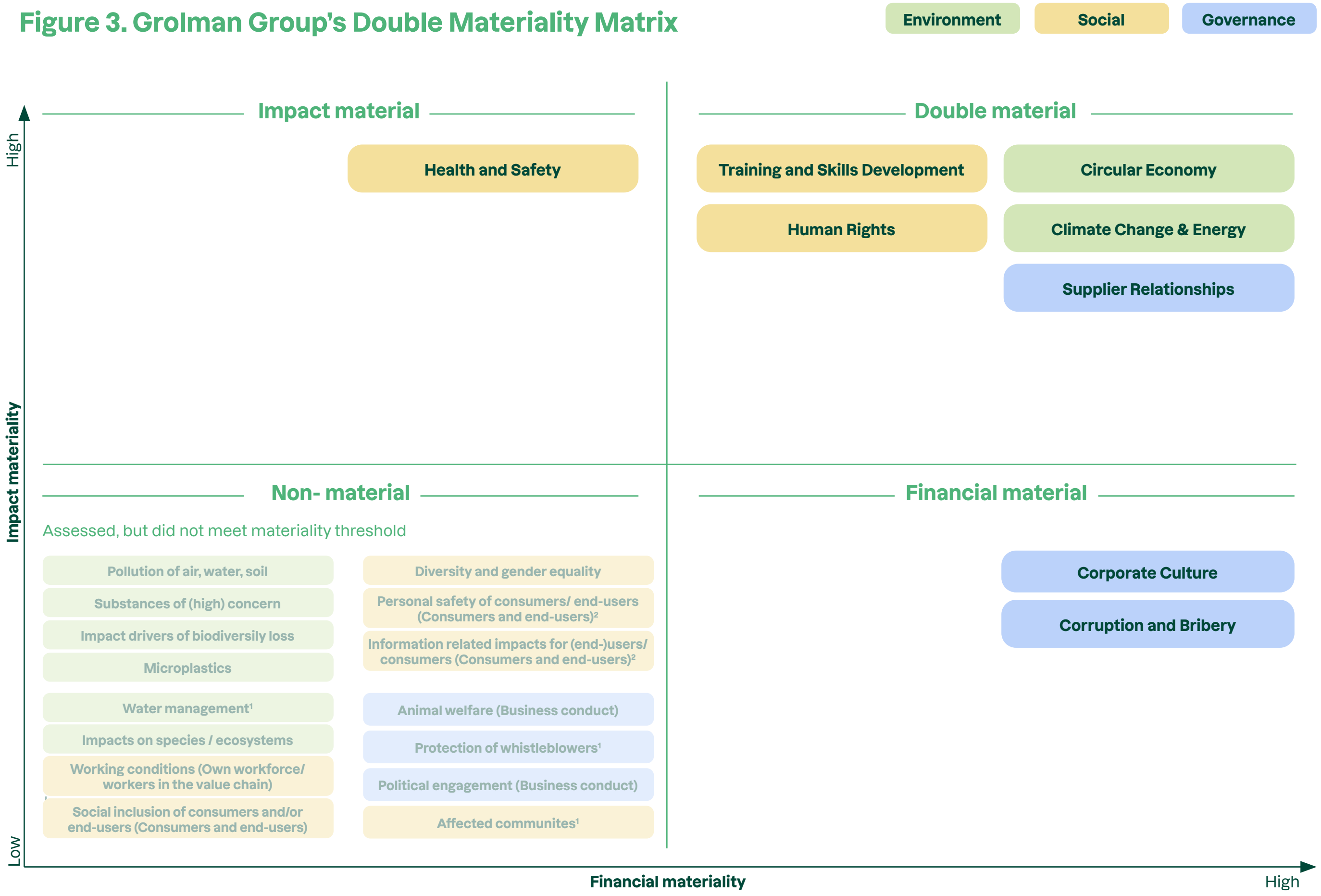
targets, and lower sales of circular products.

- **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, relating to the impact of a purpose-driven and responsible corporate culture. It fosters staff loyalty, entrepreneurial thinking and creativity, contributing to innovation, employee satisfaction and productivity, and ultimately to better financial performance, while reinforcing Grolman's culture and values as a family-owned business.
- **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 practices by Grolman Group.

Figure 3. Grolman Group's Double Materiality Matrix



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. Additional 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.

Table 3. Results Double Materiality Assessment for Business Year 2024: 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 solar panels on Lifocolor's production sites).
E2	Climate change & Energy / Energy	Negative	Short	Actual	Downstream	Energy intense processing of goods	High energy need to further process masterbatches 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 trainigs 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 dioxid, 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

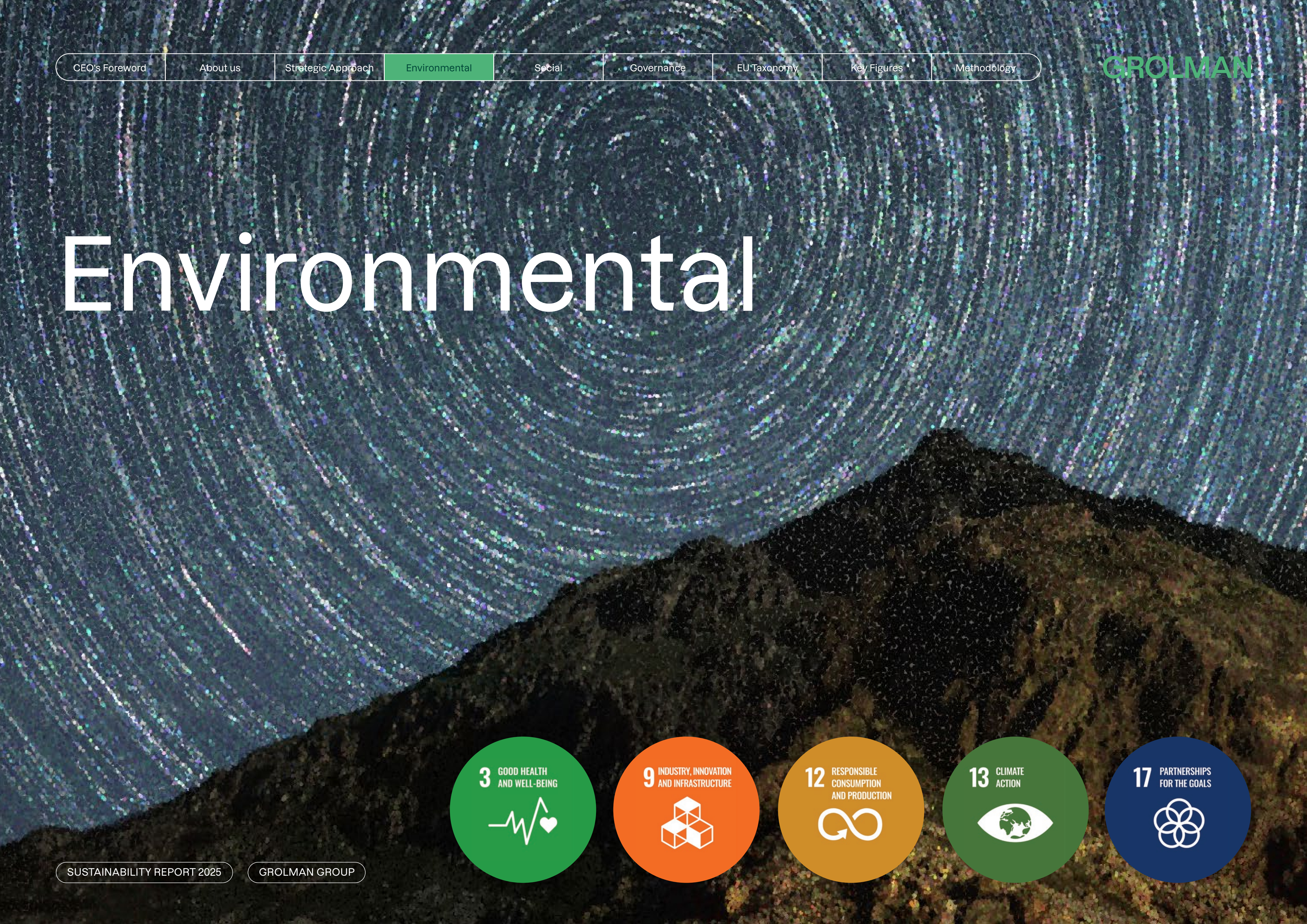
Table 4. Results Double Materiality Assessment for Business Year 2024: Opportunities and Risks

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 outflows 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 negative image of plastics and/or plastic taxes.
E5	Circular Economy / Resource inflows including resource use	Risk	Short	Actual	Upstream	Availability of resources	Dependency between circular resource supply and end-of-life infractructure 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 enbabling 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 includ-ing 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 guide Grolman Group's sustainability strategy and reporting, ensuring that efforts are directed toward the areas with the most significant impacts, risks and opportunities. Through this Double Materiality Assessment, Grolman Group reinforces its commitment to sustainable development and responsible business conduct. This forward-looking approach not only supports our response to evolving regulatory standards, but also strengthens transparency and accountability for both shareholders and stakeholders, as the Group evaluates the evolving CSRD and ESRS requirements and considers the appropriate level of alignment for its sustainability reporting. 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

3 GOOD HEALTH AND WELL-BEING

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

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 International Distribution 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 and circular solutions, collaborate with suppliers on lower-impact alternatives, and work with customers to advance the transition toward a more climate-conscious chemical industry.

Climate change is a double material topic for Grolman Group due to the significant impact of Grolman Group's CO_2 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 across the categories of transitional and physical risks**. However, none of these risks has 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, mainly uses renewable electricity, with four of its five sites purchasing green electricity. Therefore, the impact of rising energy costs and associated transitional risks has not been deemed material. Additionally, we see the introduction of rising CO_2 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 climate-related targets. Currently we do not plan to introduce such links, as we believe that achieving our SBTi-validated science-based net-zero targets requires collective action across the organisation and our value chain rather than remuneration-based incentives for individual members of management.

Grolman Group SBTi Net-Zero 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:

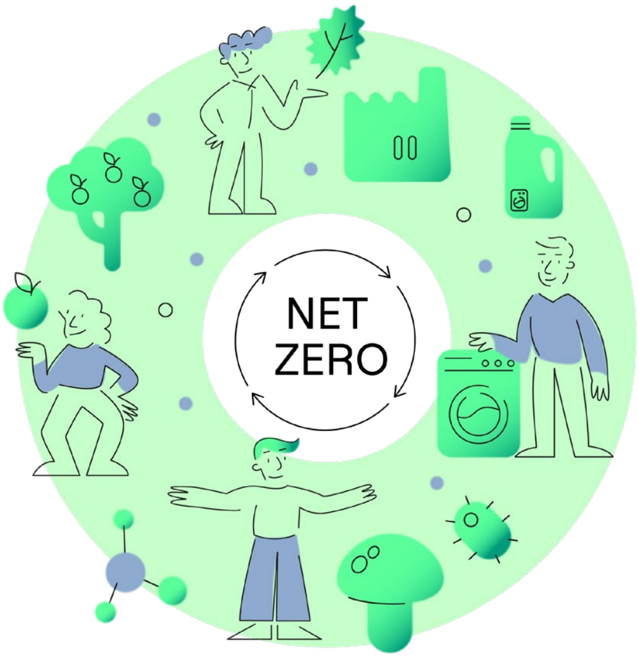
Near-term Targets: Reduce our scope 1 and scope 2 GHG emissions by 46% by 2030 from a 2019 baseline year.

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 CO_2 equivalents (CO_2e). 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 International Distribution, we are committed to providing a Product Carbon Footprint (PCF) for all products in our portfolio. The PCF data is based on following sources: preferable 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.

Ensuring transparency in emissions data is crucial for us as it allows us and our customers to monitor and manage emissions reduction progress effectively (Appendix- Methodological Note Corporate Carbon Footprint).

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

- **Internally,** Grolman International Distribution has enhanced our data transparency and sales reporting tools, including the Controlling Cockpit 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 emission 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 purchase from us. The calculations follow GHG Protocol guidance and SBTi and include relevant Scope 1, Scope 2 and Scope 3 emissions (Categories 3.1–3.8).

In 2025, we further enhanced PCF transparency by separately accounting for biogenic emissions and removals where this information is available from supplier Product Carbon Footprint (PCF) and Life Cycle Assessments (LCAs). This is particularly relevant for bio-based products, where biogenic carbon flows provide additional information alongside the fossil-based carbon footprint.

The results are reported separately from our Scope 1, 2 and 3 emissions.

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

The methodology used to calculate the corporate carbon footprint (CCF) and the detailed results are presented in the Appendix section of this report. The presented carbon footprint includes emissions from company activities in the calendar year 2025 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 2025

We have been reporting carbon emissions from our operations since 2019 and have launched several initiatives to reduce our environmental footprint. To reach our Net-Zero near-term target, we committed to reducing our Scope 1 and 2 emissions by 46% by 2030 from the 2019 baseline year, corresponding to an average reduction pathway of approximately 4.2% per year.

Table 5. Absolute Emissions Grolman Group – compared to Base Year and Previous Years

Scope	2019 (BY) tCO_2e	2024 tCO_2e	2025 tCO_2e	Change % (2025 vs. 2024)	Change % (2025 vs. 2019)
1	968	746	722	-3%	-25%
2	1,934	813	438	-46%	-77%
Total 1 & 2	**2,902**	**1,559**	**1,160**	**-26%**	**-60%**
3	313,980	239,499	189,129	-21%	-40%
Total	**316,882**	**241,058**	**190,290**	**-21%**	**-40%**

In 2025, Grolman Group reduced its Scope 1 and Scope 2 GHG emissions by 60% from the 2019 baseline year, **already exceeding our 2030 near-term reduction target of 46%**. While emissions reductions do not follow a linear pathway and this level of reduction needs to be maintained, this represents an important milestone towards our Net-Zero ambition.

Regarding our **2050 long-term targets**, in 2025, we reduced total Scope 1, 2 and 3 GHG emissions by **40% from the 2019 baseline year**.

Over the past years, Grolman Group has continuously reduced emissions by implementing measures such as expanding the share of green energy and switching to electrified vehicles, while also improving calculation methodologies and data quality, e.g. through PCF data verification and improvements in transport emissions calculations. The major methodological improvement implemented in 2025 was the calculation and application of specific transport emission factors for Grolman International Distribution, more accurately reflecting the emissions associated with its actual transport activities. This resulted in a significant reduction in calculated transport emissions compared with the previous methodology (Appendix - Methodological Note Corporate Carbon Footprint). More detailed explanations of the changes in emissions can be found in Table 9.

In 2025, the total emissions for Grolman Group amounted to **190,290 tCO_2e.**

As presented in Figure 4, only 0.4% of total emissions are caused by consumption of fuels for vehicles and heating or fugitive emissions (Scope 1). Emissions from purchased energy (Scope 2) only amount to 0.2%. The majority of emissions, with more than 99%, are other indirect emissions that occur along the value chains.

Figure 4. Carbon Footprint % by Scopes 2025

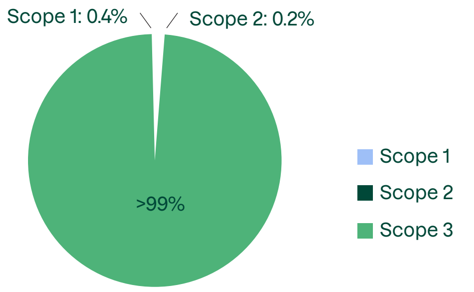
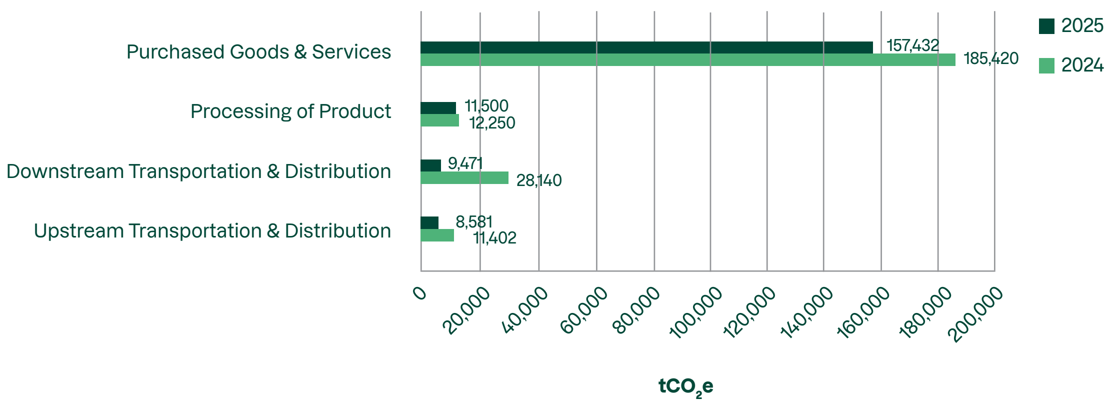


Table 6. Carbon Footprint by Scopes 2025

Scope	Value	Unit
Scope 1	722	tCO_2e
Scope 2*	438	tCO_2e
Scope 3	189,129	tCO_2e
Total CF	**190,290**	**tCO_2e**

*market-based. Sum location-based: 1,705 tCO_2e

Figure 5. Carbon Footprint by Categories 2025



In 2025, 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 (83%), followed by 3.10 “Processing of sold products” (6%) and 3.9 “Downstream transportation and distribution” (5%), 3.4 “Upstream Transportation & Distribution” (5%).

Emissions Changes in 2025 compared to 2024:

After a slight increase of the category 3.1 Purchased Goods and Services in 2024 by 6% (analogue to the increase of sales), the category strongly decreased in 2025 by 15% caused by a shift of the purchase of product groups at Grolman International Distribution (decrease of emission-intensive pigments). Further, the emission factor for fillers decreased strongly (-30%), due to improved lower primary data.

Also, the transport categories 3.4 and 3.9 decreased by 25% and 66%, respectively, mainly due to the implementation of a new calculation methodology using Grolman-specific emission factors for different transport modes. In addition, changes in the underlying business mix and sourcing patterns led to a shift in transport modes within category 3.4, resulting in a higher share of sea freight and a lower share of road transport.

Despite an increase of tonne-kilometres (t*km) in 3.4 – Upstream transportation & distribution, emissions decreased due to the new emission factors and the lower emission factor of sea freight compared to other freights. Due to the reduction of electricity emission factors in 2025, category 3.10 decreased accordingly.

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 2025 emissions intensity per unit of revenue is 826.48 tCO_2e/million EUR, per FTE 362.24 tCO_2e/FTE (1 FTE = Full Time Equivalent, 40 hours a week), per floor area 3.85

tCO_2e/m^2 and per tonne of sold product is 2.80 tCO_2e/t sold products.

Compared with 2024, emissions intensity decreased across all four indicators. Emissions per unit of revenue decreased by 17%, indicating lower carbon intensity relative to the Group's economic activity. The changes reflect both emissions performance and improvements in calculation methodology and data quality, particularly for transport emissions.

Initiatives Implemented in 2025 and Planned

In 2025, we implemented the following initiatives:

- **Grolman Group** continued 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. Building on this experience, Grolman Group established a new Group-wide target in 2025 to transition to a minimum of 70% non-fossil-fuel-based vehicles in its fleet by 2030. In 2025, 29% of the Group fleet was non-fossil-fuel-based, currently measured based on battery-electric vehicles. The previous entity-level targets are presented separately in the Appendix – KPIs, Targets and Performance for consistency with previous reporting.
  - **Grolman International Distribution** continued to transition to electric cars where possible for our sales teams. In 2025, 32% of Grolman International Distribution's fleet was electric. The previous entity-level targets in Benelux, the Nordics and the UK have now been incorporated into the new Group-wide target.
  - **Lifocolor** reported that 21% of its fleet was electric in 2025. The previous entity-level target for Lifocolor Germany of an 85% electric car fleet by 2027 remains relevant but has now been incorporated into the new Group-wide target
- **Transition to the use of renewable energy in Grolman Group** offices and operational sites continued, with the share of renewable energy consumption increasing from 63% in 2024 to 67% in 2025.
  - In 2025, 10 out of 27 Grolman Group entities purchased 100% green electricity.
  - **Lifocolor Germany**, with two production sites, has been sourcing 100% of its electricity from certified renewable sources since 2023. Lifocolor Poland completed its transition to 100% green electricity in 2025. At Lifocolor Czech Republic, solar panels are currently being installed, while the remaining purchased electricity is planned to transition to 100% green electricity during 2026.
  - The installation of **photovoltaic solar panels** at **Grolman International Distribution's headquarters in Neuss, Germany**, was finalised in 2025.
- We continued improving **data collection systems, measurement, calculation methodologies and data quality** for Scope 1, 2 and 3 emissions. In 2025, we further improved Scope 3 data quality by increasing the use of primary data and refining our calculation methodologies, resulting in "very good" quality rating for our overall 2025 CCF calculation (see Appendix – Methodological Note).
- **PCF and transport emissions data quality improvement:** In 2025, Grolman International Distribution further improved the calculation of transport emissions by differentiating between transport modes and shipment types, including national/domestic versus international transport, general cargo versus direct shipments, and heated versus non-heated transport. This provides a more accurate representation of emissions associated with actual transport activities. Further details are available in the Appendix – Methodological Note.
- **Primary PCF data:** Grolman Group's preferred source of Product Carbon Footprint (PCF) data is primary data provided by suppliers.

We continuously engage with suppliers to increase the availability of such data. In 2025, primary supplier PCF data covered 61% of Grolman International Distribution's sales quantity. Supplier engagement is prioritised based on sales volume, focusing on suppliers representing the largest share of our business. To facilitate efficient and standardised PCF data exchange with suppliers and customers, Grolman International Distribution participates in the Mattermaps platform (formerly SiGREEN).

- **Biogenic emissions and removals:** Building on our 2024 commitment, in 2025, we introduced separate KPIs for biogenic emissions and removals to increase transparency as the share of biobased products in our circular innovation portfolio grows. For Grolman International Distribution, gross biogenic emissions amounted to 164,522 tCO_2e and biogenic removals to -109 tCO_2e in 2025. For the circular bio-based products sold in 2025 for which biogenic carbon flow data were available, biogenic carbon removals, amounted to −61.67 tCO_2e, significantly exceeded biogenic emissions, reflecting the uptake and storage of atmospheric carbon in renewable feedstocks and highlighting the importance of transparently reporting biogenic carbon flows. Due to current limitations in the granularity of available PCF and LCA data, biogenic emissions for these products could not yet be captured separately in 2025. More granular data will be collected in the coming years to further improve reporting. The detailed 2025 results and the accounting methodology are presented in Tables 11 and 12 in the Appendix – Figures and Statistics and Methodological Note.
- **Lifocolor** is developing tools within its ERP system to improve emissions data collection. In 2025, fields have been added to the ERP system to enable the entry and calculation of CO_2 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. In the ERP system, fields also have been added for raw material PCFs to improve documentation of PCF and data quality.
- **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 emissions calculation tools. The availability of PCF data will also be a new criterion in the annual supplier evaluation.
- **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.

Looking ahead

As we look ahead to 2026, we remain committed to advancing our climate goals and sustainability initiatives:

- **Emissions reduction:** Having exceeded our 2030 near-term Scope 1 and 2 reduction target in 2025, our focus is on maintaining this progress and continuing to implement measures towards our long-term Net-Zero ambition.
- **Renewable Energy:** We will continue our efforts to increase the use of electricity from renewable sources across our global offices and operational sites, wherever possible and based on local conditions.
- **Electric Vehicles:** We will continue implementing our new Group-wide target to transition to a minimum of 70% non-fossil-fuel-based vehicles in our fleet by 2030. At present, this is measured based on battery-electric vehicles; however, the scope may evolve to incorporate alternative technologies when available.
- **Carbon accounting and data quality:** We will continue to improve the quality and transparency of our Corporate Carbon Footprint, including the collection of primary PCF data from suppliers and emissions data from logistics service providers. We will further develop our accounting for biogenic emissions and removals as more granular data becomes available.
- **Transparency to customers:** We will continue to provide our customers with CO_2 emissions and corresponding Product Carbon Footprint (PCF) data where available and upon request, while improving transparency around data quality and calculation methodology.
- **Supply Chain and Sales Team Engagement:** We will deepen our engagement with our supply chain and sales teams through sustainability workshops and other activities supporting our climate and sustainability objectives.
- **Sustainable Innovation**: We will continue to expand our sustainable innovation approach in collaboration with our customers, suppliers and business partners.
- **Bundled Shipments:** We will continue to optimise order management by bundling shipments from suppliers and to customers, helping to reduce transport-related emissions. We will also further optimise our global warehousing and freight network through goods-flow and scenario analyses to improve logistics efficiency and lower CO_2 emissions.

„Circularity and Net Zero become meaningful when they move from ambition into everyday business. By embedding them into our operations, portfolio and collaboration with suppliers and customers, we can reduce our impact while turning circular innovation into real business opportunities."

Matthias Messeck
Director Sustainable Operations
Grolman Group

Handling of Chemical Raw Materials

Materiality

Within the operating environment of Grolman Group, we are committed to the responsible handling of chemical raw materials. Some of these materials are classified as hazardous substances and dangerous goods and may have potential adverse impacts on human health and the environment, including land, air and water. Appropriate safety measures are taken when handling these materials.

Handling of chemical raw materials is not a material topic for Grolman Group, but highly regulated area where we adhere to full compliance and therefore report accordingly.

Approach: Strategy, Policies, Actions, Targets and Metrics

At Grolman Group, we take 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 established specific operating instructions. Annual training is provided to employees working with hazardous materials. Apart from very few exceptions, once incorporated into the masterbatch, the materials are no longer classified as hazardous.

Our dedicated teams in the Safety, Health, and Environment (SHE), and Logistics Departments ensure 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 full compliance with all relevant chemical regulations, including the REACH Regulation, GHS/CLP, dangerous goods (DG) transport regulations 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 REACH Regulation with ECHA, as well as adherence to the 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, a pest controller regularly inspects our own warehousing facility. We ensure that accidents that can affect the environment and human health are prevented through appropriate emergency procedures and training.

There have been no reported customer health and safety accidents (e.g., truck accident) in 2025. 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 0.24% of all Grolman International Distribution´s deliveries made in 2025.

We are committed to:

- Providing all our customers and business partners with Safety Data Sheets to ensure safe use and safe disposal of raw materials, hence minimising any adverse effects of chemical substances and other hazardous materials as far as possible and ensuring their safe handling and storage.
- Providing our customers with professional support and guidance regarding all relevant regulatory, health and safety topics.
- Increasing awareness and improving product safety 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 2025

In 2025, 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 0.24%
- Proactive stock checks reduce 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 and suppliers.

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 impacts of waste management and the potential financial opportunities and risks associated with 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.

Our Circular Economy Approach

At Grolman Group, we understand circular economy as a regenerative system in which waste and pollution (emissions) are aimed to be eliminated , products and materials circulate as long as possible at their highest value and nature is constantly regenerated. The transition is underpinned by renewable energy and materials (based on the principles of the Ellen MacArthur Foundation). In contrast to a linear “take-make-waste” model, circularity aims to keep resources and materials in use, thereby reducing the environmental footprint.

We embed this approach into our business model by working across the value chain. In our distribution business, we identify, promote and commercialise circular solutions together with our suppliers and customers, using our technical expertise and market position to support the transition from circular innovation to circular sales. In our production business, Lifocolor develops solutions that support circular applications while working to minimise production waste, increase recycling, and keep materials in circulation.

This connects circularity directly to how we create value at Grolman Group: through our product portfolio, technical expertise, supplier and customer collaboration, innovation and the development of new business opportunities.

Championing Circular Products in Our Supply Chain

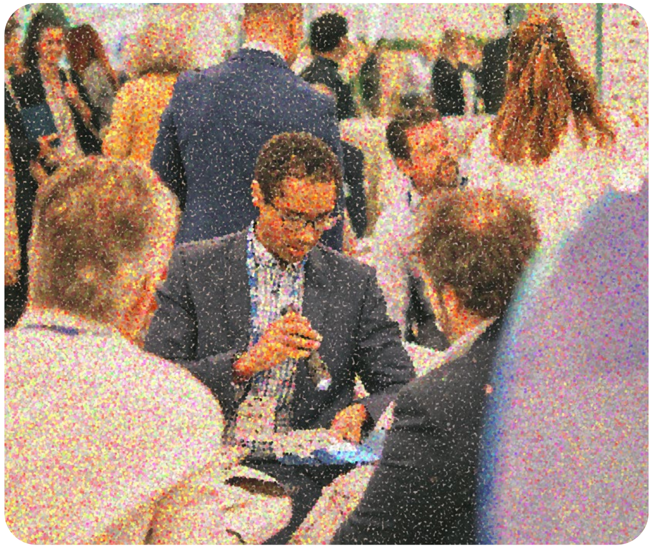
We translate our circular economy approach into action across the value chain through three main areas:

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. In 2025, we achieved ISCC Plus certification for our entities in Germany, Austria, Switzerland and Spain, with the goal to enlarge the certifica-

tion scope to an even broader coverage in the coming years. This enables Grolman International Distribution to offer ISCC PLUS-certified mass balance products from our suppliers in markets where there is sufficient customer demand, further supporting the development of circular solutions across the supply chain.

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 supports 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.



Our Circular Solutions Portfolio

Grolman International Distribution offers a range of circular solutions, including wholly or partly bio-based, recycled and 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.

To systematically manage and measure our circular portfolio, Grolman International Distribution classifies circular products into three categories: renewable, recycled and mass-balance products, with ISCC PLUS-certified products marked accordingly. A separate category covers sustainable products such as biodegradable and compostable solutions. These categories are integrated into our ERP system, enabling us to identify circular products, track their sales and link supporting supplier documentation, including certifications, Product Carbon Footprints (PCFs) and Life Cycle Assessments (LCAs).

As our circular solutions portfolio develops, particularly through bio-based and renewable products, understanding the associated carbon flows becomes increasingly relevant. Therefore In 2025, Grolman International Distribution introduced separate accounting for biogenic emissions and removals based on available supplier Product Carbon Footprints (PCFs) and Life Cycle Assessments (LCAs) data. This provides additional transparency on the climate characteristics of these products and strengthens the link between our circular economy and climate (SBTi net-zero) approaches. Further information is provided in the Climate Change and Energy chapter and the CCF Calculation Methodology.

Progress 2025: From Circular Portfolio to Circular Sales

Building on the circular product categories, portfolio assessment and ERP integration established in the previous reporting period, in 2025 we moved from establishing the foundation to actively measuring and managing circular sales.

- **Circular Sales and Targets:** In 2025, Grolman International Distribution established its first SMART (specific, measurable, achievable, relevant and time-bound) targets for circular sales, one year ahead of the original implementation plan. The targets are embedded in the business strategy and monitored through the regular business performance review process. The baseline for circular sales was €0.7 million in 2019. Our target is to reach €8 million in circular sales through sales of at least 150 circular products by 2030. Circular sales are calculated proportionally based on the actual circular content of a product, including recycled, bio-based and mass-balanced content. For example, a product with 80% circular content contributes 80% of its sales value to circular sales. As methodologies for calculating circular sales may differ, our circular sales figures and targets should be interpreted in the context of this proportional methodology. We have deliberately chosen this methodology to ensure maximum transparency and to reflect our high level of ambition.

  Our production business has reached its target of 3% circular sales turnover for Lifocolor Germany by 2025. Circular sales are represented by recyclable LifoCycle colour masterbatches, designed to withstand many recycling cycles without significant loss of colour properties. Targets for LifoCycle colour masterbatch sales are embedded in the Lifocolor strategy and monitored as part of the regular business performance review.

- **Market Visibility and Performance Transparency:** To support the achievement of our circular sales targets, in 2025 we strengthened the visibility of circular products in customer-facing materials and regional portfolios and increased internal transparency on circular sales through our sales and management reporting tools. Going forward, in 2026, we plan to further strengthen performance tracking by integrating additional circularity performance metrics, including the share of circular sales, turnover and profit, as part of our broader decarbonisation and circular economy strategy.

- **Supply Chain Engagement:** We continue to engage suppliers and customers on sustainability and circular innovation through industry-specific Technical Customer Days, international exhibitions and other collaborative activities. In 2025, we conducted three Technical Customer Days – two for Coatings in France and the UK and one for Personal Care in the DACH region – engaging with 14 suppliers. With 14 supplier engagements in 2025, we exceeded our annual target of engaging at least 10 suppliers on sustainability and circular innovation.

- **ISCC PLUS:** In 2025 we have achieved ISCC PLUS certification for our entities in Germany, Austria, Switzerland and Spain. This supports Grolman International Distribution's ability to offer ISCC PLUS-certified mass-balance products in markets with sufficient customer demand.

- **Award-winning circular innovation:** Inclusivus Cream 5 won third prize at the Cosmetorium 2025 formulation contest. The concept combines a base cream with five targeted concentrates, each showcasing a TEN active ingredient derived from 100% renewable sources, and features SeaBalance® 2000, a biomaterial derived from Sargassum seaweed. By demonstrating how renewable and bio-based ingredients can be integrated into high-performance personal care formulations, Inclusivus Cream 5 highlights the potential of circular and bio-based solutions to support more sustainable product development in the personal care market.

With the foundations for measuring circularity now established and our first circular sales targets in place, we are moving from building the framework to driving measurable business impact. By working closely with our suppliers, customers and teams, we aim to accelerate the market adoption of circular solutions and further embed circularity into our business model and growth strategy.

Award-winning concept:

This cleansing cream won third prize at the Cosmetorium 2025 formulation contest

Initiatives planned for 2026

- **Circular Solutions Portfolio:** We will continue to expand and actively promote our circular solutions portfolio, working with suppliers and customers to increase the availability and market adoption of renewable, recycled and mass-balance solutions.
- **Circularity Performance Management:** We will further strengthen circularity performance tracking by integrating additional metrics, including circularity rates and the share of circular sales, turnover and profit, into our business performance management.
- **Circular Economy Governance:** We plan to further formalise our circular economy approach by developing a Circular Economy Policy and defining additional targets and measurement methodologies to support its implementation.
- **Circular Sales:** We will continue implementing and monitoring our established circular sales targets and further embed circularity into commercial decision-making and business development.
- **Production Business:** Lifocolor will continue developing its circular solutions portfolio and define the next SMART target for circular sales by 2030.

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. We strive to avoid any expired or obsolete materials by regularly checking our stocks and taking proactive measures in time to sell stocks before the end of their shelf life (if applicable). Disposal of stocks or samples is only a last option when we do not find a better solution for such materials. In case we need to dispose of any stocks, we ensure that certified companies dispose of them in accordance with the respective regulations.

In Lifocolor, around 94% 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 2025, the total weight of non-hazardous waste across Grolman Group reached 846 tonnes. The production business Lifocolor accounted for 729 tonnes, while Grolman International Distribution generated 116 tonnes. The total hazardous waste across the Group was 4 tonnes.

Group-wide, 455 tonnes of waste were reported as recovered in 2025. Lifocolor accounted for 381 tonnes, while Grolman International Distribution accounted for 74.2 tonnes.

In 2025, we improved data collection and reporting in our production business by extending data collection to additional waste fractions and hazardous waste through the new data collection form.

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.
- 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.

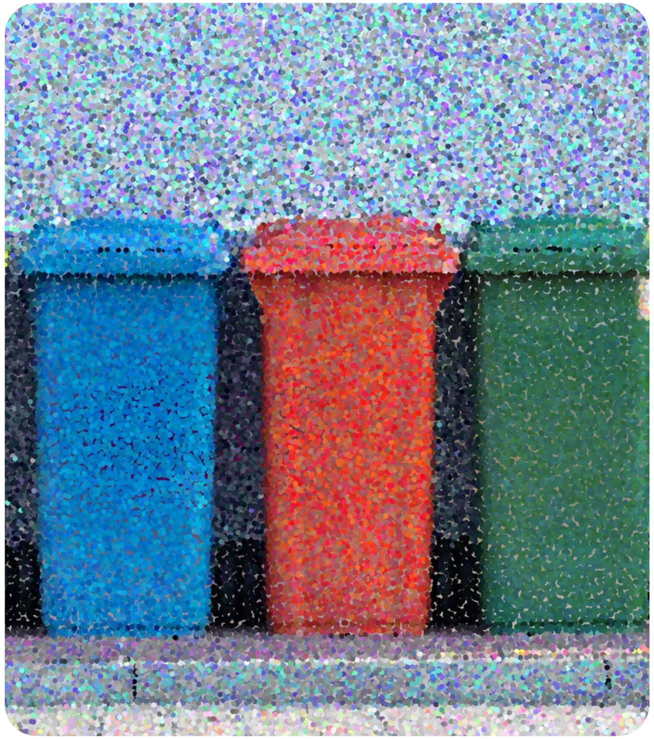
Progress 2025: Responsible Waste Management

In 2025, several measures were implemented and previous ones 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.

- **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 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:** The shredding unit installed in 2025 enables polymer lumps and strands from production to be uniformly reground and sold directly to recycling companies. For 2026, proactive acquisition of further recycling partners is planned, which may enable increased volumes and expansion to additional polymer types.
- **Improved fraction separation at Lifocolor operations:** In 2025, the number of separately collected polymer fractions increased from three to five, increasing the potential amount of production waste that can be directly recycled.
- **Improved waste data collection:** In 2025, Lifocolor extended its data collection to additional waste fractions and hazardous waste through the new data collection form, improving the completeness of Group-level waste reporting.

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



Social

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

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.

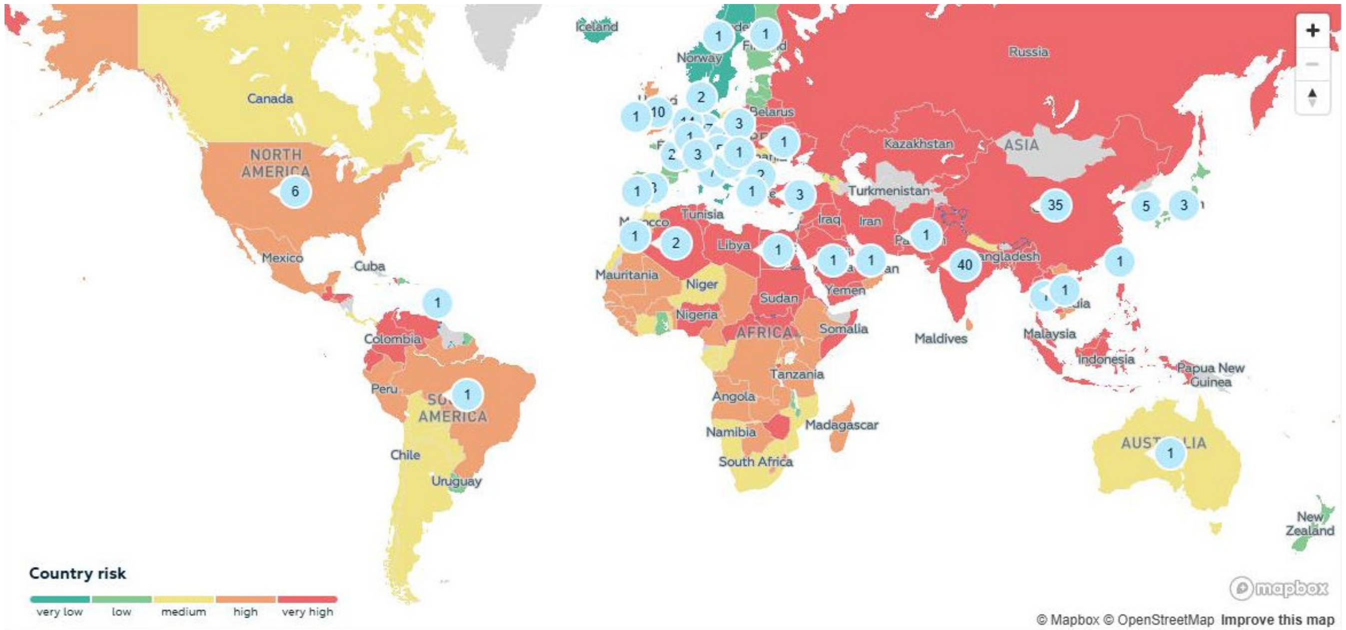
Human rights is a double material matter for Grolman Group due to the potential negative impact related to child labour, forced labour, adequate housing and privacy in Grolman Group's value chain from both an impact and a financial perspective, in particular relevant for upstream suppliers.

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 Index[1], 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 2025.

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. 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. Below is presented how we mapped our suppliers in 2025 for human rights risk with IntegrityNext on the example of the Global Rights Index:

Figure 6. Supply Chain Human Rights Risk Mapping using IntegrityNext



Approach: Strategy, Policies, Actions, Targets and Metrics

Grolman Group has a **Code of Conduct**, approved by the senior management, which 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).

Since 2024 on, we have used **IntegrityNext** to support a global due diligence process via 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.

Contractual Clauses

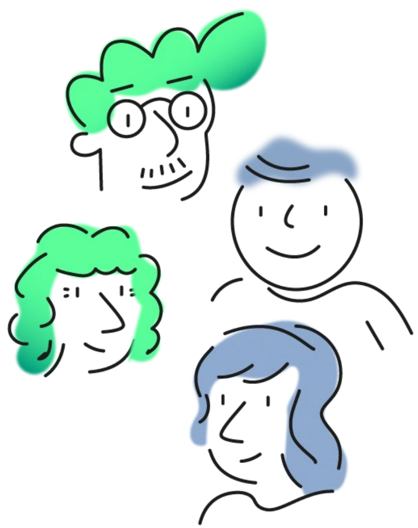
Contractual clauses are a tool to signal expectations of respect for internationally recognised human rights to our supplier's contract. Contractual clauses can allow us to make sure that all our suppliers are on the same level as us in our efforts to make sure that we operate in a human violations-free 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 2025

- We drive awareness and engagement by providing Code of Conduct and business ethics training to our employees. As of 2025, 55% of Grolman Group employees within the defined target group had 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.

Training and skills development 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.

Investing in employee training and skills development is a key component of Grolman Group's sustainability strategy and long-term success. Our approach combines technical and product training, leadership and personal development, compliance and safety training, and sustainability-related capability building. Training priorities reflect the different needs of our distribution and production businesses. Through these initiatives, we develop a skilled, motivated, and future-ready workforce, creating long-term value for employees, customers, and other stakeholders.

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 at the plant level, as needed. In future, we undergo audits for ISO 9001:2015 and ISO 14001:2015 on an annual basis; we emphasise further training and standardise the scheduling and maintenance of training plans across the Grolman Group.

In 2025, we also started developing a more strategic Group approach to Training & Skill Development, including the future structure, roles and processes for employee development and improved access to learning opportunities.

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 ensures these efforts are effectively managed and

„Building sustainability capabilities across our organisation is essential to turning our strategy into action. By strengthening our understanding of sustainability, Net Zero and the circular economy, we empower our people to contribute to Grolman's transformation through their everyday decisions and interactions with customers and suppliers."

Erika Ustailieva
Head of Sustainability Grolman Group

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 and support them through regular, established feedback rounds.

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 assigning 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 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:** Well-organised onboarding is an important part of the first 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 Human Resources, 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:** Like 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 2025 Grolman International Distribution continued 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. The training will also be available on demand for new employees and as a refresher for existing employees. 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** – covering KPI ownership and our sustainability reporting frameworks, including annual reporting, UNGC, RSPO, EcoVadis, IntegrityNext and customer sustainability requests.
- **CO_2 Footprint and Product Innovation and Circularity** – reviewing progress in reducing Grolman's greenhouse gas (GHG) emissions towards our Net-Zero target. The training also covered our approach to innovation and circularity, including our circular solution categories and portfolio, and how these can create 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:

- **Innovate and Collaborate:** We need to strengthen the technical and formulation expertise of our partners (suppliers and customers) and our own teams to envision and create circular formulations across the entire supply chain. Through knowledgeable, dedicated technical teams and close collaboration with our application laboratories, leading manufacturers and suppliers, we can identify and implement innovative solutions that meet evolving market demands. By training our employees 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.
- **Establish an Internal Culture of Innovation:** We foster a culture of creativity and entrepreneurial, forward-thinking behaviour among our employees. By encouraging new business models, processes and technologies, we enhance efficiency and create 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 2025

- **Own workforce average hours of training per employee:** In 2025, each employee of Grolman Group had an estimated average of 92 hours of training, compared with 46 hours in 2024. In our distribution business, we estimate 96 hours per employee, reflecting the need for high technical expertise among both specialists and technical sales teams. In our production business, training focuses on health and safety, ISO and ERP onboarding, while individual training is determined at plant level based on specific needs.
- **Training of own workforce regarding entrepreneurial and self-organising practices:** The target of training 80% of the targeted employees (Managing Directors, Sales Directors and Business Unit Directors) in entrepreneurial and self-organising practices was achieved in 2024. Building on this foundation, in 2025 Grolman focused on further strengthening its corporate culture towards a more entrepreneurial and self-managed organisation guided by purpose, personal growth and collaboration. Governance structures and a management system are currently being developed to support the organisational model we aim to build by 2028. More information on this topic is available in the Corporate Culture chapter of this report.
- **Route to Net Zero training:** By the end of 2025, 72% of Grolman International Distribution entities had received the Route to Net Zero training, compared with 44% in 2024. The full-day, on-site, interactive workshop is delivered to team members of each Grolman entity and relevant global Group functions and focuses on sustainability and circular innovation. The training is designed to ensure that employees

understand their role in advancing our sustainability efforts and to provide a comprehensive overview of our strategy and the evolving regulatory landscape. The programme is planned to cover 100% of Grolman International Distribution entities by the end of 2026.

- **Supply chain engagement with suppliers and customers:** We continue to engage suppliers and customers on sustainability and circular innovation through industry-specific Technical Customer Days, international exhibitions and other collaborative activities. In 2025, we conducted three Technical Customer Days – two for Coatings in France and the UK and one for Personal Care in the DACH region – engaging with 14 suppliers and 44 customers. With 14 supplier engagements, we exceeded our annual target of engaging at least 10 suppliers. We engaged with 44 customers against our annual target of at least 50 customer engagements.

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.

Health and safety 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 accountability 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, employee health and safety is a cornerstone of our operations. We are committed to maintaining a safe work environment and therefore pursue a zero-accident strategy, targeting zero Lost Time Injury Frequency Rate (LTIFR), work-related accidents and injuries, and occupational illnesses, or, at minimum, levels below the industry average. We will achieve this goal by continuously implementing 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 advisers for employees and subcontractors. We investigate each accident individually and implement appropriate corrective and preventive measures based on the incident and its analysis.

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
- Assessing workstations 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 essential workplace items such as glasses and headsets.
- 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, and 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 environment 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 different types of leave, 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 2025 and Actions Planned

- In 2025, the number of days lost to work-related injuries, fatalities and ill health at Grolman Group was 922, and the LTIFR (Lost Time Injury Frequency Rate) was 16. At Grolman International Distribution, the number of days lost to work-related injuries and ill health was 510 and the LTIFR was 4.4. At our production business, Lifocolor, the number of days lost to work-related injuries and ill health was 412 days and the LTIFR was 26.82, as a result of 24 work-related accidents and injuries. Health and safety performance in 2025 was significantly affected by one major accident at a Lifocolor production site, which contributed to the increase in the number of days lost. The incident and its consequences were fully documented, and all relevant legal and internal procedures were followed. As with all workplace incidents, a thorough investigation was carried out, corrective actions were implemented, and additional preventive measures were introduced to reduce the likelihood of similar incidents in the future. Across the Group, 26 work-related accidents and injuries and one occupational illness were reported in 2025. We continue to implement safe work practices and improvement actions across our entities to move towards our zero-accident goal.
- To further support our employees' health, safety and well-being, we will continue working with internal and external Health & Safety advisers to strengthen preventive measures and improve occupational safety. At Grolman International Distribution, we also work with Health & Safety and mental health advisers to safeguard and support our employees. We will continue improving the coverage and quality of our health and safety data collection.

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. Diversity and Equal Opportunity play a key role in fostering an inclusive, diverse and discrimination-free workplace. Our objective is to ensure equal opportunities for all employees and to create a working environment where different backgrounds, perspectives, experiences and talents are valued and respected. For Grolman Group, bringing together diverse perspectives across our international organisation supports collaboration, knowledge exchange and innovation.

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 helps us move 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, disability 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/ESG risk assessment and supply chain due diligence with IntegrityNext.

Recognising the importance of ethical behaviour, our Management and Equal Opportunity Officer serve as representatives 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.

Diversity in Our Workforce

As an international Group operating across more than **40 countries**, our workforce brings together a wide range of backgrounds, cultures and perspectives. In 2025, **38 nationalities** were represented across **Grolman Group**, including 33 within Grolman International Distribution and 16 within Lifocolor. This diversity contributes to knowledge exchange, collaboration and our ability to understand and serve different markets.

Women in Leadership

At Grolman Group, we are proud that women make up 36.5% of our total leadership team, reflecting our commitment to gender diversity and inclusivity. Women represent 40.4% of our total workforce. As a family-owned private business, we also have 20% female representation in the company's highest governing body.

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 societies in which we operate. As an international company, we do not discriminate on the basis of gender, ethnicity, religion, race, nationality or disability.

In alignment with our sustainability goals, we actively track and report on the representation of minority and vulnerable groups within our organisation. For the purpose of our current data collection, this KPI covers employees with a disability. In 2025, 2.5% of our workforce comprises individuals with a disability. At the top management level, employees with a disability represented 1.5% in 2025.

Looking forward, we are committed to refining our data collection processes to better track 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 2025

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

In 2025, we continued our efforts to advance a diverse and inclusive workplace and embed diversity and equal opportunity principles within our policies, Code of Conduct and business processes. Key actions include:

- Continuing dialogue sessions to incorporate diversity and gender considerations into hiring processes and competency development planning.
- Diversity and equal opportunity training continues to target relevant employees and is refreshed every 2–3 years to maintain awareness and engagement. The latest targeted training covered approximately 12% of Grolman Group employees.
- 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.

Governance

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Supplier Relationships

Materiality

Supplier relationships 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 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 expectations 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 product 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, environmental protection, quality management, business integrity and corporate social responsibility, and to be competent and trustworthy business partners.

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.

Within our distribution business, we engage our suppliers in our sustainability efforts. We aim to encourage suppliers to deliver more sustainable goods and services by estimating supplier emissions in our internal reporting, increasing the availability and use of primary supplier data, and incorporating sustainability requirements and selection criteria into our supply chain management process and tools.

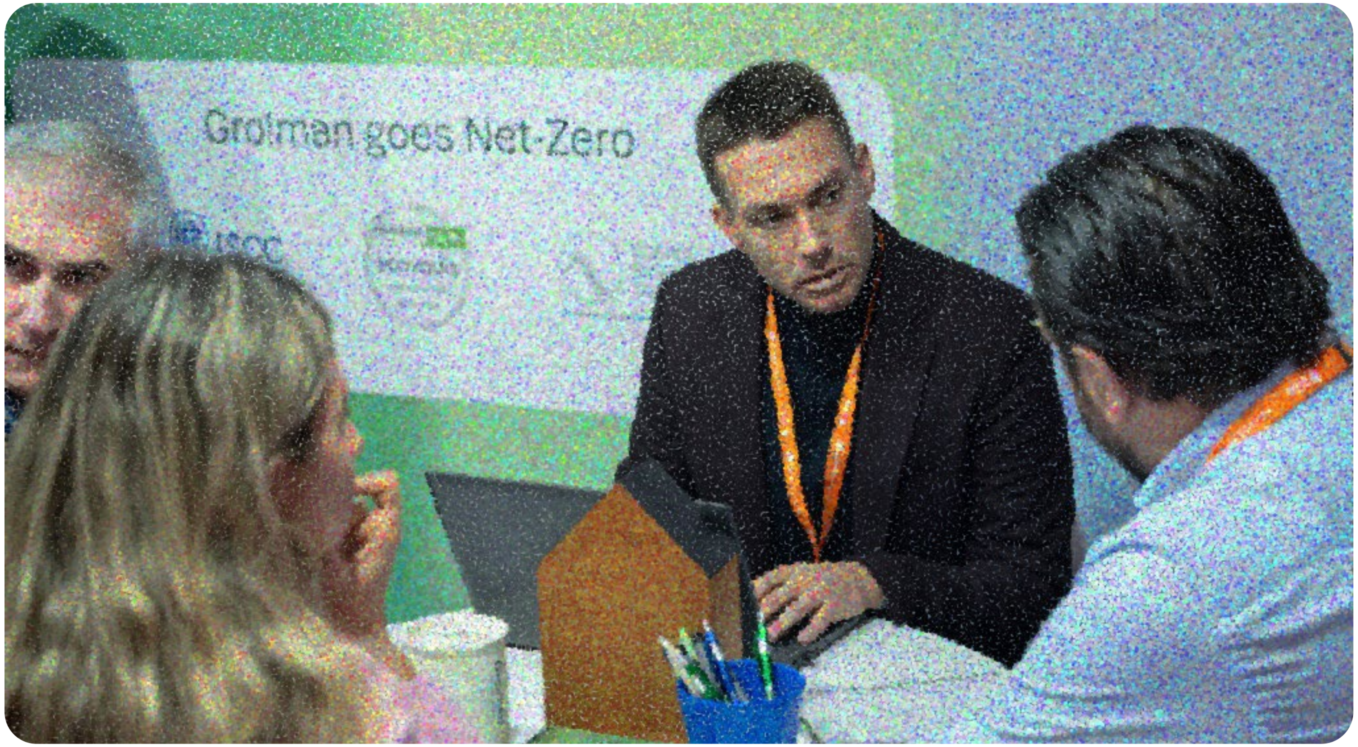
Since 2024 on, we have used **IntegrityNext** to support a global due diligence process that is easy to apply locally, increase transparency on global strategic suppliers and embed ESG principles in the supplier management process. The platform supports our **sustainable procurement strategy** through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

- **Supplier Selection**
  IntegrityNext abstract risk assessments, based on country and industry risk, are used as an indication of the risk profile of potential suppliers during the supplier selection process. Suppliers identified as high- or medium-risk are subject to enhanced due diligence.
- **Supplier Onboarding and Assessment**
  As part of onboarding, new suppliers undergo an abstract ESG risk assessment based on country and industry risk. Suppliers identified as high- or medium-risk are requested to complete an ESG self-assessment questionnaire through IntegrityNext or provide an equivalent verified ESG rating. These assessments cover critical ESG topics including human and labour rights (such as child labour, forced labour, and modern slavery), environmental management and business ethics. This initial step allows us to identify potential risks at the very beginning of our supplier relationships.

  In addition, we engage with existing 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. Our engagement covers global and regional strategic suppliers, with a target of achieving 100% alignment with our Code of Conduct and business ethics principles by the end of 2030. Alignment with our Code of Conduct can be achieved in three ways: suppliers sign our Code of Conduct; we accept and sign the supplier's Code of Conduct where it is generally aligned with ours; or both parties mutually sign the counterpart's document.
  We also aim to maintain 100% contractual integration of the Supplier Code of Conduct into new supplier contracts and all purchase orders. Where no formal contractual agreement is established with a supplier, the purchase order serves as the contractual basis of the supplier relationship.
- **Continuous Monitoring**
  IntegrityNext continuously monitors suppliers using automated data collection and analysis tools. It scans global media databases and media sources for ESG-related incidents and potential violations. This real-time monitoring ensures that we are promptly alerted to any emerging issues, allowing us to take immediate corrective action.
- **CSR/ESG Risk Scoring and Analysis**
  IntegrityNext assigns risk scores to each uploaded supplier based on geographical location, industry sector, historical performance, and assessment results. The industry and country risk assessments form the supplier's abstract CSR/ESG risk assessment (applied to all new and existing suppliers). This scoring system helps us prioritise our resources and focus on suppliers with higher ESG risks, enhancing our ability to manage and mitigate potential adverse sustainability impacts effectively.
- **CSR/ESG Individual Assessment**
  Suppliers representing 80% of annual spend and identified as high or medium risk based on the abstract risk assessment (considering industry and country risks) are invited to complete detailed CSR/ESG self-assessment questionnaires or provide an equivalent verified ESG rating. 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 or medium risk or fails to implement the corrective action plan, they may be subject to 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 ESG practices, ensuring long-term compliance and ethical behaviour.



Progress 2025

In 2025, we continued to strengthen our supplier due diligence and sustainable procurement processes, building on the systems and processes established in previous years. Grolman Group, across both our distribution and production businesses, continued to use IntegrityNext for supplier risk analysis, supplier assessments and reporting. We assessed our supplier base through IntegrityNext's abstract CSR/ESG risk analysis, based on country and industry risks. Grolman International Distribution's suppliers were classified into two spend categories, one representing 80% of total spend and the other representing the remaining 20%. We prioritised further actions, including individual CSR/ESG assessments, corrective action plans and audits, for the 80% spend group. Within this group, suppliers identified as high- or medium-risk based on the abstract CSR/ESG risk assessment were prioritised for individual assessment.

- **Code of Conduct Awareness:** In 2025, 98% of Grolman International Distribution's global strategic suppliers were aligned with our Code of Conduct and business ethics principles. During the year, we expanded the scope of our engagement from global strategic suppliers to include regional strategic suppliers, in line with our target of achieving 100% alignment of global and regional strategic suppliers by the end of 2030.

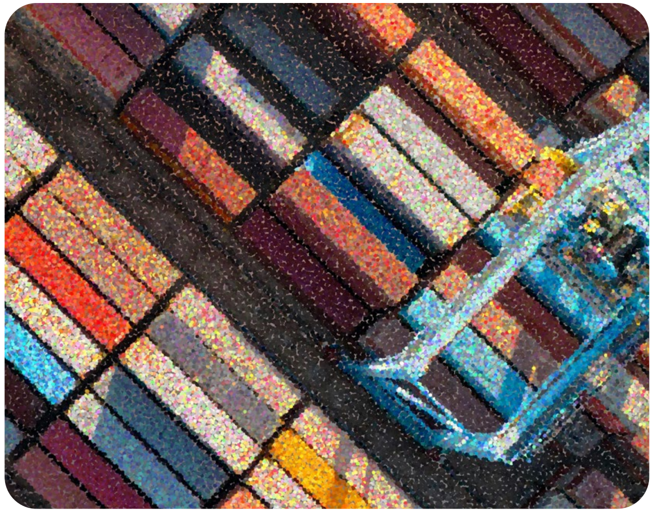
- **Contractual integration of the Supplier Code of Conduct:** In 2025, 100% contractual integration of the Supplier Code of Conduct into new supplier contracts and purchase orders was achieved. Where no formal contractual agreement is established with a supplier, purchase orders incorporating the Supplier Code of Conduct are used as the functional equivalent. In 2025, this process was automated within our procurement system, ensuring that the Supplier Code of Conduct is systematically included in all purchase orders.
- **Abstract Risk Assessment:** In 2025, 100% of Grolman Group's product suppliers were screened through an abstract CSR/ESG risk assessment based on country and industry risks. New product suppliers are also included in the assessment as part of the supplier onboarding process.
- **CSR self-assessment (questionnaire via IntegrityNext):** In 2025, 84% of Grolman Group's targeted suppliers were covered by an individual CSR/ESG assessment. Targeted suppliers are those within the 80% spend group identified as high or medium risk based on the abstract CSR/ESG risk assessment. Assessments are conducted through IntegrityNext or another recognised ESG assessment, such as EcoVadis.
- **On-site audits and corrective actions:** No targeted suppliers requiring an on-site audit were identified in 2025 following the CSR/ESG risk assessment. Suppliers requiring further action are followed up through corrective action plans and subsequent CSR/ESG assessments.
- **Sustainable procurement training:** In 2025, 52% of Grolman Group buyers had received training 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, and the first dedicated training was provided to the Portfolio Management Team. Our target is to train 100% of buyers in sustainable procurement by the end of 2027, with mandatory training for new buyers included in the standard onboarding process.

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 responsibly sourced and that associated risks are identified and addressed. 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 to protecting human rights, safeguarding the environment, and supporting local communities, and we embed these principles in 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 aligns with internationally recognised frameworks and considers applicable due diligence and reporting requirements set out in 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. These suppliers are considered relevant for the purposes of our conflict minerals KPI. As part of our due diligence process, CMRTs are requested for all relevant suppliers. EMRTs and AMRTs are requested and collected in response to customer requests, ensuring that customer due diligence requirements are fully supported. 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 as part of its ongoing business practices:

- **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 responsibly sourced and that potential risks related to conflict, child labour and other human rights abuses are identified and addressed.
- **Supplier engagement and capacity building:** We commit to actively engage with our suppliers to promote responsible sourcing practices. We engage in workshops and initiatives to raise awareness about the importance of responsible mineral sourcing and work together with our suppliers to support 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 mineral sourcing across the industry.

As a forward-looking company, we are constantly enhancing our efforts to adhere to the guidelines of responsible minerals sourcing. We are continually working to improve our supply chain transparency, engage our suppliers, and support 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 2025 and Actions Planned

- We enhanced awareness and further implemented our Conflict Minerals Policy, ensuring that information related to conflict minerals is available for all relevant suppliers identified as part of our due diligence process. We successfully obtained the necessary conflict minerals information from 100% of relevant suppliers in 2025. Relevant suppliers are those whose products have been identified as in scope based on their CAS numbers. In addition, we contacted all relevant suppliers for whom we received a customer request concerning other high-risk minerals, such as mica, cobalt, copper, graphite, lithium and nickel.
- 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

supports our supply chain due diligence and engagement with suppliers.

- We actively participated in industry webinars to stay informed about evolving due diligence expectations and best practices related to conflict minerals. We also maintained regular dialogue with suppliers to share knowledge and discuss practical implementation challenges.
- 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 responsible mineral supply chains.
- We 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. In 2025, we trained relevant employees on the implementation of this procedure.

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 2025, RSPO Mass Balance-certified products accounted for 76% of sales volume of palm-based products for the cosmetics business, compared with 82% in 2024. This represents a decrease compared to the previous year, mainly due to lower sales volumes of RSPO-certified products. We remain committed to expanding our RSPO-certified offering, with the goal of reaching 90% of sales volume of palm-based products for the cosmetics business by 2030.
In 2025, we integrated 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, continuous 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

Corporate culture is a financially material matter for Grolman Group, which relates to the impact of a purpose-driven and responsible corporate culture. It fosters staff loyalty, entrepreneurial thinking and creativity, contributing to innovation, employee satisfaction and productivity, and ultimately to better financial performance, while reinforcing Grolman's culture and values as a family-owned business.

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

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.

These practices, together with our internal coaching capabilities, provide the foundation for the further development of our organisational model. Guided by Teal principles, we aim to progressively embed entrepreneurial thinking, self-organisation, our purpose and values, and clear governance into the way we work.

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

CLIMATE team is the visionary driver that shifts Grolman Group to a sustainable mindset and develops the concept framework 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.

Progress 2025

The target of equipping 80% of targeted employees (Managing Directors, Sales Directors and Business Unit Directors) to support entrepreneurial and self-organising practices, including the Role of the Leader, Advice Process and Disagreement Resolution, was achieved in 2024.

Having established this foundation, in 2025 Grolman entered the next phase of its organisational transformation, focusing on strengthening our corporate culture towards a more entrepreneurial and self-managed organisation guided by purpose, personal growth and collaboration. To support this transition, we started developing an organisational framework, involving various key stakeholders across the company, to provide clearer principles and guidance for day-to-day operational practices.

The key principles of the organisational framework are planned to be published in 2026, while additional targets and performance measures to assess progress and cultural development are planned to be defined in 2027.

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.

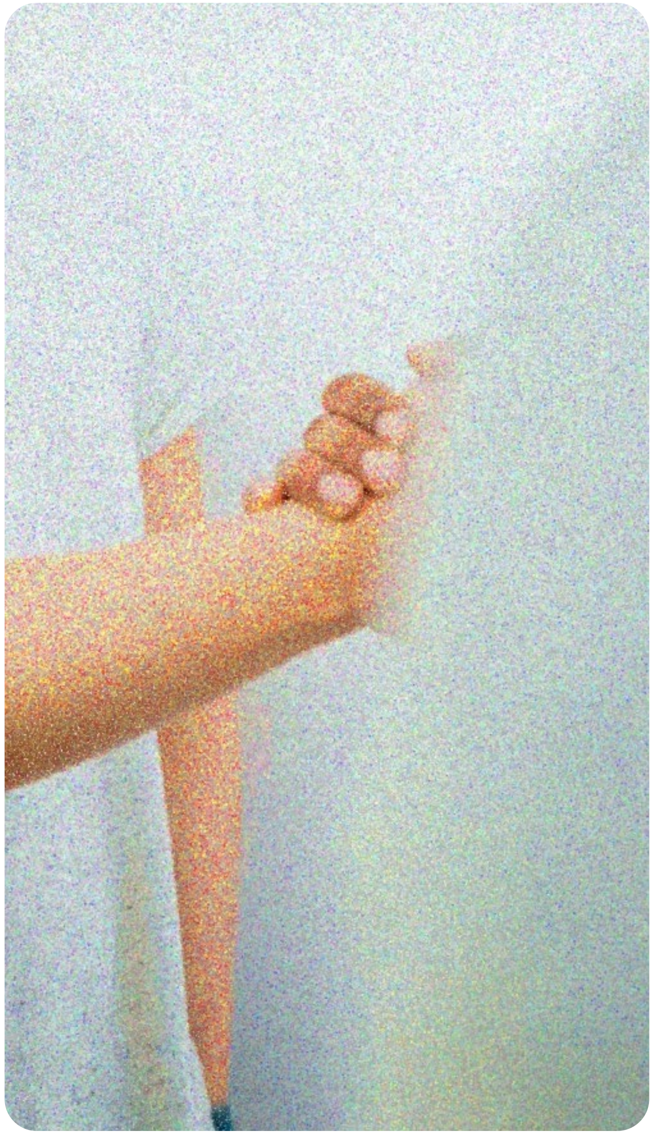
Business ethics is a financially material matter as it is related to potential reputational damage and the direct financial effect of incidents of unethical practices by Grolman Group.

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.



Grolman's 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

We manage risks 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.

We use IntegrityNext, a leading platform for ESG risk management and supply chain compliance monitoring, to strengthen 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. In addition, the business ethics principles are in our Code of Conduct and are part of the onboarding package for each new employee.

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.

Grolman has established an independent whistleblowing channel operated by our independent partner, VON RUEDEN / WhistlePort, to ensure that reports can be made anonymously and securely. Lifocolor has established internal reporting channels through which employees can raise compliance-related concerns. This channels 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 provide additional protection for 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.

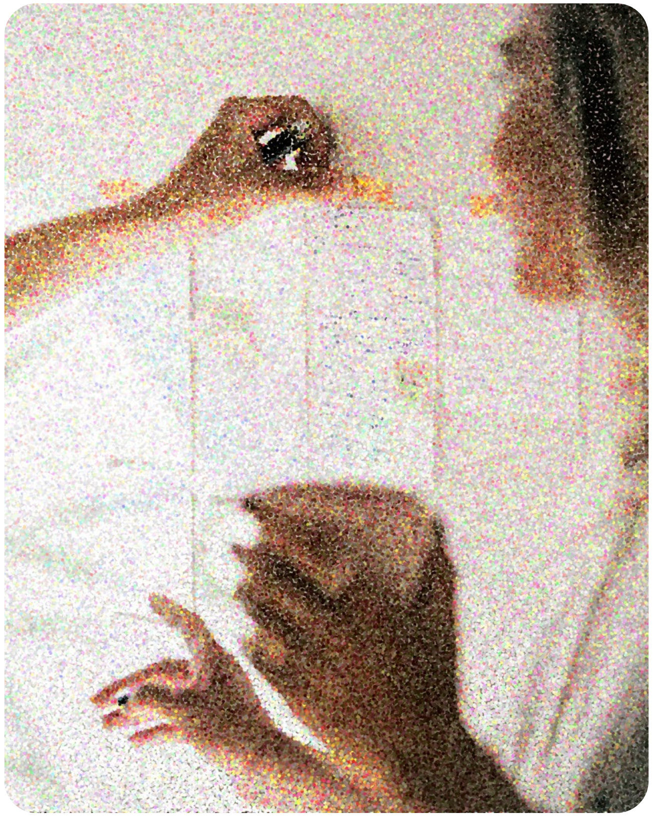
Any concern can be reported at https://grolman-group.whistleport.de/.

For more detailed information on our whistleblowing system, please refer to our Whistleblower Policy. Together, we can maintain a workplace grounded in integrity and transparency.

Progress 2025

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

- We continued to strengthen our processes for managing business partners and assessing country and business partner risks.
- We continued to use IntegrityNext to support country- and industry-based ESG risk assessment of our supply chain.
- Up to 2025, 82% of Grolman Group employees had received business ethics training. Through periodic training and onboarding, we aim to maintain employee awareness of our business ethics principles and expectations.
- Business ethics principles continued to form part of the Code of Conduct included in the onboarding package for each new employee.
- In 2025, there were no confirmed corruption incidents and no reports through the whistleblowing procedure and reporting channels at Grolman Group.
- During 2025, Grolman International Distribution transitioned the operation of its independent whistleblowing channel from Grant Thornton to VON RUEDEN / WhistlePort. The independent channel continues to enable concerns to be reported securely and without fear of reprisal.
- In 2025, we achieved 100% integration of the Supplier Code of Conduct into new supplier contracts and purchase orders through an automated procurement process. Further details are provided in the Supplier Relationships section.



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 GDPR training when they join the company, with refresher training provided when systems are updated or legislation changes. 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.

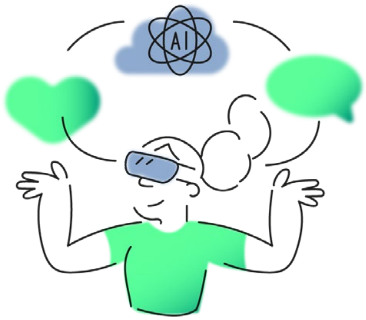
All employees agree to comply with the company's acceptable use of IT equipment procedure at the start of their employment. Regular anti-phishing campaigns and similar initiatives are conducted by our dedicated IT department, with support from our data security advisor, to prepare our employees to deal 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 2025

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

- Continued our annual third-party IT and data privacy and security audits. In 2025, three information security incidents were confirmed at Group level, compared with two in 2024. The incidents were assessed in accordance with the applicable procedures and did not require reporting to the authorities.
- Continued 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.
- In 2025, 68% of Grolman Group employees had received GDPR training, compared with 97% reported in 2024.



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 paints and coatings, adhesives and sealants, inks, building and construction, rubber and plastics, personal care, paper and energy storage.

Our production business Lifocolor focuses on the production of custom-made colour masterbatches and additive batches. 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 specialty chemicals, providing a range of products, expert technical support and production of customised colour masterbatches, additive preparations and compounds for the plastics converting industry 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): 1,353 KWp installed across 4 locations, producing approx. 1,279 MWh in 2025. Around 843 MWh were used internally, covering 15% of Lifocolor's energy demand, with the remainder fed into the public grid.
- **Electricity generation using solar photovoltaic technology** (Grolman Distribution): 99 KWp installed in one location (Neuss headquarter) during 2025, producing approx. 3.85 MWh in 2025 (October till December), which have been 100% used internally (off-grid system), covering 5% of this site´s energy demand.

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 (transport) 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 International Distribution will closely monitor the potential for expansion of current photovoltaic capacity and corresponding energy storage capacities (batteries) 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

Table 7. Grolman Group Carbon Footprint (Calendar Year 2025) – Absolute Emissions, Share of Total and Data Quality Rating[1]

Scope		Category	tCO_2e	Share	Quality rating
1		Combustion – Vehicles (owned or controlled)	343	<1%	Very good
		Combustion – within Company Facilities (owned or controlled)	370	<1%	Very good
		Fugitive emissions	10	<1%	Poor
		Physical or chemical processing	--	--	--
		Sum Scope 1	**722**	**<1%**	**Very Good**
2		Purchased Electricity*	435	<1%	Good
		Purchased Steam	--	--	--
		Purchased Heating	3	<1%	Fair
		Purchased Cooling	--	--	--
		Sum Scope 2	**438**	**<1%**	**Good**
3	**upstream**	Purchased Goods & Services	157,432	83%	Very Good
		Capital Goods	261	<1%	Good
		Fuel- and Energy-related Activities (not covered in Scope 1&2)	440	<1%	Good
		Upstream Transportation & Distribution	8,581	5%	Very Good
		Waste Generation in Operations	791	<1%	Good
		Business Travel	247	<1%	Good
		Employee Commuting	407	<1%	Fair
		Upstream Leased Assets	--	--	--
		Sum Scope 3 upstream	**168,158**	**88%**	**Very Good**
	downstream	Downstream Transportation & Distribution	9,471	5%	Very Good
		Processing of sold Products	11,500	6%	Fair
		Use of sold Products	--	--	--
		End-of-Life Treatment of sold Products	--	--	--
		Downstream Leased Assets	--	--	--
		Franchises	--	--	--
		Investments	--	--	--
		Sum Scope 3 downstream	**20,971**	**11%**	**Good**
		Sum Scope 3	**189,129**	**99%**	**Very Good**
Total			**190,290**	**100%**	**Very Good**

*Purchased Electricity (location-based): 1,702 tCO_2e

**Sum Scope 2 (location-based): 1,705 tCO_2e

Total energy consumption: 5,174,389 kWh

Renewable energy consumption: 3,444,978 kWh

Share of renewable energy consumption: 67%

In 2025, 10 out of 27 entities (37%) of all Grolman Group entities purchased 100% green electricity (Grolman ID: 8 out of 23 = 35%; Lifocolor: 2 (with 3 sites) out of 4 (total 5 sites) = 50%)

Share of electric cars for Grolman Group: 29% (Grolman International Distribution: 32%, Lifocolor: 21%)

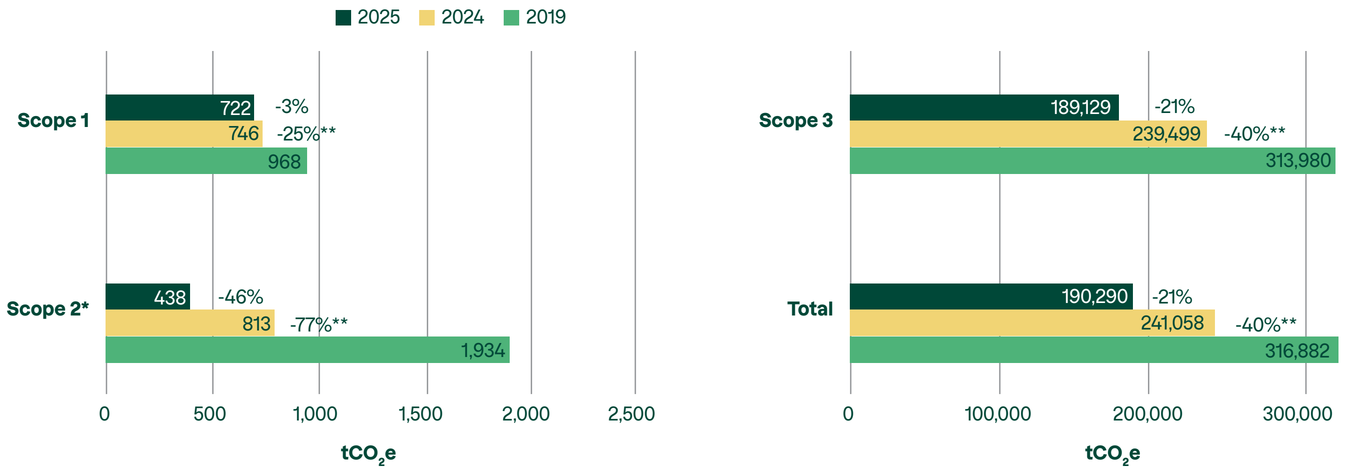
[1] The figures provided in this, and the following tables are rounded to full metric tons or full percentage points, respectively. The calculations, however, were conducted using exact values. Sums may therefore differ from provided total amounts due to rounding errors.

Table 8. Grolman Group Carbon Footprint 2025 – Emission Intensities

Intensity metric	Value	Unit
Emissions per unit of revenue	826.48	tCO_2e/million EUR
Emissions per FTE*	362.24	tCO_2e/FTE
Emissions per floor area	3.85	tCO_2e/m^2
Emissions per t sold products	2.80	tCO_2e/t sold products

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

Figure 7. Grolman Group Absolute Emissions for 2025 per Scope and Total compared to Previous Year and Base Year



*Market-based

**Results 2025 vs base year 2019

Table 9. Grolman Group Absolute Emissions for 2025 per Category – compared to Base Year and Previous Year and Reasons for Change

Scope		Category	2019 tCO_2e	2024 tCO_2e	2025 tCO_2e	Change % (2025 vs. 2019)	Change % (2025 vs. 2024)	Potential reasons for change 2025 vs. 2024
1		Combustion – Vehicles (owned or controlled)	620	361	343	-45%	-5%	
1		Combustion – within Company Facilities (owned or controlled)	317	351	370	17%	5%	
1		Fugitive Emissions	10	34	10	0%	-72%	Typical punctual development
1		Physical and chemical processing	21	--	--	--	--	
1		**Sum Scope 1**	**968**	**746**	**722**	**-25%**	**3%**	
2		Purchased Electricity	1,931	811	435	-77%	-46%	Switch to green electricity at Lifocolor Farbplast Sp. z o.o.
2		Purchased Steam	--	--	--	--	--	
2		Purchased Heating	3	2.6	3	0%	30%	Information on heating for the first time for some entities (improvement of data quality)
2		Purchased Cooling	--	--	--	--	--	
2		**Sum Scope 2**	**1,934**	**813**	**438**	**-77%**	**-46%**	
3	upstream	Purchased Goods & Services	294,539	185,420	157,432	-47%	-15%	Shift in purchase of product groups at GID (decrease in purchase of emission-intensive pigments)
3	upstream	Capital Goods	3,256	121	261	-92%	116%	Switch to a more granular emission factor data base (Lifocolor)
3	upstream	Fuel- and Energy-related Activities (not covered in Sc.1,2)	652	636	440	-33%	-31%	In line with reduction in Scope 1 and 2 consumptions
3	upstream	Upstream Transportation & Distribution	1,936	11,402	8,581	343%	-25%	New GID specific emission factors for specific transport and shipment types
3	upstream	Waste Generation in Operations	127	827	791	523%	-4%	
3	upstream	Business Travel	487	309	247	-49%	-20%	Reduced DEFRA emission factor for passenger flights (reason can be higher load factors, improved data bases, more efficient aircraft fleets or similar)
3	upstream	Employee Commuting	515	394	407	-21%	3%	
3	upstream	Upstream Leased Assets	--	--	--	--	--	
3	downstream	Downstream Transportation & Distribution	4,051	28,140	9,471	134%	-66%	New GID specific emission factors for specific transport and shipment types
3	downstream	Processing of sold Products	8,276	12,250	11,500	39%	-6%	Decreased electricity emission factors (due to overall steadily increasing decarbonization of electricity mix)
3	downstream	Use of sold Products	--	--	--	--	--	
3	downstream	End-of-Life Treatment of sold Products	127	--	--	--	--	
3	downstream	Downstream Leased Assets	13	--	--	--	--	
3	downstream	Franchises	--	--	--	--	--	
3	downstream	Investments	--	--	--	--	--	
3		**Sum Scope 3**	**313,980**	**239,499**	**189,129**	**-40%**	**-21%**	
Total			**316,882**	**241,058**	**190,290**	**-40%**	**-21%**	

Table 10. Grolman Group Emission Intensities for 2025 compared to Base Year and Previous Year

Figure	Value 2019	Value 2024	Value 2025	Unit	Change (2025 vs. 2019)	Change (2025 vs. 2024)	Potential reason (2025 vs. 2024)
Emissions per unit of revenue	2,311	997	826	tCO_2e/ mio EUR	-64%	-17%	Strong decrease of emissions while revenue decreased only slightly
Emissions per FTE	685	460	362	tCO_2e/ FTE	-47%	-21%	Strong decrease of emissions while number of FTEs remained stable
Emissions per floor area	9.49	5.37	3.85	tCO_2e/ m^2	-59%	-28%	Strong decrease of emissions while the floor area increased
Emissions per sold product	4.28	3.28	2.80	tCO_2e/t sold products	-34%	-14%	Strong decrease of emissions while volumes of products sold decreased only slightly

Table 11. Biogenic Emissions and Removals per Product Category

Product Type	Biogenic Emissions	Biogenic Removals	Unit
Non-circular product	164.52	-47.77	tCO_2e
Circular product	0	-61.67	tCO_2e
Sum	**164.52**	**-108.9**	**tCO_2e**

Table 12. Biogenic Emissions and Removals by CCF Scope

CCF Scope	Biogenic Emissions	Biogenic Removals	Unit
Scope 1 Combustion of Vehicles	-	-	tCO_2e
Scope 3.1 Purchased Goods and Services	164.52	-108.9	tCO_2e
Scope 3.4 Upstream Transportation & Distribution	-	-	tCO_2e
Scope 3.9 Downstream Transportation & Distribution	-	-	tCO_2e

Table 13. Grolman Group – Waste Generation 2025

Waste	Activity data 2025	Activity data 2024	Change 2025 vs. 2024
Total non-hazardous waste (t)	846	853	-1%
Total hazardous waste (t)	4	4	+5%
Total waste (t)	850	856	-1%
Total recovered waste (t)	455	54	+743%
Total recovered waste share	53%	6%	

Key Social Figures

As part of our alignment with the ESRS, since 2024 we have expanded social data collection and reporting to cover the entire Grolman Group. In previous years, the reported figures primarily covered Grolman International Distribution. Where entity-level figures from previous reporting periods are presented, they are retained for consistency and comparability. Going forward, we intend to report social KPIs at Group level only. This change is reflected in the methodology and descriptions of scope and system boundaries in the social section.

Table 14. Total Number of Staff Members companywide, including all Countries

	2023	2024			2025		
	GID	GID	Lifocolor	Grolman Group	GID	Lifocolor	Grolman Group
Total number of employees	209	238	291	529	251	297	548
FTE	--	--	--	--	229	283	511
Total hours worked	437,649	445,344	447,178	892,521	454,515	484,798	939,313
Full time	179	199	262	461	203	266	469
Part time	30	39	29	68	48	30	79
<30 age	17	19	38	57	24	37	61
30-50 age	156	117	105	222	132	144	276
>50 age	36	92	148	240	96	115	211
Nationalities represented in the workforce	--	--	--	--	33	16	38

Table 15. Parental Leave

	2023	2024			2025		
	GID	GID	Lifocolor	Grolman Group	GID	Lifocolor	Grolman Group
Female	2	2	2	4	2	1	3
Male	1	0	1	1	2	0	2
Total	3	2	3	5	4	1	5

Table 16. Gender Distribution

	2023	2024			2025		
	GID	GID	Lifocolor	Grolman Group	GID	Lifocolor	Grolman Group
Female	118	132	87	219	142	79	221
Male	91	106	204	310	109	217	327

Table 17. Women in Leadership Positions

	2023	2024			2025		
	GID	GID	Lifocolor	Grolman Group	GID	Lifocolor	Grolman Group
Women in leadership positions	37%	33.6%	27.5%	30.7%	38.4%	34.4%	36.5%
Female representation in the highest governing body	20%	20%	20%	20%	20%	20%	20%

Table 18. Employees from Minority and/or Vulnerable Groups

	2023	2024			2025		
	GID	GID	Lifocolor	Grolman Group	GID	Lifocolor	Grolman Group
Employees from vulnerable* groups in the whole organisation	0.06%	0.4%	2.4%	2.3%	2.4%	2.6%	2.5%
Employees from vulnerable* groups at top management level	0%	2.5%	0%	1.3%	2.7%	0%	1.5%

*For the purpose of our current data collection, this KPI covers employees with a disability

Table 19. Occupational Injuries and Absence Rate

	2023	2024			2025		
	GID	GID	Lifocolor	Grolman Group	GID	Lifocolor	Grolman Group
Occupational illnesses	0	0	0	0	1	0	1
Occupational accidents and injuries	0	2	14	16	2	24	26
Lost Time Injury Frequency Rate (LTIFR) for direct workforce	0	4.5	31.3	17.9	4.4	26.8	16
Days lost to work-related injuries, fatalities and ill health	0	151	214.5	365.5	510	412	922
Occupational accidents resulting in lost time	--	--	--	--	2	13	15

Table 20. Training Hours per Employee (estimated Average)

	2023	2024			2025		
	GID	GID	Lifocolor	Grolman Group	GID	Lifocolor	Grolman Group
Training hours per employee	96	96	5.5	46	96	89	92

Key Governance Figures

Table 21. Key Governance Figures

	2023	2024			2025		
Governance KPIs	GID	GID	Lifocolor	Grolman Group	GID	Lifocolor	Grolman Group
Targeted suppliers who have signed the supplier code of conduct	100%	100%	--	--	98%	--	98% (GID)
Targeted suppliers covered by CSR risk assessment	100%	100%	100%	100%	100%	100%	100%
Suppliers for which conflict minerals information is available (e.g. CMRT)	8%	50%	100%	71%	100%	100%	100%
Employees trained on ethics	80%	75%	87%	83%	75%	87%	82%
Reports related to whistleblower procedure	0	0	0	0	0	0	0
Confirmed corruption incidents	0	0	0	0	0	0	0
Confirmed information security incidents	0	2	0	2	3	0	3
Targeted employees trained in data privacy and security	100%	95%	100%	97%	95%	49%	68%

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 2025	Grolman Group Performance 2025	Grolman Group Actions taken and planned 2025
Environmental					
Climate Change & Energy	% reduction Sope 1 and 2 emissions from baseline year 2019	46% reduction in absolute scope 1 and 2 emissions by 2030, from a 2019 baseline		-54%	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. See actions below respectively under renewable energy and sustainable transport.
	% 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		-40%	Further improved data quality for scope 3 emissions by collecting more primary data and improving calculation methodology and data quality. In 2025, we improved the calculation of transport emissions by differentiating among transport modes and shipments (national/domestic vs international, general cargo vs direct shipment, heated vs non-heated transport).
	Total energy consumption	Data KPI**		5,174,389 kWh	
	Total renewable energy consumption	Data KPI**		3,444,978 kWh	
		50% renewable energy consumption in our offices and sites globally by 2030		67%	Continue transition to use of renewable energy in all our Grolman Group offices and operational sites. In 2025, 10 out of 27 entities of all Grolman Group entities purchased 100% green electricity and 67% of the consumption of purchased energy in Scope 2 came from renewable sources in 2025. Installation of solar panels in the Grolman International Distribution headquarters office in Germany has been finalised. Lifocolor Germany with two sites is procuring 100% of its electric energy from certified renewable sources. Lifocolor Poland completed its transition to 100% green electricity in 2025. In Lifocolor Czech Republic, solar panels are planned for 2026.
	Total gross Scope 1 GHG emissions	Data KPI**		722 tCO$_2$e	Building on Grolman Group's collective expertise and internal knowledge exchange, we are actively advancing the transition toward a fully electric vehicle fleet, where operationally feasible. In support of this ambition, a group-wide target was established in 2025, reinforcing our company's commitment to reducing Scope 1 emissions.
		Grolman Group transition to a minimum of 70% non-fossil-based vehicles in its fleet by 2030		29%	Building on Group-wide know-how and experience exchange from existing entity-level fleet transition initiatives, Grolman Group established a new Group-wide target in 2025 to transition to a minimum of 70% non-fossil-based vehicles by 2030. At present, this is measured based on battery-electric vehicles, however, the scope may evolve to incorporate alternative technologies such as fuel cell and green hydrogen solutions (when available). Entity-level targets from previous reports are retained for consistency; future reporting will focus on the Group-wide target.
		Grolman entity in Benelux will have 100% electric car fleet by 2026		57%	Entity-level initiative contributing to the new Group-wide fleet target (see above).
		Grolman entity in Nordics will have 100% electric car fleet by 2025		50%	Entity-level initiative contributing to the new Group-wide fleet target (see above).
		Grolman entity in UK will have 100% electric car fleet by 2026		90%	Entity-level initiative contributing to the new Group-wide fleet target (see above).
		Lifocolor Germany will have 85% electric car fleet by 2027		32%	Entity-level initiative contributing to the new Group-wide fleet target
	Total gross Scope 2 GHG emissions (market based)	Data KPI**		438 tCO$_2$e	Established data collection and measurement system. Continue transition to use of renewable energy in all our Grolman distribution offices (see total renewable energy consumption).

Focus Area	KPI*	Targets	Progress 2025	Grolman Group Performance 2025	Grolman Group Actions taken and planned 2025
Climate Change & Energy	Total gross Scope 3 GHG emissions	Data KPI**		189,129 tCO_2e	Further improved data quality for scope 3 emissions by collecting more primary data and improving calculation methodology and data quality. In 2025, we improved the calculation of transport emissions by differentiating among transport modes and shipments (national/domestic vs international, general cargo vs direct shipment, heated vs non-heated transport).
	Total gross Scope 3 Downstream GHG emissions	Data KPI**		20,971 tCO_2e	
	Total gross Scope 3 Upstream GHG emissions	Data KPI**		168,158 tCO_2e	
	% of sales quantity with primary PCF data (for Scope 3.1 Purchased Goods and Services)	Data KPI**		61% (GID)	Grolman Group's preferred source of Product Carbon Footprint (PCF) data is primary data provided by our suppliers. We continuously engage with suppliers to increase the availability of this data, measured as the percentage of our total sales volume covered by primary PCF data. Supplier engagement is prioritised based on sales volume, focusing on suppliers that represent the largest share of our business. To enable efficient and standardised exchange of PCF data with suppliers and customers, we participate in the Mattermaps platform (formerly SiGREEN).
	Total gross biogenic emissions	Data KPI**		164,522 tCO_2e (GID)	As part of Grolman Group's focus on circular innovation, the share of biobased products in its portfolio continues to increase. To enhance transparency, we introduced KPIs for biogenic emissions and removals. As the portfolio of biobased products expands, including ISCC PLUS certified solutions, we expects the share of biogenic removals to increase over time. In the longer term, renewable transport solutions, such as Hydrotreated Vegetable Oil (HVO) and book-and-claim mechanisms for renewable fuels and electricity, may further contribute to reducing fossil greenhouse gas emissions across the value chain.
	Total gross biogenic removals	Data KPI**		-109 tCO_2e (GID)	See total gross biogenic emissions
Handling of Chemical Raw Materials	% hazardous material SDSs updated in the company data system	Data KPI**		29% (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 an 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		95.9%	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 2025. 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 and increase the coverage.
	% or number of customer health and safety non-conformities (wrong material delivered or expired, or damaged packages)	Data KPI**		0.24% (GID)	We track, monitor and manage products 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 0.24% of all our deliveries made in 2025.

Focus Area	KPI*	Targets	Progress 2025	Grolman Group Performance 2025	Grolman Group Actions taken and planned 2025
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		14 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 2025, we have conducted 3 Technical Customer Days, two for the Coatings (FR & UK) and one for the Personal Care (DACH region) industry. In total we have engaged with 14 suppliers in those workshops. 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.		44 customer 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 2025, we have conducted 3 Technical Customer Days, two for the Coatings (FR & UK) and one for the Personal Care (DACH region) industry. In total we have engaged with 44 customers in those workshops. 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 established a structured framework for circular products, covering 3 categories: renewable, recycled, and mass-balance solutions, with ISCC PLUS–certified products clearly identified. These categories are integrated in our ERP system, enabling consistent classification and data management across Grolman International Distribution. This target was achieved in 2024.
	Portfolio assessment for circular categories	Screen the entire Grolman Industrial Distribution product portfolio and identify all products falling into the circular categories by the end of 2024		100% (GID)	Following a comprehensive portfolio screening, a substantial number of products were identified as contributing to circularity, supported by supplier certifications and lifecycle data. We have implemented a process to ensure that all new products are assessed and, where applicable, classified and tagged within the defined circular categories upon system entry. This target was achieved in 2024.
	Circular sales (€ million) Distribution	Distribution business: Achieve €8 million in circular sales* by 2030 through the sale of at least 150 circular products. *Circular sales are standardised to 100% circular content. Products containing less than 100% circular content contribute proportionally to the calculation of total circular sales turnover.		€5.6 million (133 circular products)	Following the definition of circular product categories, completion of the portfolio assessment and integration of circular categories into our ERP system, we established the foundation for setting SMART targets for circular sales. In 2025, we established our first SMART targets for circular sales, one year ahead of the original implementation plan. These targets are embedded in the Grolman International Distribution business model and growth strategy and are monitored as part of the regular business performance review. The methodology for calculating circular sales, based on 100% circular content (recycled, biobased and mass balanced), is described in the circular economy chapter of this report and ensures a consistent and conservative approach to performance measurement. The baseline for 2019 was € 0.7 million. To support achievement of the target, we increased the visibility of circular products in customer-facing materials and regional portfolios, while introducing internal dashboards to improve transparency of circular sales performance. For 2026, we plan to further strengthen performance tracking by integrating additional circularity performance metrics, including the share of circular sales, turnover, and profit, as part of our broader decarbonisation and circular economy strategy.
	Circular sales (% of turnover) Production	Production business: Reach 3% circular sales* turnover for Lifocolor Germany by 2025 *circular sales = recyclable LifoCycle colour masterbatches, designed to withstand a large number of recycling cycles without any significant loss of their colour properties.		3% turnover based on total sales (Lifocolor Germany)	Our recyclable LifoCycle colour masterbatches are designed to withstand multiple recycling cycles without significant loss of colour performance. They are available for polyester (rPET/PET) and polyolefins (rPE/PE, rPP/PP), based on 100% PCR carriers (post-consumer recyclates) as well as on virgin material. Targets for the sales of LifoCycle colour masterbatches are embedded in the LifoColor strategy and are monitored as part of the regular business performance review. The 2025 target was achieved. Building on this success, we are establishing a new SMART target for 2030. The baseline for the target is 0% in 2019.

Focus Area	KPI*	Targets	Progress 2025	Grolman Group Performance 2025	Grolman Group Actions taken and planned 2025
Circular Economy: Waste Management	Total weight of non-hazardous waste	Data KPI**		846t	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**		455t	In our production business, plastic packaging, paper/cardboard, metal and a part of polymer waste is collected separately for direct recycling. In 2025, we improved the data collection and reporting in our production business by extending data collection points with additional fractions and hazardous waste implemented with the new data collection form.
	Total weight of hazardous waste	Data KPI**		4t	In distribution, the focus is on reducing toner cartridge use and the amount of obsolete materials. In 2025, we improved the data collection and reporting in our production business by extending data collection points with additional fractions and hazardous waste implemented with the new data collection form.
Social					
Human Rights & Labour Rights	Percentage of employees trained in Human Rights in the Supply Chain.	Train relevant employees in Human Rights in the supply chain		55%	Human rights in the supply chain training is provided to targeted employees on a regular basis to promote awareness and engagement. In addition, we have established a Human Rights, Diversity and Inclusion Policy, and human rights principles are embedded in our Code of Conduct, which forms part of the onboarding process for all new employees. Human rights considerations are also integrated into our supplier CSR risk assessments and broader supply chain due diligence processes, supported by IntegrityNext.
Training & Skills Development	Number of hours worked	Data KPI**		939,313	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		92	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 entities trained on sustainability and circular innovation – "Route to Net Zero training"	100% of Grolman International Distribution entities trained by the end of 2026		72% (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 and the global group functions. The programme is planned to cover all entities by the end of 2026 The training is designed to ensure that employees understand their role in advancing our sustainability efforts and to provide a comprehensive overview of our strategy and the evolving regulatory landscape.

Focus Area	KPI*	Targets	Progress 2025	Grolman Group Performance 2025	Grolman Group Actions taken and planned 2025
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		16.0	Health and safety performance in 2025 was significantly affected by one major accident at a Lifocolor production site, which resulted in a temporary increase in several safety indicators, including the number of days lost due to work-related injuries. The incident and its consequences were fully documented, and all relevant legal and internal procedures were followed. As with all workplace incidents, a thorough investigation was carried out, corrective actions were implemented and additional preventive measures introduced to reduce the likelihood of similar incidents in the future. Achieving our health and safety objectives requires the continuous implementation of safe working practices across all our entities. We work closely with Health and Safety (H&S) advisers to ensure that appropriate measures are in place to safeguard our employees. The Group is certified to various management standards and is committed to occupational safety and social responsibility. In addition to complying with statutory requirements, we are guided by our internal Code of Conduct, which sets clear expectations for responsible behaviour towards our employees, business partners and the environment.
	Number of days lost to work-related injuries, fatalities and ill health	Maintain the number days lost to work-related injuries, fatalities and ill health at 0 or at minimum below the industry level		922	
	Number of work-related accidents and injuries	Maintain our current work-related accidents and injuries at 0 or at minimum below the industry level		26	
	Number of occupational illnesses	Maintain our current occupational illnesses at 0 or at minimum below the industry level. Each accident is investigated separately, and appropriate measures are taken based on the accident and analysis		1	
Diversity & Equal Opportunity		Foster an inclusive workplace and ensure that our commitment to diversity and equal opportunity extends to all our business partners			We have a 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**		40.4%	
	Percentage of women at top management level	Data KPI**		36.5%	
	Percentage of women within the organization's board	Data KPI**		20%	
	Percentage of employees from a minority and/or vulnerable group in the whole organisation (with "vulnerable" referring to employees with a disability)	Data KPI**		2.5%	As an international company, we do not discriminate on the basis of gender, ethnicity, religion, race, or nationality. As of the 2025 reporting period, 2.5% of our workforce comprised employees with disabilities.
	Percentage of employees from a minority and/or vulnerable group at top management level (with "vulnerable" referring to employees with a disability)	Data KPI**		1.5%	
	Percentage of employees trained in Diversity and Equal opportunity	Data KPI**		12%	

Focus Area	KPI*	Targets	Progress 2025	Grolman Group Performance 2025	Grolman Group Actions taken and planned 2025
Governance					
Supplier Relationships	Percentage of targeted suppliers who have signed the supplier code of conduct	100% of our global and regional strategic suppliers aligned* on our Code of Conduct and business ethics principles by the end of 2030 *alignment with our Code of Conduct can be achieved in three ways: suppliers sign our Code of Conduct; we accept and sign the supplier's Code of Conduct where it is generally aligned with ours; or both parties mutually sign the counterpart's document.		98% (GID)	We engage with suppliers to increase awareness of our code of conduct and anti-corruption, anti-bribery policy. In 2025, we expanded our scope from global-only to both global and regional strategic suppliers.
	Percentage of targeted suppliers with contracts (purchase orders) that include clauses on environmental, labour, and human rights requirements	100% contractual integration of the Supplier Code of Conduct into new supplier contracts and all purchase orders by end 2025 and maintain annually		100%	In cases where no formal contractual agreements are established with the supplier, purchase orders incorporating the Supplier Code of Conduct are used as a functional equivalent to formal contracts, ensuring that relevant environmental, labour, and human rights requirements are communicated and upheld. In 2025, this process was automated within our procurement system, ensuring that the Supplier Code of Conduct is systematically included in all purchase orders. As a result, 100% coverage is achieved from 2025 onward.
	Percentage of targeted suppliers covered by CSR/ ESG risk assessment	100% of targeted suppliers (product suppliers) will be screened annually using an abstract ESG risk assessment starting in 2024		100%	In 2023, we initiated a partnership with IntegrityNext to enhance our sustainable procurement. In 2025, we screened all our targeted suppliers using an abstract CSR/ESG risk assessment (country- and industry-level risks).
	Percentage or number of targeted suppliers covered by a CSR assessment (questionnaire)	100% of the targeted suppliers (80% spend and high- and medium-risk, based on an abstract CSR/ESG risk assessment) are assessed annually via an individual CSR/ESG assessment (questionnaire via IntegrityNext or another recognised ESG assessment, such as EcoVadis)		84%	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 that their Corrective Action Plan (CAP) is in place.
	Percentage of targeted suppliers covered by a CSR on-site audit	100% of the targeted suppliers (80% spend and high-risk, based on individual CSR/ESG assessment (questionnaire via IntegrityNext or EcoVadis, less than Bronze medal) to be covered by an on-site audit by the end of the following business year		0% (no audits required)	No targeted suppliers requiring an on-site audit were identified in 2025 following the Integrity Next ESG risk assessment.
	Percentage or number of audited/ assessed suppliers engaged in corrective actions or capacity building	Data KPI**		0%	There is no system in place to measure the % or number of targeted suppliers engaged in corrective actions. Suppliers are engaged in capacity building via workshops, exchange meetings, and in our "Technical customers days". Only the latter can be measured at the moment, see KPI "Number of engaged suppliers in sustainability workshops within our upstream supply chain."
	Percentage of suppliers for which conflict minerals information is available (CMRT)	Ensure that information related to conflict minerals is available for all relevant suppliers		100%	We have identified suppliers whose products potentially could contain conflict minerals based on the CAS number (relevant suppliers). The suppliers for which we have conflict minerals information represents 100% of all relevant suppliers. In addition, we have contacted all relevant suppliers for whom we have a customer request on other high-risk minerals (such as Mica, Cobalt, Copper, Graphite, Lithium, and Nickel).
	Percentage or number of all buyers who received training on sustainable procurement	100% of our buyers trained in sustainable procurement by the end of 2027, with mandatory training for all new buyers included in the standard onboarding process		52%	In 2025, 52% of our buyers have been trained on sustainable procurement practises. Basic training on sustainable procurement and an introduction to IntegrityNext were provided as part of the "Route to Net Zero" training, and the 1st training was given to the Portfolio Management Team.

Focus Area	KPI*	Targets	Progress 2025	Grolman Group Performance 2025	Grolman Group Actions taken and planned 2025
Supplier Relation-ships	Percentage of palm and/or palm-based products traceable to planta-tion	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 prod-ucts for the cosmetics branch certified by 2030		76% (GID)	In 2025, RSPO Mass Balance-certified products account for 76% of our palm-based product sales for the cosmetics industry. There is a slight decrease due to lower sales volumes. We plan to continue expanding our offering of RSPO-certified palm-based products.
Corporate Culture	Transformation towards a pur-pose-driven organisation	Transition to a purpose-driven, entrepreneurial and self-managed organisation by 2028		in progress	The target of equipping 80% of targeted employees to support entrepreneurial and self-organis-ing practices was achieved in 2024. Having established this foundation, Grolman entered the next phase of its organisational transformation in 2025, focusing on strengthening our corporate cul-ture towards a more entrepreneurial and self-managed organisation guided by purpose, personal growth and collaboration. To support this transition, we started developing an organisational framework, involving various key stakeholders across the company, to provide clearer principles and guidance for day-to-day operational practices. The key principles of this framework are planned to be published in 2026, while additional targets and performance measures are planned to be defined in 2027.
Business Ethics, Anti-Cor-ruption & Anti-Bribery	Number of confirmed corruption incidents	No corruption incidents at all times		0	We have established an independent whistleblowing channel to ensure anyone can report issues internally or externally without fear of reprisal. In the report, it is stated that we have no corruption incident.
	Number of reports related to whistle-blower procedure	Established an independent whistleblowing channel, operated by an independent partner		0	We have established an independent whistleblowing channel to ensure anyone can report issues internally or externally without fear of reprisal.
	Percentage of employees trained on ethics	Increase the employees' awareness and en-gagement regarding business ethics		82%	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 on-boarding package of each new employee.
Data Privacy & 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		3	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		68%	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 (CO_2) 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-CO_2 GHGs are converted into units of carbon dioxide equivalent (CO_2e) by means of global warming potential (GWP).

Accounting and Reporting Standard

Grolman Group's Corporate Carbon Footprint (CCF) is calculated by external carbon accounting consultant DFGE based on data provided by Grolman Group.

The GHG Protocol

The calculation is conducted in accordance with the internationally recognised Greenhouse Gas (GHG) Protocol in particular the "Corporate Accounting and Reporting Standard" and the "Corporate Value Chain (Scope 3) Accounting and Reporting Standard". These standards provide the methodological basis for Grolman Group's CCF calculation and reporting.

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[1] 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

[1] GHG Protocol 2011, p. 23

DFGE "Top-Down Approach". Its basic idea follows the Pareto principle.[2] 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 the development of 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 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 comparability 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.[3]

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 (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).[4] Their harmfulness in terms of climate change varies greatly. To express their effect, the CO_2 equivalent (CO_2e) 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 CO_2 equivalents (CO_2e) and refer

[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

to the latest assessment report of the Intergovernmental Panel on Climate Change (IPCC).[5]

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.[6] 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 CO_2e 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.

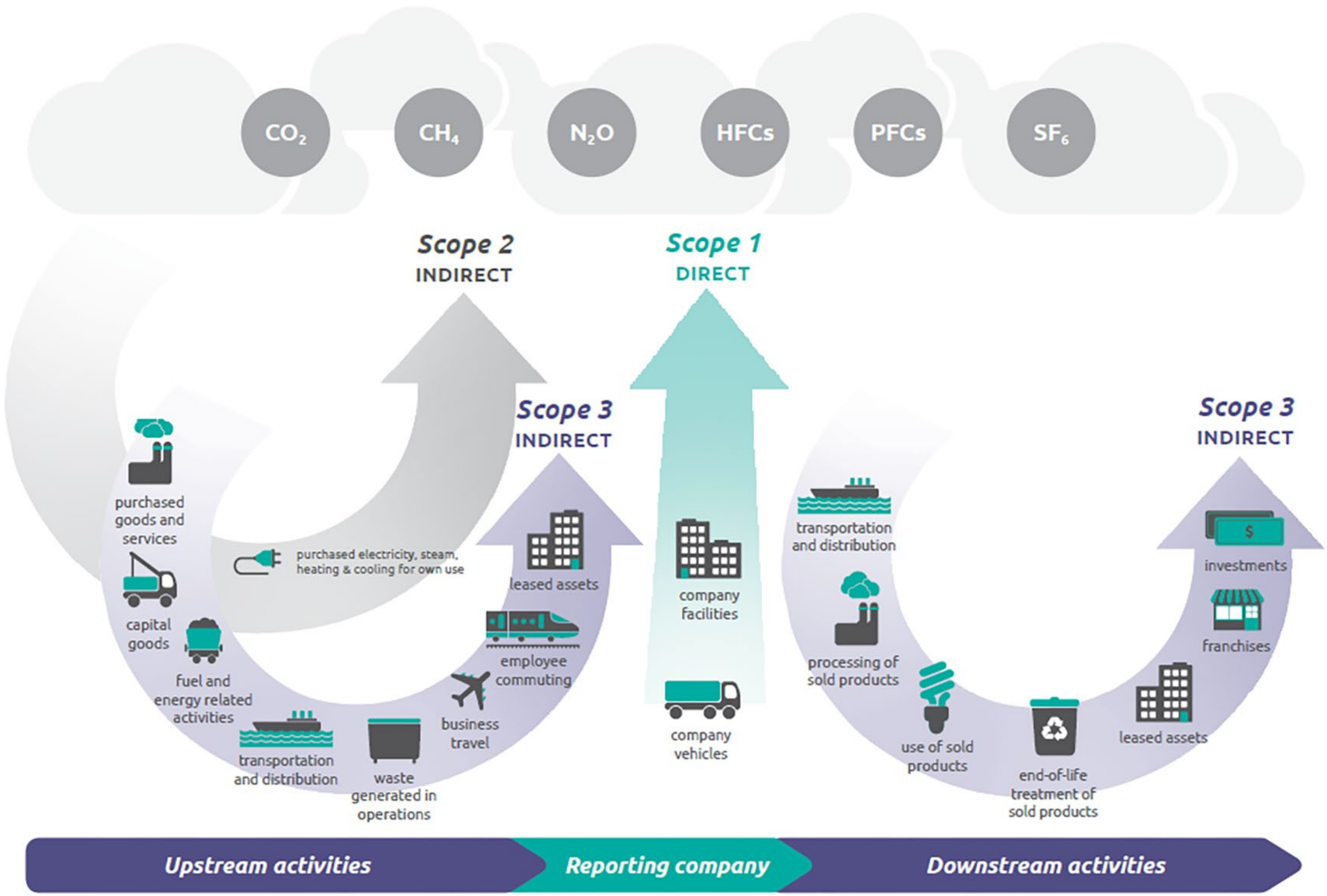
- **Scope 1 – Direct emissions:** These are GHG emissions occurring from sources that are owned or controlled by the company, such as emissions from fuel consumption in vehicles, combustion (boilers, furnaces, etc.), fugitive emissions, as well as process emissions.
- **Scope 2 – Electricity indirect 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.[7]

See Figure 8 for an overview of the scopes and emissions across the value chain according to the GHG Protocol standards.

[5] IPCC Sixth Assessment Report, 2021 (AR6)
[6] GHG Protocol 2004, p. 17
[7] GHG Protocol 2015, p. 4

Figure 8. Scopes as defined by the Greenhouse Gas Protocol[8]



[8] GHG Protocol 2011, p. 5

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 emissions balance, both direct and value chain related. Following the principles of the GHG Protocol, relevant emissions are identified using the following criteria in Table 22:

Table 22. Criteria identifying relevant GHG Emissions according to the 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, suppliers, investors, ...)
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

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. For the 2025 reporting cycle (CCF 2025), Grolman Group has strengthened its internal ESG reporting controls through clear accountability, standardised methodologies, management oversight, data quality checks, a data collection manual and documented audit trails to enhance the reliability and transparency of reported information. Below is the data management plan components and their implementation in DFGE's CF projects, based on the suggestions of the GHG Protocol [9]:

[9] GHG Protocol 2011, p.129

Table 23. Data Management Plan Implementation

Component	Implementation in DFGE CF project
Responsibilities	• Management of GHG inventory • Data collection for each process • Internal audit procedures • External audit procedures
Boundary and inventory description	• 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	• 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	• 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	• How and where data is stored • Length of time data is archived • Backup procedures
QA/QC procedures	• 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

As of 2026 (CCF 2025 for 2025 Sustainability Report), DFGE implemented a new uncertainty calculation approach in line with the suggestions of the GHG Protocol standard[10].

Inventory uncertainty is quantified as a numerical uncertainty range around the reported emissions result. This approach supports a more robust interpretation of carbon footprint figures, particularly where emissions are based on estimated or incomplete data. Rather than treating uncertainty only as a qualitative label, the method translates data quality into an explicit quantitative output.

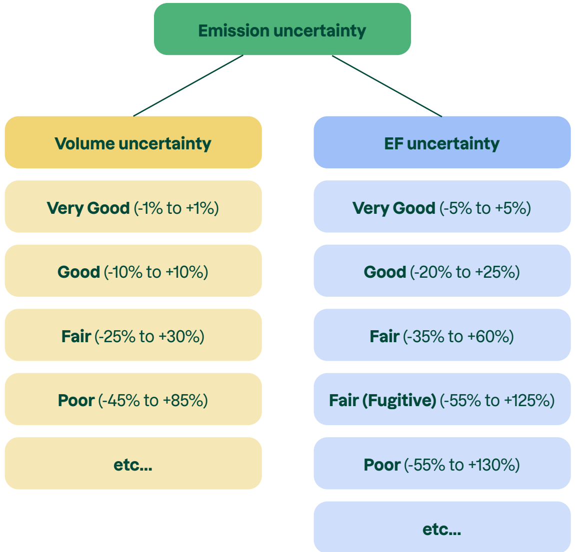
The calculation is based on two principal sources of uncertainty: activity data uncertainty and emission factor uncertainty. These inputs are combined at inventory level to produce an aggregated uncertainty estimate, typically expressed as a 95% certainty interval. This allows users to understand the likely range of the reported emissions value.

To operationalise the calculation, predefined uncertainty bands are assigned to data quality levels. For volume uncertainty, the bands are: Very Good (-1% to +1%), Good (-10% to +10%), Fair (-25% to +30%), and Poor (-45% to +85%). For emission factor uncertainty, the bands are: Very Good (-5% to +5%), Good (-20% to +25%), Fair (-35% to +60%), Fair (Fugitive) (-55% to +125%), and Poor (-55% to +130%).

[10] GHG Protocol 2011, p. 76

Figure 9. Volume and Factor Uncertainty Distribution

Our approach | we apply pre-set values for the uncertainty distribution



Source: GHGP Quantitative Inventory Uncertainty Guidance
Uncertainty background and theory

Uncertainty is assessed at an aggregated level based on every individual datapoint. This keeps the method practical for routine carbon accounting while still providing a meaningful overall uncertainty result. It also avoids excessive detail where additional precision would not materially improve the inventory outcome.

In practice, this method provides a transparent and decision-relevant indication of confidence in the reported emissions. It is particularly useful for tracking changes over time, identifying data weaknesses, and prioritising areas for future improvement.

In order to correctly determine data quality of aggregated data (e.g., category/scope sums or total amount), a bandwidth is associated to each quality level (see Table 24). This bandwidth represents the interval around the stated figure in which the actual value is likely to be located.

Table 24. Quality Ratings and corresponding Bandwidths

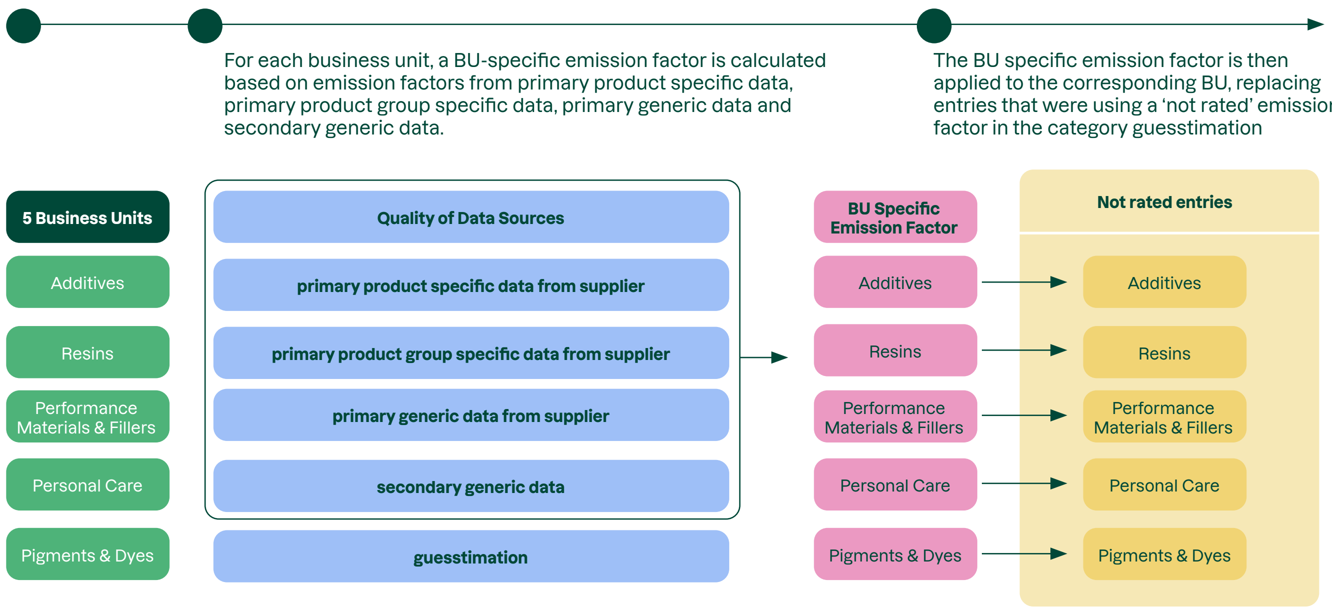
Quality rating	Bandwidth
Very good	-5% to +5%
Good	-20% to +25%
Fair	-35% to +60%
Poor	-55% to +130%

The data quality rating for the overall result of Grolman Group is "Very good" according to the new approach, corresponding to a bandwidth of +/- 5%.

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

In 2025, DFGE ran 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 and being applied since. 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).

Figure 10. PCFs applied per Business Unit



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 results in an emission reduction of ~5% compared to the previous calculation methodology.

Calculation of 3.4 Upstream Transportation & Distribution and 3.9 Downstream Transportation & Distribution at Grolman International Distribution

In 2025, DFGE conducted a project to improve and validate the methodology for calculation of the emissions of the transport categories 3.4 “Upstream Transportation & Distribution” and 3.9 “Downstream Transportation & Distribution” for Grolman International Distribution (GID).

In a first step, a distinction was made between heated (“thermo transport”) and non-heated transports for the calculation of Grolman International Distribution (GID)’s emissions in category 3.9 “Downstream Transportation & Distribution”.

After the assessment of GID´s data on downstream transportation and distribution by DFGE and in close collaboration with GID, this improved approach was developed and applied as of the CCF 2023.

By applying this new methodology, a more accurate representation of actual emissions could be achieved.

In a next step in 2025 (CCF 2025), an approach was developed to further improve the representation of real transport emissions by calculating GID-specific emissions factors for different transport and shipment types. A distinction was made between general cargo and direct delivery, national/domestic and international. Based on the data provided by GID, for both 3.4 and 3.9, GID-specific emission factors were calculated for

- Heated international direct shipments
- Non-heated international direct shipments
- Heated domestic direct shipments
- Non-heated domestic direct shipments

by determining the load factor based on the average weights and assumed types and payload of the trucks.

For (road) general cargo, air and sea freight, DEFRA emission factors were applied. In addition, for air freight, a differentiation between national and international was made.

These new GID-specific emission factors result in a decrease of roughly 40- 74% for the year 2025 compared to the previously applied average DEFRA emission factor (Truck/HGV (rigid) – diesel – 7.5- 17 tons – average utilisation – WTW).

Despite a major emission reduction achieved through the application of the GID-specific transport emission factors, no recalculation of the base year is triggered, as the underlying methodology remains unchanged. Rather, the reduction results from the application of specific emission factors that could be determined due to improved data and the availability of additional information. This enabled the calculation of specific load factors and, consequently, more representative emission factors for different shipment types, whereas such information was not available in previous years. The specific emission factors used are significantly lower and more representative than the average emission factors based on standard load factor assumptions that were applied previously. Therefore, this change reflects a data improvement rather than a methodological change, resulting in significantly lower reported emissions.

Table 25. Road Emission Factors 2025 – Grolman Distribution

Shipment type	Type of transport	Transport flow	Temperature control	Vehicle type	EF 2025 (kg-CO_2e/tkm)	Change vs. average DEFRA EF
General Cargo	All	All	non-heated	Truck/HGV (rigid) – diesel – 7.5-17 tons – WTW	0.4561	--
Direct Shipment	National/Domestic	3.4	non-heated	Specific EF	0.1878	-60%
Direct Shipment	International	3.4	non-heated	Specific EF	0.2739	-42%
Direct Shipment	National/Domestic	3.9	non-heated	Specific EFs	0.1461	-69%
Direct Shipment	International	3.9	non-heated	Specific EFs	0.1234	-74%
All	All	All	heated		Relevant DEFRA or GID-specific EF +15%	

The specific emission factors were applied as of the CCF 2025.

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 their way of being processed, the calculation methodology varies, as it must be adapted to the respective company[11].

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 an average location-based emission factor for Europe. 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.

Accounting for Biogenic Emissions and Removals

In accordance with the GHG Protocol Corporate Standard, Grolman International Distribution's 2025 Corporate Carbon Footprint (CCF), calculated as part of the DFGE carbon footprint project, accounts for biogenic carbon flows separately from our standard organisational scopes (Scope 1, 2, and 3) to ensure transparent reporting of biogenic emissions and removals.

Biogenic emissions are defined as the greenhouse gases released into the atmosphere from the combustion, digestion, fermentation, or decomposition of biomass or bio-based products; this includes biogenic carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O).

[11] GHG Protocol 2011, p. 47

Biogenic removals refer to the uptake and storage of atmospheric CO_2 by biomass through photosynthesis. Within our inventory, these removals are captured as negative values derived directly from the Product Carbon Footprints (PCFs) or from Life Cycle Assessments (LCAs) of the bio-based materials utilised across our value chain, reflecting the carbon sequestered before these materials entered our processes. Grolman International Distribution focuses on market adoption of circular innovations, many of which are bio-based and therefore associated with biogenic emissions and removals. As shown in Table 11, biogenic removals significantly exceed biogenic emissions across the circular product portfolio. The resulting biogenic emissions and removals by product category and CCF Scope are presented separately in the Appendix – Figures and Statistics (Tables 11 and 12).

By isolating these distinct biogenic cycles from our fossil-based footprint, we provide a comprehensive view of our climate impact that aligns with international sustainability reporting expectations.

To improve the data quality and accuracy of the Corporate Carbon Footprint (CCF) results, Grolman International Distribution has integrated product-level emission values from Life Cycle Assessments (LCAs) or Product Carbon Footprints (PCFs) of purchased materials directly from suppliers into Scope 3.1: Purchased Goods and Services. However, due to current market inconsistencies in LCA and PCF reporting, obtaining data with clear breakdowns between biogenic emissions and biogenic removals remains a challenge. Therefore, for this reporting year, positive biogenic values collected are categorised as biogenic emissions, while negative values are identified as biogenic removals, as presented in Tables 11 and 12 in the Appendix – Figures and Statistics. Moving forwards, Grolman is committed to collecting more granular PCF data in the coming years to further refine and improve our CCF disclosures.

Going forwards, we also plan to collect data on biogenic emissions and removals from logistic service providers, and to include those in the respective emission calculations of Scope 3.4 Upstream Transportation and Distribution and Scope 3.9 Downstream Transportation and Distribution, and to consider biogenic emissions and removals for Scope 1 Combustion of Vehicles, when using biobased fuels like HVO100 (Hydrotreated Vegetable Oil).

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 CO_2 and the six other GHGs specified in the Kyoto Protocol and adopted by the GHG Protocol standard: CH_4, N_2O, HFCs, PFCs, SF_6, NF_3.[12] These are converted into CO_2 equivalents (CO_2e) by means of their respective GWP values.

No biogenic CO_2 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 recom-

[12] GHG Protocol 2013, p. 1

mended 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 Carbon Footprint is independent of the chosen approach.

Basic Figures for Company Locations

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

Table 26. Locations and Floor Areas

Description	Floor area	Unit
Grolman International Distribution	9,486	m^2
Lifocolor	39,723	m^2

Consolidation of the Corporate Carbon Footprint

Grolman Group consists of the two businesses Grolman International Distribution and production business 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. Scope 3.4 – Upstream Transportation.

Temporal Boundaries

The present carbon footprint includes emissions from company activities in the calendar year 2025. Therefore, the period covered is January 1 – December 31, 2025. 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 27, Table 28 and Table 29 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, EcoInvent and Exiobase 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 27. 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; fuel-specific emission factor; measured heating oil consumption; fuel-specific emission factor. **Lifocolor:** Measured methane and propane, heating oil and LPG consumption; fuel-specific emission factors for methane, propane, 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 refrigerant R404A; refrigerant-specific emission factor **Lifocolor:** No fugitive emissions relevant in reporting year
	Process emissions	Most of these emissions result from manufacture or processing of chemicals and materials.	**Grolman International Distribution, Lifocolor:** No process emissions
2	**Purchased electricity**	Emissions associated with the production of electricity the reporting company purchased or acquired from an external supplier.	**Grolman International Distribution:** Measured electricity consumption; market-based emission factors for other entities; energy consumption for electric vehicles calculated based on driven distance when no primary data on consumption available (15kwh/100km for BEV, 9.7 kwh/100km for hybrid cars) market-based emission factors per country. **Lifocolor:** Electricity consumption measured; market-based emission factors;
	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:** Measured heat consumption for some entities; heat specific emission factor; **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 28. Scope 3 (Up- & Downstream), Categories according to the GHG Protocol

Scope	Category	Description	Input Data
3 upstream	**Purchased goods & services**	Extraction, production, and transportation of goods and services purchased, not otherwise included in Categories 2 – 8.	**Grolman International Distribution:** primary emissions data and/or weights for purchased goods by product category were provided; primary data was used when provided, material-specific emission factor for business groups (additives, resins, pigments, performance materials and fillers, and personal care) calculated by DFGE were applied to these business units with no primary data; emissions for intercompany purchased from Lifocolor to Grolman International Distribution were deducted. **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
	Capital goods	Extraction, production, and transportation of capital goods purchased or acquired by the reporting company.	**Grolman International Distribution:** not applicable; no capital goods acquired. **Lifocolor:** Expenses for capital goods by category, spend-based emission factors per product category
	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).	**Grolman International Distribution:** Weight of shipments and mailings and distances per transport mode road, air and ship; GID specific emission factors for specific transport types calculated; reference emission factor for other transport mode categories of shipments and mailings; emissions for upstream transportation of intercompany purchased by Lifocolor from GID were deducted. **Lifocolor:** Total weight and distances per product; reference emission factor for weight categories of shipments and mailings
	Waste generation in operations	Disposal and treatment of waste generated in company's operations (in facilities not owned or controlled by the company)	**Grolman International Distribution:** Weight and treatment type per waste type, waste type and treatment type specific emission factors **Lifocolor:** Weight per waste type, waste type specific emission factors
	Business travel	Transportation of employees for business-related activities (in vehicles not owned or operated by the reporting company)	**Grolman International Distribution:** Number of km travelled by different transport modes; assumptions for fuel and electricity consumption of electric and hybrid vehicles see Sc. 1 and 2; average emissions per km for transport modes. **Lifocolor:** Number of km travelled by different transport modes, average emissions per km for transport modes
	Employee commuting	Transportation of employees between their homes and their worksites (in vehicles not owned or operated by the company)	**Grolman International Distribution:** Number of employees commuting, estimated average distances; assumptions for fuel and electricity consumption of electric and hybrid vehicles see Sc. 1 and 2; Average emissions per km for transport modes. **Lifocolor:** Number of employees commuting by different modes, number of km per transport modes; average emissions per km for transport modes
	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 29. 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 and distances per transport mode road, air and ship; GID specific emission factors for specific transport types calculated; reference emission factors for other transport mode categories of shipments and mailings by transportation mode for heated and non-heated transport. **Lifocolor:** Primary emissions data for some transport categories; Total weight and distances per transport mode road, air and ship and reference emission factor for weight categories of shipments and mailings by transportation mode if no primary emissions data.
	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 assetsassets
	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 in order 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.

Index of Tables

Index of Figures