

Sustainability Report 2022

Grolman

International Distribution

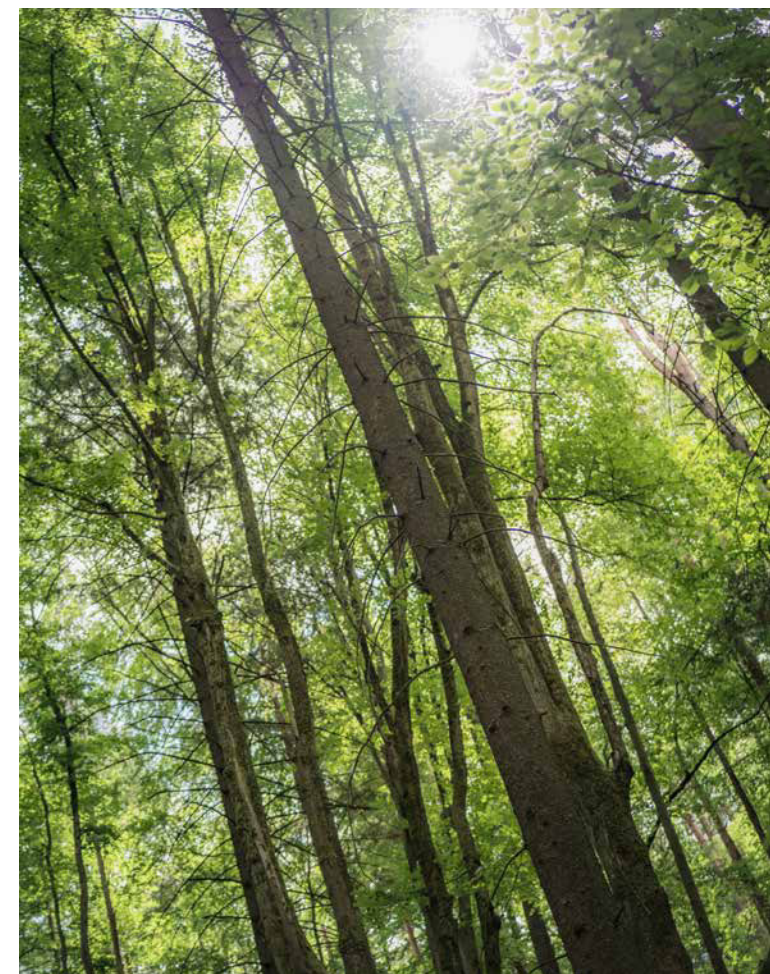


WE WANT TO SELL CHEMICALS TO SAVE THE PLANET.

**WE WANT THE CHEMICAL INDUSTRY TO
BE THE CURE AND NOT THE DISEASE.**

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Managing Director Introduction

The past two years were filled with challenges and uncertainties, but we have emerged from them with positive results as we consistently focused on implementing our plans and overcoming obstacles.

Despite challenges in supply, transportation, and logistics due to the ongoing pandemic and other disruptions, I am pleased to see how consistently we continue to work toward our environmental, social and governance (ESG) goals. This year, we continue to work toward a more sustainable future by embarking on a well-rounded, sustainable path guided by our vision to sell chemicals to save the planet.

The year 2021 introduced us to the opportunity to achieve a new kind of normal. Our employees looked beyond the adversity to the opportunities ahead, and each of them demonstrated that our goal is to contribute to the safety of our society.

Our teams worked tirelessly to ensure that our operations could continue to successfully serve all our customers. We have proven to be a reliable source of supply for many products that are vital to many industries that impact people's daily lives.

Our broad presence and extensive capabilities have allowed us to keep disruptions to a minimum and maintain operations during a difficult time.

This period not only brought challenges for our company, employees, suppliers, and customers, but also some new insights.

We took further action to ensure the well-being of our employees, suppliers, and customers, minimise disruptions and ensure the safe and reliable supply of our chemicals and ingredients by offering hybrid work arrangements wherever possible and using technology to significantly reduce business travel compared to previous years, thereby reducing emissions.

2022 was a particularly important year in our sustainability journey. I am proud to announce that we have successfully worked to formulate our global sustainability vision. This vision, established in 2017, was our first generation of a company-wide sustainable journey. I am pleased that our company continues to embed these goals into who we are and what we do, making great strides across the chemical distribution industry.



Florian Grolman 2022

About us

We are a family business, an international specialty chemical distribution run and privately owned since 1855 by the fifth generation of the Grolman family.

Grolman International Distribution operates an international specialty chemical distribution business representing international suppliers of pigments, mineral fillers, resins, additives, intermediates, and actives in the markets of Europe, North Africa and Türkiye, as well as being active in India and China.

We act in several business sectors including coatings, adhesives, sealants, building and constructions, rubber and plastics, paper, pharmaceutical and cosmetic industries. The product range has been augmented with additives and binders to position the company as one of the leading distributors for specialities.

The key to our success has always been a strong dedication and commitment to building an efficient customer-focused organization where our customers' needs are the essential driving force.

Therefore, we have individual local sales offices in all the regions we are present in, each supported by technically trained sales staff, customer service teams and local warehousing

We create custom made solutions based on our synergistic portfolio to meet our business partners' diverse needs in specialty chemical ingredients.

Grolman. Quality since 1855.



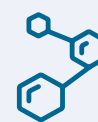
Established 1855

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



43 Countries

Covered by 24 individual sales offices across Europe, Turkey, Northern Africa, India and China



Solution oriented

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



Specialty Chemicals

Complementary product portfolio provides synergies and multiple cross-selling opportunities



>200 Employees

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



>20,000 Customers

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

Sustainability at Grolman International Distribution

Sustainability at Grolman International Distribution means making responsible business decisions while creating value for future generations by protecting the environment and contributing to the well-being of our society.

We want to 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 to strive for a circular economy, and we are driving our business models to achieve a that because a circular economy:

- paves the way to net zero emissions and grow our business at the same time.
- helps us meet our business partners' demand for more sustainable products to support their own circular journey.
- strengthens the economy on a social level.

Sustainability at Grolman International Distribution is practiced and monitored by our managing directors, senior executives, our dedicated vision teams, and sustainability team.

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: , 'We want to sell chemicals to save the planet'.
- Acting responsibly for the benefit of our employees and society.
- We implement the concepts of circular economy in the chemical industry.

Grolman International Distribution and all its entities are members of the UNGC and participate annually in the Communication on Progress process to monitor our commitment to the UNGC Principles, as we seek to publicly communicate our commitment to sustainability:

- We report our performance against our corporate responsibility goals and targets, which are aligned with

our environmental, social and governance commitments, and we 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.
- Our Climate and Sustainability Vision Team tracks progress in bi-monthly meetings and reviews 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.

Sustainability at Grolman International Distribution

- iii. Uphold human rights in our business and encourage our supply chain to do the same by adopting the best practises 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, minimising the impact of home-based businesses, and protecting the environment and biodiversity.

Our attitudes:

We are driven by our attitudes, which describe who we are, what we do and how we want to achieve our goals. It's what we expect and encourage from each other to be successful, it's how we #SellChemicalsToSaveThePlanet.

- We are safety leaders committed to safety, health, environment, and quality while acting with integrity.

- We are solution finders who overcome the toughest challenges for our customers with optimism and determination.
- We are pioneers of change, working with our customers, suppliers, and all business partners to accelerate change in our industry.
- We are co-creators who mobilise our collective capabilities and respect the views of others.

The Code of Conduct is the most important document and the foundation of our efforts to maintain the highest level of integrity and not engage in unethical or illegal behaviour.

Reporting Period:

This is our first conclusive sustainability report, which will be published in 2023 and will cover our company's goals and activities in 2021 and 2022.

Grolman International Distribution is committed to updating this report each year from this year forward and communicating its sustainability efforts by meeting all relevant framework requirements for transparent and up-to-date data about our supply chain and internal activities.

We strive to minimise our impact on the environment by providing environmentally friendly innovations for our own operations and those of our customers. We recognise our responsibility to have a positive impact on society and strive to ensure that it benefits from our operations.

UN Sustainable Development Goals: Our Commitment:

Starting at the top level of Grolman International Distribution, 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 International Distribution 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 internal and external materiality assessment, we have prioritised these SDGs where we believe we can have the greatest impact and to which we want to make a positive contribution.



Good health and well being

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



Reduced Inequalities

Reduce inequality within and among countries



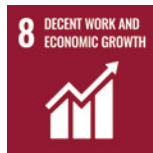
Gender equality

Equality and empower all women and girls



Responsible consumption and production

Ensure sustainable consumption and production patterns



Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Climate action

Combat climate change and its impacts



Industry, innovation, and Infrastructure

Build resilient infrastructure, promote sustainable industrialization and foster innovation



Peace, justice, and strong institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels

With the publication of this report, we are announcing new, progressive, multi-decade goals to promote a circular economy and climate action. Building on our sustainability goals, these targets are intended to put us on track to achieve NetZero goals, reduce waste in our environment, and increase our positive impact for our customers, society, and our company. We recognise that achieving these ambitious goals will require commitment, investment, innovation, and collaboration.

Key Memberships and Associations



Materiality Determination

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

Definition of our material topics reported in 2021 and 2022:

Our material topics are defined in several ways, including:

- Feedback from colleagues from our collective survey in our vision teams and other communication initiatives, such as regularly scheduled engagement meetings.
- We are also supported by our sustainability vision groups, the safety, health, and environment department SHE, senior managers, and the managing directors. We also conduct internal audits and due diligence on our service providers.

- We conduct materiality assessments to determine and priorities our social, environmental, and economic issues.
- Our ISO14001:2015- certified environmental management system also serves as a guide for identifying and managing environmental impacts and ensures that we comply with relevant laws and regulations.

Material Topics for reporting 2021- 2022:

Environment	Social	Governance
Climate impacts and GHG emissions	Health, Safety and Wellbeing	Responsible supply chain
Energy management	Human Capital	Anti-Corruption and Anti bribery
Waste and pollution management	Human Right	Data Privacy and Security
	Diversity and equal opportunity	



Environmental Impact and Green House Gas (GHG) Emissions and Energy management



Materiality:

Climate change is of immense global concern, and increased warming reinforces the urgency to act.

Given the nature of our business and global operations, Grolman International Distribution must not only play a role in reducing our own climate impact, but also help our business partners along the value chain reduce their environmental impact as well.

This is a material topic for Grolman International Distribution.

Our environmental policy emphasises that our climate journey is consistent with the UN Sustainable Development Goals and the Paris Climate Agreement, and that we are committed to the Science Based Targets initiative with specific emissions reduction targets, a journey to net zero, and a climate action plan in line with the 1.5°C global warming target. We prefer to work with suppliers and partners who are doing the same.

We expect our employees to take environmental responsibility seriously and strive to be part of the solution.

Grolman Group Kickstarted its SBTi-NetZero Journey

We are proud to be the first SME in the chemical industry globally to receive official validation for our NetZero reduction science-based targets across the entire value chain scopes 1,2 and 3 by 2050 from the Science Based Targets Initiative (SBTi).

Grolman Group commits to reduce scope 1 and scope 2 GHG emissions 46% by 2030 from a 2019 base year, and to measure and reduce its scope 3 emissions. Grolman Group commits to reduce scope 1+2+3 emissions 90% by 2050 from a 2019 base year.

Near Term Targets:

Reduce our Co₂ emissions in scope 1 and 2 46% by 2030 from a 2019 baseline.

Long Term Targets:

Reduce our Co₂ emissions in scope 1, 2 and 3 90 % by 2050 from a 2019 baseline.

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



Approach:

Over the last few years, we have focused primarily on measuring and reducing our own emissions, which are mainly from combustion of fuels for transportation, heating, work activity and electricity consumption. We have a complete analysis system that records our business travel, energy consumption and waste generated at all sites, as well as a fully developed data screening system to capture comprehensive information on our Scope 3 emissions along the entire value chain.

We emphasise our commitment to reducing our own emissions by committing our company to NetZero emission on scope 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 important 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 on previous targets:

We have been reporting carbon emissions from our operations since 2019 and have launched several initiatives to reduce our environmental footprint.

In 2021 and 2022, we not only reduced our direct fuel consumption, but also:

- Increased our purchase of renewable electricity: our headquarters in Neuss, Germany, has switched to 100% renewable electricity. In addition, a green roof has been installed on our administration building and charging stations for electric cars.
- Grolman Benelux, Nordics, UK, Spain, and Italy offices are operating fully on 100% green electricity.
- Grolman Benelux, Nordics and UK have started the process of transitioning their car fleets from diesel and hybrid cars to full electric car fleets.
- Our assigned GHG collection data team have been trained in energy and environmental management aspects.
- Grolman International Distribution has developed a companywide corporate carbon footprint calculating CO₂ emission through scope 1, 2 and 3, and have published SBTi approved reduction targets to achieve NetZero emissions by 2050.
- Engaged our supply chain in various sustainability workshops that resulted in understanding our joined sustainable development partnership opportunities.

Grolman Group Kickstarted its SBTi-NetZero Journey

- Finalised our Stakeholders mapping analysis.
- Finalised our materiality assessment by engaging our stakeholders and supply chain.
- Finalised our SDG impact analysis.
- Finalised our stakeholder's engagement table.

Looking Forward: Climate Targets 2023:

- Reduce our scope 1 and 2 emissions by 4.2 % per year from 2019 baseline until 2030.
- Expand the purchase of electricity from renewable sources directly from energy suppliers wherever possible in our offices worldwide.
- Encourage the switch to electric cars wherever possible for our sales team.
- Grolman entity in Benelux will have 80% electric car fleet.
- Grolman entity in Nordics will have 50% electric car fleet.
- Grolman entity in UK will have 90% electric car fleet.
- Initialise the process of Installing solar panels in our headquarter office in Germany in 2023.

- Train 80 % of our staff members in energy and environmental management aspects.
- Continue to publish our Corporate Carbon Footprint (CCF) report and Co2 reduction measures in 2023.
- Continue engaging our supply chain in various sustainability workshops and expand on our sustainability efforts and topics.
- Continue to expand on our sustainable innovation approach with our customers and business partners.

Climate team efforts:

Over the past months, we have seen an increased demand from our business partners to share a roadmap for how we will reduce our own emissions, engage our supply chain, and provide solutions to reduce emissions for our customers and projects.

Our established Climate Vision Team develops our ongoing climate plans that focuses on these areas:

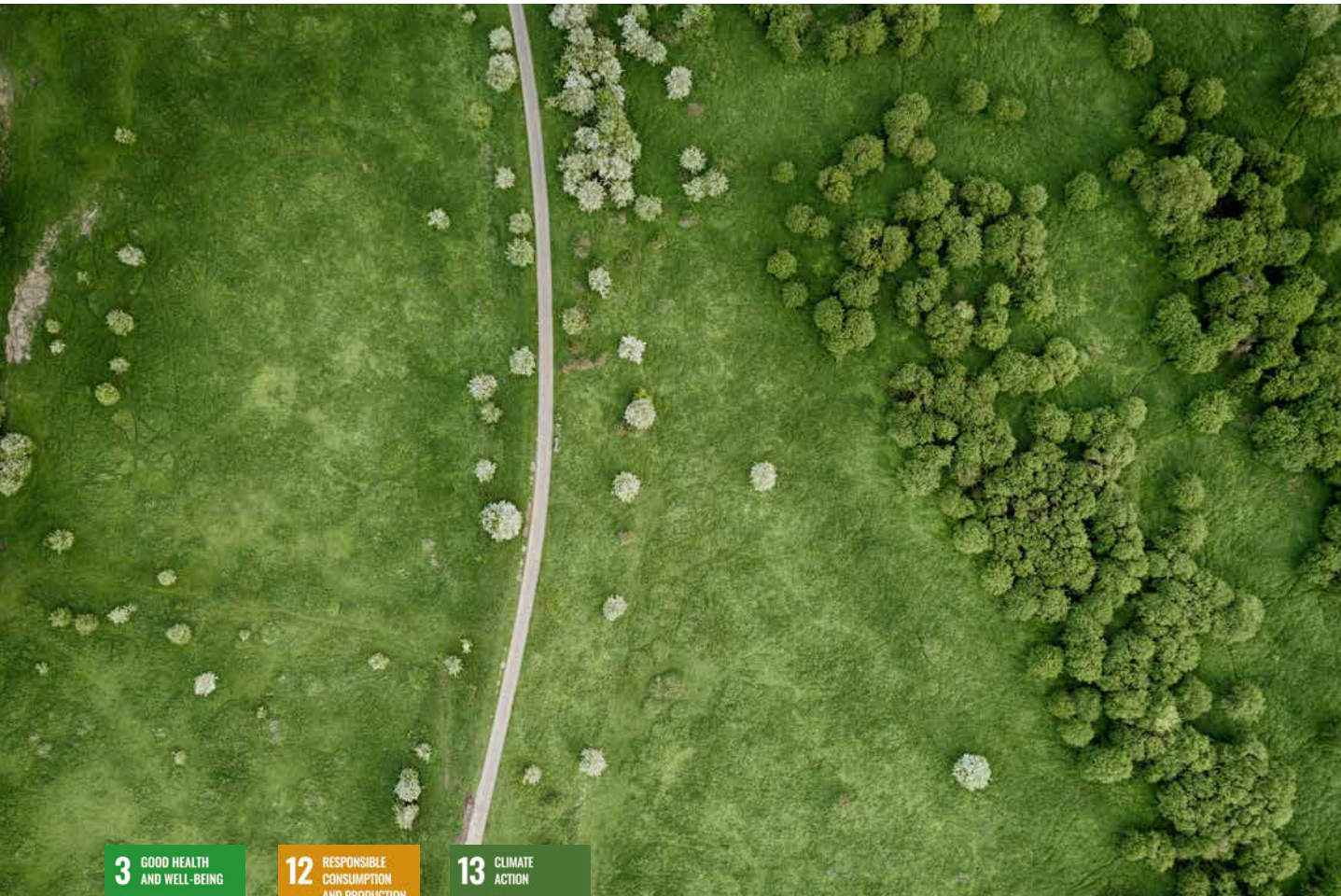
- Improve and automate Corporate Carbon footprint data collection procedure, accessibility, and transparency.
- Request produce carbon footprint data from all our suppliers for all products we sell and promote.

- Provide our customers with available Green House Gases calculations regularly and upon request.
- Increase commercial awareness of low carbon solutions and engage in regular support meetings with our business partners to improve product carbon footprint (PCF) calculations.
- Bundle our shipments from our suppliers to our customers to reduce transport emissions.
- Understand our raw materials life cycle and promote selling our products into greener manufacturing processes.
- Communicate with our customers and suppliers PCF information upon request.

The plan addresses these issues through four key features and paves the way for our future:

- Reduce emissions: Eliminate scope 1 hotspots; lower scope 2 through renewable energy consumption.
- Unite the supply chain: Establish a resilient supply chain to bring down scope 3 emissions.
- Strengthen low carbon solutions: Build a trusted, industry leading low carbon solutions system.
- Integrate our data systems: Climate action powered by data-driven insight.

Waste Management and handling of raw materials



In the environment in which we operate, we responsibly manage our waste and the handling of chemical raw materials, which consist of hazardous materials and dangerous goods with potential environmental impacts on land, air, and water,

relevant to our environmental management system this is considered a material topic for Grolman International Distribution.

As a distributor of chemical raw materials with no production or manufacturing activities, the preparation of goods for delivery primarily requires cartons and plastic film for pallet packaging, and inbound shipments also generate packaging waste.

Approach:

We work closely as a company to ensure that waste reduction approaches and safe handling of raw materials actions are planned, and any incidents are investigated.

Waste Management and handling of raw materials

Handling of raw material:

An important component here is Registration of chemicals under the EU-REACH- Regulation with ECHA and the EU-GHS/CLP Regulation, as well as the Responsible Care membership and implementation that has been successfully pursued for years, including the procedures for hazard prevention and emergency planning.

Progress on Previous Targets:

Our dedicated teams in the Safety, Health, and Environment Department (SHE), Administration and Logistics Departments and the Climate team have worked tirelessly to achieve those standards:

Local Pollution Reduction:

Dust prevention through cleaning schedules and dust collection carpets were set up to prevent local and air pollution in both our office and our company owned warehouse in Neuss Germany.

Sustainable Procurement:

We take pride in our commitment to sustainable practices throughout our operations and supply chain. As a leading chemical distribution company, we recognize the significant role we play in fostering a more sustainable future. Our dedication to environmental stewardship, social responsibility, and economic viability drives us to continuously improve and communicate our sustainability efforts.

One key aspect of our sustainability journey is our focus on sustainable value propositions. We encourage our supply chain in moving towards products that are responsibly sourced, produced, and disposed of, we aim to minimize our ecological footprint and promote a greener chemical industry.

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

To ensure effective communication and transparency, we have implemented robust reporting mechanisms. We regularly engage with our stakeholders, including customers, supplier and employees to share updates on our sustainability initiatives. By providing comprehensive information on our sustainable products portfolio, and ongoing efforts to reduce environmental impact, we foster trust and inspire collective action towards a more sustainable future.

Our sustainability goals are ambitious, and we recognize that they require continuous dedication and innovation. We are proud of the progress we have made thus far, but we remain committed to pushing the boundaries of sustainability in the chemical distribution industry.

Together, let us embrace the power of sustainability and drive change that benefits both the planet and future generations.

Safety along the supply chain

In our company, environmental protection begins with a sustainable procurement strategy, the selection of suitable partners and the initiation of a sustainable development process. The aim is to avoid environmental damage in all company processes and to minimize harmful environmental effects, which is why we have developed an HACCP concept, which is followed in our own warehouse and is a prerequisite for the selection of our rented warehousing facilities. In addition, we have our own warehousing facility regularly inspected by a pest controller. We ensure that accidents that can affect the environment and human health are prevented with appropriate emergency procedures and training.

- We are committed to providing all our customer and business partners Material Safety Data Sheets, to ensure safe use and safe disposal of raw materials. The purpose of this exercise is in minimising the negative effects of chemical substances and other hazardous materials as far as possible and in ensuring their safe handling and storage.
- We focus on products with sustainable use from sustainable producers and responsible end users. This is our contribution to resource efficiency and the promotion of environmentally friendly products.
- We measure Co2 emissions in our supply chain and initiate measures to reduce and optimise them in all areas, our dedicated climate team is responsible for that.

- Provide our customers with feedbacks and answers regarding all relevant regulatory, health and safety topics.

Looking forward goals 2023 of our Safety, Health, and Environment Department:

- Updating one-third of the active hazardous material safety data sheets in our data system to secure our position as a reliable and trustworthy partner for our customers.
- Introduction and training of all selected target groups of our internal employees on the topics REACH, CLP, and dangerous goods. Training material is regularly updated and conducted every two years for all target groups.
- 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.



Waste management in our offices and warehouses

Approach:

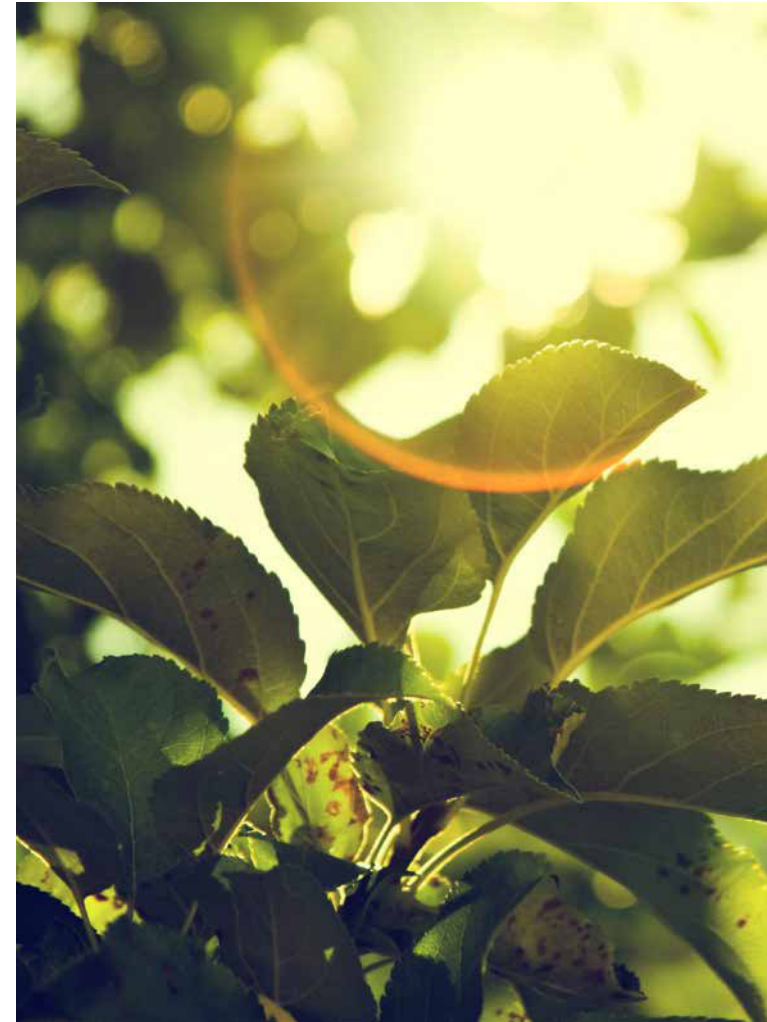
Internally we have been putting a lot of effort in reducing our office material usage and promote recycling wherever possible, and we have created these measures that carried in all our offices in all countries.

- Documents are handled electronically to reduce paper and printing usage.
- When printing documents double sided printing is encouraged to reduce paper usage.
- Non confidential printed papers and no longer required documents are often used as 'scrap' paper for note writing.
- Printers in our offices are selected for their ink efficiency and all ink cartridges are recycled in accordance with the manufacturer's recommendations.
- Packaging is re-used where possible
- Use digital invoicing wherever possible this measure is only implemented in few entities.
- Increased the proportion of recycled copying paper to 100%.

An energy saving management training was carried out where the topic of Waste hierarchy and how to approach zero waste with a selected target group.

Looking forward 2023 offices goals:

- Reduce the percentage of paper purchase in our head office in Germany from baseline of 200 Packages (500 sheets per package) per year in 2022 by 20% in our head office.
- Reduce the percentage of toner and ink cartridges purchase in our head office in Germany from baseline of 58 cartridges in 2022 by 20% in our head office.
- Reduce the average amount of office waste produced per number of offices by 20% from baseline of 2022.
- Increase the use of 100% recycled paper company wide.



Social

Human Rights:

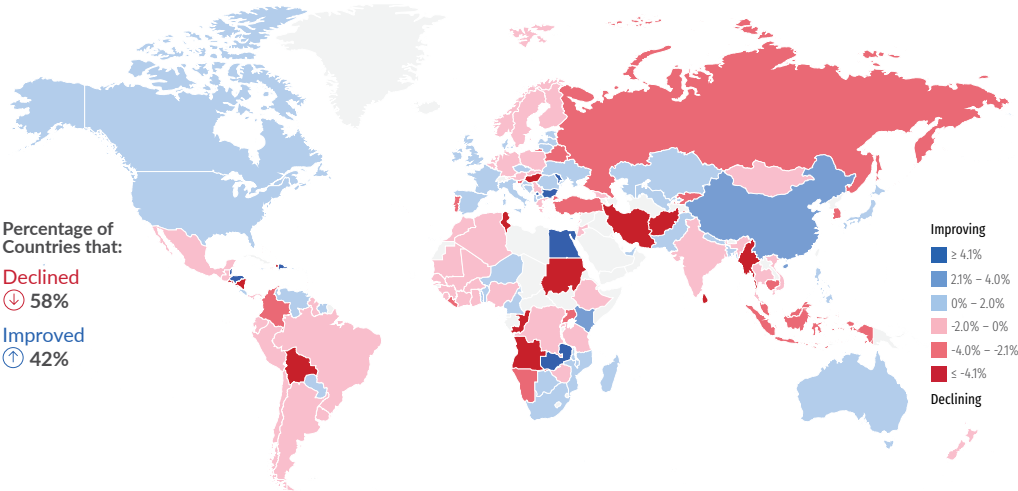
Materiality:

Grolman International Distribution 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 and labour rights are a material topic for Grolman International Distribution.

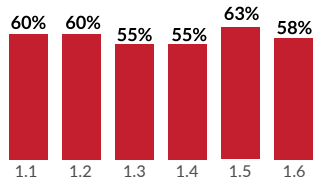
The operations of our suppliers and customers in the supply chain may take place in countries associated with high political, corruption and human rights risks. For this reason, we have conducted a conclusive fundamental rights risk analysis using the World Justice Organisation Rule of Law index¹ focusing on factor four: Fundamental Rights

The heat map shows percentage change* in Constraints on Government Powers (Factor 1) scores in each country over the last year.[†]

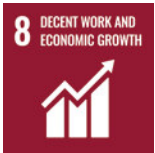


Percentage of countries that declined in each sub-factor of Factor 1

- 1.1 Limits by legislature
- 1.2 Limits by judiciary
- 1.3 Independent auditing
- 1.4 Sanctions for official misconduct
- 1.5 Non-governmental checks
- 1.6 Lawful transition of power



Austria	0.80	Denmark	0.90	India	0.50	Portugal	0.69
Belgium	0.79	Egypt, Arab Rep.	0.35	Italy	0.67	Romania	0.63
Bosniaand Herzegovina	0.52	Finland	0.87	Luxembourg	0.83	Serbia	0.49
Bulgaria	0.55	France	0.73	Moldova	0.52	Spain	0.73
China	0.47	Germany	0.83	Morocco	0.48	Sweden	0.86
Croatia	0.61	Greece	0.61	Netherlands	0.83	Turkey	0.42
Czech Republic	0.73	Hong Kong	0.73	Norway	0.89	United Kingdom	0.79
		Hungary	0.52	Poland	0.64		



¹ The data included in this Insights report comes from the WJP Rule of Law Index 2022. The period of data collection for the 2022 data was February 2022 through June 2022. The World Justice Project® (WJP) is an independent, multidisciplinary organization working to create knowledge, build awareness, and stimulate action to advance the rule of law worldwide. Effective rule of law reduces corruption, combats poverty and disease, and protects people from injustices large and small. It is the foundation for communities of justice, opportunity, and peace—underpinning development, accountable government, and respect for fundamental rights.

Social

Approach:

Grolman International Distribution has a Code of Conduct, approved by the senior management, that provides a framework for managing compliance and integrity risks. It outlines our commitments and requirements related to business practices, personal conduct, and expectations of business partners. The Code of Conduct outlines clear principles and rules in key compliance and integrity areas, including caring for People, which relates to human rights and labour rights, health, safety and anti-harassment, and diversity. Our Code of Conduct was revised in 2022 and is available on our website.

Commitment and Governance:

In 2022 we have launched a standalone human rights 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 International Distribution has identified potentially 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, other business relations across their supply chain. We therefore communicate our expectations and requirements for the protection of human rights to our suppliers and business partners.

These requirements are included in our Supplier Assessment. The supplier assessment is used in our supplier prequalification process, and commitment to it is a requirement to be qualified as a supplier, contractor, or agent to Grolman.

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 on 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 key initiatives in building awareness about business integrity and preventing unethical behaviour or breaches of the Code of Conduct, including human rights infringements.

Social

We provide various types of trainings to cover the topic of compliance, and business integrity:

- We provide Code of Conduct training and refresher to all our employees on annual basis. In 2022 approximately 60 percent of employees defined as the target group completed the training.
- There are different trainings on other compliance topics provided to defined target groups of employees throughout the year.
- In 2022 we conducted a CSR topic training including introduction to CSR topics in our company, salient human rights topics, conflict minerals and how to address, report and prevent human rights violations in the supply chain.

To meet its own ethical standards, Grolman International Distribution 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“. Furthermore, the Responsible Minerals Initiative (RMI) reporting template is used to process the claims regarding conflict minerals. Grolman International Distribution also ensures that suppliers also meet these requirements, all of this is summed in our Conflict Minerals Policy and processes.

Looking forward:

Our focus areas for 2023 have been defined and we will concentrate on:

- Strengthen our employees' awareness and competence on human rights and business, including the launch of human rights training to cover 100 % of our employees.
- Review risks and continuously map key human rights issues to ensure they are in line with developments in our business every 6 months and issue a report on the status of these issues.
- Improve engagement with key customers and suppliers to ensure a lasting positive impact on human rights and labour conditions in identified higher risk areas in shared supply chains by increasing the number of sustainability engagement meetings and workshops with our supply chain from 2022 baseline.
- Increase the number of business partners that have received conflict minerals declaration from our sustainability department.
- Implement a flag system to monitor the fundamental human rights profile of the countries we conduct business in and accordingly issue measures on our business aligned with our human rights position and

policy, conflict minerals policy and our diversity and inclusion policy which are all governed by our code of conduct standards.

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

At Grolman International Distribution we are committed to fostering sustainable practices throughout our operations and supply chain. We recognise the importance of responsible minerals sourcing and its impact on human rights, environmental preservation, and the overall well being of communities. In collaboration with the standards of the Global Reporting Initiative (GRI) and Responsible Minerals Initiative (RMI), we have developed a comprehensive process for reporting on responsible mineral sourcing.

Social

Objectives and Approach:

Our objective in advancing reporting on responsible mineral sourcing is to promote transparency, accountability, and ethical practices within our supply chain. We have aligned our reporting practices with the guidelines set forth by the GRI and RMI to ensure that we are effectively communicating our commitment and progress to our stakeholders.

Key initiatives:

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

1 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 are free from conflict, child labour, and human rights abuses.

2 Supplier engagement and capacity building:

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

3 Collaboration and industry leadership:

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

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

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

Looking forward goals for 2023 :

- 1 Percentage of supply chain mapped: Target to map 100% of the company's mineral supply chain within the next two years, currently approximately 40% of our supply chain has been successfully mapped.
- 2 Number of suppliers workshops and initiatives: conduct 5 supplier engagement workshops on responsible mineral sourcing during the reporting period to reach total of 7 suppliers.
- 3 Percentage of suppliers with responsible sourcing policies: aim to have 80% of our suppliers implementing responsible sourcing policies by the end of the year. Currently 40% of our suppliers have established such policies.
- 4 Number of risk assessments conducted: conduct one comprehensive risk assessment of the conflict mineral supply chain in the past year and identify related risks.
- 5 Number of industry collaborations and initiatives: participate in three industry collaborations focused on responsible minerals sourcing, including the development of a best practice guide, and sharing knowledge on supply chain due diligence.

Human Capital

Materiality:

Career Development and Work Life Balance:

To grow our business, we need to create the right conditions for our people to flourish. The diversity of our business and the industries in which we operate provide significant learning and development opportunities for our employees. We offer hands-on experience, ownership, and challenging assignments to help our employees grow. Combined with feedback and learning from others.

At Grolman International Distribution, we encourage our employees to take ownership of their professional development.

Whenever possible, we promote internal talent rather than hiring external talent to promote career development with flexibility in role assignment and offering employees the chance to change their roles and responsibilities. All vacancies are first advertised internally, and we allow internal mobility, including international assignments.

Human Capital development is a material topic for Grolman International Distribution, and we are committed to investing systematically in people and competence to ensure a competent, engaged, and diverse workforce.

Approach:

We know that balancing work and personal needs is important to maintaining a healthy, motivated, and productive employee. We have a variety of global and local programs and policies in place to help our team members succeed at work and at home while making their workplace a pleasant and safe place to be.

“Grolman International Distribution 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.

We have nurtured emerging talent and become an attractive employer for the best and brightest. Our focus on accelerating the transition to sustainable business practices, and doing so responsibly, appeals to the next generation who want to contribute to sustainable business transformation. Retaining talent and key personnel is critical to the success of this goal.

We encourage our national teams to define flexible work arrangement depending on meaningful humane local solution to promote work life balance.

The vision teams:

Grolman International Distribution would like to introduce its vision teams, those teams were designed with the all the employees of Grolman in mind, it is where we come together to discuss ideas and procedures to deliver our company vision.

CLIMATE team: Is the visionary connector for CSR and environmental topics in the chemical industry.

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

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

NET team: is the visionary connectors where our efforts meet our supply chain creating meaningful relationships and successful collaboration amplifying the knowledge sharing aspect of our efforts.

BIZ team: is the visionary team that makes sure all our efforts are sharp and directed towards fulfilling results and create a framework for profitable opportunities aligned with our vision.

Human Capital

Promoting Employee Well-being:

Materiality:

Grolman International Distribution is committed to safe, reliable, and sustainable operations to achieve the goal of „zero harm to people, facilities and the environment“. We employ approximately 200 people in more than 20 countries and work closely with our employees, customers, and our broader supply chain to reduce our impact on our customers health and employee health, safety, and well-being.

This is a material topic for Grolman International Distribution.

Health, Safety, and wellbeing for all our employees is included in our management system 2021 and 2022 to provide clarity and promote accountability in the organisation. The system was developed to meet our health and safety standards and sets out how everyone in the organisation should look after their own health, safety, and wellbeing and that of their colleagues.

Occupational health and safety:

Is promoted through measures based on a health risk assessment for employees and subcontractors.

A current Health and Safety training was derived, the sa-

fety specialist advises us on how to make the workplaces more ergonomic. We provide a subsidy or cover the cost of workplace glasses, headsets for workstations.

We conducted a survey on psychosocial stress among employees during the pandemic, where no measures were necessary at the time of the survey. We excel at conducting regular occupational health and safety audits.

Grolman is compliant with ISO (International Standards Organization) 14001:2015, 9001:2015 and is planning to engage in first steps of the evaluation for the ISO 45001:2015 Occupational Health and Safety in 2023, our management system is based on the principles and requirements of these standards.

Procedures and work instructions are also developed based on the requirements in ISO as well as local and country-specific legislation. Compliance commitments for each country include legal obligations and requirements.

Progress:

As a forward-looking employer, we want to create a sustainable climate of mutual respect that offers us and our employees security, predictability, and flexibility. We achieve this through bargaining agreements where its available and social dialogue with our employees. We

implement the bargaining agreement in Germany, and we follow similar national legal requirements in other countries where we are present. Our dedicated Human Resources department is fully responsible for this effort. We strive to ensure an adequate level of health coverage and services for our employees in all the entities we work in.

Looking forward 2023:

- By implementing self-organisation practices, such as disagreement resolution and advice processes, we aim to increase employee self-efficacy, leading to improvement in job satisfaction and increase in employee well-being.
- Measure the employee's job satisfaction, health and safety and wellbeing efforts using a survey tool to measure the impact of the implemented changes.
- Maintain our current lost-time injury frequency rate (LTIFR) of 0% or at minimum remain below the industry level of LTIFR.

Diversity and Equal Opportunity

Materiality:

Grolman International Distribution is strengthened by its diverse workforce of the various nationalities and by the number of female employees who excel and fill critical roles in the company's global operations. Inequality, lack of diversity and other biases have great potential for negative social and economic impact, so

diversity and equal opportunity are material topic for us.

Approach:

Grolman International Distribution is committed to the principles of non-discrimination and equal opportunity, regardless of gender, age, nationality, or other factors. In accordance with our Code of Conduct and Human Rights, Diversity, and Inclusion Policy, we work hard to ensure that all human resources processes are free of bias in both design and practice, and we monitor and promote diversity and equality in hiring, promotions, skills development, and salary reviews. Grolman International Distribution has a whistleblower process in place to investigate allegations of discrimination. For more information about the whistleblower channel, see the Whistleblower Policy and the Governance section of this report.

Progress:

Grolman International Distribution is firmly opposed to any form of discrimination and is committed to ensuring that the dignity of every human being is respected at all levels.

From this, we formulated the following quantitative goals for ourselves:

Looking Forward 2023:

In 2023, we will focus our efforts on initiatives to promote greater diversity, leadership, culture, organisation, and skills development.

- Initiate dialog sessions to promote the inclusion of diversity and gender aspects in the hiring processes and in competency development planning.
- Conduct awareness training to prevent discrimination and/or harassment to 100% of our employees.
- Finalise and introduce Grolman International Distribution Diversity and Inclusion Handbook.
- Increase the scope of our diversity and inclusion communication through our M.E.E.T module

(Make time to discuss – Explore Differences – Encourage Respect and Take responsibility).



Governance

Responsible Supply Chain

Our commitment to sustainability encompasses both our external activities, such as those with our suppliers and customers, and our internal activities. We expect our suppliers to adhere to our business ethics and Code of Conduct, including our standards for health and safety, human and labour rights, environment, quality management, business integrity and corporate social responsibility, and to be competent and trustworthy.

Grolman International Distribution has a duty to manage its relationships with its suppliers responsibly, to monitor their activities and to work actively to diversify its supplier portfolio.

This is controlled and followed up through our supply chain management systems, like the customers and suppliers approved lists that allow continuous monitoring of our supplier base.

In addition, 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's principles and requirements. Supplier self-assessment includes a detailed review of compliance with the Company's Supplier Declaration and internationally recognized human and labour rights standards (e.g., UN Guiding Principles for Business and Human Rights).

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

Approach:

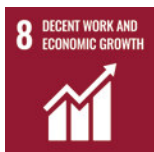
In Grolman International Distribution we are committed to our standards for health and safety, human and labour rights, environment, quality management, business integrity and corporate social responsibility, as described in our SHE policy and processes describing our expectations.

Looking forward2023:

An important component of our Climate Action Plan is understanding the big picture of emissions from our supply chain operations. We have initiated these assessments and expect to be able to capture emissions across our value chain in the future and implement targeted initiatives with our suppliers to reduce emissions across the board.

Maintaining long-term relationships with our strategic suppliers enables us to incorporate, plan for, and mitigate climate-related risks and their potential impact on the business. 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.

Grolman International Distribution will ensure monitoring of climate change regulations, such as the EU's work on sustainable finance and the EU Taxonomy Regulation and ask our suppliers to commit and take action to ensure a sustainable growth environment.



Anti-Corruption and Anti Bribery

We have a long and proud history in the chemical industry. We honour this heritage and safeguard our present and future business by acting responsibly and with integrity wherever we operate. By adhering to the highest standards of business integrity, we gain and maintain the trust of our suppliers, business partners and other stakeholders.

Approach:

Grolman International Distribution, code of conduct is endorsed by the managing directors and constitutes a framework for managing compliance and integrity risks. It describes our commitments and requirements regarding business practices, personal conduct, and expectations of business partners.

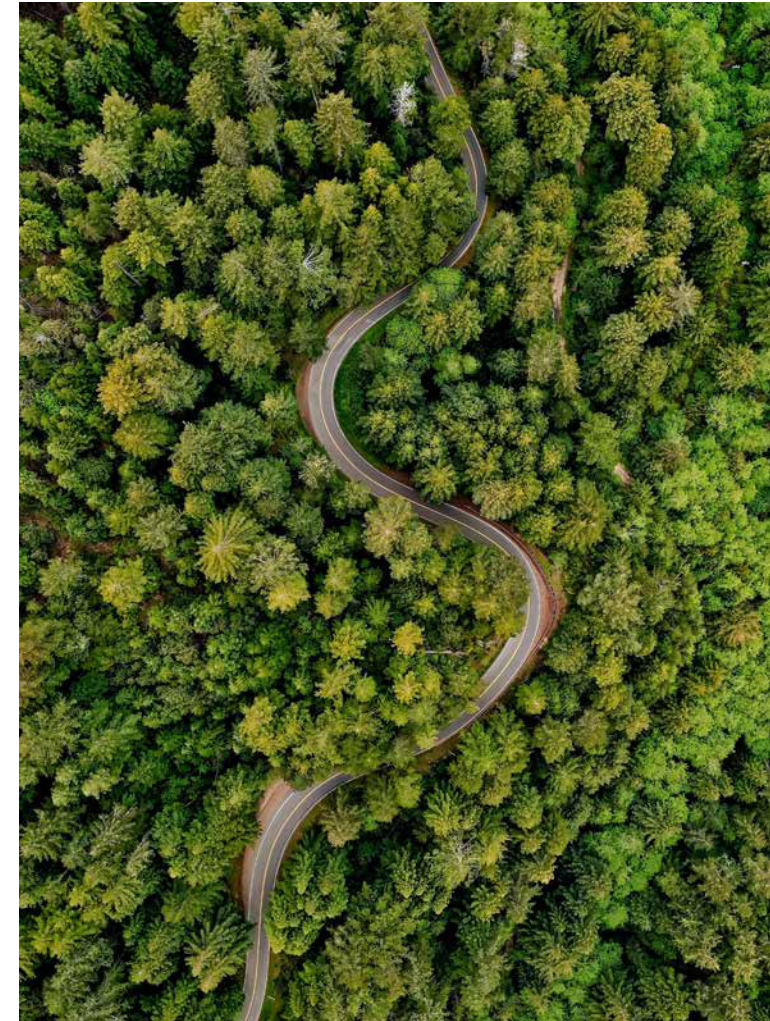
The Code of Conduct sets out clear principles and rules for key compliance and integrity areas such as anti-corruption and anti-bribery, facilitation payments, conflicts of interest, gifts and hospitality, human rights and employee rights, fair competition, anti-money laundering, sanctions and trade compliance, and others.

Our Anti-Corruption and Anti-Bribery Policy is endorsed by the managing directors and complements the Code of Conduct. It establishes clear responsibilities and procedures for managing compliance and integrity risks at all levels of Grolman International Distribution's business worldwide. The policy is available on our website.

Looking Forward 2023:

To ensure that Grolman International Distribution continues to live up to the highest level of business integrity we formulated these qualitative and quantitative goals for our priorities in 2023:

- Continuously improving our end-to-end process for managing business partners.
- Improving our country risk assessment process.
- Implementing innovative and engaging business ethics training approaches to drive awareness and engagement
- Train 100% of our employees' companywide in our code of conduct, anti-bribery, and anti-corruption policy.
- Share our code of conduct with 100% of our suppliers and business partners.
- Including our Code of Conduct as contractual clause in all the contract concluded in 2023.



Country and Business Partner risk analysis

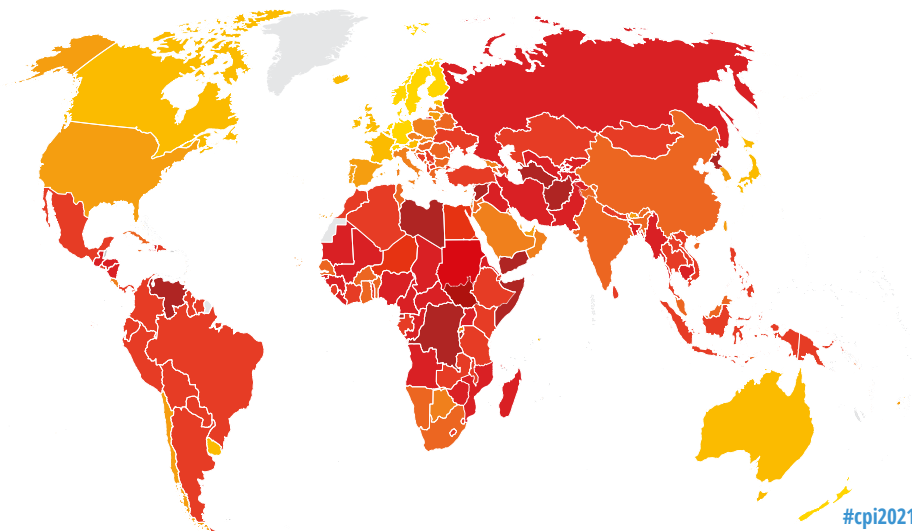
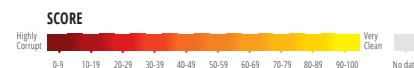
Risks are managed through country risk assessments, sanctions compliance and trade assessments, mandatory compliance and integrity training, compliance and integrity due diligence reviews, and IDD Integrity Due Diligence procedures for business partners.

Transparency International's Corruption Perceptions Index (CPI) evaluates and ranks countries/territories based on how corrupt a country's public sector is perceived to be by experts and business leaders. It is a composite index, a combination of 13 surveys and assessments of corruption conducted by a variety of respected institutions. The CPI is the most widely used indicator of corruption in the world. The CPI scores for the countries in which Grolman International Distribution has a presence are shown in the map below.



CORRUPTION PERCEPTIONS INDEX 2021

The perceived levels of public sector corruption in 180 countries/territories around the world.



#cpi2021
www.transparency.org/cpi

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Country	Score	Rank
Denmark	78	1
Finland	78	1
Sweden	78	4
Norway	78	4
Switzerland	78	7
Netherlands	78	8
Luxembourg	78	9
Germany	78	10
United Kingdom	78	11
Hong Kong	78	12
Austria	78	13
Iceland	78	13

Country	Score	Rank
Belgium	78	18
France	78	22
Portugal	62	32
Spain	62	34
Slovenia	57	41
Poland	57	42
Italy	57	42
Czech Republic	57	49
Slovakia	57	56
Greece	49	58
Croatia	49	63
Montenegro	49	64

Country	Score	Rank
China	49	66
Tunisia	49	70
Hungary	49	73
Bulgaria	49	78
India	49	85
Morocco	39	87
Turkey	39	96
Moldova	39	105
Bosnia and Herzegovina	39	110
Egypt	39	117

Training and raising awareness:

Continued awareness of compliance and business integrity is important to ensure our employees know what to do when faced with a risk or dilemma situation. In 2022, approximately 90 employees (own employees and direct-hire employees) completed mandatory Code of Conduct training in which they acknowledged having read and understood the Grolman International Distribution Code of Conduct. This represents approximately 80 percent of the total personnel identified in the 2022 target group.

Whistleblowing:

We all have a responsibility and must have the courage to promptly address ethical issues or problems, as well as anything we believe in good faith to be a violation.

Reports can be made anonymously through our independent whistleblowing channel, operated by our independent partner Grand Thornton. For more information, please see our Whistle-blower Policy. We do not tolerate retaliation against individuals who, in good faith, ask questions, raise concerns, report a suspected violation, or participate in an investigation.

We strive to build a culture of trust where employees feel comfortable asking questions, seeking advice, raising concerns, and reporting suspected violations. An independent whistleblowing channel allows anyone to report internally or externally concerns, incidents, violations or suspected violations of the Code of Conduct, other internal policies or laws and regulations.

We take all whistle-blower complaints and tips seriously and are committed to the four principles outlined in our Whistle-blower Policy: Confidentiality, Good Faith Reporting, No Retaliation, and Anonymous Reporting. Any concerns can be reported to <https://grolman-group.gt-wbs.com/>.

For more information on our whistle-blower system, please see our Whistle-blower Policy.

Data Privacy and Security

Materiality:

Maintaining the security and privacy of our data is essential for legal compliance and business continuity. Grolman International Distribution relies heavily on access to data and IT (information technology) systems to provide services to our customers and data security is a top priority. The company is responsible for processing data about our employees, contractors, customers, projects, and partners. They rely on us to protect their privacy and handle their data in a secure manner.

The security of systems and data is a material topic for us.

Approach:

The board of directors, our human resources department and external data security advisor over sees the risk exposure and mitigating controls implemented in our data and privacy security efforts.

Audits are performed yearly by external providers ensuring compliance with policies and controls.

All employees sign off on the start of their employment that they will comply with company's acceptable use of IT equipment procedure and all employees complete

Grolman international distribution continues to pay attention to the developments within data protection laws (especially EU-GDPR) and the secure transfer of data.

Anti-Phishing campaigns are launched regularly with similar efforts and notifications preparing our employees to deal with such issues, conducted by our dedicated IT department with support from our data security advisor.

Looking forward 2023:

Respect for data privacy and security remains a substantial matter for Grolman hence we are committed to:

- Maintaining our commitment for annual third-party IT and Data security audit
- Launch internal anti-phishing campaigns and exercises companywide to ensure that all our employees understand the importance of data security and to reduce the risk of cybercrimes and data breaches.
- Launch regular trainings on cyber security awareness and data security.

Appendix figures and statistics

Key staff figures

Total number of staff members companywide

	2021	2022
Total number of employees	184	216
Full time		184
Part time		32
<30	12	18
30-50	96	106
>50	76	83

Parental leave 2020 -2021²

Country ³	2020		2020		total
	Male	Female	Male	Female	
Germany	2	2	3	2	9
Italy	0	1	0	1	2
France	0	0		1	1

Key staff figures per country

Country	2021 Total	2022 total
Germany	72	79
United Kingdom	15	15
Italy	8	7
Hungary	2	2
Denmark	6	7
Czech Republic	3	3
Croatia	4	4
Bulgaria	2	2
Poland	15	16
Netherlands	7	8
Turkey	3	4
Morocco	5	7
Spain	11	14
Greece	3	3
Portugal	6	7
China	5	5
Egypt	1	7
France	16	19

Gender Distribution

Country	Male 2021	Female 2021	Male 2022	Female 2022
Total	74	110	89	118
Germany	24	48	31	48
United Kingdom	6	9	6	9
Italy	4	4	3	4
Hungary	1	1	1	1
Denmark	4	2	5	2
Czech Republic	2	1	2	1
Croatia	1	3	1	3
Bulgaria	0	2	0	2
Poland	5	10	5	11
Netherlands	7	0	7	1
Turkey	1	2	1	3
Morocco	3	2	3	2
Spain	6	5	9	5
Greece	2	1	2	1
Portugal	2	4	2	5
China	2	3	2	3
Egypt	1	0	5	2
France	3	13	4	15

Women in leadership position in the company:

Managing Director	3
Sales Directors	4
Head of Department	4
Business Unit Director	3

Occupational Injuries and absence rate:

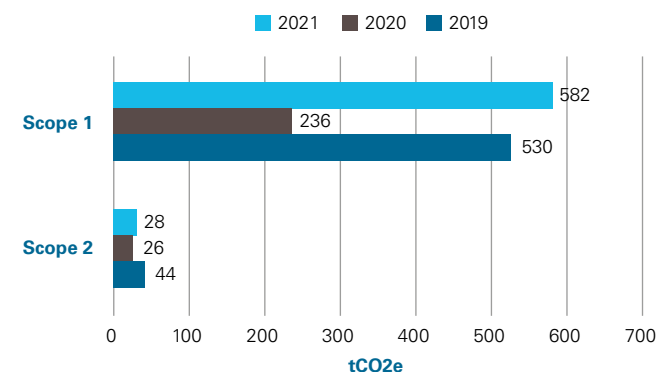
Company Wide	2021	2022
Occupational illnesses	0	0
Absence due to occupational illness or injury	0	0
Occupational accidents and injuries	0	0

GHG and environmental figures: 2020

Absolute Emissions Scope 2 primary approach: market-based

Scope	Category	Value	Unit	Share	Bandwidth +/-
	Combustion – Vehicles	169	t CO2e	0%	Fair
	Combustion - within Company Facilities	67	t CO2e	0%	Fair
	Fugitive emissions	1	t CO2e	0%	Good
	Process emissions	--	t CO2e	--	--
Scope 1	Sum Scope 1	236	t CO2e	0%	Fair
	Purchased Electricity (market-based)*	26	t CO2e	0%	Good
	Purchased Steam	--	t CO2e	--	--
	Purchased Heating	--	t CO2e	--	--
	Purchased Cooling	--	t CO2e	--	--
Scope 2	Sum Scope 2**	26	t CO2e	0%	Good
up	Purchased Goods & Services	269.295	t CO2e	86%	Fair
	Capital Goods	--	t CO2e	--	--
	Fuel and Energy related Activities (not covered in Scope 1&2)	59	t CO2e	0%	Fair
	Upstream Transportation & Distribution	7.499	t CO2e	2%	Good
	Waste Generation in Operations	124	t CO2e	0%	Fair
	Business Travel	14	t CO2e	0%	Good
	Employee Commuting	286	t CO2e	0%	Poor
	Upstream Leased Assets	--	t CO2e	--	--
down	Downstream Transportation & Distribution	28.343	t CO2e	9%	Good
	Processing of sold Products	7.801	t CO2e	2%	Poor
	Use of sold Products	--	t CO2e	--	--
	End-of-Life Treatment of sold Products	--	t CO2e	--	--
	Downstream leased assets	--	t CO2e	--	--
	Franchises	--	t CO2e	--	--
	Investments	--	t CO2e	--	--
Scope 3	Sum Scope 3	313.422	t CO2e	100%	Fair
	Total	313.684	t CO2e	100%	Fair
*	Purchased Electricity (location-based):	89	t CO2e		
**	Sum Scope 2 (location-based)	89	t CO2e		

Corporate Carbon FootPrint – results scope 1 and scope 2:

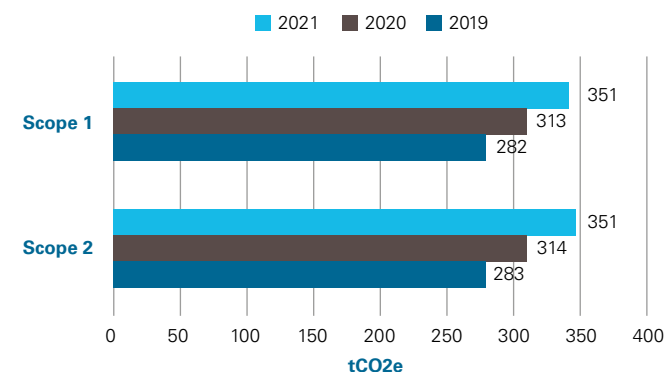


GHG and environmental figures: 2021

Absolute Emissions Scope 2 primary approach: market-based

Scope	Category	Value	Unit	Share	Bandwidth +/-
	Combustion – Vehicles	505	t CO2e	0%	Fair
	Combustion - within Company Facilities	78	t CO2e	0%	Fair
	Fugitive emissions	11	t CO2e	0%	Good
	Process emissions	--	t CO2e	--	--
Scope 1	Sum Scope 1	582	t CO2e	0%	Fair
	Purchased Electricity (market-based)*	28	t CO2e	0%	Good
	Purchased Steam	--	t CO2e	--	--
	Purchased Heating	--	t CO2e	--	--
	Purchased Cooling	--	t CO2e	--	--
Scope 2	Sum Scope 2**	28	t CO2e	0%	Good
up	Purchased Goods & Services	307.582	t CO2e	88%	Fair
	Capital Goods	7	t CO2e	0%	Fair
	Fuel and Energy related Activities (not covered in Scope 1&2)	145	t CO2e	0%	Fair
	Upstream Transportation & Distribution	3.164	t CO2e	1%	Good
	Waste Generation in Operations	240	t CO2e	0%	Fair
	Business Travel	3	t CO2e	0%	Good
	Employee Commuting	285	t CO2e	0%	Poor
	Upstream Leased Assets	--	t CO2e	--	--
down	Downstream Transportation & Distribution	30.241	t CO2e	9%	Good
	Processing of sold Products	9.196	t CO2e	3%	Poor
	Use of sold Products	--	t CO2e	--	--
	End-of-Life Treatment of sold Products	--	t CO2e	--	--
	Downstream leased assets	--	t CO2e	--	--
	Franchises	--	t CO2e	--	--
	Investments	--	t CO2e	--	--
Scope 3	Sum Scope 3	350.863	t CO2e	100%	Fair
	Total	351.473	t CO2e	100%	Fair
*	Purchased Electricity (location-based):	82	t CO2e		
**	Sum Scope 2 (location-based)	82	t CO2e		

Corporate Carbon Footprint : Results Scope 3:



Corporate Carbon Footprint:

Results 2019, 2020, 2021 - Intensities:

Intensity metric 2019	Value	Unit
Emissions per unit of revenue	2.063	t CO2e/million EUR
Emissions per FTE	-	t CO2e/FTE
Emissions per t sold product	4,28	t CO2e/t sold product

Intensity metric 2020	Value	Unit
Emissions per unit of revenue	2.291	t CO2e/million EUR
Emissions per FTE	1.576	t CO2e/FTE
Emissions per t sold product	4,64	t CO2e/t sold product

Intensity metric 2021	Value	Unit
Emissions per unit of revenue	2.017	t CO2e/million EUR
Emissions per FTE	1.757	t CO2e/FTE
Emissions per t sold product	4,41	t CO2e/t sold product

Grolman International Distribution* KPI DASHBOARD 2023

*these indicators are applicable to Gustav Grolman GmbH & Co. KG and all its international distribution subsidiaries.



	Goal	Baseline	Target for year 2023	Indicator
Environmental	Reduce scope 1 and 2 emissions intensity by 4.2% per year from 2019 baseline until 2030	Base Line 2019 131 tCO2e	Reduction indicator 108.992 tCO2e	4.2% reduction of scope 1 and 2 emission intensity from baseline year 2019
	Expand the purchase of electricity from renewable sources directly from energy suppliers wherever possible in our offices company wide from base line 2019:	baseline 2019 28%	Increase of the percentage of offices using Green electricity by 10 %	10 % increase point in the adoption of renewable energy across all offices
	Encourage the transition to electric cars where possible for our sales team.			
	Grolman entity in Benelux will have 80% electric car fleet.	# 2 electric cars	# 5 electric cars	Increase the number of cars in the fleet from baseline 2 to target of 5.
	Grolman entity in Nordics will have 50% electric car fleet.	#1 electric car	# 2 electric cars	Increase the number of electric cars in the fleet from baseline 1 to target of 2.
	Grolman entity in UK will have 90% electric car fleet.	#6 electric cars	# 8 electric cars	Increase the number of electric cars in the fleet from baseline of 6 to 8.
	Initialise the process of installing solar panels in our headquarter office in Germany 2023	0	start the process of installing solar panels in the headquarter office building in Neuss Germany.	successful completion of the planning and procurement phase of the solar panel installation with all necessary contracts and finalised and preparation made for actual installation.
	Continue engaging our supply chain in various sustainability workshops and expand our sustainability efforts	# 5 workshops conducted in 2022	conducting 9 sustainability workshops within our supply chain	9 of suppliers engaged discussing 5 material topics.
	Continue to publish our corporate carbon footprint (CCF) report and co2 reduction measures	1 CCF report 2019	publish our updated CCF report for 2023 with Co2 Reduction Measures	# 1 CCF report for 2023 including CCF reduction measures
	Reduce the usage of paper in our head office in Germany	200 packages (500 per package per year from baseline year 2022	Reduce paper purchase by 20%	20 % reduction target from 2022 baseline of 100,000 resulting in 20,000 sheets reduction per year
			Target amount per year 80,000 sheets per year instead of 100,000	
	Reduce the percentage of toner and ink cartridges purchase in our head office in Germany	58 cartridges per year form baseline year 2022	Reduce the purchase and use of cartridges by 20%	20% reduction target from 2022 baseline of 58 cartridges is 11 cartridges resulting in 26 cartridges purchase per year.
	Increase the use of recycled paper company wide	50% of offices used recycled paper company wide in 2022	80 % usage of recycled paper company wide	20 % increase of the of offices using amount of recycled paper company wide , increasing that to 80 % of offices using recycled paper company wide.
Safety along the supply chain	Updating one-third of the active hazardous material safety data sheets in our data system to secure our position as a reliable and trustworthy partner for our customers.		33.33 % of the company Hazardous material safety sheet in the company would be updated in the company data system	By the end of 2023, successfully update and maintain an updated status for one-third (33.33%) of the active hazardous material safety data sheets in the company's data system.
	Introduction and training of all selected target groups of our internal employees on the topics REACH, CLP, and dangerous goods. Training material is regularly updated and conducted every two years for all target groups.		100 % of target groups attended the training	By the end of 2023, conduct the introduction and training sessions on REACH, CLP, and dangerous goods for all selected target groups of internal employees, ensuring that the training
	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.		100 % of SHE department employees participated in minimum # 4 trainings	By the end of 2023, ensure that all employees of the SHE department participate in a minimum of four trainings, advanced trainings, association meetings, webinars, or other relevant professional development activities to enhance their knowledge and expertise in chemical legislation.
Social Human Rights	Strengthen our employees' awareness and competence on human rights and business.	0-2022	100 % of our employees training in Human Rights in the Supply Chain.	Train 100 % of Grolman current and New employees in Human Rights in the supply chain
	Review risks and continuously map key human rights issues to ensure they are in line with developments in our business	0-2022	Ensure that Grolman is in line with developments in its business regarding Human Rights in the supply chain	Conduct a risk assessment to map key human rights issues in the supply chain every 6 months in total of 2 surveys per year
	Share conflict minerals declaration documents with all our business partners	# 2022	Engage with our supply chain in updating and sharing all the conflict minerals declaration documents with our business partners	Update all the conflict minerals declaration documents from all the identified suppliers
	Monitor the fundamental human rights profile of all the countries in which Grolman Conducts business	75%	Implement a flag system to monitor the fundamental human rights profile for all the countries Grolman conducts business in and accordingly issue measures on our business aligned with our human rights position and policy, conflict minerals policy and our diversity and inclusion policy which are all governed by our code of conduct standards.	1 working flag system to monitor the fundamental human rights profile for all the countries Grolman conducts business in.
Human Capital	By implementing self-organisation practices, such as disagreement resolution and advice processes, we aim to increase employee self-efficacy, leading to improvement in job satisfaction and increase in employee well-being.	0 trainings	Increase employee self – efficacy through the implementation of self organisation practices	By the end of 2023 we aim to have 80 % of employees trained in self organization practices such as disagreement resolution and advice processes
	Measure the employee's job satisfaction, health and safety and wellbeing efforts using a survey tool to measure the impact of the implemented changes.	0 survey	Measure the impact of the implemented changes in self organisation	Yearly survey tool to measure the impact of the implemented changes.
	Maintain our current lost time injury frequency rate (LTIFR) of 0% or at minimum remain below the industry level of LTIFR	0% 2022	Maintain a safe working environment	Implementation of safe work environments measures company wide and measure our LTIFR yearly
	Initiate dialogue sessions to promote the inclusion and diversity and gender aspects in the hiring process and in competency development planning .	45 %-2022	Integrate diversity and gender aspects in the hiring process	trained 80 % of our managers in diversity and inclusion in the workplace.
	Conduct awareness training to prevent discrimination and harassment	35%-2022	Improve employee awareness and understanding of diversity , discrimination and harassment	100 % of our employees have completed the diversity and discrimination prevention training program
	Increase the scope of our diversity and inclusion communication through our M.E.ET module.	47%-2022	Improve employee engagement and participation in diversity and inclusion initiatives	Increase the number of employees who participated in diversity and inclusion communication and training programs by 20% as measured by employee training records.
Governance	Continuously improving our end-to-end process for managing business partners	current system working on 60 % efficiency-2022	Enhance the efficiency and effectiveness of our business partner management process.	Reduce the time required to introduce new business partners to our governance system
	Improving our country risk assessment process	current system working on 65 % efficiency-2022	Increase the accuracy and comprehensiveness of our country risk assessment	Conducted 1 comprehensive risk assessment for 100% of the countries where we conduct business as measured by a review of risk assessment reports.
	Implementing innovative and engaging business ethics training approaches to drive awareness and engagement	40 %- 2022	Increase the completion rate of our business ethics training program .	Train 90 % of our employees on business ethics
	Increase awareness of our code of conduct and anti corruption , anti bribery policy with all our employees	90 employees	Train employees in our code of conduct, anti-bribery, and anti-corruption policy, as measured by the percentage of employees who have completed the training.	Train 100 % of our existing and new employees in our code of conduct , anti bribery and anti corruption policy
	Increase awareness of our code of conduct and anti corruption , anti bribery policy with all our suppliers and business partners	57 % 2022	Share our code of conduct , anti bribery and anti corruption policy with suppliers and business partners	Share our code of conduct and anti corruption , anti bribery policy with 100 % of our suppliers and business partners.
	Ensure that our code of conduct is included as a contractual clause in all contracts signed	30% of contracts 2021	Include our code of conduct as part of our contractual documents	# of contracts signed in 2023
	maintaining our commitment for annual third-party IT and Data security audit	# 2/2022	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.	# number of IT and data security audits conducted annually
	Launch internal anti-phishing campaigns and exercises companywide to ensure that all our employees understand the importance of data security and to reduce the risk of cybercrimes and data breaches.	0-2021	Reduce the risk of any phishing attacks by training 100 of our employees in methods to avoid such attacks	100 % of the employees are training in anti phishing and cyber risks. Measure the# of attacks before and after the training took place.
	Ensure that all employees complete the regular cyber security awareness and data security training upon joining the company and at least once a year for existing employees	90%- 2022	Ensure that all employees complete the regular cyber security awareness and data security training	100 % of all employees trained in data security training as measured by the percentage of employees who have completed the training.
	Enhance supplier engagement and promote Corporate Social Responsibility	57% 2022	Ensure that 80% if targeted suppliers undergo Corporate Social Responsibility assessment using the questionnaire tool.	80% of targeted suppliers respond to the CSR questionnaire
	Strengthen supply chain transparency and accountability regarding conflict minerals	60% 2022	Ensure that information related to conflict minerals is available for 90% of suppliers.	90% of relevant suppliers for whom information related to conflict minerals is available for sharing with requesting partners.

Annexes

Standalone policies

Anti-Corruption and Anti Bribery Policy

Conflict Minerals Policy

Position on Human Rights, Diversity, and Inclusion

Safety Health and the Environment department policy and procedures

Environmental policy and Sustainability standards

Whistle Blower Policy

Code of Conduct

Anti-Corruption and Anti Bribery Policy November 2022:

1. Introduction:

Gustav Grolman GmbH & Co. KG and all its international distribution subsidiaries, hereinafter referred to as "Grolman" or "Grolman international Distribution", are committed to conducting business in an ethical and honest manner and to implementing and enforcing systems to ensure that all forms of bribery, corruption and fraud are prevented.

2. Purpose:

Grolman International Distribution has zero tolerance for bribery and corrupt activities. We are committed to acting with professionalism, fairness, and integrity in all business dealings and in our relationships with our employees.

We will always comply with all anti-bribery and corruption laws and follow all legal requirements in combating any form of bribery, fraud, and corruption.

3. Scope:

This policy applies to all Grolman International Distribution employees, the term employees include managers, directors, owners of Grolman International Distribution and temporarily contracted individuals.

This policy also applies to all our business partners and all third-party companies and agents with deal within our scope of business.

4. Policy Requirements:

This policy sets forth the requirements for interaction with all business partners and all parties in the public or private sector for that purpose, definitions:

- Bribery can be described as: Giving or accepting something from a person (usually money, a gift, a loan, a reward, a favour, a commission, or hospitality) as an improper inducement or reward for obtaining business, employment, or other advantage.

Therefore, bribes may include, but are not limited to, the following:

- Gifts and excessive or improper entertainment, hospitality, travel, and lodging expenses.
- Payments, whether by employees or business partners such as recruiters, employment agencies or consultants; and
- Other "favours" for supervisors, such as unsolicited advances, payments or promises.

5. Gifts and Benefits Procedure:

This procedure applies to all Grolman employees, regardless of seniority or position, when giving or accepting gifts or favours during their employment with Grolman.

All employees must:

- Refuse cash or items that can be easily converted to cash and have a value greater than EUR 40.
- Not give cash or items that can be easily converted to cash and have a value greater than EUR 40.
- Always consult your supervisor, local manager or the group management if you have any questions about giving or accepting gifts and gratuities.
- Employees and business partners are encouraged to report any misconduct related to this issue through our whistleblower system. For more information on our whistleblower system, please refer to our Whistleblower Policy.

6. Actions and Responsibilities 2023:

All our employees must abide by the company policy regarding bribery and corruption.

No employee, is permitted to engage in or become involved in any form of bribery, corrupt conduct, or fraud, including the following:

- Offering, paying, or giving anything to any person to falsely obtain consideration beyond their contractual function.
- Attempting to deceive or entice a person to commit an illegal act or an act that violates company policy.
- Misleading or intentionally lying to an individual to obtain any benefit beyond the contractual function.
- Violating regulations by shifting blame or responsibility to other employees/individuals.
- Deceptive practises that violate company policies or legislation

7. Goals for 2023:

- Continuously improving our end-to-end process for managing business partners
- Improving our country risk assessment process.
- Implementing innovative and engaging business ethics training approaches to drive awareness and engagement
- Train 100% of our employees' companywide in our code of conduct, anti-bribery, and anti-corruption policy.
- Share our code of conduct with 100% of our suppliers and business partners.
- Including anti-bribery, anti-corruption measures, Human Rights and Conflict minerals measures as contractual clause in all the contract concluded in 2023.
- Sharing our anti-corruption, and anti-bribery policy with 100 %of our business partners.

Our Dedicated Human Resources Department ensures that all our employees are trained on the content of this policy. For further information, communication and discussion on our anti-corruption and anti-bribery policies and processes please communicate with our sustainability team members humanresources@grolman-group.com .

8. Communication and training:

Grolman International Distribution encourages and promotes open dialogue to raise awareness of relevant issues. We make a collaborative commitment to do no harm to society, assets, or the environment. We report relevant developments related to our anti-corruption and anti-bribery policy in our annual sustainability report that is published annually.

Furthermore, our employees are internally trained on all our policies regularly and upon need, our sustainability standalone policies are part of our onboarding training program for all our new employees and team members.

9. Sanctions and compliance:

Grolman International Distribution is committed to immediately eliminating and addressing any inappropriate behaviour and will not tolerate such behaviour by employees, customers/suppliers, partners and service providers in any way or form.

With this policy, the Company commits to regularly discuss and mitigate factors related to any form of bribery, corruption, or fraudulent behaviour.



International Distribution

Version: 1

Planned Review: November 2023

10. Whistle-blower complaints:

We take all whistle-blower complaints and tips seriously and are committed to the four principles outlined in our Whistle-blower Policy: Confidentiality, Good Faith Reporting, No Retaliation, and Anonymous Reporting. Any concerns can be reported to <https://grolman-group.gt-wbs.com/>. For more information on our whistle-blower system, please see our Whistle-blower Policy.

11. Review Mechanism:

This is a living document that will be reviewed by Grolman International Distribution executive board on an annual basis. This is to reassure that the goals and actions listed in this policy reflects the status of our Human Rights compliance efforts. Next revision November 2023.

This document has been created digitally and is therefore valid without signature.
This is a living document and will be revised annually or as needed.

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Geschäftsführer:
Jürgen Grolman, Dirk Grolman, Florian Grolman, Mike Dörsam
USt.ID.Nr. DE121282811

Conflict Minerals Policy November 2022:

1. Scope:

Gustav Grolman GmbH & Co. KG and all its international distribution branches, hereinafter referred to as "Grolman" or "Grolman international Distribution", commits to respecting Human Rights protection policies along its value chain. This policy includes protecting the rights of the people who work in our business, whether directly or indirectly through business partners, suppliers, and customers.

2. Vision:

Grolman vision is to bring transparency to our business partners bulk speciality chemicals supply chain and procurement requests, helping build a more justful world through sustainable solutions.

3. Purpose:

Grolman International Distribution's Conflict Minerals Policy aims to comply with the Dodd Frank Act HR 4173 Section 1502 which requires companies to verify and disclose the source of certain materials originating in conflict regions.

The Act imposes additional reporting and due diligence requirements of the listed minerals originated in the Democratic Republic of Congo(DRC), Angola, Burundi, Congo, Rwanda, Uganda, Zambia, United Republic of Tanzania, and the Central African Republic.

The list of minerals defined in Section 1502 of the Dodd Frank Act as possibly financing conflict in the DRC countries are: columbite/tantalite, also known as coltan (tantalum, niobium); cassiterite (tin); wolframite (tungsten); and gold; and the derivatives of each of these minerals commonly referred to as 3TGS.

4. Commitment:

Grolman International Distribution supports industry wide efforts to identify, reduce and hopefully eliminate the use of conflict minerals originating from the DRC and adjoining countries that finances or benefits groups committing human rights violations.

In furtherance of this goal Grolman International Distribution respects all the guidelines of the Responsible Minerals Initiative (RMI) and the Responsible Minerals Reporting Template(CMRT) as we are committed to gather and exchange supply chain information on this matter.

5. Actions and responsibilities 2023:

- Grolman International distribution regularly requests CMRTs and similar supporting documents from its suppliers and shares them regularly and upon request with all our business partners and customers, to ensure supply chain transactions free of conflict minerals.
- we commit to carry on this practice and encourage and support our business partners along the value chain to participate in all the initiatives and frameworks that supports responsible minerals mining.
- Capacity building and awareness workshops with our business partners.
- Target to map 100% of the company's mineral supply chain within the next two years, currently approximately 40% of our supply chain has been successfully mapped.
- conduct 5 supplier engagement workshops on responsible mineral sourcing during the reporting period to reach total of 7 suppliers.
- aim to have 80% of our suppliers implementing responsible sourcing policies by the end of the year. Currently 40% of our suppliers have established such policies.
- conduct one comprehensive risk assessment of the conflict mineral supply chain in the past year and identify related risks.
- participate in three industry collaborations focused on responsible minerals sourcing, including the development of a best practice guide, and sharing knowledge on supply chain due diligence.

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Our Dedicated Sustainability Team handles all the above mentioned actions with diligence and timely manner, for further information , communication and discussion on our conflict mineral policies and processes please communicate with our sustainability team members sustainability@grolman-group.com .

6. Precautionary Due Diligence:

Grolman International distribution requires all its suppliers to undertake due diligence within their supply chains to ensure that all sourced 3TGs, are only from mines outside the affected and high-risk areas, thus we **priorities** our business engagement with suppliers that are members of the RMI, the Mica initiatives and similar organisations.

We consider the commitment of our suppliers to the principles contained in this policy as an advantage for a business relationship.

7. Communication and training:

Grolman International Distribution encourages and promotes open dialogue to raise awareness of relevant issues. We make a collaborative commitment to do no harm to society, assets or the environment

We report relevant developments related to our human rights activities in our annual sustainability report and will revise our position on conflict minerals in the future as needed.

furthermore our employees are internally trained on all our policies regularly and upon need, our sustainability standalone policies are part of our onboarding training program for all of our new employees and team members.

8. Whistleblower complaints:

We take all whistleblower complaints and tips seriously and are committed to the four principles outlined in our Whistleblower Policy: Confidentiality, Good Faith Reporting, No Retaliation, and Anonymous Reporting.

For more information on our whistleblower system, please see our [Whistle-blower Policy](#).

9. Sanctions and Compliance:

Grolman International Distribution is committed to immediately eliminating and addressing any violations to this policy and will not tolerate any violation by employees business partners and service providers in any way or form.

7. Review Mechanism:

This is a living document that will be reviewed by Grolman International Distribution executive board on an annual basis. This is to reassure that the goals and actions listed in this policy reflects the status of our Human Rights compliance efforts. Next revision November 2023.

Environmental Policy and Sustainability standards November 2022:

1. Scope:

Gustav Grolman GmbH & Co. KG and all its international distribution subsidiaries, hereinafter referred to as "Grolman" or "Grolman international Distribution", are committed to embedding sustainability practices throughout our business activities.

This policy applies to all Grolman International Distribution board of directors, employees, business partners, suppliers, customers, agents and third party contracted individuals or companies.

2. Vision:

We recognise that sustainability is more than reporting our impacts; it is an all-encompassing social, economic, and environmental commitment.

As a family business, we take a values-based approach and believe that sustainable business solutions are key to our collective success.

3. Roles and responsibilities:

Grolman International Distribution takes its role in sustainability seriously hence we do not only work into improving own impact but also in providing support to our business partners along the value chain, for that purpose we act as leaders in sustainability by supporting them in achieving their sustainability goals.

We support and encourage all members of our supply chain to implement the principles of this policy as relevant to their operations.

Grolman executives have a special responsibility to apply this sustainability concept daily, as it involves all operating units in their business plans and decision-making.

4. Actions and responsibilities:

To fulfil our commitment to sustainable business solutions, we have adopted the following:

Climate impacts, waste reduction and sustainability targets for 2023:

Climate Impact:

- Reduce our scope 1 and 2 emissions by 4.2 % from 2019 baseline until 2030.
- Expand the purchase of electricity from renewable sources directly from energy suppliers wherever possible in our offices worldwide.
- Encourage the switch to electric cars wherever possible for our sales team.
- Grolman entity in Benelux will have 80% electric car fleet.
- Grolman entity in Nordics will have 50% electric car fleet.
- Grolman entity in UK will have 90% electric car fleet.
- Initialise the process of Installing solar panels in our headquarter office in Germany in 2023.
- Train 80 % of our staff members in energy and environmental management aspects.
- Continue to publish our Corporate Carbon Footprint (CCF) report and Co2 reduction measures in 2023.
- Reduce the percentage of paper purchase in our head office in Germany from baseline of 200 Packages (500 sheets per package) per year in 2022 by 20%.
- Reduce the percentage of toner and ink cartridges purchase in our head office in Germany from baseline of 58 cartridges in 2022 by 20%.
- Reduce the average amount of office waste produced per number of offices by 20% from baseline of 2022.

Waste Reduction in our Offices:

- Increase the use of 100% recycled paper company wide.
- Increase the percentage of employees trained in waste aspects and energy efficiency from baseline of 30% in 2022 to 80% in our head office.
- Reduce the percentage of paper purchase in our head office in Germany from baseline of 200 Packages (500 sheets per package) per year in 2022 by 20% in our head office.
- Reduce the percentage of toner and ink cartridges purchase in our head office in Germany from baseline of 58 cartridges in 2022 by 20% in our head office.

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- Reduce the average amount of office waste produced per number of offices by 20% from baseline of 2022.
- Increase the use of 100% recycled paper company wide.

Waste Reduction in our warehouse:

- maintain the percentage of accidents and waste with hazardous and dangerous goods from percentage from baseline 2022 in relation to quantity of hazardous and dangerous products sold.
- Increase the percentage of employees trained in waste aspects and energy efficiency from baseline of 30% in 2022 to 80%.

5. Grolman Group Kickstarted its SBTi-NetZero Journey:

We are proud to be the first SME in the chemical industry globally to receive official validation for our NetZero reduction science-based targets across the entire value chain scopes 1,2 and 3 by 2050 from the Science Based Targets Initiative (SBTi).

Grolman Group commits to reduce scope 1 and scope 2 GHG emissions 46% by 2030 from a 2019 base year, and to measure and reduce its scope 3 emissions. Grolman Group commits to reduce scope 1+2+3 emissions 90% by 2050 from a 2019 base year.

Near Term Targets:

Reduce our Co2 emissions in scope 1 and 2 46% by 2030 from a 2019 baseline.

Long Term Targets:

Reduce our Co2 emissions in scope 1, 2 and 3 90 % by 2050 from a 2019 baseline.

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

6. Comittment:

- Openly reporting on sustainability through an annual report aligned with the latest Global Reporting Initiative (GRI) standards.
- We support and comply to the ten principles of the United Nations Global Compact and maintain our annual Communication on Progress to promote accountability and transparency.
- Support the United Nations Sustainable Development Goals (SDGs) as part of our broader sustainability efforts.
- We support the requirements of the new German Supply Chain act "Lieferkettengesetz" by requesting from our partners in the scope of the act to share with us their commitment and compliance.
- Grolman International distribution continues its commitment to reducing its own emissions by 2030 and expanding the reach to include scope 3 in its journey to Net Zero by 2050.
- Communicate and interact with our key business partners about our sustainability commitments and ongoing efforts to ensure our goals and actions remain relevant.
- Support our business partners in achieving their CSR goals through including them in talks and trainings to work together towards a sustainable future.
- Ensure that this policy and other key standalone policies and resources that form our broader sustainability strategy are available to all relevant business partners.
- All Grolman international distribution standalone policies, including the Code of Conduct are living documents that are reviewed annually and shared with our stakeholders with a compliance form to reassure our due diligence efforts.

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- Share our independent whistle blower system that is part of our sustainability efforts and strategy to reassures our transparency and due diligence efforts.
- We shall take ownership in creating a more sustainable future by promoting recycling, reuse and circular economy solutions throughout our value chain.
- We are committed to reducing local pollution through dust revention by employing thorough cleaning schedules and dust collection carpets that are set up to prevent local and air pollution in bouth our office and our company owned warehouse in Neuss Germany.

Our Dedicated Sustainability Team handles all the above mentioned actions with diligence and timely manner, for further information , communication and discussion on our sustainability policies and processes please communicate with our sustainability team members sustainability@grolman-group.com .

7. Behaviour:

- We ensure a good working environment, equal opportunities, diversity, and inclusion and just transition.
- We take environmental responsibility seriously and strive to be part of the solution.
- We safeguard human and labour rights and freedoms.
- We work with sustainability as a continuous improvement process and act when and where we can and should improve.
- We are committed to governing in a sustainable manner and have a zero-tolerance approach to corruption and bribery.

8. Communication and training:

Grolman International Distribution encourages and promotes open dialogue to raise awareness of relevant issues. We make a collaborative commitment to do no harm to society, assets, or the environment.

We report and communicate relevant developments related to our sustainability strategy in our annual sustainability report and will revise this strategy in the future as needed, furthermore our employees are internally trained on all our policies regularly and upon need, our sustainability standalone policies are part of our onboarding training program for all our new employees and team members.

9. Compliance and whistle-blower complaints:

Grolman International Distribution is keen on its due diligence processes and practises as well as encouraging its current business partners and future business partners to participate in all sustainability supporting frameworks to ensure a sustainable and responsible supply chain there for we request from any party to come forward with any complaint or report violates this policy using our whistle-blower system.

Grolman international distribution encourages and requests from all of its employees and business partners to use our whistle-blower system to report in good faith any violations witnessed with regard to this policy.

We take all whistle-blower complaints and tips seriously and are committed to the four principles outlined in our Whistle-blower Policy: Confidentiality, Good Faith Reporting, No Retaliation, and Anonymous Reporting.

To access our whistle blower system please visit the portal using this link: <https://grolman-group.gt-wbs.com/> use the Whistle-blower app and report any violations or misconduct with anonymity, confidentiality, protection, and no retaliation.

For more information on our whistle-blower system, please see our Whistle-blower Policy.

10. Sanctions:

Grolman International Distribution is committed to immediately eliminating and addressing any violations to this policy and will not tolerate such behaviour by employees, customers/suppliers, partners and service providers in any way or form.

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11. Review Mechanism:

This is a living document that will be reviewed by Grolman International Distribution executive board on an annual basis. This is to reassure that the goals listed in this policy reflects the status of our sustainability efforts. Next Revision November 2023.

Human Rights , diversity, and inclusion policy November 2022:

1. Scope:

Gustav Grolman GmbH & Co. KG and all its international distribution subsidiaries, hereinafter referred to as "Grolman" or "Grolman international Distribution", commits to respecting Human Rights protection policies along its value chain. This includes protecting the rights of the people who work in our business, whether directly or indirectly through business partners, suppliers, and customers.

2. Vision:

Grolman International Distribution believes in the value of all individuals and their rights as set forth in the United Nations Universal Declaration of Human Rights, the principles defined in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and all standards that demand respect for people everywhere without discrimination, regardless of the capacity in which they are associated with our company.

We believe that our business should conduct its operations in a manner that promotes the safety and protection of salient human rights and avoids any complicity in forced labour, child labour, exploitation, human trafficking, corporal punishment, unfair labour practises or compensation, restrictions on freedom of association or other human or labour rights abuses.

3. Commitment:

As a leading global distributor of chemical raw materials and ingredients and a critical part of supply chains around the world our business touches countless people around the world. Therefore we commit to:

- actively support and respect the protection of internationally proclaimed human rights and to take effective measures to avoid involvement in human rights abuses.
- encouraging our suppliers and business partners to adopt a similar approach and to confirm that they operate in a manner that demonstrates respect for human rights.
- We do not tolerate any discrimination whether if it is based on ethnicity, colour, religion, disability, national origin, age, sexual orientation, gender, gender identity and expression, marital status, citizenship, or any other diversity characteristics. This applies to all our hiring and promotion within our company Grolman International distribution is an equal opportunity employer.
- We require our suppliers , customers and business partners to acknowledge our Code of Conduct and commit to similar practises in their businesses.
- Supported by this policy and procedures, we comply with all applicable laws on employment, working hours and rest periods for all our employees around the world.
- We provide Code of Conduct training and refresher to all our employees on annual basis. In 2022 approximately 60 percent of employees defined as the target group completed the training.
- There are different trainings on other compliance topics provided to defined target groups of employees throughout the year.
- In 2022 we conducted a CSR topic training including introduction to CSR topics in our company, salient human rights topics, conflict minerals and how to address, report and prevent human rights violations in the supply chain.

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Grolman International Distribution's [Code of Conduct](#), which can be found on our website, defines the standards of behaviour expected of all our directors, managers, and employees with respect to ethical, respectful, and inclusive practises.

4. Actions and responsibilities 2023:

Human Rights goals 2023:

- Strengthen our employees' awareness and competence on human rights and business, including the launch of human rights training to cover 100 % of our employees.
- Review risks and continuously map key human rights issues to ensure they are in line with developments in our business every 6 months and issue a report on the status of these issues.
- Improve engagement with key customers and suppliers to ensure a lasting positive impact on human rights and labour conditions in identified higher risk areas in shared supply chains by increasing the number of sustainability engagement meetings and workshops with our supply chain from 2022 baseline.
- Implement a flag system to monitor the fundamental human rights profile of the countries we conduct business in and accordingly issue measures on our business aligned with this policy and our conflict minerals policy which are both governed by our code of conduct standards.

Diversity and inclusion goals 2023:

- Initiate dialog sessions to promote the inclusion diversity and gender aspects in the hiring processes and in competency development planning.
- Conduct awareness training to prevent discrimination and/or harassment to 100% of our employees.
- Measuring our diversity in our human capital using, gender, nationality, demographic background as indicators for an inclusive workplace.
- Hosting company- and country-specific diversity and inclusion forums to promote diversity and inclusion activities company wide.
- Finalise and introduce Grolman International Distribution Diversity and Inclusion Handbook.
- Increase the scope of our diversity and inclusion communication through our M.E.E.T module (Make time to discuss – Explore Differences – Encourage Respect and Take responsibility).

Our Dedicated diversity and inclusion Team coupled with our Human Resources team handles all the above mentioned actions with diligence and timely manner, for further information , communication and discussion on our Human Rights, diversity and inclusion policies and processes please communicate with our teams members at

diversity@grolman-group.com & humanresources@grolman-group.com .

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5. Grolman International Distribution as an equal opportunity employer statement:

We as Grolman are an equal opportunity employer that is committed to diversity and inclusion in the workplace. All employment decisions at Grolman are based on business needs, job requirements and individual qualifications, without regard to race, colour, ancestry, religion, sex, national origin, sexual orientation, age, citizenship, marital status, disability or gender identity.

For us, these guidelines apply within our organization to all employment practices, including hiring, recruiting, promotion, termination, layoff, recall, leave of absence, compensation, benefits, training, and apprenticeship. Grolman will not tolerate discrimination or harassment based on any of these characteristics.

6. Communication:

Grolman International Distribution encourages and promotes open dialogue to raise awareness of relevant issues. We make a collaborative commitment to do no harm to society, assets or the environment. We report and communicate relevant developments related to our human rights activities in our annual sustainability report and will revise our position on human rights, diversity and inclusion in the future as needed, furthermore our employees are internally trained on all our policies regularly and upon need, our sustainability standalone policies are part of our onboarding training program for all of our new employees and team members.

7. Whistleblower complaints:

Grolman international distribution encourages and requests from all of its employees and business partners to use our whistle-blower system to report in good faith any violations witnessed with regard to this policy.

We take all whistle-blower complaints and tips seriously and are committed to the four principles outlined in our Whistle-blower Policy: Confidentiality, Good Faith Reporting, No Retaliation, and Anonymous Reporting.

To access our whistle blower system please visit the portal using this link: <https://grolman-group.gt-wbs.com/> use the Whistle-blower app and report any violations or misconduct with anonymity, confidentiality, protection, and no retaliation.

For more information on our whistle-blower system, please see our Whistle-blower Policy.

8. Sanctions and compliance:

Grolman International Distribution is committed to immediately eliminating and addressing any violations to this policy and will not tolerate any violation by employees business partners and service providers in any way or form.

9. Review Mechanism:

This is a living document that will be reviewed by Grolman International Distribution executive board on an annual basis. This is to reassure that the goals and actions listed in this policy reflects the status of our Human Rights compliance efforts. Next revision November 2023.

Safety, Health, and the Environment procedure November 2022: **SHE Department customer safety – procedure**

1. Scope:

Gustav Grolman GmbH & Co. KG and all its international distribution subsidiaries, hereinafter referred to as "Grolman" or "Grolman international Distribution", are committed to thorough clear and visible leadership to make safety, health, and the environment a priority in our planning for all existing and new operations, products, processes, and facilities.

2. Commitment:

It is our responsibility to ensure the legal compliance of our products and to provide product safety information to our business partners, and thereby we contribute to protect the health of workers, environment, and the society.

3. Actions and Responsibilities:

- Develop and document supporting procedures, systems, goals, and targets which enable us to responsibly manage our product safety, health implications and the environmental risks.
- Provide all Grolman employees with information, instructions, and training to ensure that they understand their responsibilities and compliance with legal framework as well as for the contribution they can make towards the realization of safety, health, and environmental objectives.
- Provide yearly trainings to our employees internally on dangerous and hazardous goods training, explosive precursor training and ChemVerbots regulation training.
- Provide our business partners regularly and automatically with product specific [safety data sheets \(SDS\)](#), which ensures safe storage, distribution, use and recovery or disposal of existing and new products.
- Responds to all questions and requests from our business partners, regarding product safety or regulatory information.
- Comply with all applicable legal requirements and operate in accordance with both government and industry codes of practice and guidance appropriate to our activities.
- Grolman international distribution's, SHE department handles the regular update and compliance with these relevant legal national and international frameworks including but not limited to REACH, CLP, ChemVerbotsV and national and international trade regulations.

Our Dedicated SHE department handles all the above mentioned actions with diligence and timely manner, for further information, communication and discussion on our Safety, Health and the Environment policies and processes please communicate with our Safety, Health and the Environment team members SHE@grolman-group.com.

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This is a living document that is revised annually or as needed.

4. Goals for 2023:

- Updating one-third of the active hazardous material safety data sheets in our data system to secure our position as a reliable and trustworthy partner for our customers.
- Introduction and training of all selected target groups of our internal employees on the topics REACH, CLP, and dangerous goods. Training material is regularly updated and conducted every two years for all target groups.
- 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.

5. Communication and training:

Grolman International Distribution encourages and promotes open dialogue to raise awareness of relevant issues. We make a collaborative commitment to do no harm to society, assets or the environment we report and communicate relevant developments related to our product safety and health compliance in our annual sustainability report and will revise our efforts in improving our safety, health and environmental impact of our products in the future as needed, furthermore our employees are internally trained on all our policies regularly and upon need, our sustainability standalone policies and Safety, Health and the Environment processes are part of our onboarding training program for all of our new employees and team members.

6. Compliance and whistle blower complaints:

Grolman International Distribution is keen on its due diligence processes and practises as well as encouraging its current business partners and future business partners to participate in all sustainability supporting frameworks to ensure a sustainable and responsible supply chain there for we request from any party to come forward with any complaint or report that violates this policy using our whistle-blower system.

Grolman international distribution encourages and requests from all of its employees and business partners to use our whistle-blower system to report in good faith any violations witnessed with regard to this policy.

We take all whistle-blower complaints and tips seriously and are committed to the four principles outlined in our Whistle-blower Policy: Confidentiality, Good Faith Reporting, No Retaliation, and Anonymous Reporting.

For more information on our whistle-blower system, please see our [Whistle-blower Policy](#).

7. Sanctions:

Grolman International Distribution is committed to immediately eliminating and addressing any violations to this policy and will not tolerate any violation by employees business partners and service providers in any way or form.

8. Review Mechanism:

This is a living document that will be reviewed by Grolman International Distribution executive board on an annual basis. This is to reassure that the goals and actions listed in this policy reflects the status of our sustainability efforts. Next revision November 2023.

1. Introduction:

Gustav Grolman GmbH & Co. KG and all its international distribution subsidiaries, hereinafter referred to as "Grolman" or "Grolman international Distribution", are committed to conducting business in an ethical and honest manner and to implementing and enforcing a whistle blower system to ensure that all its business activities are conducted in such matter.

2. Purpose:

This policy provides a framework for whistle-blower protection, third-party software reporting, the investigation process, and the various roles and responsibilities within that process.

This policy provides information about the software through which suspected unlawful activity may be reported.

3. Actions and Responsibilities:

For that purpose, Grolman International Distribution senior management took the action and responsibility to invest in a world-renowned whistle blowing system operated by a third-party Grant Thornton; www.grantthornton.de.

4. Importance:

Fear of retaliation is one of the main reasons employees and business partners do not report suspected misconduct.

Grolman International distributions wants to ensure that whistle-blowers who report a concern in good faith are protected from retaliation.

It is important for our Company to create, maintain and preserve a corporate culture based on ethical business practices and high integrity illegal acts or violations of the company's Code of Conduct threaten this goal thus for the company to act against unlawful acts, it must learn about them.

5. The whistle Blower software:

To access our whistle blower system please visit the portal using this link: <https://grolman-group.gt-wbs.com/> use the Whistle-blower app and report any violations or misconduct with anonymity, confidentiality, protection, and no retaliation.

6. Scope:

This policy applies worldwide and to everyone who works for or on behalf of Grolman International Distribution. This means that:

- All employees, directors, officers, agents, contractors, and consultants share a responsibility to start a reporting process if they have knowledge of, or suspicion of, a wrongful act.
- A former employee or outside third party, such as a supplier or customer, may also use the software to report a concern and the investigation will carry on accordingly.
- Protection from retaliation applies to both the reporter and others who contribute to an investigation by providing truthful, supporting information.

7. Definitions:

A whistle-blower or reporter is someone who reports in good faith through our whistle-blower portals an unlawful activity as described in this policy.

Retaliation: any adverse action such as discrimination, demotion, discipline, reduction in pay, transfer, or any other type of unfair treatment.

Good Faith: making a report believing its contents to be true.

8. Extent of coverage:

This policy is intended to allow anyone to report in good faith any perceived or suspected unlawful activity, including but not limited to the following:

- a. Failure to comply with applicable laws or regulations
- b. Violation of the Company's Code of Conduct or stand-alone policies.
- c. Dishonest, fraudulent, improper, or negligent conduct.
- d. Endangering the health and safety of any person.

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- e. Harassment, bullying or other forms of discrimination in the workplace.
- f. Violations of environmental rules and regulations
- g. Data security violations.
- h. Conflict minerals and human rights related issues.

9. Policy Guidelines:

This policy is built around these key principles

- (1) Confidentiality: At all stages of the investigative process, the contents of the report will be protected.
- (2) Anonymity: At all stages of the investigative process, the identity of the reporter will be protected and will not be disclosed without express prior consent
- (3) Protection: Anyone who makes a report in good faith is protected by this policy, whether the report is substantiated or not.
- (4) No Retaliation: An employee who makes a report in good faith is protected from retaliation or adverse action because of the report

10. reprisal:

Those who retaliate against a reporter will be subject to disciplinary action, including but not limited to termination.

11. System description:

This system offers reporters the opportunity to report indications of compliance violations confidentially, anonymously if desired. To be able to follow up on tips as quickly as possible, it is helpful to describe the underlying misconduct as precisely as possible.

The whistle-blower system therefore offers optional support in providing the necessary information by asking questions. At the same time, the whistle-blower system opens the possibility of communication between the whistle-blower and Grant Thornton while maintaining anonymity.

Each whistle-blower is recorded and evaluated by qualified personnel and subsequently discussed by a team of experts.

Grant Thornton is committed to an objective and fair investigation of allegations of compliance violations.

In addition, each whistle-blower is regularly informed - as far as the processing of the whistle-blower allows - about the progress of the investigation of the facts he or she has reported.

In addition, whistle-blowers can contact Grant Thornton via the whistle-blower system and have a personal conversation.

For further information please visit:

<https://grolman-group.gt-wbs.com/>

[EU Whistleblowing Monitor](#)

www.grantthornton.de

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