ARCHROMA
LIFE ENHANCED

THE ARCHROMA WAY TO A SUSTAINABLE WORLD

Sustainability report Fiscal year 2024

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MESSAGE FROM THE CEO

I am delighted to present you with our Sustainability Report for our fiscal year 2024. The last year has been a year of transformation as we integrated the Huntsman Textile Effects business which we acquired in February 2023. With the acquisition and the growing awareness of global climate change, we are committed to deliver growth with purpose, by developing solutions that enhance lives and have a positive impact on the environment, our customers, as well as people and communities.

As we embark on this mission and lead Archroma's next stage of growth, we announced our leadership transition on September 30, 2024. Rajiv Sharma, previously Group CEO of Coats Group plc, joined Archroma as CEO on October 1, 2024 with key responsibility for the Textile Effects business, and I would be transitioning to the Archroma Board of Directors. It has been an honor to lead Archroma over the last two years, as the company has delivered substantial growth in sales and profitability and successfully integrated the Huntsman Textile Effects business.

In parallel with these leadership changes, we also announced that Archroma's Packaging Technologies (previously Paper, Packaging and Coatings) business would be established as a focused business activity from October 1, 2024, with the aim of increasing its focus on the packaging business and accelerating its development. It will continue under the proven leadership of its CEO, Sameer Singla, who will report directly to the Archroma Board of Directors.

LIVING OUR PURPOSE WITH AMBITIOUS TARGETS

Across our operations, we are driven by a clear purpose to positively impact our customers, markets and communities by embedding sustainability at the core of what we do. In a world that increasingly values accountability, we are proud to stand among companies taking meaningful steps to protect our environment and the people within our supply chains.

In July 2024, Archroma was awarded with the **EcoVadis Gold** rating. This was our first assessment since the acquisition of Huntsman Textile Effects. We are now a much larger organization, with the industry's most extensive portfolio of textile dyes and specialty chemicals, as well as a global network of more than 30 production sites. While integrating two industry leaders into one stronger organization, we had to work hard to align our data collection scopes and reporting methodologies. I am very proud that we were able to maintain our high EcoVadis scores.

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STRENGTHENING OUR PARTNERSHIPS

As we continue to lead the way in responsible chemical management, we look forward to continue strengthening our partnership with our customers, brands and key partners. In September 2024, Archroma was recognized as **Champion** at the **2024 adiFormulator Award by adidas,** a testament to our expertise, commitment to sustainability, and focus on product excellence.

We are also very proud to be awarded **Sustainability Partner by West Rock Company** in January 2024. WestRock is one of the world's leading providers of paper and packaging solutions and this recognition reflects our long-term collaboration on developing innovative and sustainable packaging solutions that meet the needs of consumers and the environment.

ENHANCING LIVES THROUGH SOCIAL RESPONSIBILITY

Whether it's through education or community health programs, one of our goals has always been to support the local community and create opportunities that empower individuals and families. This year, we were recognized by Just Style Excellence Awards for our longstanding and holistic commitment to community engagement in Baroda, India. This recognition stands as a tribute not only to our company but to every member of our team who have dedicated themselves to making a positive impact in the communities where we live and work.

Thank you for your continued support and partnership. This report embodies the efforts and contributions of our colleagues and the broader Archroma community, highlighting our journey and the progress we've made toward driving a more sustainable future for our customers and markets.

Mark Garrett, ARCHROMA Group CEO

KEY HIGHLIGHTS OF THE YEAR

AWARDS AND ACCOLADES

Recognized by Adidas as Champion at 2024 adiFormulator Award.

Won for categories in Sustainability Innovation and Community Engagement.

Presented with the Sustainability Partner Award at the WestRock Supplier Forum in January 2024.

Archroma Pakistan Honored In Coveted Pakistan Stock Exchange (PSX) Top 25 Companies Awards.

Celebrated a century of sulfur dye innovation at our Castellbisbal site in Spain.

Archroma Spain won the prestigious Asepeyo award for its safety initiatives, highlighting the collaborative spirit of the teams in our Castellbisbal and El Prat sites.

OUR INNOVATIONS

AVICUERO® – a revolutionary breakthrough towards sustainable leather tanning and dyeing.

CARTASEAL® OGB F10 – a superior PFAS-free barrier coating for oil and grease applications.

AVITERA® GENERATION NEXT makes sustainable dyeing more economically viable.

Cartabond® FCI – an exceptional crosslinker that provides high-quality and sustainable food packaging while being compliant with multiple food contact regulations.

DIRESUL® EVOLUTION BLACK – newest and cleanest sulfur black dyestuff ever.

Cartaspers® PLH – designed for the pulping sector (where high pH values ensure low system hardness), to remove and passivate pitch particles.

SUCCESSFUL COLLABORATIONS

Archroma, G-Star RAW and Advance Denim renewed their joint commitment to the production of aniline-free denim apparel based on Archroma's DENISOL® PURE INDIGO 30.

Archroma and Vivid CLM team up to advance color matching for textile printing with the industry's largest color library.

Archroma and Artistic Milliners forge strategic partnership, driving towards sustainable solutions.

Archroma held over 25 Customer Innovation Days with leading paper and packaging customers to collaborate on more sustainable solutions for their end users and consumers.

ABOUT THE REPORT

- As a result of the Huntsman acquisition on February 28, 2023, our general data collection scopes and methodologies were going through an alignment and revision process in FY2023. In FY2024 new KPIs were established to track the effectiveness of the actions to manage actual and potential impacts for our new strategic cycle FY2024-2028. Respective goals and targets are being disclosed in this report, including progress, lessons learned and how these have been incorporated into the organization's operational policies and procedures.

- FY2024 reporting includes Huntsman figures from the beginning of the FY on Emissions, Waste, Water & Energy. The same applies for Health & safety, Diversity, equity & inclusion and Supply chain responsibility.

- This report covers Archroma's fiscal year 2024 (FY2024), from October 1,2023 to September 30, 2024, which aligns with its financial reporting cycle. Archroma's Sustainability Reports follow a yearly cycle. The previous report was published on December 6,2023.

- The report covers Archroma's sustainability approach and strategy, summarizing the sustainability performance and associated activities.

- The scope of the report covers all wholly owned subsidiaries and any joint ventures in which Archroma Group SARL ("Archroma" or "the Group" or "the Company") has a majority shareholding and significant influence on operations. The list is available here. There are no differences between the list of entities included in Archroma's financial reporting and the list included in its sustainability reporting.

- The data and information presented in this report come from Archroma's official documents, both those publicly available and internal reports.

- Limited assurance has been provided by a third party on Scope 1 & 2 CO_2 emissions intensity (tons CO_2 emissions/ton produced; as per GRI 305-4), Water intake intensity (m^3 water intake/ton produced; as per GRI 303-3), Waste intensity (waste produced/tons produced; as per GRI 306-3), Workplace health and safety (TRR cases/200,000 hours worked; as per GRI 403-9), Diversity and inclusion (% female in management and board; as per GRI 405-1), and Supply chain responsibility (as per GRI 308-2, 414-2). The respective third party assurance report can be found in the appendix.

- This ESG report has been prepared with reference to the Global Reporting Initiative (GRI) Standards.

- For this reporting period a new sustainability framework has been developed in line with our material topics along the three ESG pillars of: Environment, Social and Governance.

Any questions regarding the report or its contents should be directed to: sustainability@archroma.com
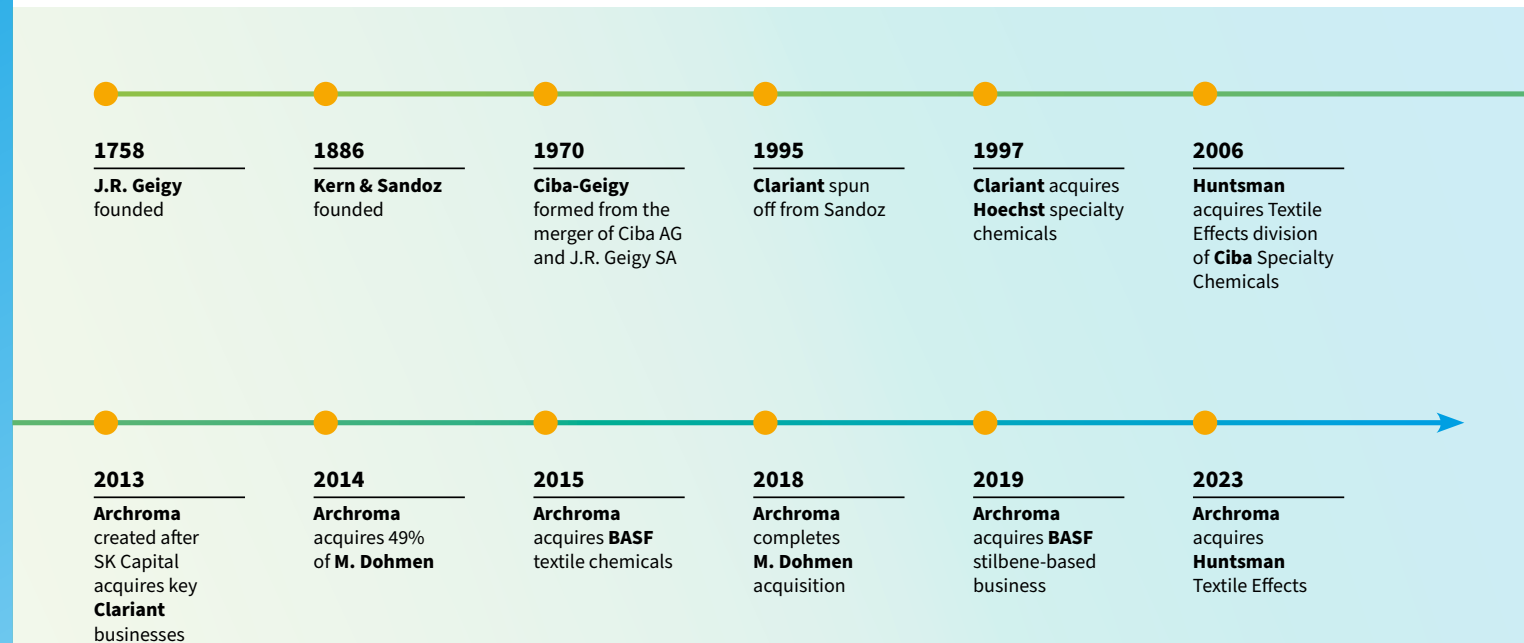
WHO WE ARE

Archroma is a global, diversified provider of specialty chemicals serving the textiles, packaging, paper, coatings, adhesives, and sealants markets. Headquartered in Pratteln, Switzerland, we are a diverse team of more than 4000 employees located in 41 countries and over 30 production sites. We operate in over 90 countries, touching and coloring people's lives every day, everywhere.

Archroma is passionate about delivering innovative, market-leading solutions, respecting the planet, and enhancing people's lives.

We are committed to the principles of The Archroma Way – an approach reflected in our innovations and customer focus, our world-class quality standards and high service levels, and the cost-efficient, resource-saving solutions we offer to help lead our industry toward a more sustainable future.

OUR HISTORY

Archroma's heritage dates back to 1886, when textile dye-maker Kern & Sandoz was founded in Basel. More than a century later, in 1995, the company spun off Clariant, which acquired the specialty chemicals business of Hoechst in 1997. Clariant then sold its textile chemicals, paper specialties, and emulsion businesses to SK Capital in September 2013.

1758
J.R. Geigy
founded

1886
Kern & Sandoz
founded

1970
Ciba-Geigy
formed from the
merger of Ciba AG
and J.R. Geigy SA

1995
Clariant spun
off from Sandoz

1997
Clariant acquires
Hoechst specialty
chemicals

2006
Huntsman
acquires Textile
Effects division
of Ciba Specialty
Chemicals

2013
Archroma
created after
SK Capital
acquires key
Clariant
businesses

2014
Archroma
acquires 49%
of M. Dohmen

2015
Archroma
acquires BASF
textile chemicals

2018
Archroma
completes
M. Dohmen
acquisition

2019
Archroma
acquires BASF
stilbene-based
business

2023
Archroma
acquires
Huntsman
Textile Effects

SK Capital combined the three divisions into an integrated, market-focused, and collaborative company, and Archroma was born. Today, the Archroma group comprises Archroma Management LLC and all of its subsidiaries, affiliates, and joint ventures, collectively known and referred to in this report as "Archroma".

A leading private investment firm, SK Capital focuses on the specialty materials, chemicals, and pharmaceuticals sectors and works to propel the sustainable transformation of the businesses in which it invests in collaboration with their management teams. Its portfolio companies currently generate revenues of approximately USD 12 billion annually and employ more than 25,000 people globally. As of October 2023, SK Capital had approximately USD $ 9 billion of assets under management.

Archroma continues to grow with additional acquisitions. The global textile chemicals business of BASF was added to Archroma in 2015, with BASF's stilbene-based optical-brightening agents business for paper and powder detergent applications following in 2019. In 2018, Archroma completed the acquisition of M. Dohmen, an international group specializing in the production of textile dyes and chemicals for the automotive, carpet, and apparel sectors.

In February 2023, Archroma acquired the Textile Effects business of Huntsman Corporation. A global leader in sustainability and innovation in the textile industry, Textile Effects brought the combined heritage of Huntsman and the textile dyes and chemicals business of Ciba, which it had acquired in 2006, to further enrich Archroma.
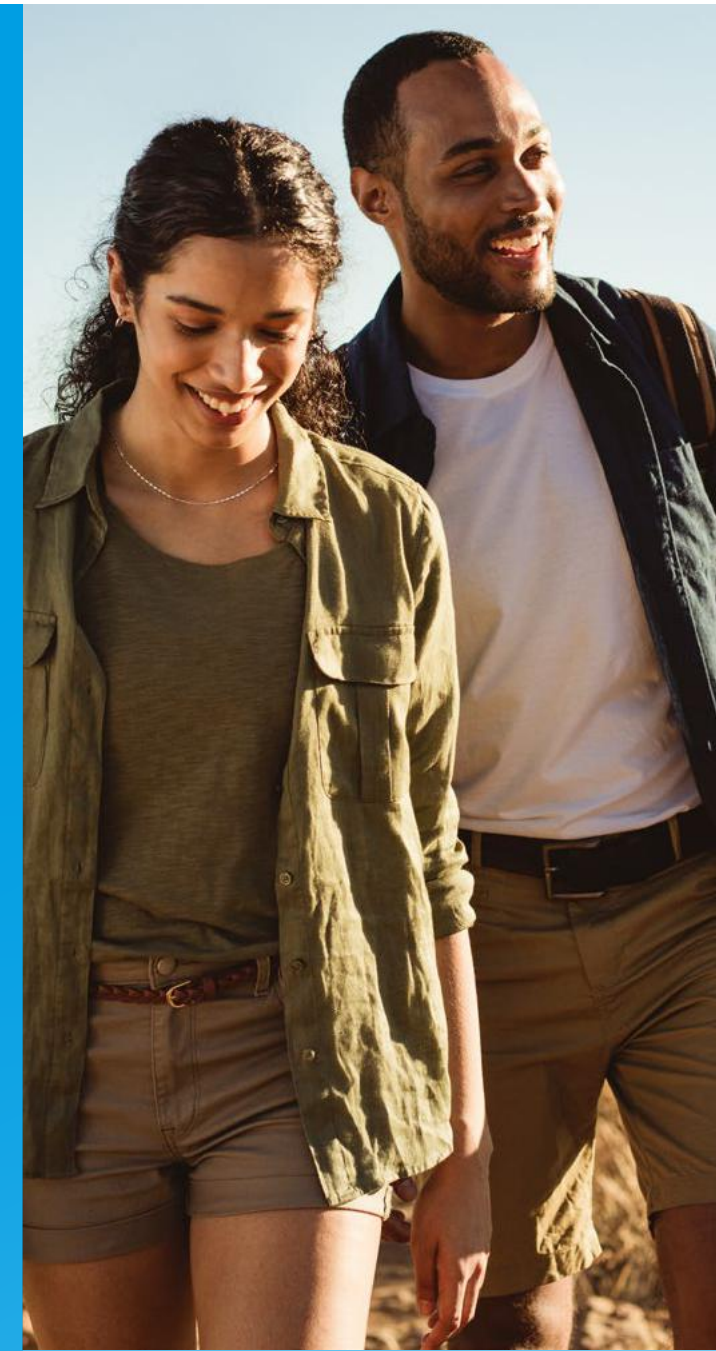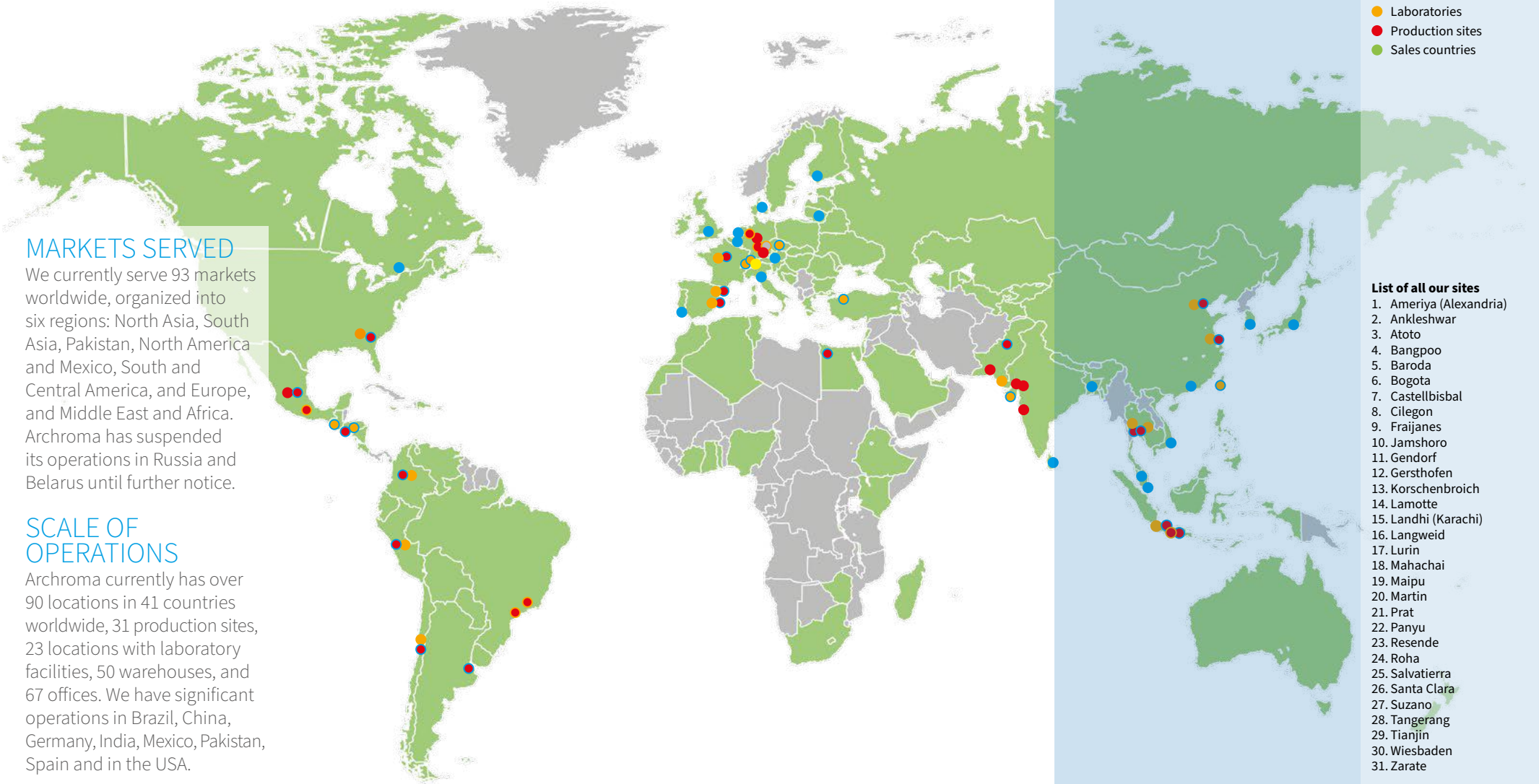
GLOBAL PRESENCE

93 MARKETS SERVED, OVER 90 LOCATIONS, INCLUDING 31 PRODUCTION SITES

Over 4000 employees, over 100 locations (including 31 production sites) across 41 countries worldwide

- 🟡 Headquarters
- 🔵 Offices
- 🟠 Laboratories
- 🔴 Production sites
- 🟢 Sales countries

MARKETS SERVED

We currently serve 93 markets worldwide, organized into six regions: North Asia, South Asia, Pakistan, North America and Mexico, South and Central America, and Europe, and Middle East and Africa. Archroma has suspended its operations in Russia and Belarus until further notice.

SCALE OF OPERATIONS

Archroma currently has over 90 locations in 41 countries worldwide, 31 production sites, 23 locations with laboratory facilities, 50 warehouses, and 67 offices. We have significant operations in Brazil, China, Germany, India, Mexico, Pakistan, Spain and in the USA.

List of all our sites
1. Ameriya (Alexandria)
2. Ankleshwar
3. Atoto
4. Bangpoo
5. Baroda
6. Bogota
7. Castellbisbal
8. Cilegon
9. Fraijanes
10. Jamshoro
11. Gendorf
12. Gersthofen
13. Korschenbroich
14. Lamotte
15. Landhi (Karachi)
16. Langweid
17. Lurin
18. Mahachai
19. Maipu
20. Martin
21. Prat
22. Panyu
23. Resende
24. Roha
25. Salvatierra
26. Santa Clara
27. Suzano
28. Tangerang
29. Tianjin
30. Wiesbaden
31. Zarate

CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

Archroma has a flat management structure that allows us to effectively communicate the strategic direction throughout the organization, closely monitor the implementation of initiatives and required activities needed to implement the strategy, and to rapidly respond to business needs, opportunities and challenges.

The Core Team is the main executive decision-making body of the Archroma group. Apart from day-to-day management responsibility, the Core Team ensures that our strategies, policies and resources set the pace for our current operations and sustainable future development, as well as meet our business objectives and targets, all in line with the Delegation of Authority set up within the group.

THE CORE TEAM COMPRISES:

Mark Garrett

Group Chief Executive Officer (CEO) and President & CEO of Textile Effects

w.e.f. 1 October 2024, Rajiv Sharma took over as CEO of Archroma Textile Effects

Sameer Singla

CEO of Packaging Technologies

Thomas Bucher

Group Chief Finance Officer (CFO)

Karine Nangia

Group Chief Human Resources Officer (CHRO)

Patrick Verraes

Group General Counsel, Chief Compliance Officer, Secretary to the Board and Head of Corporate Affairs

The Core Team is supported by the functional leaders, as well as the respective leadership teams in TE and PT. Together, they share the responsibility for the efficient and effective management of the company, and for delivering the overall performance of the Archroma Group.

ARCHROMA'S HIGHEST GOVERNANCE BODY

The Board of Directors (BoD) is Archroma's highest governance body. It supervises the Core Team on behalf of the main shareholder. The BoD has two Committees: The Audit Committee and the Compensation Committee, which each meet quarterly. The BoD holds regularly scheduled meetings, at least quarterly, and special meetings when needed. The Committees regularly receive information and reports from management and, if needed, outside advisors. The Chairman of the BoD does not hold an executive role within Archroma.

Miguel Kohlmann – Chairman

Miguel Kohlmann is an independent non-executive director holding his position since September 3, 2018 for an undetermined period. He has acquired experience as CEO of international production groups across multiple industries with a focus on automotive, mechanical engineering, aluminum and building materials.

Barry Siadat

Barry Bahram Siadat, holding his position since July 7, 2017, and for a non-determined period is a Co-Founder and Managing Director of SK Capital, Chairman of the Board of Ascend Performance Materials, SI Group, and he also serves on the Board of Directors of Mt. Sinai Medical Center. Mr. Siadat possesses such competencies as expertise in chemical engineering, polymer science, business management well as expertise in private equity management.

Xander Wessels

Alexander Roeland Wessels is an independent non-executive director, holding his position since January 22, 2020 for a non-determined period. His competencies include expertise as CEO in various companies, expertise in marketing strategies, change management, competitive analysis, business development, international sales and manufacturing.

Jared Kramer

Jared Kramer, holding his position since September 3, 2018, for an undetermined period is a principal of SK Capital Mr Kramer holds, Member of the advisory Board of Directors of Heubach, Archroma, SI Group and GEON Performance Solutions. Mr. Kramer holds expertise in finance and investment management.

Bertrand Lhomme

Bertrand Lhomme, holding his position since April 1, 2022 for an undetermined period is the office manager of SK European Service Co. Mr. Lhomme has expertise in Luxembourg and European tax matters.

Guna Krastina

Guna Krastina is a non-executive director holding her position since April 1, 2022. She is the legal manager of SK European Service Co. Ms. Krastina has expertise in Luxembourg corporate governance as well as experience as an in-house counsel in operational companies.

Sarah Duchene

Sarah Duchene is a non-executive director, holding her position since February 16, 2023. She is the Senior Accountant of SK European Service Co. Ms Duchene is an ACCA qualified accountant with expertise in LUX GAAP.

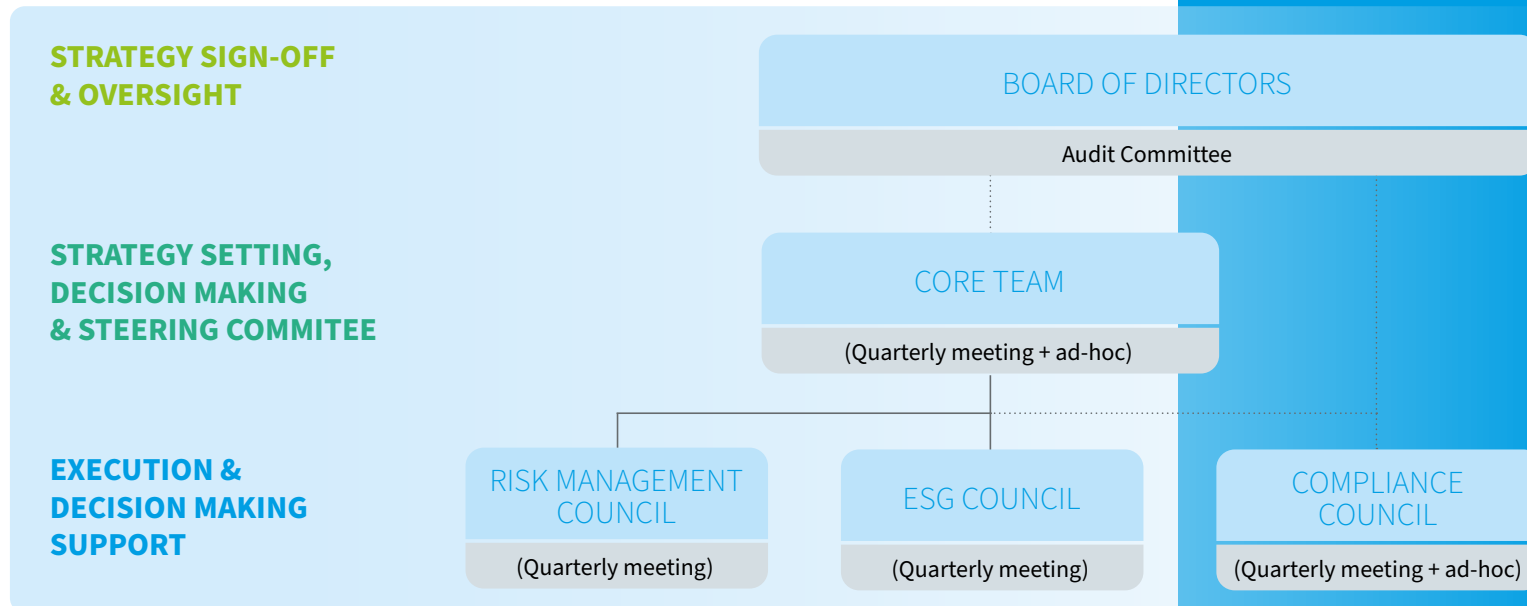## INTEGRATION OF SUSTAINABILITY INTO THE ARCHROMA STRATEGY

Archroma's purpose is to lead our industry towards a more sustainable future for our customers and markets to enhance our ESG governance structure and strengthen our commitment to environmental, social and governance (ESG) initiatives. In consequence, we launched a new governance model with a dedicated ESG council in September 2023.

The ESG Council closely collaborates with the Risk Management Council and the Compliance Council. Such coordinated action ensures a global view of the effective implementation of policies relative to their respective areas of competence, as well as enhancing the quality of non-financial information made available to the market.

The Board of Directors has delegated to the Risk Management Council the responsibility to foster the effectiveness of the risk management and internal control systems, which also oversees and assesses financial and non-financial risks and those deriving from the Group's actions in relation to its social and environmental sustainability practices. It is chaired by the Vice President of Internal Audit.

The Compliance Council safeguards compliance with the rules of conduct and specifically with the Archroma Code of Conduct and the Code of Conduct for Suppliers. It is chaired by the General Counsel and Chief Compliance Officer.

All three Councils are delegated bodies of the Archroma Core Team.

STRATEGY SIGN-OFF & OVERSIGHT

BOARD OF DIRECTORS

Audit Committee

STRATEGY SETTING, DECISION MAKING & STEERING COMMITEE

CORE TEAM

(Quarterly meeting + ad-hoc)

EXECUTION & DECISION MAKING SUPPORT

RISK MANAGEMENT COUNCIL

(Quarterly meeting)

ESG COUNCIL

(Quarterly meeting)

COMPLIANCE COUNCIL
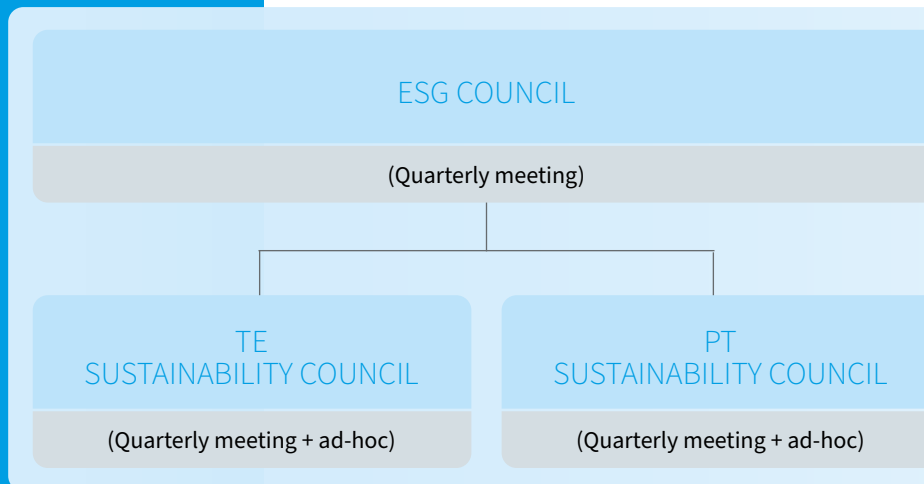
(Quarterly meeting + ad-hoc)

The ESG Council will oversee sustainability proposals in areas including social responsibility, environmental impact, and product health and safety. It is also responsible for fostering the commitment to the Sustainable Development Goals and relations with the various stakeholders to ensure our organization's ESG strategy is fully aligned.

The Group's commitment on sustainability is reflected at the highest level of the company, with the CEO chairing the ESG Council. This ensures that sustainability is an integral part of our decision-making processes, highlighting our commitment to our stakeholders and the environment. Ultimately, it is the role of the ESG Council to preserve the interest of our stakeholders and to ensure responsibility for the environment, social and reputational impact of our activities.

THIS NEW STRUCTURE IS DESIGNED TO ACHIEVE SEVERAL KEY OBJECTIVES:

- DEFINE OUR CORPORATE STRATEGY WHILE CONSIDERING RISKS, IMPACTS AND OPPORTUNITIES.
- Set, measure, and attain sustainability goals.
- Maximize the continuous creation of value for all our stakeholders.

The ESG Council will work in close collaboration with our Divisional Sustainability Councils to integrate organizational objectives into our operations and processes. Additionally, it will establish dedicated task forces for project-related initiatives, empowering members to spearhead defined projects and delegate tasks to ensure we meet our targets. This exciting development reinforces our dedication to sustainability and ensures it remains at the forefront of our organizational strategy.

ESG COUNCIL

(Quarterly meeting)

TE
SUSTAINABILITY COUNCIL

(Quarterly meeting + ad-hoc)

PT
SUSTAINABILITY COUNCIL

(Quarterly meeting + ad-hoc)

RENUMERATION AND AUDIT COMMITTEES

Remuneration and risk management also fall within the BoD responsibility. To this end, the BoD has nominated two Committees, namely the Audit Committee and the Renumeration Committee.

The remuneration of the company's senior executives is overseen by the Archroma's Remuneration Committee ("Remco"). This includes base salary, annual bonus payments and the long-term incentive programs (LTIP and MEP). The Remco convenes on a quarterly basis and its membership is currently Mr Miguel Kohlmann, the Chairman of the Board (also the Chair of the Remco), Mr Barry Siadat, the Chief Executive Officer and the Chief Human Resources Officer.

The performance of the senior executives is assessed annually against agreed and documented annual Key Performance Indicators (KPIs).

With regard to renumeration determination, proposals are made to the Remco in line with the company's remuneration strategy which includes insights from external sources (e.g. Mercer). For details, please check the section "Talent management".

The Audit Committee is responsible for overseeing all matters relating to our financial statement and reporting, our internal audit function and independent auditors, our risk management, and our compliance function.

The Audit Committee's members are currently Jared Kramer, Xander Wessels, the CFO, the General Counsel and Chief Compliance Officer and, as needed, the VP Internal Audit and the CIO.

STRATEGY, PURPOSE AND VALUES

OUR CULTURE LANDSCAPE

ACHIEVE AND EXCEED

/ We **relentlessly drive for achievements** and results
/ We succeed by taking **smart risks**
/ We believe that **it's possible** to create growth and success
/ We are **passionate for the business** and **inspired by our purpose**

ACHIEVE & EXCEED

ADAPT AND INNOVATE

/ We strive for **value-enhancing solutions** and services
/ We enrich our customers through **R&D-enabled innovation**
/ We embrace **agility for fast decision making**
/ We **pursue excellence** and we **push for more**

ADAPT & INNOVATE

CENTER ON CUSTOMER

/ We put **customer needs at the center** of all our decisions
/ We build **long-lasting relationships** with our customers
/ We co-create with **our customers** to **make them win**
/ We focus on **value creation together with our customers**

CENTER ON **CUSTOMER**

COLLABORATE AND EMBRACE DIVERSITY

/ We **collaborate** in a **diverse and inclusive** environment
/ We **empower our people** equally
/ We challenge each other in a **positive and respectful** way
/ We continuously **share knowledge** and ideas

COLLABORATE & EMBRACE DIVERSITY

Our purpose at Archroma is to lead our industry towards a sustainable future for our customers and markets. This commitment drives us to continuously improve and innovate, seeking sustainable solutions that support a better tomorrow.

Our Core Values are at the heart of everything we do.

Safety First
Towards zero harm at all times

Integrity
Committed to ethical behavior, openness and transparency

People
Diversity and inclusion, talent development

Archroma remains at the forefront of sustainability

We are proud to be among the **top 5%** of companies worldwide to achieve this standard.

The Archroma Way to a Sustainable World.

GOLD | Top **5%**

ecovadis

Sustainability Rating

JUL 2024

Creating possibilities.

It's our nature!

THE PRINCIPLES OF THE UN GLOBAL COMPACT

Archroma adheres to the 10 principles of the United Nations Global Compact (UNGC) in its business practices, comprising the four areas of human rights, labor standards, environment and anti-corruption.

Our sustainability reporting sets the basis for our annual Communication on Progress (CoP).

HUMAN RIGHTS

Principle 1   Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2   Make sure that they are not complicit in human rights abuses

LABOR

Principle 3   Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4   The elimination of all forms of forced and compulsory labor

Principle 5   The effective abolition of child labor

Principle 6   The elimination of discrimination in respect of employment and occupation

ENVIRONMENT

Principle 7   Businesses are asked to support a precautionary approach to environmental challenges

Principle 8   Undertake initiatives to promote greater environmental responsibility

Principle 9   Encourage the development and diffusion of environmentally friendly technologies

ANTI-CORRUPTION

Principle 10   Businesses should work against corruption in all its forms, including extortion and bribery

AFFILIATIONS AND MEMBERSHIPS

Archroma engages with relevant stakeholders to support and drive initiatives with the potential to achieve measurable change through tangible and ambitious solutions and innovations. We champion positive collaboration as the best way forward for our industry.

Responsible Care
Archroma is a signatory of the International Council of Chemical Associations Responsible Care®
Global Charter since 2014. Responsible Care is a commitment to an ethic of safe chemicals management
and performance excellence in the chemical industry.

United Nations Global Compact
Archroma is a member of the United Nations Global Compact, a voluntary initiative based on CEO commitments
to implement universal sustainability principles and to take steps to support the United Nations Sustainable
Development Goals.

AATCC
Archroma is a member of the American Association of Textile Chemists and Colorists (AATCC), which develops
the test methods the textile industry uses for product quality.

Bluesign
Archroma is a bluesign® technologies system partner, an independent organization that represents the vision
and mindset of responsible and sustainable manufacturing of textile consumer products and that acts as
an independent verifier to secure trust and transparency.

Cefic
Archroma is a member of the European Chemical Industry Council (CEFIC), a non-profit organization devoted
to promoting a thriving chemical industry that is broadly recognized to provide sustainable, safe and resource
efficient solutions.

EcoVadis
EcoVadis is an organization specialized in assessing the corporate social responsibility (CSR) performance of companies on a global basis. Archroma was awarded the "Platinum" rating in 2022 and 2021, placing us within the top 1% in our industry.

ETAD
Archroma is a member of the Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturers (ETAD), which supports responsible care principles and product stewardship and cooperates with authorities to harmonize health and environmental regulations.

IPE
The Institute of Public & Environmental Affairs (IPE) is a non-profit environmental research organization based in China and dedicated to collecting, collating and analyzing government and corporate environmental information to build a database of environmental information.

SCTI
Archroma is one of the six leading chemical companies who founded SCTI (Sustainable Chemistry for the Textile Industry) in October 2020, aiming to drive transformational change in the textile and leather industries.

TEGEWA
Archroma is a member of the Association of Manufacturers of Process and Performance Chemicals TEGEWA (Textil, Gerbstoff und Waschmittel).

TfS
Together for Sustainability (TfS) is a joint initiative of chemical companies that delivers de facto global standards for environmental, social and governance performance of chemical supply chains.

ZDHC
Archroma is a contributor to the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation, a global initiative of more than 160 contributors within the fashion and footwear industry.

ARCHROMA TEXTILE EFFECTS

At Archroma, we've been pushing the boundaries of sustainable innovation for decades, continually redefining what's possible in the textile and apparel industry. Our Textile Effects division – an industry powerhouse of leading solutions for specialty textile chemicals, dyes and digital inks – creates innovative technologies that add value and performance to apparel, home textiles and technical textiles, etc.

Our purpose is to lead our customers and markets towards a more sustainable future. How we do this matters. Through constant innovation and close collaboration, we deliver cutting-edge products, more resource efficient processing, cleaner processes and expert support. Our goal is to empower our customers to create distinctive textiles with sustainability at their core.

OUR MARKETS

Archroma serves a wide range of markets, with textile and apparel as a primary market where we provide innovative solutions to brands and mills. Whether it is casual wear, denim, sportswear, swimwear or formal wear, we offer products that enhance color, performance, and sustainability. We also serve the home and hospitality markets with innovative solutions for home textiles, upholstery, carpets, bedding, and other applications. Our products help enhance color vibrancy, durability and resistance to external factors.

As demand for technical textiles grows in sectors like healthcare, construction, and protective clothing, we provide solutions that enhance the performance, durability, and safety of these materials. The automotive industry is another important sector that demands high quality and sustainable solutions for interior and exterior materials. Our products and solutions have diverse applications in industries beyond key markets to help our customers extend their capabilities and market share.

Our innovative solutions are also highly valued in the home and personal care sector. For home care, we offer high performance, rapidly biodegradable surfactants and optical brighteners for laundry, hand dishwashing liquids and a broad range of cleaning products. Other home care solutions include soil and stain release agents, anti-redeposition polymers and coloration.
Our well known LOCRON® range of antiperspirant agents have been used in the cosmetic industry for over 50 years.
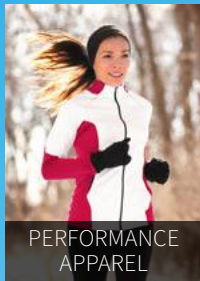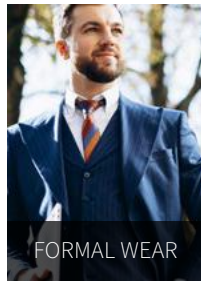
END USES

APPAREL	HOME TEXTILES	SPECIALIZED TEXTILES	HOME CARE

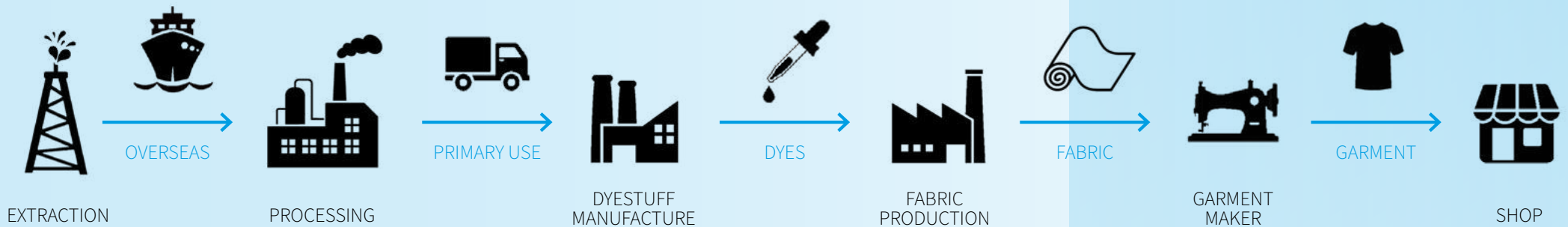| DENIM | CASUAL WEAR | PERFORMANCE APPAREL | FORMAL WEAR | HOME AND INSTITUTIONAL | AUTOMOTIVE | TECHNICAL TEXTILES | PROTECTION TEXTILES | HOME CARE, PERSONAL CARE, PLASTICS & LEATHER |

VALUE CHAIN

The textile and apparel sector delivers essential products and significantly impacts the global economy, with Archroma playing a key role in its complex supply chain.

Covering the entire textile supply chain from fiber to finish, Archroma offers tailored system solutions for spinning, sizing, pretreatment, dyeing, printing, and finishing processes, ensuring high quality results and improved performance throughout.

SIMPLIFIED ARCHROMA TEXTILE EFFECTS SUPPLY CHAIN

EXTRACTION → OVERSEAS → PROCESSING → PRIMARY USE → DYESTUFF MANUFACTURE → DYES → FABRIC PRODUCTION → FABRIC → GARMENT MAKER → GARMENT → SHOP

Archroma brings together science, our technological expertise and in-depth market, customer, and regulatory knowledge to create groundbreaking solutions that have a positive environmental impact. To accelerate the shift to a circular economy and help manufacturers use resources more efficiently, our research and development teams across Americas, Asia and Europe focus on innovating for cleaner chemistry and durable effects. This year, we introduced the 'PLANET CONSCIOUS+' roadmap which deepens our commitment to innovation and partnership and sharpens our focus on consumers and the environment to bring about meaningful change with pace and at scale.

Paul Cowell, Vice President of Innovation, Marketing, Brand Engagement and Sustainability for Archroma Textile Effects.
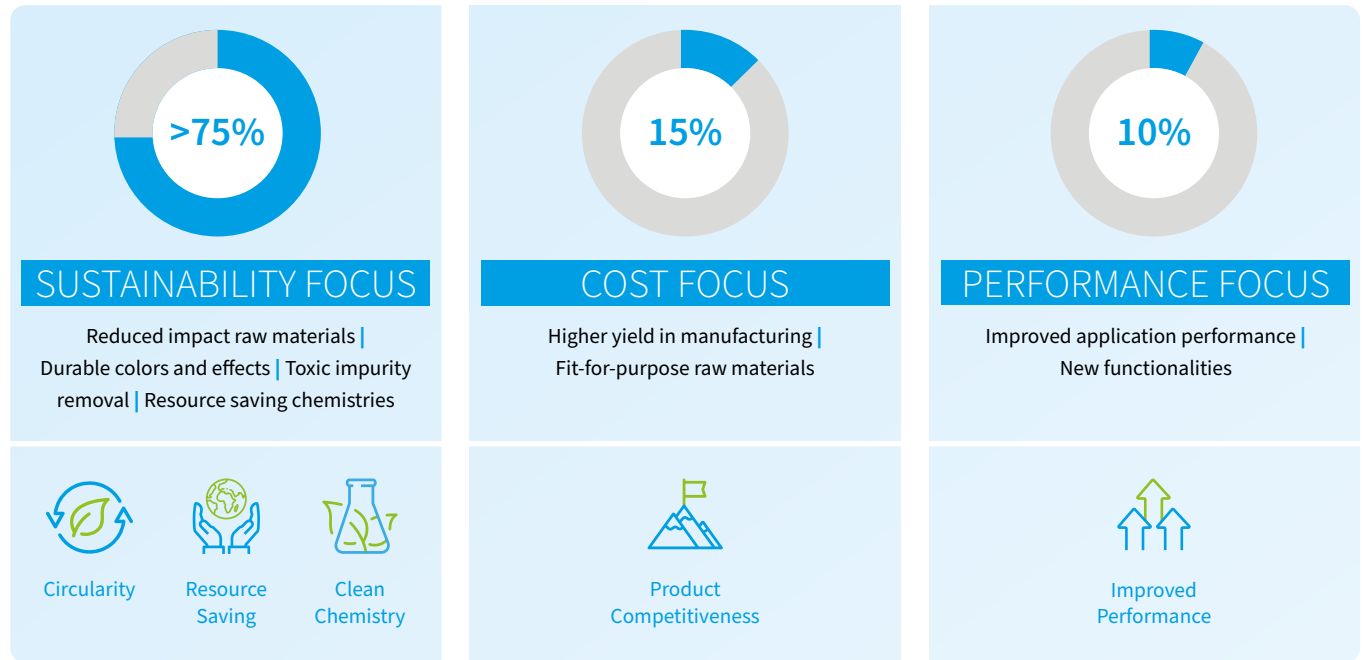
OUR INNOVATIONS

Archroma brings together science, our technological expertise and in-depth market, customer, and regulatory knowledge to create groundbreaking solutions that have a positive environmental impact. To accelerate the shift to a circular economy and help manufacturers use resources more efficiently, Archroma's research and development teams across Americas, Asia and Europe focus on innovating cleaner chemistry, durable effects and resource saving chemistry.

INNOVATION+

Using the principles of green chemistry, designing solutions that have a positive environmental impact. Innovating cleaner chemistry and durable effects for improved circularity and resource efficiency in manufacturing.

INNOVATION+ DESIGNING FOR PERFORMANCE, ECOLOGY AND ECONOMY

>75%

SUSTAINABILITY FOCUS

Reduced impact raw materials | Durable colors and effects | Toxic impurity removal | Resource saving chemistries

Circularity   Resource Saving   Clean Chemistry

15%

COST FOCUS

Higher yield in manufacturing | Fit-for-purpose raw materials

Product Competitiveness

10%

PERFORMANCE FOCUS

Improved application performance | New functionalities

Improved Performance

Our award-winning dyes like AVITERA® can reduce water consumption by 50%. It also cuts energy usage and carbon footprints in half. The fourth generation solution for cellulosic fibres – AVITERA® SE GENERATION NEXT – delivers the same exceptional environmental benefits while helping fashion and textile companies sustain their financial viability.

We are committed to addressing environmental challenges and climate change in the textile industry. We aim to play a pivotal role in achieving a more sustainable and planet-conscious future. To this end, we continuously develop innovative solutions that enhance the environmental footprint of our products and processes while helping our mill customers remain competitive and deliver high-value end-articles that perform as required. Our other recent innovations include:

ALBAFIX®E3-RUB – state of the art rubbing fastness improver for reactive dyes on cellulose fibers

INKPRESSO® RK DEEP BLACK AND RK GREY 01 – digital printing system that enables ink mixing on site and on demand

DENIM HALO – achieve stunning, high contrast laser friendly effects with ease

DIRESUL® EVOLUTION BLACK – the most sustainable sulfur black in the market

NOVACRON® ADVANCE INKS – digital printing on cellulosic fibers

LANASET® XKS – digital printing on polyamide, silk and wool

NYLOFIXAN® HFS LIQ C – fixing agent for polyamide and blends

IMEROL® MF2E – multi functional and economical detergent for scouring of synthetic fibers and its blends

COLLABORATING TOWARDS A SUSTAINABLE FUTURE

Archroma is proud to be one of the six leading chemical companies who founded SCTI (Sustainable Chemistry for the Textile Industry). Together, we aim to drive transformational change in the textile and leather industries through sustainable chemistry.

In 2024, SCTI and bluesign donated the Sustainable Chemical Index (SCI) to ZDHC, a key component of its Chemicals to Zero (CTZ-A) program. Archroma takes great pride to have significantly contributed to the development of the SCI, a comprehensive tool for assessing environmental impact and creating a common language for the industry which will be freely accessible.
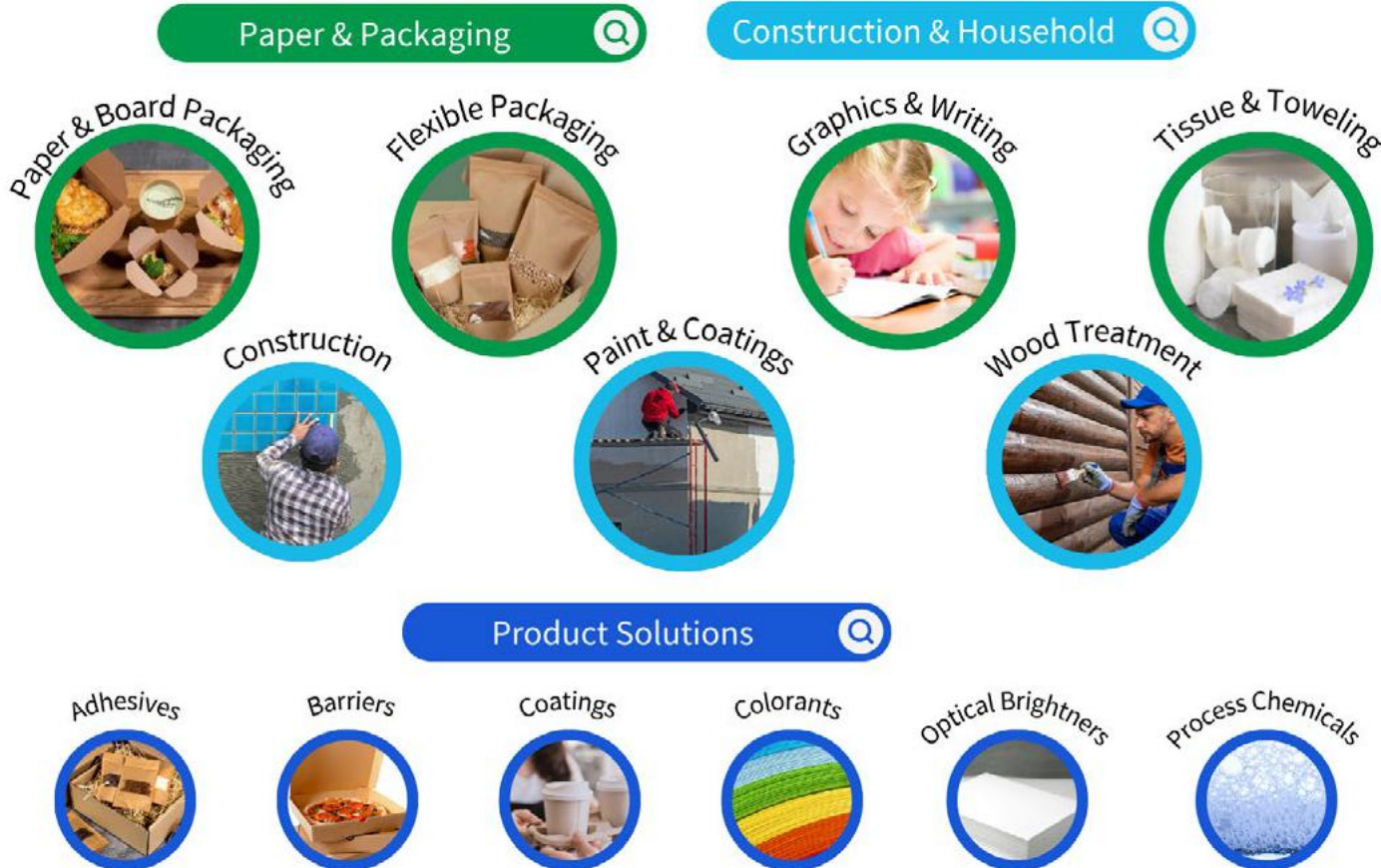
ARCHROMA PACKAGING TECHNOLOGIES

At Archroma Packaging Technologies, we are fueled by our 100-year legacy of water-based chemistries and our current focus on more sustainable formulations. We are proud to leverage our expertise around fiber-based materials and our position as global leaders to deliver innovative solutions that enhance the appearance and performance of products in the paper and packaging sectors.

With a strong history in specialty chemicals and cutting-edge research, we are the trusted partners for pulp and paper mills and packaging converters around the world, offering more sustainable solutions that elevate both consumer experience and environmental standards.

LOOKING INTO THE MARKETS WE SERVE

Our innovations touch every aspect of modern life, bringing more sustainable chemistry to diverse markets like food and beverage packaging, printing and writing paper, e-commerce boxes and luxury packaging, and even construction. Our broad portfolio of more sustainable chemistries leverages the latest technology to consistently meet the evolving needs of the markets we serve. Though operating across a diverse group of end markets, we consistently utilize our core water-based chemistry as the backbone from which more sustainable solutions are created.

Paper & Packaging 🔍

Construction & Household 🔍

Paper & Board Packaging

Flexible Packaging

Graphics & Writing

Tissue & Toweling

Construction

Paint & Coatings

Wood Treatment

Product Solutions 🔍

Adhesives

Barriers

Coatings

Colorants

Optical Brighteners

Process Chemicals

As the industries we serve continue to evolve and sustainability continues to be a key driver for our business, we will continue to optimize and expand our portfolio of sustainable solutions across all market applications while also making strides to increase our product carbon footprint calculations to better enable our customers in tracking their sustainability progress throughout the value chain.

Lisa Clark VP Marketing & Sustainability, Packaging Technologies

DRIVING CIRCULARITY AND SUSTAINABILITY ACROSS THE VALUE CHAIN

The journey from pulp to final package is complex, and sustainability has become the defining challenge of our time. At Archroma, we help navigate this complexity by offering water-based low carbon and recyclable products for paper & packaging applications across the entire value chain. By replacing harmful solvent-based systems with water as a natural and sustainable component, we enable our customers to reduce their environmental impact while maintaining uncompromising product quality. Our chemistry supports both recyclability and biodegradability, aligning perfectly with the global push towards a low-carbon, waste-free economy.

Whether it's developing renewable, repulpable coatings or offering enhanced brightness solutions that reduce energy usage, Archroma continues to lead the way in sustainable innovation, providing solutions that work for industry and the planet.

SIMPLIFIED ARCHROMA PT SUPPLY CHAIN

PULP MILLS → PAPER MILLS → CONVERTERS → SHOP → RECYCLE → PAPER MILLS
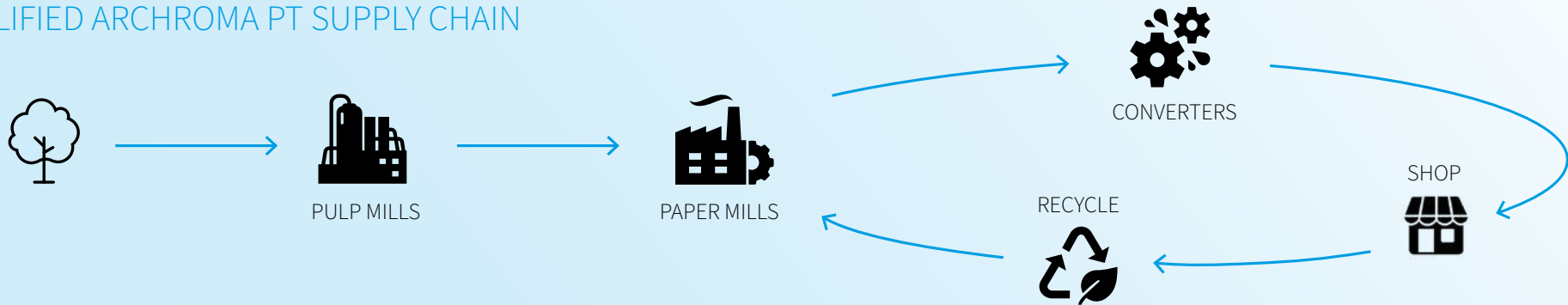
LOOKING AHEAD

In October 2024, we renamed our business from Paper, Packaging & Coatings to Packaging Technologies which reaffirms our commitment to the paper and packaging markets in which we've participated for decades. Working with the leaders in this industry, we will continue to invest in innovation and reinforce our role as a catalyst for change in the global packaging industry as well as the other markets we serve. Across all markets, we continue to strive for meaningful improvement in our offering of more sustainable solutions to enable our customers to achieve their sustainability goals.

Sustainability is a journey we are all taking together. The acceleration of the paperization trend and consumer demand for fiber-based options mandates that we stay focused on our contributions to industry progress. At Packaging Technologies, we see a unique opportunity to help advance the shift toward more sustainable solutions leveraging our 140-year heritage in cellulosic materials to successfully enable this shift. We are optimistic about the future and our ability to impact positive change and look forward to further collaborating with our value chain partners to contribute to a circular economy.

Sameer Singla, CEO, Archroma Packaging Technologies

TRENDS, RISKS AND OPPORTUNITIES

CREATING POSSIBILITIES

Key developments impact consumer behavior and preferences which in turn presents new risks and opportunities for us. Understanding key megatrends and associated risks, helps us find new opportunities and shape our business model to find new places to win.

We have identified three key megatrends over the next five years that continue to bring new opportunities to our business:

GLOBAL TRENDS, IMPACTS & OPPORTUNITIES

MEGATREND	CONSEQUENCE	IMPACT	OPPORTUNITY
A growing and highly inter-connected global population	> Growing consumer base > Make sustainability affordable > Use of new technologies	> Emerging economies will drive market expansion (Asia and Afrika) > Better affordability, availability of more sustainable options > Automate, augment and accelerate through digitalization	> Focus on key growth areas (global & local strategy) > Create value chain partnerships to drive cost-efficient solutions > Rise of new business models, e.g. second-hand, upcycling, retail-ready/ smart packaging, automatic designs powered by Artificial Intelligence (AI)
Worldwide ageing and a rising middle-class	> Living longer and more consciously > Demand of greater transparency and more access to information	> End-consumers will focus on products that support health & well-being > Label confusion: end-consumers desire clear & reliable certification schemes	> Substitution of potentially harmful chemicals > Transparency along the products' life-cycle, eco-label compliance and advancement of industry standards
Accelerating climate change and increasingly severe consequences	> Sustainable consumerism is on the rise > Circularity is becoming more important > Trust & reliability is key	> End-consumers buy more consciously > Support of businesses end-consumers believe to act responsibly and address climate change, social inequalities & waste reduction/ avoidance	> Alternative materials: Regenerative (bio-based), compostable / biodegradable (plastic-free), durable or recycled (keep-in-use) materials > Maintain trust through strong governance and clear sustainability commitments

Drivers of change: challenges and opportunities for sustainability in Europe — European Environment Agency (europa.eu)
Sustainability & Consumer Behaviour 2022 | Deloitte UK

POSITIVE IMPACT CREATION

Through our value chain we strive to creating innovative products and solutions that have a positive impact on the environment and the society. The corresponding outputs deliver growth – in partnership with our customers – as we touch and color people's lives every day, everywhere.

Understanding:

THE KEY CHALLENGES TOWARDS OUR INDUSTRY

CLIMATE CHANGE & DECARBONIZATION

SUPPORT TO CIRCULAR ECONOMY

HUMAN & LABOR RIGHTS COMPLIANCE

Recognizing **our impacts**

NET-ZERO
CIRCULARITY
RESOURCE EFFICIENCY

SAFETY-FIRST CULTURE
ATTRACTIVE EMPLOYER
DIVERSITY FOR ALL

SUPPLIER ENGAGEMENT
CUSTOMER CENTRICITY
STRONG GOVERNANCE

Committed to contributing to
UN Sustainable Development Goals

CONTRIBUTION TO THE SDGS

THE UN SUSTAINABLE DEVELOPMENT GOALS

In September 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all. At the heart of "Agenda 2030" are the 17 Sustainable Development Goals (SDGs). They recognize that ending poverty must go together with strategies that improve health and education, reduce inequality, and foster economic growth – while at the same time tackling climate change and working to preserve our oceans and forests.

For us at Archroma, the SDGs are not just a framework which helps us to set the right ambitions, but a strategic lever to turn potential risks into opportunities. They serve us as a compass to continuously identify the next steps in our journey towards more innovative products, less impactful operations and achieving sustainable value creation for our stakeholders along the value chain

ARCHROMA'S CONTRIBUTION TO THE SDGS

Although we contribute to all SDGs in some way, there are eight that are particularly relevant to our business. In these focus areas we believe to have the largest impact and can create sustainable value for our employees, customers and the broader society.

3 GOOD HEALTH AND WELL-BEING

Safety is our first priority in every step of the manufacturing process aiming to protect our people, our communities, and the environment.

5 GENDER EQUALITY

We value our diverse and talented people and support them to unlock their full potential by creating an environment with respect for all.

6 CLEAN WATER AND SANITATION

We enable clean water and sanitation in our own operations and along the value chain by improving wastewater reduction, recycling and reuse.

8 DECENT WORK AND ECONOMIC GROWTH

We create performance and color solutions with passion and commitment every day to foster profitable and sustainable growth.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

We deliver innovative, sustainable solutions and services to our customers to constantly increase the value of their products.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We constantly decrease environmental impacts in the production, storage, distribution and usage of our products.

13 CLIMATE ACTION

Improving the Carbon Footprint of ourselves and our customers to mitigate climate change is a core principle of our strategy.

15 LIFE ON LAND

We are committed to understand, avoid and respond to any potential impacts of our activities on biodiversity in our various locations.

INCLUSIVE STAKEHOLDER ENGAGEMENT

Our activities have an impact that goes beyond economic results. For this reason, we align our business performance with the expectations of our stakeholders and with society in general to be successful in the long run. A deep understanding of the most relevant topics for the different groups of stakeholders is essential – an understanding that comes only from continued and inclusive engagement with our stakeholders. We also need to recognize external trends and market expectations so we can identify opportunities as well as risks for our business. This increases our transparency and helps build strong relationships.

To gather views, every year we interact with stakeholders to identify critical issues and strategic priorities, to understand how our business affects them and to determine the most material impacts to be managed. This inclusive dialogue ensures we increase our positive impact on society and the planet and continue to deliver new sustainable solutions for our customers that also tackle the most pressing challenges from the industry, society and the environment.

STAKEHOLDER DIALOGUE	WHY WE ENGAGE	HOW WE ENGAGE	TOPICS AND CONCERNS
Customers, brands & retailers	> Strong engagement with our customers and brands enable us to understand their needs and anticipate market trends.	> Customer sustainability requests > Audits > Customer innovation days > Customer and industry conferences and events > Key account manager relationships > Leveraging digital capabilities to enhance insights in consumer trends > Stakeholder engagement on impact creation	> Climate change > Consumer health & wellbeing > Governance & business conduct, ethics, transparency > Human rights > Innovation capabilities & management > Product environmental & social performance > Product quality & safety > Responsible sourcing & traceability
Suppliers	> Supplier engagement and collaboration ensures our suppliers have high standards in business ethics and respect for people and the environment.	> Assessments > Supplier audits > Collaborations to improve performance > Multi-stakeholder groups > Supplier events: Capacity building, discussing issues > Engagement with supplier relationship managers > Stakeholder engagement on impact creation	> Climate change > Human rights > Innovation capabilities & management > Raw material availability > Responsible sourcing & traceability
Employees	> We engage with our people to foster an environment of open dialogue to mutually resolve conflicts, to identify development initiatives and innovative ideas that will help drive our business.	> Works Council consultations > Employee engagement surveys > Annual performance dialogue > Talent management processes > Learning and development opportunities > Stakeholder engagement on impact creation	> Diversity, inclusion & people development > Employee health & safety & wellness > Governance & business conduct, ethics, transparency > Human rights > Innovation capabilities & management
Investors	> We foster transparency and further improve our reporting practices through our open and active dialogue with investors.	> Briefings with analysts > Conferences with investors and other financial stakeholders > Stakeholder engagement on impact creation	> Diversity, inclusion & people development > Economic performance > Environmental, Social & Governance (ESG) topics > Governance & business conduct, ethics, transparency > Raw material availability
Communities	> Open dialogue fosters good relations and enables us to work together with communities and neighborhoods on projects and causes that benefit local communities, help protect local ecosystems and support livelihoods.	> Local site community engagement programs > Ongoing dialogue with local authorities and community organizations > Employees engaged in social activities within the communities in which we operate > Local partners (NGOs or cooperatives) > Stakeholder engagement on impact creation	> Biodiversity > Climate change > Diversity, inclusion & people development > Governance & business conduct, ethics, transparency > Human rights > Local community development > Product environmental & social performance > Responsible sourcing & traceability
Regulatory agencies, NGOs, NPOs, associations	> Engagement and collective action with external partners is essential to act as a responsible business. We engage with local governments and regulators to understand the changes, their concerns and find mutually beneficial solutions.	Selected partners we engage with: > United Nations Global Compact > EcoVadis > Together for Sustainability (TfS) > Sustainable Chemistry for the Textile Industry (SCTI) > European Chemical Industry Council (Cefic) > National & local associations	> Climate change > Environmental, Social & Governance (ESG) topics > Governance & business conduct, ethics, transparency > Human rights > Product environmental & social performance > Product quality & safety > Responsible sourcing & traceability
Innovation partners	> We engage in innovative partnerships to go beyond our own internal capabilities and seek out collaboration opportunities.	> Partnerships with customers, brands, accelerators and academia > Co-creation and co-innovation opportunities > Stakeholder engagement on impact creation	> Climate change > Consumer health and wellbeing > Innovation capabilities & management > Product environmental & social performance > Product quality & safety

MATERIALITY MATRIX REVISION PROCESS

PROCESS TO IDENTIFY OUR MATERIAL TOPICS:

In FY2023 we have revised our Materiality Matrix consolidation approach following the principle of double materiality. This is in line with the European Commission's Corporate Sustainability Reporting Directive and its related European Sustainability Reporting Standards. A double materiality assessment considers both the impact a business has on the environment and society, as well as how sustainability issues shape financial impacts. These impacts need to be considered independently, though they are often interrelated.

Therefore, our new matrix plots issues on both an 'impact on society and the environment' and a 'impact on company value' axis.

IN FY2024 WE HAVE NOT REASSESSED OUR MATERIALITY TOPICS FOR TWO REASONS:

1. We do not see significant changes with view to our impacts on the environment and society, or how sustainability influences Archroma's financial impacts during FY2024.

2. We want to ensure continuity in our Sustainability strategy which has been significantly revised since last year.

The materiality matrix revision process is going to be carried out again in FY2025.

IN ALIGNMENT WITH THE REVISED GRI STANDARDS, OUR MATERIALITY ASSESSMENT INVOLVED THREE KEY STAGES:

RESEARCH AND DEFINING THE ISSUES:

Desk research on market and regulatory developments as well as a comprehensive assessment of the results of the stakeholder survey from October 2022 provided in-depth insights into industry context and trends.

As a result the list of 19 material issues from FY2022 has been refined to a short list of 10 materiality clusters.

ENGAGEMENT AND PRIORITIZATION:

In 2023, for the first time, profound stakeholder interviews were carried out with Archroma senior business leaders and important external stakeholders from different backgrounds, ranging from customers and brands to specialists from industry associations and sustainability thought leaders. Subsequently, a quantitative survey has been conducted with Archroma employees across different regions and divisions, as well as key external stakeholders.

All survey participants were invited to provide their views on the issues identified and their relative importance. Both engagement rounds enabled us to assess the impact materiality and financial materiality of the issues and prioritize them accordingly.

ANALYSIS AND VALIDATION:

In this last step the results were analysed and collated to build the materiality matrix, which was reviewed by key internal stakeholders before being endorsed by the Leadership Team. In total 10 material clusters were validated, each of them underpinned by detailed materiality issues.

These clusters are mapped in the matrix according to their level of impact. The issues and their relative weight provide insight to us for further developing and refining our sustainability efforts.

FULL OUTLINE OF REVISED MATERIALITY TOPICS

ENVIRONMENT		SOCIAL	GOVERNANCE
SUSTAINABLE MATERIALS • Sustainable innovation & circular material alternatives • Resource optimization along the value chain • Product safety & stewardship • Transparent and reliable communication	**CLIMATE & ENERGY** • GHG emissions • Energy use in operations • Renewable energy	**HEALTH & SAFETY** • Occupational Safety • Health and well-being at work • Process safety & quality	**BUSINESS ETHICS & COMPLIANCE** • Corporate governance • Responsible business practices, compliance and anti-corruption • Risk management • Data privacy and safety • Cybersecurity
	WASTE & CIRCULARITY • Circularity • Waste • Wastewater	**FAIR & ATTRACTIVE EMPLOYER** • Fair labor practice • Diversity, equity and inclusion • Talent retention, attraction and engagement	**SUSTAINABLE SUPPLY CHAIN** • Sustainable & transparent sourcing practices • Human rights & child labor
	WATER & LAND • Water stewardship • Environmental safety • Biodiversity	**CORPORATE CITIZENSHIP** • Community engagement • Local community impact	**ECONOMIC PERFORMANCE** • Sales development • Benefit plans • Tax transparency approach

<   ENABLER: CULTURE, STAKEHOLDER ENGAGEMENT, DIGITALIZATION   >

AREAS OF HIGH MATERIALITY: ENVIRONMENT

TOPIC	SUB-CATEGORIES	EXPLANATION FOR HIGH MATERIALITY
SUSTAINABLE MATERIALS	• Sustainable innovation & circular material alternatives • Resource optimization along the value chain • Product safety & stewardship • Transparent and reliable communication	Archroma's product portfolio is its main direct impact on sustainable development. The design phase determines a product's environmental or social impacts during its life cycle. We therefore consider it crucial to take the entire life cycle into account during this phase. The notion of a circular economy is integrated into product development at an very early stage. Different components are analyzed to decide whether they are reusable or recyclable. It is essential for Archroma to have a precise understanding of our customers' needs and to provide them with the right solution. Our two Businesses can only have a positive impact on sustainability by working closely with their customers. Product and consumer safety is integral to product development; it is essential for preventing individuals from being harmed by hazardous substances or materials, particularly in the disassembly phase. It is vital for Archroma to comply with applicable laws (such as REACH) and ensure that all necessary declarations are in place, visible, and understandable for its customers.
CLIMATE & ENERGY	• GHG emissions • Energy use in operations • Renewable energy	Energy consumption is a major source of GHG emissions. Climate change is the biggest energy-related concern of many external stakeholders and regulators; and the international community is broadly committed to tackling the challenges it presents. Being a global industrial company makes it essential for Archroma to understand, manage and reduce the GHG emissions attributable to its operations as well as supply chain and customers' use of its products. Increasing renewable energy is an essential factor to reduce negative climate impacts. As part of our efforts, Archroma continuously increases the share of renewable energy purchased and self-generated. We are currently developing a renewable energy target which will be made public in FY2024.
WASTE & CIRCULARITY	• Circularity • Waste • Wastewater	Valuable natural resources and other inputs are essential for the manufacture of Archroma's products. Manufacture results in products, and also waste and wastewater. As part of our commitment to being a responsible industrial company, it is therefore important for us to continuously work to ensure that this waste is minimized and that circular approaches are implemented by each of our businesses wherever feasible. This applies to Archroma's use of resources and materials at its operations, its treatment of waste, its efforts to reuse or recycle itself or to work with outside partners to find possible reuse and recycling options.
WATER & LAND	• Water stewardship • Environmental safety • Biodiversity	Water is used along our entire value chain but is particularly high in some of the upstream processes. Sustainable water management (e.g. access to clean water) are urgent societal issues that Archroma takes very seriously. Quality is always controlled before water is returned to source. Archroma is committed to protecting the environment and using natural resources carefully and efficiently. Its actions are guided by the precautionary principle, in which we actively work to identify and prevent any risks associated with its products or processes. To reduce its impact on the environment, Archroma committed to finding opportunities to continuously improve its environmental management processes. When we develop products and solutions, we consider their environmental impact along the entire life cycle. Environmental aspects are therefore integrated into business decisions starting with the R&D phase. Biodiversity provides the existential basis for human beings to live on this planet. It is critical to maintaining the quality, resilience and quantity of the natural assets that both business and society rely upon. The potential impact of our activities on biodiversity in our various locations is important to us and other stakeholders such as NGOs and local communities. Therefore, we seek to understand, avoid and respond to any potential impacts our activities may have on biodiversity. We also look for opportunities across our operations to make a positive contribution to conservation. Nevertheless, Archroma adopts the precautionary principle. It therefore places a high priority on environmental management and ensures its compliance with all applicable laws and regulations.

AREAS OF HIGH MATERIALITY: SOCIAL

TOPIC	SUB-CATEGORIES	EXPLANATION FOR HIGH MATERIALITY
HEALTH & SAFETY	• Occupational Safety • Health and well-being at work • Process safety and quality	Occupational safety is of paramount importance to Archroma and many of its stakeholders. Caring about the people who work for Archroma (or on its premises) is integral to our corporate culture. We are is therefore committed to fostering a robust safety culture and, more broadly, to providing a work environment that promotes its employees' overall well-being. Archroma and all its subsidiaries operate according to a global integrated management system based on following international standards: SN EN ISO 9001: 2015 Quality Management System, SN EN ISO 14001: 2015 Environmental Management System and SN EN ISO 45001: 2018 Occupational Health and Safety Management System. Our integrated Quality Management plays a critical role in our activities to prevent either the introduction of, or the production of, unwanted hazardous substances in our commercial products.
FAIR AND ATTRACTIVE EMPLOYER	• Fair labor practice • Diversity, equity and inclusion • Talent retention, attraction and engagement	Archroma treats all employees equally, motivates them, enables them to achieve a healthy work-life balance, supports freedom of association, and provides training and development opportunities. A respectful and diverse work environment in which all employees feel included and affirmed regardless of their gender, nationality, ethnic origin, age, identity, sexual orientation or identity is essential: retaining diverse and skilled talent supports future business growth.
CORPORATE CITIZENSHIP	• Community engagement • Local community impact	Archroma is committed to having a positive impact on the communities where it operates. We are at the same time a global and a local citizen: maintaining good relations with our neighbors and partnering with them to achieve common goals are of great importance to the Group. All Archroma sites are actively assessing the needs of their communities at local level and engaging with all stakeholders based on the topics that the local management teams have been made aware of. Community representatives are consulted, and programs are organized accordingly to create positive impacts for those communities.

AREAS OF HIGH MATERIALITY: GOVERNANCE

TOPIC	SUB-CATEGORIES	EXPLANATION FOR HIGH MATERIALITY
BUSINESS ETHICS & COMPLIANCE	• Corporate governance • Responsible business practices, compliance and anti-corruption • Risk management • Data privacy and safety • Cybersecurity	Good corporate governance enables us to address the interests of all internal and external stakeholders. It ensures objective decision-making, clear checks and balances, and legal and regulatory compliance. Risk and opportunity management is crucial for Archroma and its outside stakeholders to maintain business continuity in a rapidly changing environment and to systematically identify and manage, emerging and potentially disruptive developments. Although we do not collect sensitive customer data, we do store employees' personal data. Archroma handles all such data in full compliance with applicable data protection laws in the jurisdictions in which it operates. During ongoing digitalization, data availability, integrity, and security are crucial for our IT infrastructure and business systems.
SUSTAINABLE SUPPLY CHAIN	• Sustainable & transparent sourcing practices • Human rights & child labor	Archroma's supply chain could potentially be a source of adverse social and environmental impacts. We therefore have a responsibility to systematically manage our suppliers in order to minimize these risks. Respect for human rights and the prevention of human rights violations are integral to responsible supply chain management. As a basis for long-term partnerships with its suppliers, Archroma expects them to do their part to ensure the protection of human rights.
ECONOMIC PERFORMANCE	• Sales development • Benefit plans • Tax transparency approach	Economic performance refers to our ability to operate in a profitable business model that also has a positive impact on people and the planet. Working hand-in-hand with our customers, we respond to changing consumer needs for products that support their sustainability expectations and demand for greater transparency. We feel that business can, and should, play its part to help address challenges such as the climate crisis, inequality and economic uncertainty. Strong economic growth allows us to focus on our people, making sure that everyone has the right skills and competences to grow and feel valued. We support the UN Sustainable Development Goals and focus our efforts on those goals to which we can contribute the most. Archroma recognizes that administration and payment of taxes forms an integral part of each company's responsibility to a functioning society. Our benefit plans are equally an essential component of our employee value proposition and a key driver of both individual and business performance.

MATERIALITY MATRIX

Issues with outward impact to be presented in public ESG report for broad audience of stakeholders.

Issues with business impact to be presented in annual report to investors and leaders.

Legend:

- ENVIRONMENT
- SOCIAL
- GOVERNANCE

OUR SUSTAINABILITY AMBITION

It is our strong believe that potential risks can be turned into opportunities by continuing our shift to a more sustainable product portfolio.

As outlined above we have finalized the process of reassessing our material topics in FY2023 and are going to carry out our next reassessment in FY2025. In FY2024 our focus was to revise and strengthen our targets for each ESG pillar to increase our positive impact on society and the planet and deliver new sustainable solutions for our customers.

As a result, we accomplished our goal to significantly enhance our sustainability framework in this reporting period. We have included the major ESG targets as well as our material topics alongside the three GRI pillars Environment, Social and Governance (ESG), and we integrated the previously identified key SDGs.

In addition, a comprehensive Sustainability target dashboard has been added with detailed information on all our ESG goals, including elements such as Key Performance Indicators (KPIs), baseline and status.

Archroma is committed to lead the sustainability transformation of its industries. By constantly exchanging with our partners along the value chain on their needs and expectations we drive the proactive adaptation of our portfolio towards future market expectations.

Martina Beitke, Archroma Group Sustainability Director

OUR SUSTAINABILITY FRAMEWORK

PURPOSE
To lead our industry towards a more sustainable future for our customers and markets.

MISSION
Inspired solutions for a better tomorrow. Because we touch and color people's lives every day, everywhere.

COMMITMENTS

Diversity & integrity	Towards zero harm	Clean & efficient operations	Sustainable product solutions

STRATEGIC FOCUS AREAS & RELATED SDGS

Fair & attractive employer	Health & safety	Climate & energy	Waste & circularity

KEY 2030 TARGETS

40% Women in Governance bodies	0.2% Total Recordable Incident rate (TRR)*	-30% Absolute Scope 1 & 2 emissions	Zero hazardous waste to landfill	>95% From certified products**
40% Women in Management		-15% Energy intensity	-10% Waste intensity	40% From Sustainable+ collection***

MATERIAL TOPICS

Fundamentals		Transformation	
Health & safety	Economic performance	Waste & circularity	Climate & energy
Business ethics & compliance	Fair and attractive employer		Sustainable materials
Corporate citizenship	Sustainable supply chain		Water & land

ENABLER

Culture	Stakeholder Engagement	Digitalization

*   Index based on 200.000 working hours by full time employees, part time employees and temporary employees
**   Total sales %; C2C, Bluesign, GOTS, ZDHC compliance, Ecopassport
*** Sustainability+ criteria = cleaner chemistry, circularity, resource efficiency in use

ENVIRONMENT

FOCUS AREA	KPI	TARGET	BASELINE	STATUS
SUSTAINABLE MATERIALS				
Sustainable innovation & circular material alternatives	> Percentage of estimated revenues from Innovation projects with Sustainability+ focus (Peak sales)*	> FY2030: >75% (Continuous target)	> New target in FY2024	> FY2024: >75%
	> Percentage from Sustainable+ collection (Total sales)**	> FY2030: 40%	> FY2023: 19%	> FY2024: 23%
Transparent and reliable communication	> Percentage from certified products (Total sales)***	> FY2030: >95%	> FY2023: 84%	> FY2024: 89%
CLIMATE & ENERGY				
GHG emissions	> Absolute scope 1 emissions (Energy Efficiency measures)	> FY2030: -20% tCO_2e	> FY2023: 56,675 tCO_2e (47% of total Scope 1 & 2 emissions)	> FY2024: 63,214 tCO_2e (53% of total Scope 1 & 2 emissions)
	> Scope 2 (Energy transition measures)	> FY2030: -40% tCO_2e	> FY2023: 63,700 tCO_2e (53% of total Scope 1 & 2 emissions)	> FY2024: 56,731 tCO_2e (47% of total Scope 1 & 2 emissions)
	> Absolute Scope 3 emissions	> Aim to finalize Scope 3 inventory in FY2025	> Under development	> Milestone achieved: GHG emissions inventory for Scope 3.1

* Peak sales are usually determined after 5 years from launch   ** Sustainability+ criteria = cleaner chemistry, circularity, resource efficiency in use   *** C2C, Bluesign, GOTS, ZDHC compliance, Ecopassport

ENVIRONMENT

FOCUS AREA	KPI	TARGET	BASELINE	STATUS
Energy	> Energy intensity (Energy efficiency measures)	> FY2030: -15% GJ/t of finished product	> FY2023: 3.40 GJ/t of finished product	> FY2024: 3.32 GJ/t of finished product
WASTE & CIRCULARITY				
Waste	> Waste intensity*	> FY2030: -10% kg/t of finished product	> FY2023: 56.48 kg/t of finished product	> FY2024: 56.2 kg/t of finished product
	> Zero hazardous waste to landfill	> FY2030: 0% hazardous waste to landfill > FY2027: -50% (INTERNAL)	> FY2023: 6,186 mt (24% share of total waste)	> FY2024: 7,714 mt (25% share of total waste)
WATER AND LAND				
Water stewardship	> Water intensity (Incoming water intensity by m³ per ton of finished product)	> FY2030: -40% m³/t of finished product	> FY2023: 16.25 m³/t of finished product	> FY2024: 15.55 m³/t of finished product

* Waste intensity considers total production related waste over tons produced.

SOCIAL

FOCUS AREA	KPI	TARGET	BASELINE	STATUS
HEALTH & SAFETY				
Occupational Safety	> Total Recordable Rate (TRR) for Archroma workforce (full/part-time & temporary workers)	> TRR < 0.20 (Continuous target)	> FY2023: 0.25	> FY2024: 0.23
FAIR AND ATTRACTIVE EMPLOYER				
Diversity, equity & inclusion	> Women in governance bodies	> FY2030: 40%	> FY2023: 22%	> FY2024: 20%
	> Women in management	> FY2030: 40%	> FY2023: 25%	> FY2024: 17%

GOVERNANCE

FOCUS AREA	KPI	TARGET	BASELINE	STATUS
BUSINESS ETHICS & COMPLIANCE				
Compliance and anti-corruption	Code of Conduct training completion rate (%)	Rate > 90% (Continuous target)	> FY2023: 80%	> FY2024: > 90%
SUSTAINABLE SUPPLY CHAIN				
Sustainable & transparent sourcing practices	> Establish green sourcing strategy to support 2030 Scope 2 target	> Set up action plan to increase share of renewable electricity	> Under development	> Preparation of pilot project
	> Increase transparency and engagement on supplier-specific data for our own Scope 3 analysis	> Set up carbon supplier engagement program	> Under development	> Collecting first set of GHG inventory data from suppliers via survey
	> % of supplier spend with Archroma Supplier Sustainability Rating (ASSR)	> FY2025: 94% of direct spend* > FY2025: 80% of Top 200 indirect spend	> FY2023: 95%** > New target in FY2024	> FY2024: 95%** > FY2024: 80%
	> % of supplier spend with ≥ "good" Archroma Supplier Sustainability Rating (ASSR)	> FY2025: 80% of direct spend* > FY2025: 60% of Top 200 indirect spend	> FY2023: 80%** > New target in FY2024	> FY2024: 77%** > FY2024: 75%
	> Due Diligence on child labor in the supply chain	> Risk assessment of Archroma suppliers via EcoVadis IQPlus	> Implementation ongoing	> First report to be published latest by March 2025

*   Revised ASSR targets: Including packaging and logistics from FY2025
** ASSR baseline FY2023 & ASSR status FY2024: Direct, active 2023 spend rated, excluding packaging, logistics and archived; target results for FY2024 are based on FY2023 spend, not on the number of suppliers.

ENVIRONMENT

Sustainable materials

Climate & energy

Circularity & waste

Water & land

Sustainable materials

Climate & energy

Circularity & waste

Water & land

PLANET CONSCIOUS+
comprises six dimensions
and brings together advanced
technologies and solutions.

TEXTILE EFFECTS

PLANET CONSCIOUS+ VISION FOR A MORE SUSTAINABLE FUTURE

Over the past decade, Archroma has been on a mission to lead the textile industry towards a more sustainable future. But the world's challenges are escalating – from climate change to economic and geopolitical instability. We believe that the time is right for us to realign our vision to guide the next phase of our development.

'PLANET CONSCIOUS+' encapsulates both our responsibility and our potential as a company that touches and colors people's lives every day, all around the world.
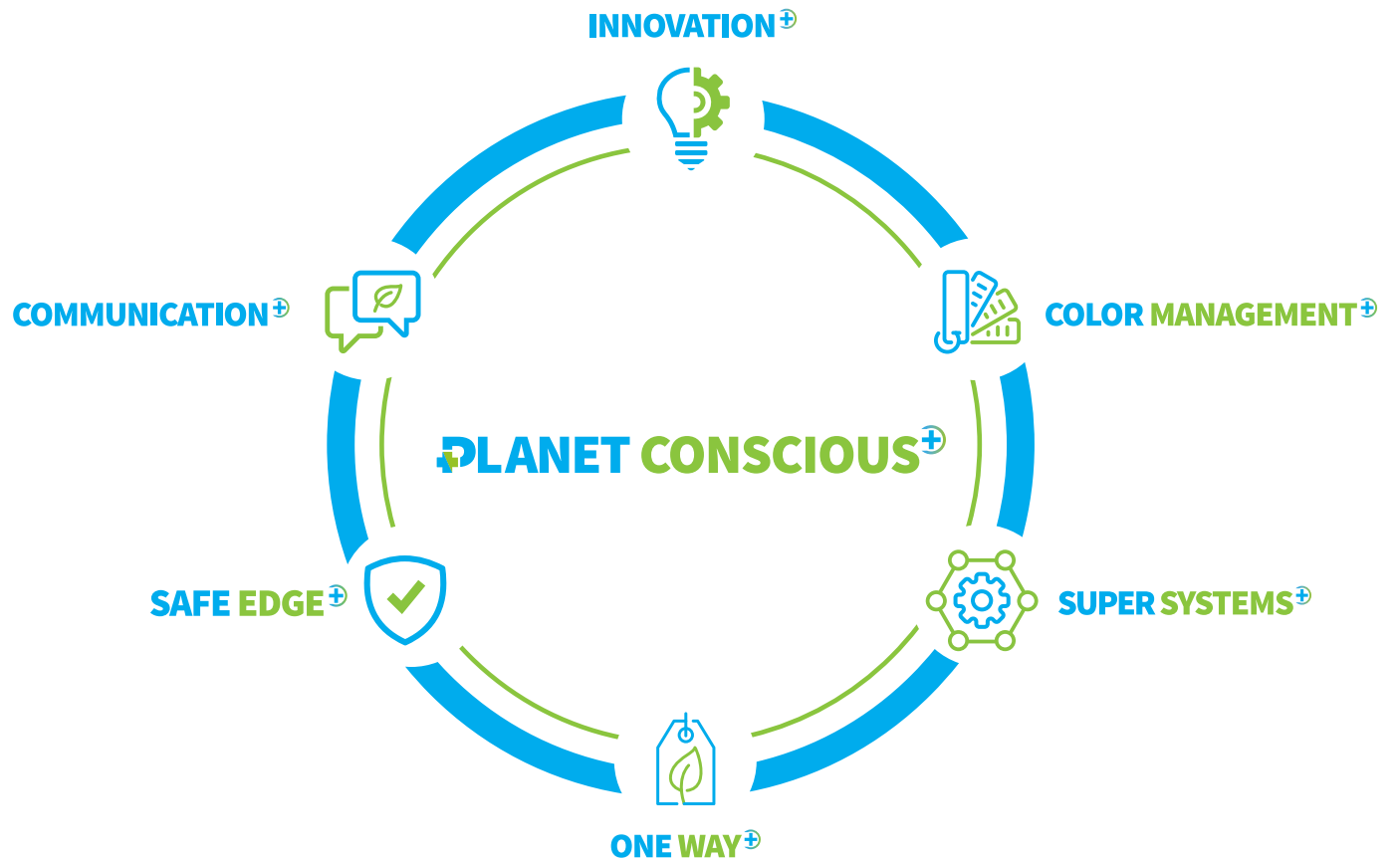
INNOVATION+

COLOR MANAGEMENT+

SUPER SYSTEMS+

ONE WAY+

SAFE EDGE+

COMMUNICATION+

PLANET CONSCIOUS+

PLANET CONSCIOUS+ COMPRISES SIX DIMENSIONS AND BRINGS TOGETHER ADVANCED TECHNOLOGIES AND SOLUTIONS.

INNOVATION+

Designing solutions that have a positive environment & economic impact. Innovating cleaner chemistry and durable effects for improved circularity and resource efficiency in manufacturing.

COLOR MANAGEMENT+

From inspiration to execution. A comprehensive off the shelf and custom color system that guides the designer to select color with sustainability attributes that can be achieved in manufacturing.

SUPER SYSTEMS+

Processing Solutions and Intelligent Effects. Combining processing solutions and intelligent effects that bring measurable environmental impact and increased process efficiency.

ONE WAY+

Environmental and Economic sustainability. Combining the ONE WAY impact calculator with the Sustainability Improvement Program for measurable resource savings and productivity improvement.

SAFE EDGE+

Compliance for today, beyond compliance for tomorrow. Providing 24/7 online access to product certificates and expert notes. Future-proofing our portfolio by leading the shift to cleaner chemistries through the removal of hazardous or restricted substances.

COMMUNICATION+

We strive to provide authentic, fact-based information and improve transparency across the solutions that have a positive environmental impact. Avoiding greenwashing and improving transparency, across the value chain.

A CLOSER LOOK AT SUPER SYSTEMS+

We designed our systems around an Impact Matrix which guides our customers in making informed decisions about their choice of Intelligent Effects and Processing Solutions, aligned with their sustainability goals.

Organized into four pillars – Foundation, Foundation+, Impact and Impact+, the Impact Matrix addresses the key challenges facing the textile industry today.

Each of the SuperSystems+ solutions offers different levels of sustainability benefits, or incorporates technologies that support compliance with existing or anticipated regulations around harmful or unwanted chemicals.

IMPACT

> 20% resource saving or
> 10 wash durability system with
ZDHC Gateway MRSL Level 3 Compliance

IMPACT⁺

> 20% resource saving or
> 10 wash durability system with
beyond compliant chemicals

FOUNDATION

Standard Process with
ZDHC Gateway MRSL Level 3 Compliance

FOUNDATION⁺

Standard Process with
beyond compliant chemicals

SYSTEM IMPACT — Higher / Standard

CHEMISTRY COMPLIANCE — Standard / Higher

OUR SUPER SYSTEMS+ SOLUTIONS FOR COTTON KNITS:

FOUNDATION

16.0L
of water

0.17kwH
of elecricity

433g
C0$_2$ emission

IMPACT$^+$

9.5L
of water

0.13kwH
of elecricity

277g
C0$_2$ emission

40%
Less water consumend

23%
Less energy consumend

36%
Less Carbon emissions
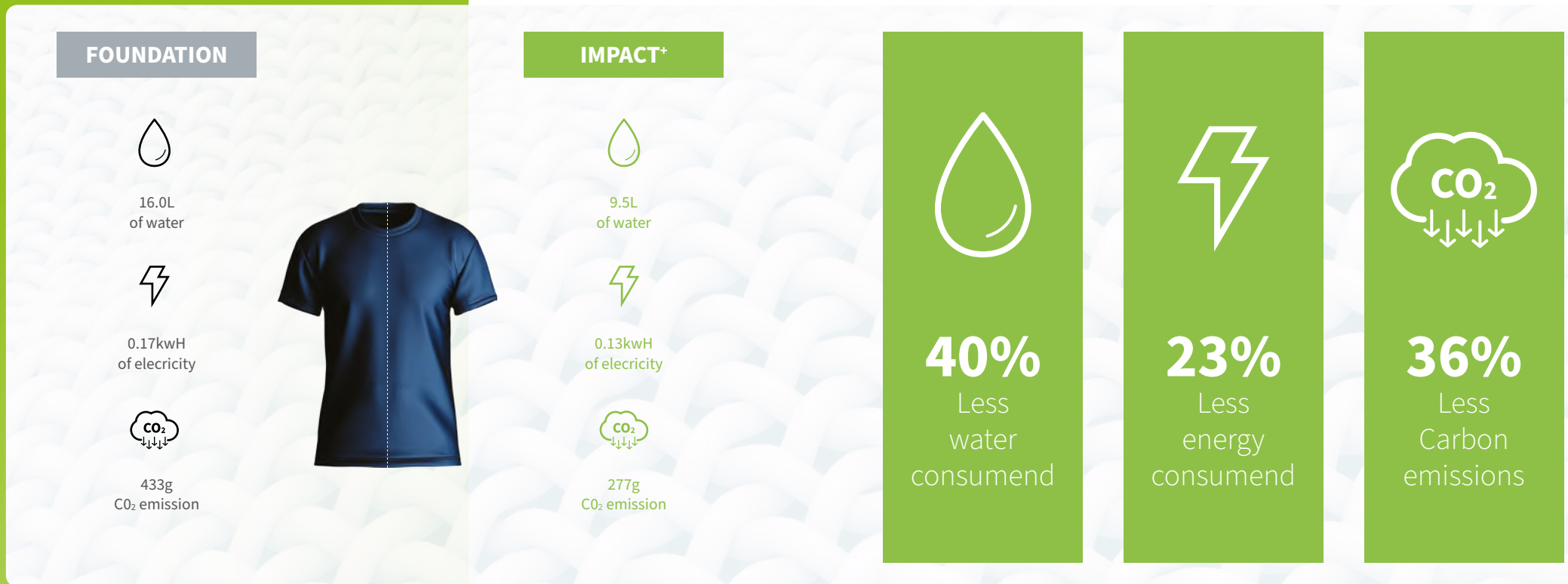
Cost Calculated with 3 Garments per Kg Fabric, Total Cost = Pretreatment Cost + Dyestuff Cost + DA and Wash Off Cost+ Utility Cost + Fix Cost
Utility Cost Considered: Electricity Cost 0.0875 USD/kWh, Water Cost 1.0 USD/KL, Steam Cost 0.0219 USD/Kg, Fix Cost 0.0375 USD/Kg/hour
Operational Excellence: Cost of Non-Conformance considered in foundation due to reduced Right First Time levels

By adopting the full **IMPACT+ solution** and based on the average shade mix a mill produces...

… these are the indicative annual savings and additional productivity of a production plant.

25%   25%   15%   25%   20%

Average shade mix

SYSTEM IMPACT

Higher

IMPACT

> 20% resource saving or
> 10 wash durability system with
ZDHC Gateway MRSL Level 3 Compliance

IMPACT⁺

> 20% resource saving or
> 10 wash durability system with
beyond compliant chemicals

Standard

FOUNDATION

Standard Process with
ZDHC Gateway MRSL Level 3 Compliance

FOUNDATION⁺

Standard Process with
beyond compliant chemicals

Standard   **CHEMISTRY COMPLIANCE**   Beyond

up to 9,000 MT
Increased production

up to 270,000,000 liters
Savings in water

up to 2,100 MW
Savings in power consumption

up to 6,500,000 Kg
Savings in CO_2 emissions

*Based on average plant production of 50 MT per day.

SUPER SYSTEMS+ ARE NOW AVAILABLE FOR:
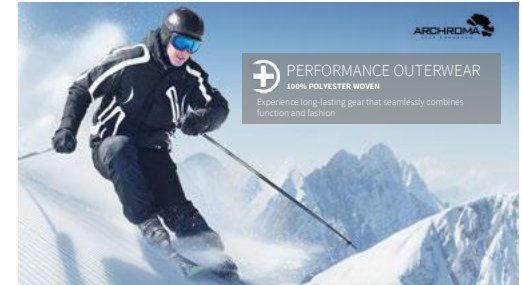
PRINTING
100% Cotton & Cotton Blends
Innovations that reduce the environmental impact of traditional and digital printing processes

CASUAL WEAR / KNITS
Polyester Cotton
Knits that combine style, comfort, and sustainability.

ACTIVEWEAR
POLYAMIDE ELASTANE MICROFIBER
Making a different to your practice with the perfect ACTIVEWEAR
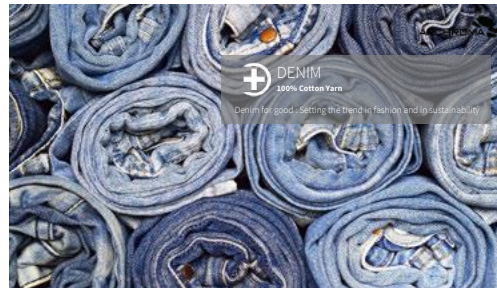
PERFORMANCE OUTERWEAR
100% POLYESTER WOVEN
Experience long-lasting gear that seamlessly combines function and fashion

FORMAL WEAR
WOOL
Durable wool garments that are easy to care for

SWIMWEAR
POLYAMIDE ELASTANE MICROFIBER
Making a splash with high performance SWIMWEAR

DENIM
100% Cotton Yarn
Denim for good: Setting the trend in fashion and in sustainability

COLOR DENIM
100% Cotton Yarn
Denim for good: Setting the trend in fashion and in sustainability

Home Textiles/Towels
100% Cotton
Towels that combine comfort, elegance and sustainability.

PERFORMANCE WEAR / KNITS
POLYESTER MICROFIBER, POLYESTER/ ELASTANE
Knits that combine style, comfort, and sustainability.
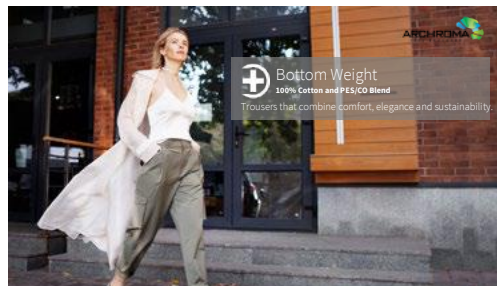
Home Textiles/Sheeting
100% Cotton and PES CO Blend
Sheeting that combines comfort, aesthetics and sustainability

CASUAL WEAR / KNITS
100% Cotton
Knits that combine style, comfort, and sustainability.

CIRCULAR FASHION
Recycled Polyester, knits & woven
Closing the Loop on Fashion : Circular Revolution

Bottom Weight
100% Cotton and PES/CO Blend
Trousers that combine comfort, elegance and sustainability.

Shirting
100% Cotton and PES CO Blend
Shirting that combines comfort, elegance and sustainability.
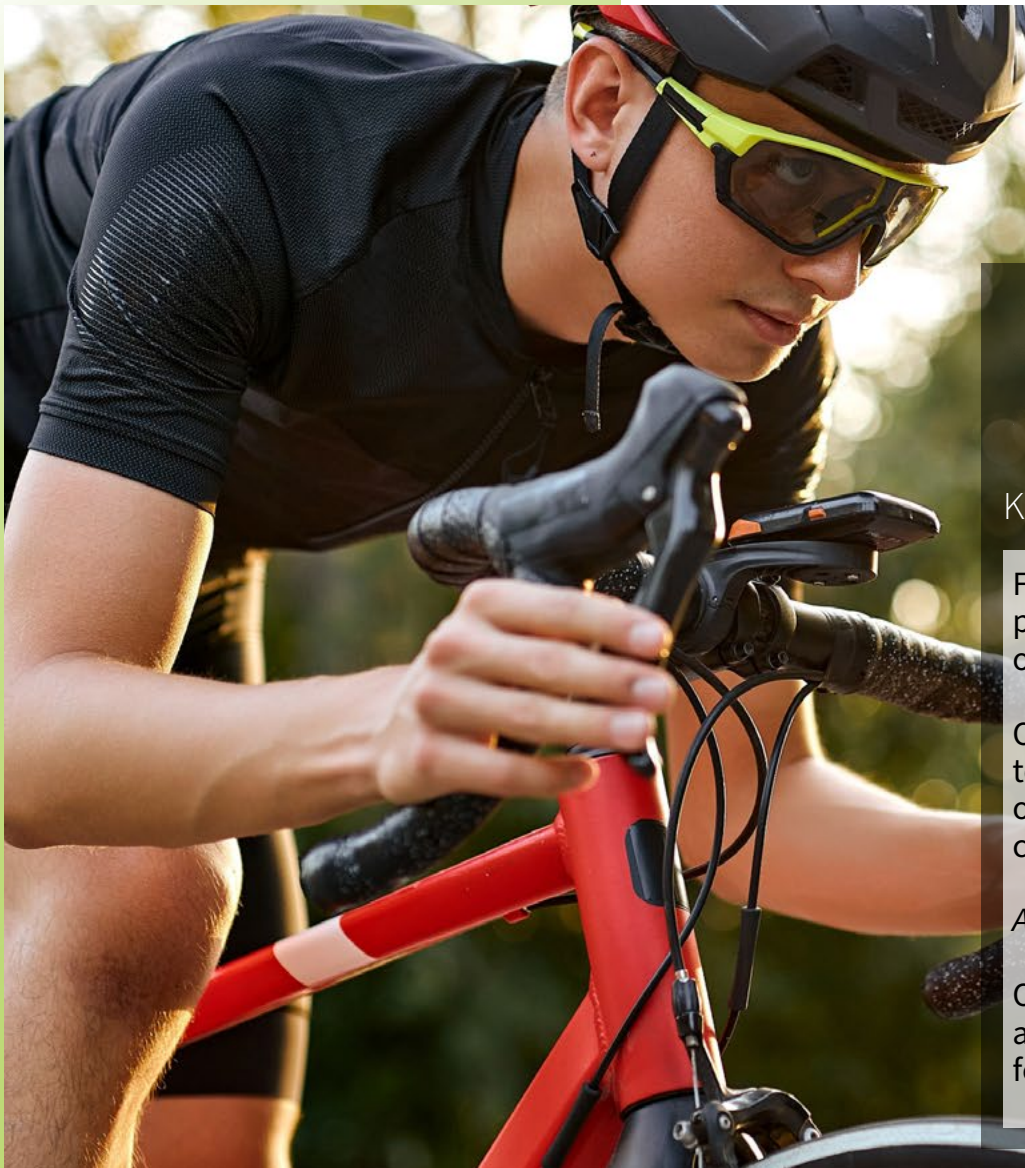
PERFORMANCE WEAR/KNITS
POLYESTER MICROFIBER, POLYESTER/ ELASTANE

Knits that combine style, comfort, and sustainability.

Functional performance apparel is designed to enhance the performance and comfort of individuals engaged in physical activities or sports.

Our wide range of solutions include high performance coloration technology, effective moisture management, temperature regulation, odor control, protection and safety, improved durability, and promotes comfort and fit.

At Archroma, we are committed to leading the change.

Our planet conscious innovations play a crucial role in optimizing athletic performance, keeping you and the environment looking and feeling good.

PACKAGING TECHNOLOGIES

PROVING THAT A MORE SUSTAINABLE FUTURE IS POSSIBLE FOR THE PACKAGING AND PAPER INDUSTRY

Sustainability at Archroma is more than a goal – it's our core purpose. In our Packaging Technologies business, we are proud to provide more sustainable alternatives that address global challenges like plastic waste and environmental degradation. Our solutions are designed to reduce the environmental burden while advancing the circular economy, with water-based chemistry at the heart of our innovation.

Archroma's expertise in water-based solutions dates to 1917. Today, over 100 years later, this foundation sets us apart from solvent-based alternatives, enabling us to root our chemistry in nature itself. By harnessing water responsibly – a renewable, natural element that emits no CO_2 – we deliver more sustainable products that support a low-carbon future while meeting the technical performance demands of the different markets we serve.

KEY DRIVERS AND OPPORTUNITIES

- More efficient, superior performance products
- Safer, low-carbon, water-based chemistry
- Natural and renewable resources
- Circularity and enhanced end-of-life solutions
- Climate change mitigation & carbon neutrality
- Demand for transparency & certification

Our approach to sustainability starts with the chemistry we use. By developing safe water-based solutions, we ensure that our processes are inherently cleaner, reducing the need for solvents and lowering our environmental impact. Many of our products are also made with renewable materials and up to 100% renewable electricity, further minimizing their carbon footprint.

This approach drives our innovation, as we continue to create solutions that support circularity and meet the evolving needs of more eco-conscious brands and consumers.

DRIVING CIRCULARITY THROUGH AQUEOUS BASED CHEMISTRY

As societies transition away from fossil-based economies, water becomes pivotal in shaping a more sustainable future.
Our more sustainable chemistry not only reduces pollution but also enables renewable, recyclable and repulpable paper and packaging solutions that are essential for a circular economy. Unlike finite fossil resources, water as a solvent promotes cleaner, more responsible chemical processes, becoming a foundation for solutions that minimize waste and carbon emissions.
We also strive to optimize the use of water, recognizing it is a valuable, renewable and finite natural resource. That is why we have set a very ambitious target to reduce our water intensity by 40% in 2030. Although our project pipeline is wide across the globe, water regeneration and recirculation are key vehicles we are increasingly levering to achieve this.

COMMITMENT TO SAFETY AND SUSTAINABILITY

The majority of our products are certified for food contact applications by regulatory bodies such us the BFR, FDA, and GB9685-2016, and meet the criteria of leading eco-labels like Blue Angel, Nordic Swan, and the EU Eco Flower. These certifications reflect our unwavering commitment to creating safe, sustainable products that meet the highest environmental standards.

INNOVATION THROUGH COLLABORATION

At Archroma Packaging Technologies, we believe innovation flourishes through collaboration. Our sustainability journey is closely aligned with our commitment to helping customers achieve their environmental goals. As the industries we serve continue to evolve, we work closely with our partners to develop high-performance, water-based products that are safe, effective, and compliant with the latest regulatory and sustainability standards. In addition, we are focused on increasing our usage of renewable components in our formulations to further enhance the sustainability profile of our offering. Finally, we are working across the packaging ecosystem by collaborating with institutes and consortiums to accelerate our innovation pipeline and our industry leadership towards a more sustainable future. Together, we are shaping a future where environmentally sound solutions are the new standard.

"Our latest water-based solution Cartaseal OGB F10 eliminates harmful PFAS and offers superior barrier properties, recyclability and repulpability. Our relentless pursuit of sustainability goes beyond reducing environmental impact – it's about pioneering breakthrough innovations that redefine industry standards.

Dinakar Gnanamgari (VP Innovation & Portfolio Expansion, Packaging Technologies)

INNOVATIVE SOLUTIONS FOR A MORE SUSTAINABLE FUTURE

SUPPORTING CIRCULARITY
CARTASEAL® OGB F10

Cartaseal® OGB F10 enables papermakers to provide high-quality and sustainable packaging by replacing fluoro based substances and polyethylene for food and non-food contact. It supports brands and papermakers in their journey towards sustainability by minimizing reliance on oil-based substances.

Key features

/ Recyclable and repulpable

/ Food contact compliant with BfR, FDA & MERCOSUR

/ Superior oil and grease barrier even during folding

✓ BfR COMPLIANT   ✓ FDA COMPLIANT

SAFER CHEMISTRY
CARTABOND® FCI

Cartabond® FCI is an exceptional crosslinker that enables papermakers to provide high-quality and sustainable food packaging while being compliant with multiple food contact regulations for dry, wet and fatty food.

It offers state of the art abrasion resistance including wet abrasion resistance and a very low yellowing profile which makes it the perfect choice for specialty paper & labelling applications.

Key features

/ Meets the food contact regulations for dry, wet and fatty food

/ Strongly reducing dusting, blocking and calendar stickies

/ Effectively reduces the penetration of the release coating into the paper sheets

✓ BfR COMPLIANT   ✓ FDA COMPLIANT

PRODUCTIVITY OPTIMIZATION
CARTASPERS® PLH

Cartaspers® PLH is designed for the pulping sector (where high pH values ensure low system hardness), to remove and passivate pitch particles. Cartaspers® PLH is a safer alternative to talc, which has come under scrutiny due to its suspected link to cancer claims. Cartaspers® PLH does not cause scale deposits in evaporators or contribute to ash content in finished pulp which reduces pulp quality.

Key features

/ Allows the use of a higher ratio of recycled paper in paper machine systems

/ Complies with food contact regulations from BfR and FDA

/ Highly effective deposit control

✓ BfR COMPLIANT   ✓ FDA COMPLIANT   ✓ BLUE ANGEL COMPLIANT   ✓ EU FLOWER COMPLIANT   ✓ NORDIC SWAN COMPLIANT

PRODUCT STEWARDSHIP & RELATED COMMUNICATION

Providing adequate information to all relevant stakeholders about the potential health and environmental impact of our products at all stages of a product life cycle is the mission of our Product Stewardship organization.

PRODUCT LIFE CYCLE

The Product Stewardship organization is involved during the entire life cycle of a product, from design, development, production, distribution, and sale, to use, recycling and final disposal. The focus is on providing optimal product performance while avoiding or minimizing any harmful impacts to human health or the environment. Our team of experts are engaged in relevant programs to collaborate with customers, authorities, NGOs, brands, and other stakeholders to exchange information on the environmental and health impact of our products and their chemical components.

ADVOCACY

Archroma acts as a partner by regularly engaging in topics and providing insights on ingredients that are under scrutiny or evaluation due to their hazardous profile. We are committed to working with regulators and reputed ecolabel institutes to implement science-based and enforceable restrictions/limitations. We welcome the new Chemical Strategy for Sustainability (CSS) presented by the European Commission and we collaborate with Cefic on a strategy that drives the design of the "chemistries of tomorrow".

INNOVATION PROCESS

Product Stewardship supports the Research & Development (R&D) team to choose safer chemicals in designing new high performance products or formulations. In the case of new chemical structures for which toxicological and eco-toxicological data are not available, we use predictive toxicology tools to have a chemical safety assessment at an early stage. With this process we strive to move towards less hazardous chemicals wherever technically and economically possible.

As a result, we can ensure that the new products are designed for the safety of people and the environment over their entire life cycle.

We also support the R&D organization to identify existing products that should be reformulated or substituted with safer alternatives thereby continuously improving the safety profile of our product portfolio that will meet future regulatory requirements.

REGISTRATION AND CERTIFICATION

Archroma is committed to ensure the safety of our products and to provide all necessary and relevant information on potential impacts of the constituent substances on human health and the environment, as required by REACH and REACH-like global chemical framework.

Archroma has >900 active EU REACH registrations and is the Lead Registrant for >370 substances. As a major data owner we are also actively contributing to the development of emerging global regulations and submitted > 90 dossiers under KKDIK (Turkey REACH) and >65 registrations under UK REACH.

In addition, we voluntarily contribute to improve the REACH dossier quality of already existing registrations, to address any data gaps to better identify substances of potential concern, and to confirm the safety of chemicals. We report our progress on an annual basis to Cefic. During the reporting period, we re-evaluated > 60 dossiers, either as lead registrant or co-registrant.

Archroma has strict internal guidelines to safeguard that eco-toxicological information used to support our registration dossiers is established, maintained, and communicated following the highest standards.

In FY2024, 89% of our total sales were approved by key 3rd party certifiers such as bluesign, ZDHC Gateway, GOTS and C2C. These external standards are widely accepted as a qualifier by customers, fashion brands, mills and retailers, due to their high requirements in terms of product safety.

PRODUCTION

Aligned with the Archroma core value of safety at work, we ensure the safe handling of our products within our own production plants as well as at our customer facilities by providing our product Safety Data Sheets (SDS). Our SDS are available in the respective local language in all countries we operate. SDS are also proactively provided to customers at the time of the order and whenever there are changes in product composition or its classification. These documents are regulated under the United Nations (UN) Global Harmonized System (GHS) and provide information about potential health hazards, product classification, presence of hazardous ingredients, instructions on adequate personal protection equipment (PPE) and safe handling.

Considering that standards such as GHS may not be applicable in all countries, or differ from one country to another, Archroma follows the highest applicable standard wherever its products are manufactured or sold.

SUSTAINABLE OPERATIONS

In February 2023, the Group acquired the textile business from Huntsman Corporation which substantially enhances our portfolio with new products, technologies and solutions. These changes are also mirrored in additional production locations, different manufacturing processes and a new portfolio composition. A key factor in the integration during the FY2024 has been the revision and alignment of our environmental, social and governance (ESG) approaches and our environmental data collection scopes and methodologies. That process is now complete, and we are announcing a set of sustainable operations targets to help us leverage operational excellence to achieve our sustainability goals. Archroma is committed to define climate targets that are based on most accurate possible baseline. All environmental operations reduction targets, i.e. for GHG emissions, energy, water, and waste are based on our Fiscal year 2023 results to ensure correct accounting for the Huntsman acquisition.

The Archroma manufacturing footprint in FY2024: Archroma's overall production in FY2024 increased by 11% to 514,650 metric tons (mt) in comparison to the previous reporting period. FY2024 reporting includes Huntsman figures from the beginning of the FY on GHG emissions, waste, water & energy.

CLIMATE & ENERGY

Focus area	OUR AMBITION 2030 targets	Status FY2024
Climate & energy	-20% tCO_2e (Scope 1) -40% tCO_2e (Scope 2)	63,214 t 56,731 t

GHG EMISSIONS

Archroma has full operational control over all its activities and therefore all operations of Archroma are taken into account in the GHG inventory. The emissions associated with acquired operations (such as former Huntsman Textile Effects) are therefore reported together with the information of the manufacturing sites that were already part of Archroma's legacy. In summary, post-acquisition, all operations fall under Archroma Group's organizational boundaries for carbon footprint reporting. Archroma's manufacturing sites ('sites') are located across several continents, including Asia Pacific, Europe, Latin America, Middle East and Africa and North America. The emissions are being accounted for all Sites and activities under Archroma's operational control and, depending on the Scope of emissions, are accounted for as direct or indirect emissions.

Archroma reports its Greenhouse Gas (GHG) emissions according to the Greenhouse Gas Protocol as communicated by the Greenhouse Gas Protocol Initiative. The protocol classifies a company's GHG emissions into three categories or 'scopes'.

Scope 1 covers all direct emissions from company-owned or controlled sources, emissions from combustion in owned and controlled boilers, furnaces, vehicles etc.

Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating or cooling energy consumed by the company.

Scope 3 covers all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

GHG emissions management and reporting is included in our overall environmental management process. Emissions per production site are consolidated into tons of carbon dioxide equivalent (tCO_2e) both in absolute amounts and in terms of intensity (emission per unit of finished product). Archroma uses the central data collection approach by requesting the activity data from the Sites and globally calculating the emissions (in line with GHG protocol „Greenhouse Gas Protocol, 2015"). Data is gathered monthly from our production sites and consolidated centrally, forming the basis for monitoring against, and corrective actions.

Conversion and emission factors used for the report were established with reference to the Greenhouse Gas Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). For the required fossil fuel-based emission factors, we have either used data provided by the respective energy provider or Defra Greenhouse Gas Emission Factors, developed by the UK Department for Business, Energy & Industrial Strategy and the UK Department for Environment, Food and Rural Affairs (Defra). Electricity emissions factors have been determined based on the data supplied by our respective energy providers.

For this reporting period we have not considered non-production sites (offices, off-site warehousing, etc.). We had initiated steps to include these metrics in future reports, but these were slowed down by integration efforts following the acquisition of the Huntsman textile effects business. It is, however, our expectation that the impact on our total CO_2e emissions will be relatively low. Furthermore, we acknowledge that according to the GHG Protocol the most common fugitive emissions for the chemical industry come from industrial process refrigeration and air conditioning leakages. In Archroma no such leakages have been identified during the recent years, as per installations monitoring data and proactive maintenance of their sites. For this reason, fugitive emissions are not included in the report for FY2024. We will, however, reassess the status again in FY2025.

Equally, emissions from wastewater treatment plants are not included in this reporting period*. However, as the sites are already required to report wastewater volumes, we intend to estimate and report Scope 1 emissions associated to on-site wastewater treatment in FY2025 by using the Emission factor from EcoInvent.

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* According to the IPCC Guidelines emissions from wastewater treatment plants should be included in Scope 1 when they result directly from on-site processes.

REDUCING SCOPE 1 AND SCOPE 2 EMISSIONS

Scope 1 and **Scope 2** GHG emissions for FY2024 represent 119,944 tCO_2e. This is a 0,4% decrease compared to FY2023 (tCO_2e). Key factor for the increase were changes in the manufacturing network and product portfolio.

Scope 1 emissions amount to 63,614 tCO_2e representing 53% of the total Scope **Scope 1** & **Scope 2** emissions. Of this amount, 84% is derived from the combustion of natural gas, the remainder consisting of LPG, heating oil and diesel. None of the Archroma sites use coal as a fuel for on-site generation of energy.

Scope 2 emissions amount to 56,731 tCO_2e, representing 47% of the total **Scope 1 & 2** emissions. Of this amount, 86% tCO_2e is derived from purchased electricity, the remaining tCO_2e from purchased steam.

In addition to absolute emissions, we defined "CO_2e intensity" as a key indicator (see graph below). CO_2e intensity refers to Scope 1 and 2 emissions. Its value decreased to 0.233 tCO_2e per ton of product produced.

Total CO_2e Intensity [tCO_2e/t]
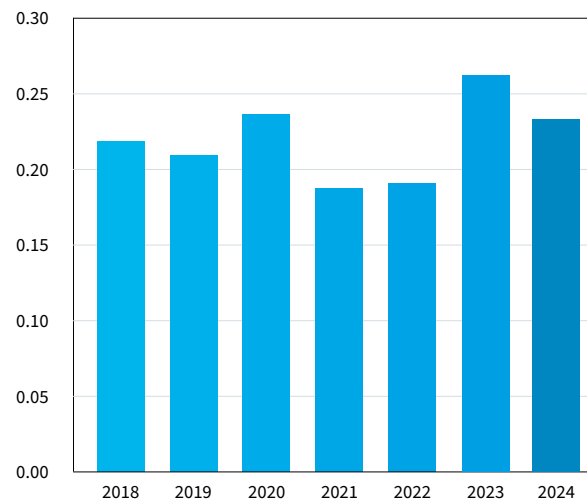
REDUCING GHG EMISSIONS ALONG OUR VALUE CHAINS (SCOPE 3)

The development of our Scope 3 emissions data is a critical topic for us. In the reporting period we have developed a methodology to calculate our related Scope 3.1 GHG emissions and established respective emission factors for our key raw materials, supported by our partner Arcadis.

The Together for Sustainability (TfS) Product Carbon Footprint Guidelines highlight the importance of Scope 3 Category 1 (Purchased Goods and Services) for the chemical industry, indicating that Category 1 emissions are expected to make the largest contribution to the Scope 3 carbon footprint in this sector. Archroma is already accounting for and reporting its Scope 1 and 2 emissions. In addition, we have now calculated Scope 3 GHG emissions, with a focus on the most contributing category as suggested by TfS: Category 1 – Purchased Goods and Services.

CONSIDERING THE DATA GAPS IDENTIFIED AS WELL AS THE COMPLEXITY OF ARCHROMA'S ACTIVITIES, TWO DIFFERENT METHODOLOGIES WERE ADOPTED FOR CALCULATING EMISSIONS FROM DIRECT AND INDIRECT PURCHASED GOODS AND SERVICES:

- Direct purchases: Average-data method. This method estimates emissions for goods and services by collecting data on the mass (e.g., kilograms), or other relevant units of goods or services purchased. It then multiplies this data by the appropriate secondary emission factors (e.g., average emissions per unit of good or service).
- Indirect purchases: Spent-based method. It estimates emissions for goods and services by collecting data on the economic value of goods and services purchased and multiplying it by relevant secondary (e.g., industry average) emission factors (e.g., average emissions per monetary value of goods).

The emissions associated with direct and indirect purchases are not fully comparable, as they have been calculated using different methodologies. However, the values provide a general overview of Archroma's Scope 3.1 GHG emissions and give an indication of the relative importance. For direct purchases the emissions amount to 1,190,897 tCO_2eq.* The result has been calculated using the 80/20 principle. The raw materials GHG emissions accounting is based on secondary data (LCA database) with proxies. Supplier specific accounting will be considered for future accounting and reporting, which implies suppliers' engagement, which has only started at the end of the FY2024. For indirect purchases the emissions amount to 41,622 tCO_2eq.** The Fiscal year 2023 was selected as the baseline year (available data at the start of the inventory).

* Acc. to GHG Protocol: Cradle-to-gate emission factors of the purchased goods or services per unit of mass or unit of product (e.g., kg CO_2 eq/kg or kg CO_2 eq/hour spent).
** Acc. to GHG Protocol: Cradle-to-gate emission factors of the purchased goods or services per unit of economic value (e.g., kg CO_2e/$).

Archroma carried out a materiality assessment of the Scope 3 categories to identify the occurrence of its highest GHG emissions. In line with the GHG protocol criteria for such a relevance assessment, we have considered Risk and Influence as key criteria for identifying our relevant Scope 3 activities. In summary of the calculations described above, it can be confirmed that our most significant categories of Scope 3 emissions are Purchased Goods and Services, the emissions associated with the production of the raw materials that we use. Archroma is committed to continue the work and report on the remaining Scope 3 categories in FY2025 as reflected in the matrix below.

MATERIALITY OF SCOPE 3 CATEGORIES FOR ARCHROMA

11. Use of sold products 12. End of life treatment of sold products	9. Downstream transportation of products	1. Purchased goods and services
3. Fuel and energy-related activities	4. Upstream transportation and distribution	5. Waste generated in operations
8. Upstream leased assets	7. Employee commuting	6. Business Travel 2. Capital Goods

RISK — High / Medium / Low

INFLUENCE — Low / Medium / High

Materiality based on GHG protocol criteria for relevance assessment.

Scope 3 categories identified as non relevant for Archroma (FY2023)

10. Processing of sold products

13. Downstream leased assets

14. Franchises

15. Investments

PRODUCT CARBON FOOTPRINT (PCF)

Archroma does not yet calculate Product Carbon Footprints (PCFs) at a large scale. However, we fully acknowledge the importance of this topic. For this reason, we carried out a pilot project in partnership with Arcadis in autumn 2024 to establish a calculation methodology in accordance with the TfS-guidelines. The project has now been finalized and first PCFs are available for a selected range of Optical Brightener Agents (OBAs).

Since January 2024 we continue the successful work on PCFs with Arcadis in a second, more long-term collaboration which will last until July 2025. It is our goal to gradually calculate PCFs per defined cluster to reflect the full bandwidth of our portfolio. The results will pave way to determine our Corporate Carbon Footprint (CCF) and provide important insights for our Scope 3 target setting which we aim to carry out in line with the Science Based Target initiative (SBTi) in a next step.

PRODUCT PRIORITIZATION

Archroma has defined three main clusters: (1) Liquid dyes/OBAs, (2) Solid/powder dyes/OBAs/Chemicals, (3) Liquid chemicals. Each cluster is further divided in several sub-clusters which describe groups of products within the Archroma product portfolio. There were 36 sub-clusters identified based on a similar chemical composition of the products. Each contains a number of Archroma's products with comparable chemical characteristics. The most strategic products were selected, grouped, and prioritized per sub-cluster to enable the calculation of PCFs. The identified products are considered representative for each entire sub-cluster.

KEY METHODOLOGY STEPS:

Sub-cluster Identification: Archroma products were grouped into 36 sub-clusters based on chemical composition.

Sub-cluster Ranking: Sub-clusters were ranked according to production volumes and strategic importance to Archroma.

Representative Product Identification: Representative products were selected within each sub-cluster, focusing on high-volume products or key products for calculating PCFs.

Representative Products Prioritization: The 30 selected representative products were prioritized based on criteria such as strategic importance, site production volumes, sub-cluster rank, and product sales volumes.

STEP 1
PCF of 30 products

STEP 2
Hotspot analysis

STEP 3
Consolidate data management plan

STEP 4
Automated PCF calculation and scale-up

STEP 5
Deployment of PCFs on 100% product portfolio

> Suppliers and customer engagement
> Active and targeted communication
> Training and awareness raising (internal/external)
> Ensure regulatory compliance

ENERGY USE IN OPERATIONS

Focus area	OUR AMBITION 2030 target	Status FY2024
Climate & energy	Energy intensity: -15% GJ/t of finished product	3.32 GJ/t of finished product

Energy is required for production and for running our global infrastructure. The energy sources are typically fossil fuels to generate heat, and electricity to run equipment.

The fossil fuels used are natural gas (incl. LPG), diesel and heating oil. None of our production sites use coal as an energy source. Electricity and, in some cases, also steam is purchased from third parties.

In order to calculate the quantity of energy consumed, amounts of fossil fuel, electricity and steam used are converted into gigajoules using the conversion factors provided in the GHG Protocol.

Energy efficiencies are closely monitored through our environmental management process, including annual targets set according to forecasted production plans. Individual production processes or installations are analyzed with respect to their energy requirements, and improvements defined to continuously reduce the energy intensity.

The total energy consumption at Archroma in FY2024 was 1,707 TJ (terajoules), which is 9% higher compared to FY2023 due to changes in the manufacturing network and a different product portfolio. This equates to an average of 2.33 GJ per ton of finished product.

FY2024 reporting includes Huntsman figures from the beginning of the FY on emissions, waste, water & energy.

Energy intensity [GJ/MT prod]

Total energy consumption (TJ)
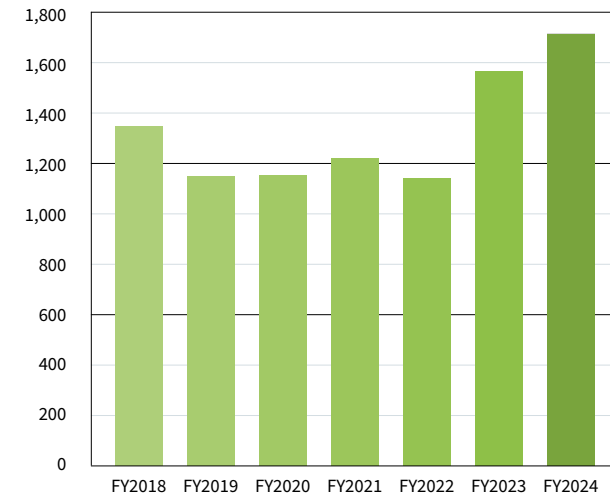
RENEWABLE ENERGY

As we are committed to further reduce GHG emissions we are taking steps to improve energy efficiency, promote the use of renewable energy and evaluate measures to generate our own renewable energy on-site.

In FY2024 our renewable energy represented 10.3% of the total energy consumption.

Renewable Energy [GJ]
Total Energy [GJ]
% Renewable Energy
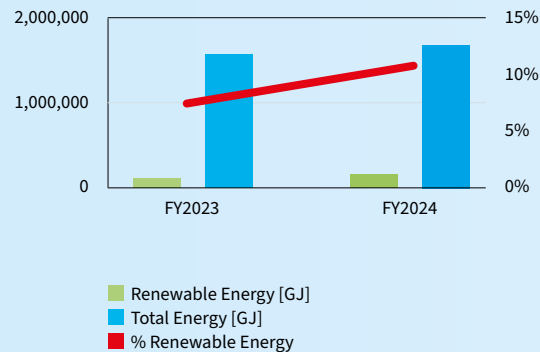
Electrification is becoming a key driver for further decarbonizing in our operations, which means replacing primary fossil energy sources with green electricity. Yet ramping up electrification technologies and processes remain challenging. Changing or adapting the equipment to use heat from electricity instead of natural gas requires high investments. From a logistics perspective, the current infrastructure in most countries does not have sufficient power lines to deliver the required electricity. The availability of sufficient green electricity remains challenging: There is currently a gap between renewable energy demand and sufficient supply. However, we will continue all our efforts to enable the switch from fossil towards renewable energy sources as committed in our Scope 2 target.

CIRCULARITY

Archroma actively contributes to a circular economy, by evolving from linear (take, make, discard) to circular (reduce, reuse, recycle) manufacturing processes, material flows and products.

Please refer to the next section on "waste", where we report our commitments and impacts on circularity according to the revised GRI 306 "Waste 2020" (effective January 2022). Our concrete actions, including measures to prevent waste generation and to manage material impacts from waste generated include:

- Reducing the use of finite raw materials by procuring secondary or renewable materials; e.g., recycled or reconditioned packaging materials such as industrial bulk containers (IBC) or substituting substances that have hazardous characteristics with non-hazardous substances. For example, we replaced chlorinated organic raw materials with agricultural waste to produce our EarthColors®.

- Engaging in or setting up industrial symbiosis, by which one organization's waste or other outputs (e.g., by-products from production) become inputs for another organization, e.g., Archroma absorbs ammonia generated in a particular chemicals process in water and uses the diluted ammonia solution in the production of a water-soluble agent for stickiness control.

- Engaging in or setting up product take-back schemes and reverse logistics processes to divert packaging materials from disposal, e.g., Archroma works with well-known packaging material suppliers and engages in their countrywide recollection network.

- Recovering selected waste streams through preparation for reuse and recycling, e.g., Archroma reached out to its contacts in the industry and found partners which can consume a particular salt containing waste in their processes, thus avoiding landfilling of hazardous waste.

According to our FY2030 target setting we are committed to decreasing water intensity in our manufacturing sites. Implementing circularity initiatives in our own production such as the recycling of wastewater to potable water is a key focus area in this regard. Archroma's investment in ZLD (Zero Liquid Discharge) systems reflects this commitment. Our ZLD initiative at Jamshoro in Pakistan includes a Sustainable Effluent Treatment (SET) plant that has been providing clean drinking water to nearby communities for the past decade. More details on our new initiative in Mahachai in Thailand can be found on the following pages.

TRANSITION TO WATER CIRCULARITY:

NEW ZERO LIQUID DISCHARGE (ZLD) TECHNOLOGY HELPS ARCHROMA MINIMIZE ITS IMPACT ON THAILAND'S WATER RESOURCES BY CONVERTING WASTEWATER INTO CLEAN WATER AND USABLE MINERALS

TAKING ANOTHER STEP TOWARDS WATER CIRCULARITY

Archroma Mahachai has installed an innovative ZLD wastewater treatment process based on membrane technology. The new system allows Archroma to reclaim up to 90-95% of wastewater for reuse at the plant and to recover minerals for use by partners along the value chain.

Water stress in the Kingdom of Thailand is an ongoing problem. As climate change has intensified, the Southeast Asian nation has faced more extreme dry-season drought and monsoon flooding, made worse by aging water infrastructure and growing demand for water for domestic use and for agriculture and industry.

REDUCING WATER STRESS

Our plant in Mahachai is located in a region of severe water stress. The province, which is near the capital Bangkok, is densely populated and famous for its fishing and farming. In operation since 1982, our facility has always met stringent environmental and safety standards and adopted advanced production technologies. It has been a critical global supply hub for us in the 15 years and currently also synthesizes our most advanced water-saving reactive dyes and inks for digital textile printing, supporting apparel and textile brands and mills across Asia Pacific and around the world to meet their sustainability targets.

The Mahachai team took its first steps toward ZLD wastewater management in 2019 through the exploration of multiple ZLD technologies, a proof of concept trial has been successfully implemented. The team has conclusively identified membrane-based technology as the superior alternative.

ADOPTING NEW TECHNOLOGIES

The combination of membrane technologies with reverse osmosis (RO) processes and osmotic assisted reverse osmosis (OARO) has emerged as an innovative approach to complex wastewater treatment challenges. Together, these deliver:
- High efficiency, with excellent removal rates for small particles such as salts
- Minimal environmental impact, with low ongoing energy consumption
- Recovery of valuable components, with concentrated brine as an output

Working with Gradiant, a global leader in water solutions, Archroma selected a compact modular ZLD system that was suitable for a wide range of wastewater compositions and flow rates. It uses commercially available membranes and components for lower capital cost and easy maintenance, with Gradiant process and control technologies to optimize speed and efficiency and minimize operating costs.

The new membrane-based ZLD system works with the existing wastewater treatment plant (WWTP) at Mahachai to provide extra desalination and extract more fresh water and more concentrated brine solutions for salt recovery.

REUSABLE IN PRODUCTION AS SOFT WATER QUALITY 300-500 M³/DAY

OVERVIEW DIAGRAM of Zero Liquid discharge and water recovery flow

Recovered Water (90-95%

Process Wastewater

400-900 m³/day

Wastewater Treatment Plant

Effluence

400-900 m³/day

Zero Liquid Discharge

Brine

20% Brine Solution (30 m³/day)
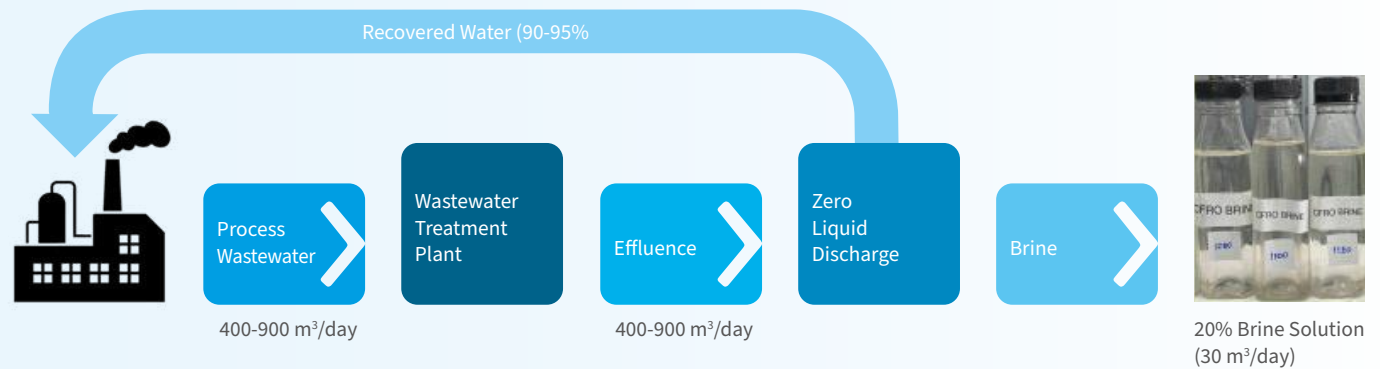
SAVING RESOURCES THROUGH RECOVERY AND REUSE

With the new ZLD system for wastewater treatment, the Mahachai plant is able to recover more than 90% of the water used in the plant. This recycled water returns to the production facility, significantly reducing its demand from local water supplies.

The remaining wastewater creates a highly concentrated brine that is used in the dyeing processes and by partners along with value chain for industrial processes such as resin regeneration and the production of chlorine. By recovering waste streams in this way, our waste outputs become inputs for another process or organization, further saving resources and avoiding landfilling of hazardous waste.

Archroma's investment in the new ZLD system reflects the company's broader commitment to sustainability and innovation. It believes in win-win solutions for water management.

WASTE

Focus area	OUR AMBITION	
	2030 target	Status FY2024
Waste & Circularity	Waste intensity: -10% kg/t of finished product*	56.2 kg/t of finished product

Waste generation is typically related to the nature and complexity of the manufacturing processes.
The higher the yield of a process, the lower the generated waste. Raw materials packed in small bags or drums create a high amount of waste while materials delivered in bulk generate practically none. In Archroma waste is avoided, reduced, recovered and reused wherever possible. However, in some cases waste, both hazardous and non-hazardous, cannot be recovered or reused and is consequently disposed in an adequate and legal compliant manner.

Our manufacturing processes are continuously optimized by the Archroma teams and with the support of third-party experts to increase yield and to avoid or reduce waste.
Our total waste generated in FY2024 was 30,423 metric tons. For total production, this represents an intensity of 56.17 kg per ton of finished product.*

Total waste (mt)
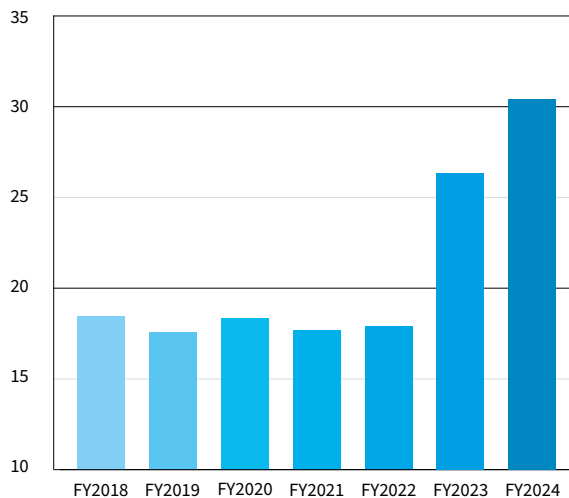
Waste intensity (kg waste per metric ton produced)
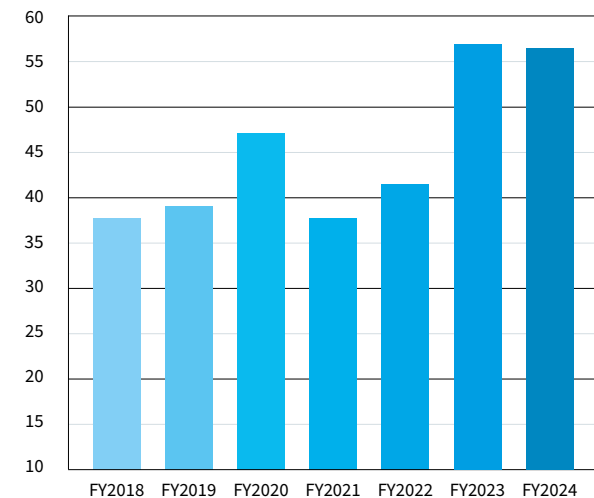
FY2024 reporting includes Huntsman figures from the beginning of the FY on emissions, waste, water & energy.

*Waste intensity considers total production related waste over tons produced.

HAZARDOUS AND NON-HAZARDOUS WASTE MANAGEMENT

Hazardous substances classification and management of adequate disposal routes remains an absolute priority. The classification of waste is done, and the resultant disposal methods are defined according to the specific national regulations governing every production site. There was no transboundary transport of waste.

Waste management is part of the overall Archroma environmental safety management process. Wherever possible waste processes are being analyzed and assessed to identify opportunities to be recovered and/or reused and recycled.

Of the total waste generated during FY2024 74% (22,532 metric tons) was classified as hazardous.

Total waste

- Non hazardous
- Hazardous

74% 26%

Non-hazardous waste

- Incineration
- Landfill
- Reuse/recycle/recover
- Other

47% 4 4 45%

Hazardous waste

- Incineration
- Landfill
- Reuse/recycle/recover
- Other

29% 3 34% 34%
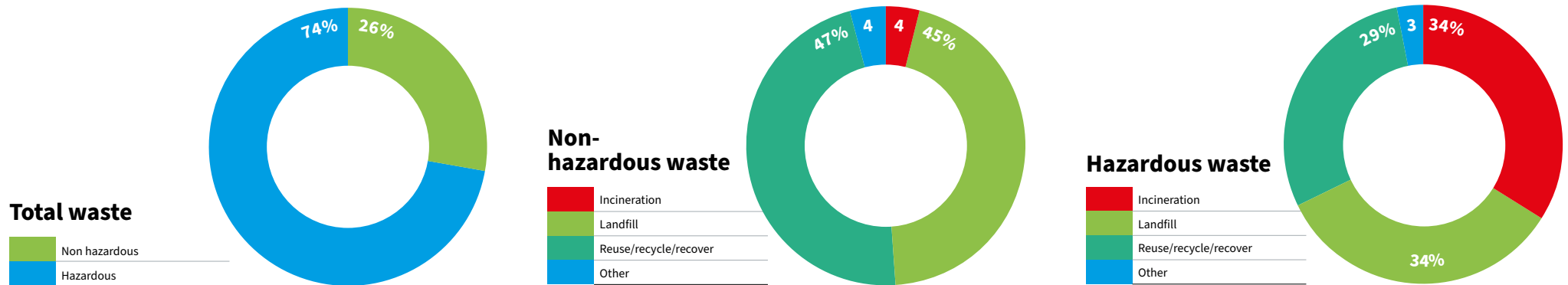
WASTEWATER MANAGEMENT

Water discharge into open water courses is an important environmental topic. It is a basic requirement that any manufacturing industry should discharge water back into the ecosystem without additional load. Therefore, an effective effluent treatment is key to all stakeholders.

We are proud to highlight the positive influence of our sustainable systems on our downstream customers' wastewater management. For more details, please see section SUSTAINABLE MATERIALS.

All our production plants have, or have access to, wastewater treatment facilities that typically use physical/chemical and biological treatment processes. All discharged wastewater is in full compliance with the relevant regulatory parameters as stipulated by local environmental authorities.

During the reporting period, Archroma discharged a total of 6.8 million m^3 of water. 85% of this volume was discharged to surface water, after suitable treatment and conform with local regulations. The remainder is primarily discharged to third party effluent treatment sites for further processing before being discharged to surface water. The total discharge represents 85% of total incoming water.

Total water use

▇	Discharged
▇	Consumed
▇	Non Water Stress
▇	Water Stress
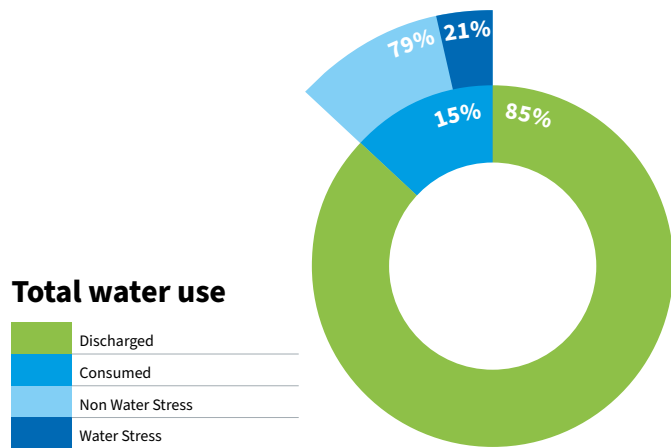
There were no off-site spills during the reporting period. There were no reports for outside limits wastewater discharges during the reporting period. There was one incident for Ankleshwar for contaminated rainwater discharge during the reporting period.
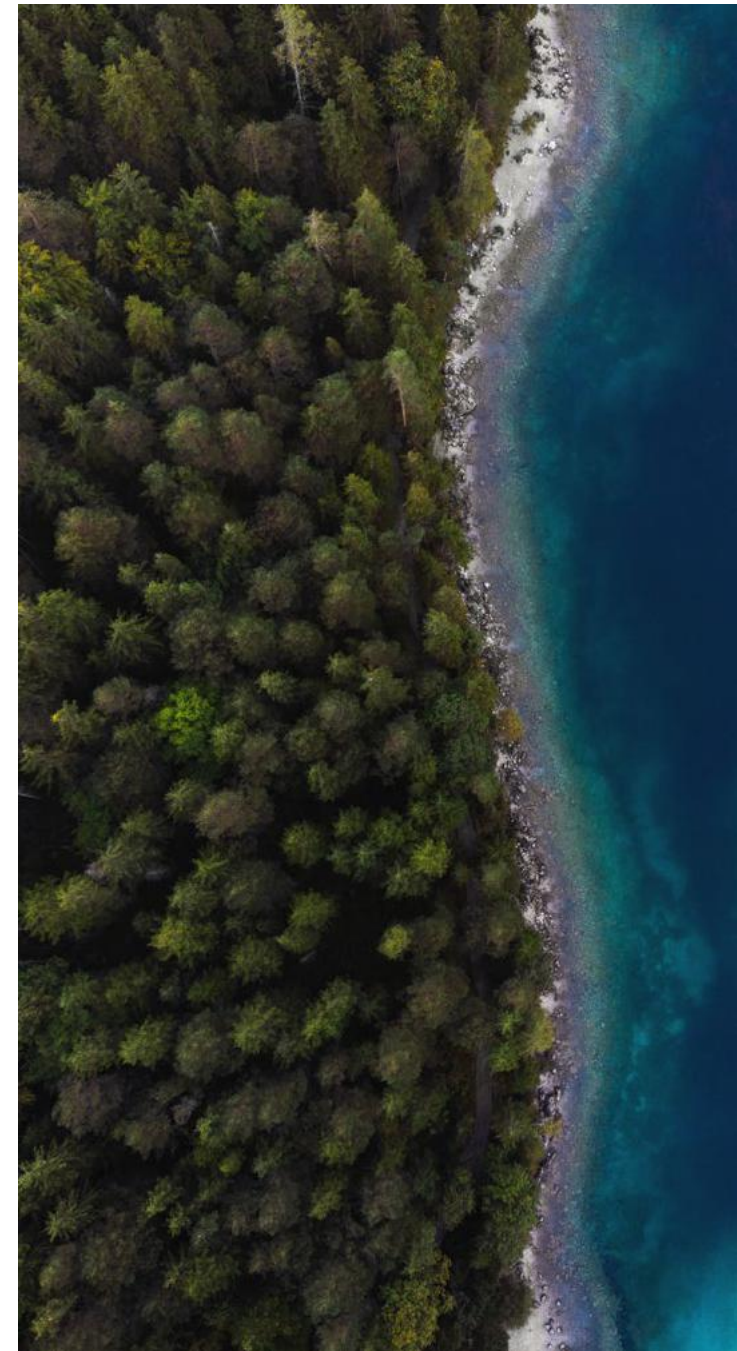
Sustainable materials

Climate & energy

Circularity & waste

Water & land

ENVIRONMENTAL SAFETY

We implement initiatives to reduce environmental risks in the production, storage, distribution, and usage of our products and in the disposal of waste. These include measures to promote the efficient use of energy and resources, as well as to ensure the continuous improvement of our processes to minimize the impact of our activities on the environment.

Our teams continuously assess our production processes to avoid or reduce emissions and waste, recover waste streams, and dispose any remaining unavoidable waste in an environmentally and legally compliant manner. We comply with all local regulations and have 24/7 online effluent monitoring in major sites.

Accountability for environmental management lies with the Vice President of Supply Chain and Technical Operations. Manufacturing processes are developed in line with the "Principles of Green Chemistry" maximizing process yields to ensure that minimum waste is generated and to minimize unintentional contaminants of raw materials and intermediates within the final product. Production technology, that is the implementation, installation, monitoring, and ongoing improvement of production processes, is globally managed in two core areas: 1) Chemicals & Optical Brighteners, and 2) Colorants. New products have a better sustainability footprint than the existing product they supersede.

KPIs and associated annual targets are defined for each production site and monitored monthly using scorecards or dashboards. In addition, specific operational excellence and resource optimization projects have been initiated focusing on process simplification, yield improvement as well as energy, water, and waste reduction.

NON-CONFORMANCES

There are strict guidelines governing environmental safety non-conformities. All sites have a well-prepared and trained emergency response team at their disposal to manage any spills, fires, accidents or injuries. Training of these teams is conducted on a regular basis and in compliance with local regulations. The magnitude and/or the impact of an incident will determine the response level according to the global emergency management procedures, by either the Local (LEM) team or the Global Emergency Management (GEM) team. The local authorities are notified, and the appropriate remedial actions taken as and when needed. Archroma employees are always part of local emergency teams, even when Archroma is not the site owner. In addition to the specialized training of the LEM and GEM teams, all production employees are regularly trained on safety and resource efficiency topics as part of the Archroma Academy "MAKEXPERT" framework.

IN THE REPORTING PERIOD, ARCHROMA HAD SEVEN PROCESS SAFETY INCIDENTS (PSIS) IN ITS PRODUCTION PLANTS:

• Atoto, Mexico:
1. Operational error (batch was discharged to waste).
2. Reactor overflowed due to wrong temperature setting.
3. Ethylene glycol was wrongly discharged.
4. IBC punctured by forklift truck.

• Mahachai, Thailand: Wrong equipment used; tank was overfilled.

• Langweid, Germany: Styrene spill due to leaking valve.

• Wiesbaden, Germany: Interlock error; loss of containment during transfer.

None of these incidents impacted the environment or the health of employees or the community.

AIR EMISSIONS

Airborne emissions from the production plants include exhaust gas from operations and boiler flue gas. All production plants and laboratories are equipped with modern facilities to collect and treat air emissions. All air emissions are continually monitored and respect the limits of the relative standards stipulated by local environmental authorities.
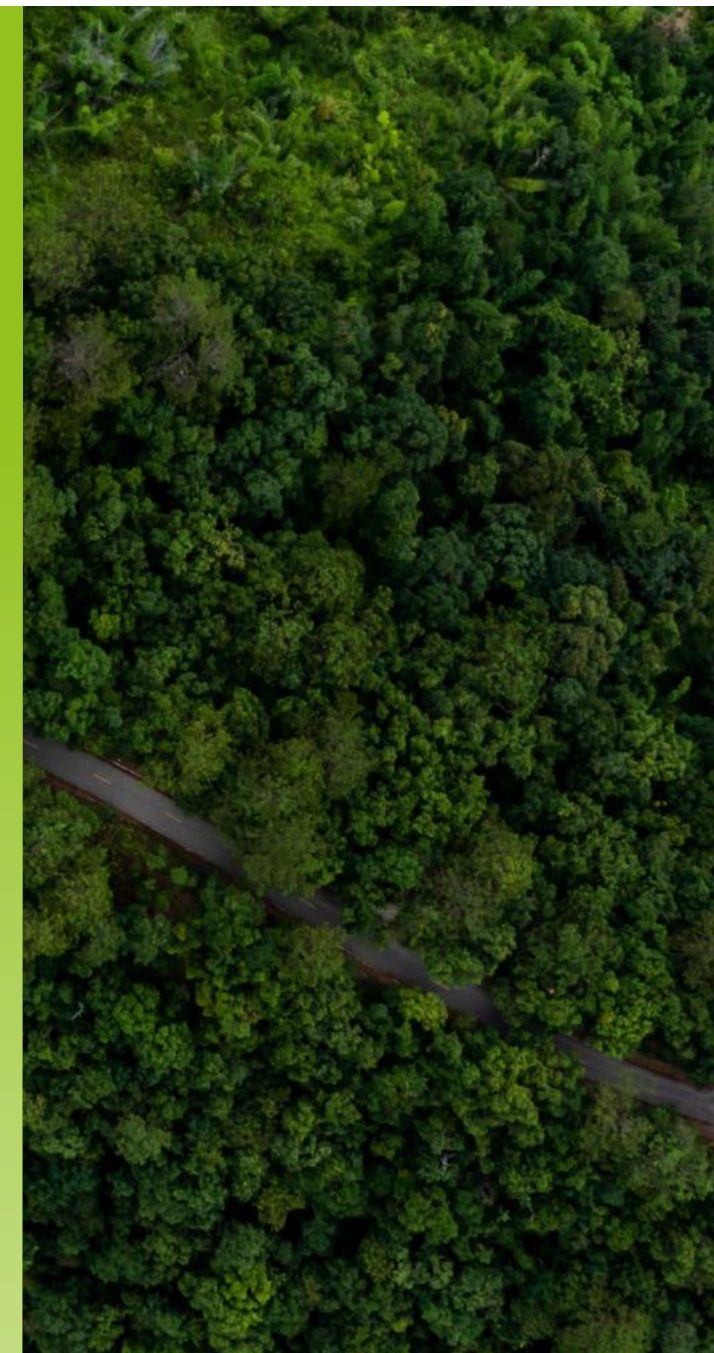
WATER STEWARDSHIP

Focus area	OUR AMBITION	
	2030 target	Status FY2024
Water & land	Water intensity*: -40% m³/t of finished product	15.55 m³/t of finished product

Water is a critical resource for Archroma during chemical manufacture. It is mainly used as a processing aid for cooling, cleaning and air scrubbing/washing processes, as well as solvent in synthesis processes and as a raw material in the production of commercial liquid-based formulations, such as liquid dyes, liquid optical brightening agents and polymer dispersions. It also evaporates during the production of dry formulations.
Water use is closely monitored within the environmental management process.

From a total withdrawal perspective, the total water intake in FY2024 was 8,004,029 m³, while the incoming water intensity during the reporting period equates to an average of 15.55 m³ per ton of finished product. This represents a 5% decrease over the previous reporting period for intensity and an increase of 7% in absolute terms. Water withdrawal only refers to manufacturing sites. Changes to the previous reporting period occurred due to water efficiency projects, e.g. in our manufacturing site in Mahachai, Thailand. For more information, please see chapter CIRCULARITY.

**Total water intake
(thousand m³)**

**Water intensity
(m³ per metric ton produced)**
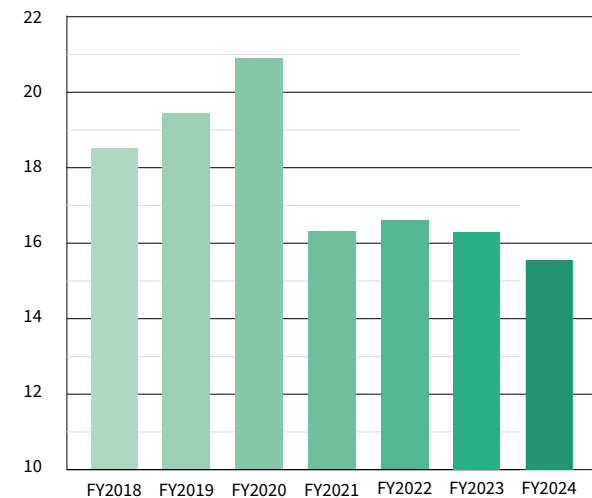
FY2024 reporting includes Huntsman figures from the beginning of the FY on emissions, waste, water & energy.

*Incoming water intensity by m³ per ton of finished product
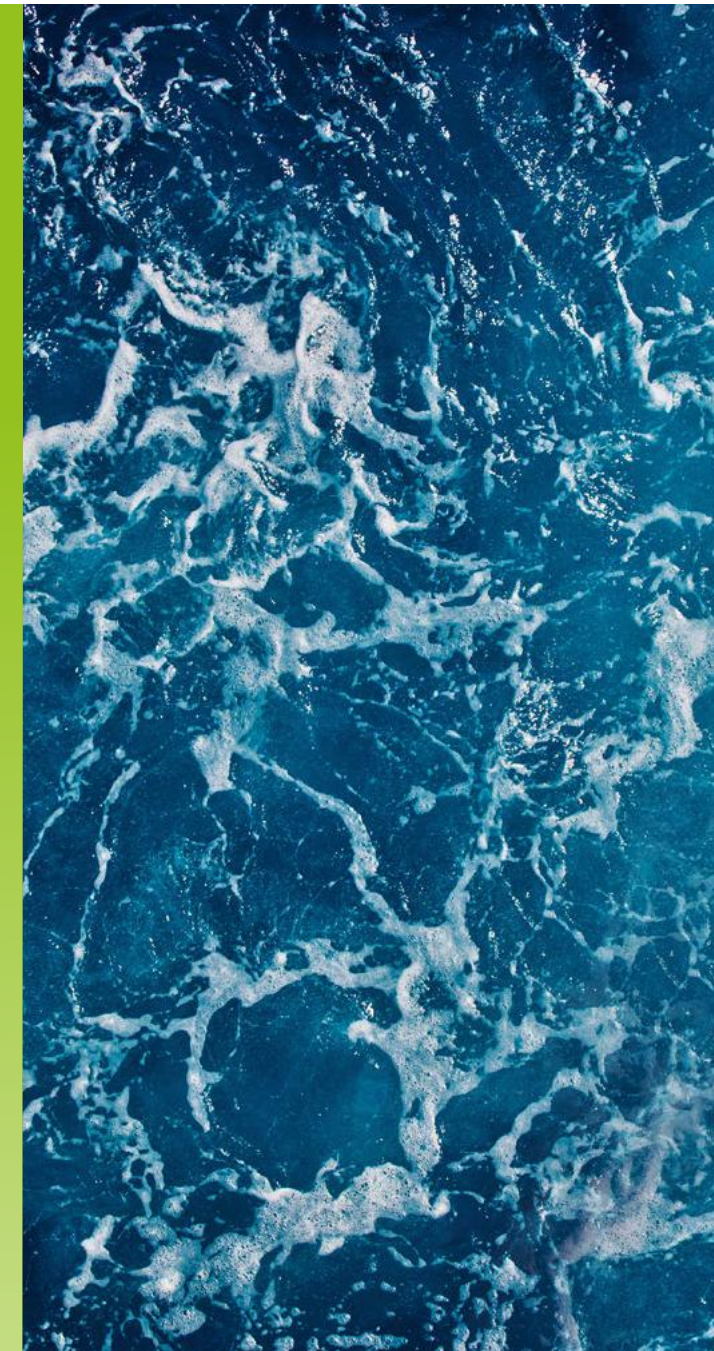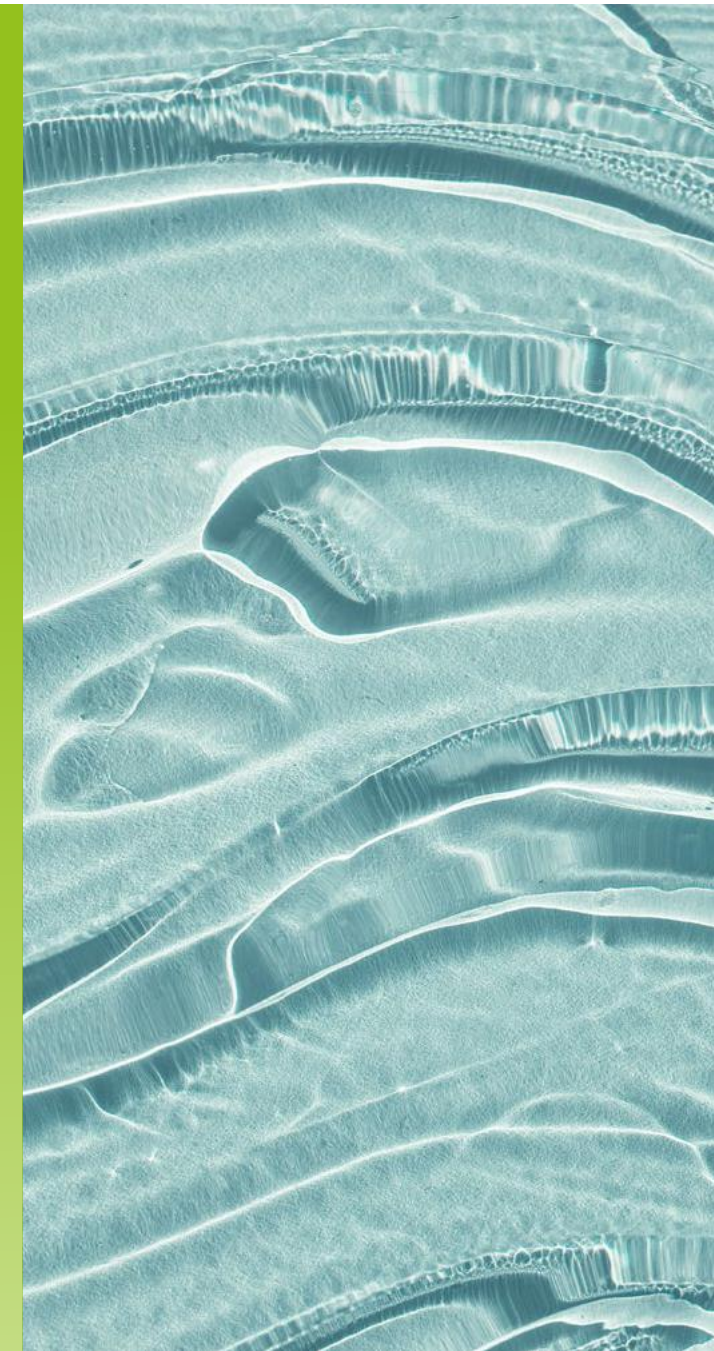
The relatively high intensity factor of most sites is largely a direct consequence of water-cooling. In this process, the water is withdrawn, used, and discharged back into water courses unaltered could help us as we actively seek to.

From a water consumption perspective (i.e., water which is predominantly used as ingredient), the intensity is 2.39 m³ per ton of finished product. This represents a 16% increase over the previous reporting period. The indicator varies depending on the nature of products manufactured, e.g., if they are liquids or dry formulations.

WATER & EFFLUENT

According to the WRI's Aqueduct Water Risk Atlas, 17 countries, home to one-quarter of the world's population, face "extremely high" levels of baseline water stress, where irrigated agriculture, industries and municipalities withdraw more than 80% of their available supply on average every year. 44 countries, home to one-third of the world's population, face "high" levels of water stress, where on average more than 40% of the available supply is withdrawn every year. Such a narrow gap between supply and demand leaves countries vulnerable to fluctuations like droughts or increased water withdrawals.

Total water withdrawal

- Surfacewater
- Groundwater
- 3rd Party supply
- Produced Water

0%
41%   28%
31%

BETA
AQUEDUCT   WATER RISK ATLAS

	Low	Low-medium	Medium-high	High	Extremely high
	(<10%)	(10-20%)	(20-40%)	(40-80%)	(>80%)

Arid and low water use

No data

Water Stress Areas

PRODUCTION SITE BASELINE	WATER STRESS RATING
Santa Clara, Mexico	Extremely high (>80%)
Salvatierra, Mexico	Extremely high (>80%)
Atoto, Mexico	Extremely high (>80%)
Ankleshwar, India	Extremely high (>80%)
Maipu, Chile	Extremely high (>80%)
Baroda, India	Extremely high (>80%)
Mahachai, Thailand	Extremely high (>80%)
Bangpoo, Thailand	Extremely high (>80%)
Lurin, Peru	Extremely high (>80%)
Ameriya, Egypt	High (40-80%)
Suzano, Brazil	High (40-80%)
Lamotte, France	High (40-80%)
Korschenbroich, Germany	High (40-80%)

In total, there are 13 Archroma production sites located in water stress areas according to the WRI definition. More details can be found at: **https://www.wri.org/resources/maps/aqueduct-water-risk-atlas.**

In these sites Archroma withdrew 1.23 million m³ of water in FY2024. Key factors for increase compared to the previous reporting period were the Huntsman Textile Effects Division acquisition and related changes in the manufacturing network, a differently focused product portfolio as well as some location reclassifications. Half (52%) of the water withdrawn in these areas were sourced directly from groundwater and 0.03% from surface water. The remaining 48% was provided by third-party water suppliers. Of the total water provided by third-party suppliers, 28% originated from surface water.

**Water withdrawal –
Water stress sites**

■	Surfacewater direct
■	Groundwater direct
■	3rd Party supply
■	Surfacewater 3rd party
■	Groundwater 3rd party
■	Produced Water 3rd party
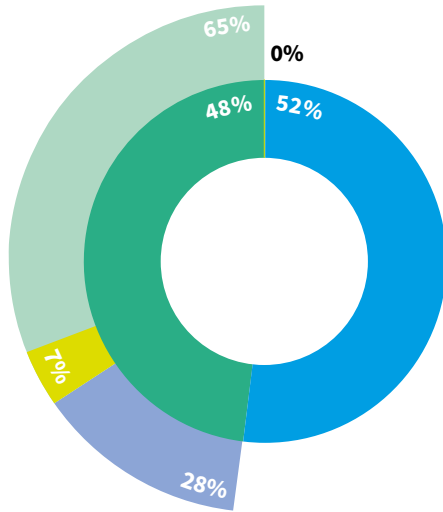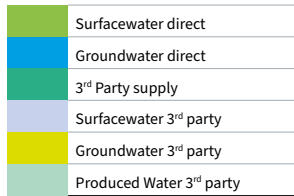
ARCHROMA TOTAL	Stress water withdrawal (m^3)
FY2018	218,665
FY2019	188,389
FY2020	167,313
FY2021	166,703
FY2022	146,372
FY2023	785,455
FY2024	1,233,253

BIODIVERSITY

Biodiversity is critical to maintaining the quality, resilience and quantity of the natural assets that both business and society rely upon. The potential impact of our activities on biodiversity in our various locations is important to us and other stakeholders such as NGOs and local communities. Therefore, we seek to understand, avoid and respond to any potential impacts our activities may have on biodiversity. We also look for opportunities across our operations to make a positive contribution to conservation. For example, most of our major locations manage trees as a core asset, underpinning our commitment to maintaining biodiversity.

Although none of our production sites are within biodiversity areas, as identified by the World Database of Key Biodiversity Areas (http://www.keybiodiversityareas.org/home) we remain sensitive to biodiversity. As such we know that 12 Archroma sites are within a 40-kilometer proximity to well-known biodiversity locations:

PRODUCTION SITE	KEY BIODIVERSITY AREA
AMERIYA, EGYPT	Wadi El Natrun
BANGPOO, THAILAND	Inner Gulf of Thailand
BARODA, INDIA	Wetlands of Kheda
BOGOTA, COLUMBIA	Humedales de la Sabana de Bogotá
EL PRAT DE LLOBREGAT, SPAIN	Llobregat Delta
LAMOTTE, FRANCE	Forêts picardes (Compiègne)
LANGWEID, GERMANY	Donau-Auen and Donau-Ried
LURIN, PERU	Sistema de Islas, Islotes y Puntas Guaneras
MAHACHAI, THAILAND	Inner Gulf of Thailand
ROHA, INDIA	Phansad Wildlife Sanctuary
WIESBADEN, GERMANY	Rheinaue Bingen-Ingelheim
ZARATE, ARGENTINA	Reserva Natural Otamendi

In the reporting period there were no incidents or activities at these sites that could pose a threat to any endangered species, and therefore no additional preventive measures have been initiated. We remain extremely vigilant to ensure that no such incidents or activities occur at any of our sites.

SOCIAL

Health & safety

Fair and attractive employer

Corporate citizenship

Health & safety

Fair and attractive employer

Corporate citizenship

HEALTH & SAFETY

Focus area	OUR AMBITION	Status FY2024
	Continous target	
Health & safety	TRR < 0.20	0.23

OCCUPATIONAL SAFETY

This topic refers to Archroma's internal safety focus, management and performance. Chemical manufacturing is a specialized process involving the handling and storage of large volumes of chemical substances of varying hazardous nature, synthesis processes requiring complex machinery often using elevated temperatures and pressure, and waste streams that require specific treatment before being discharged. Safety is our first and foremost priority in everything we do, aiming to protect our people, local communities, our assets and the environment. Archroma operates according to the principle that all employees and partners of Archroma are trained for the work and are collectively responsible for safety.

The company follows the principles of 12 "Life Saving" rules (see next page). Furthermore, we have a full SHE framework in place which consists of 25 specific SHE Guidelines to ensure safe working practices on all Archroma manufacturing sites, standalone labs, warehouses and offices.

For the reporting period, the Archroma Group Total Reportable Rate (TRR) was 0.23 and the Group Lost Time Incident Rate (LTAR) was 0.14 per 200,000 hours worked. In total, ten reportable injuries occurred in FY2024. The number of lost working days amounts to 150 during the reporting period.

Our safety performance (TRR)

	2021	2022	2023	2024	target
TRR	0.27	0.18	0.25	0.23	0.20
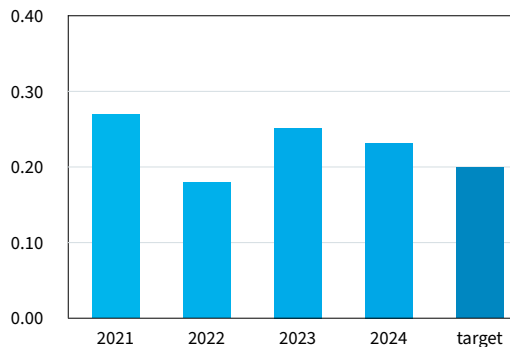
TRR is based on 200.000 working hours by full time employees, part time employees and temporary employees.

ARCHROMA 12 "LIFE SAVING RULES"

**NO DRUGS WHILST WORKING
NO ALCOHOL AT WORK
NO SMOKING OUTSIDE
DESIGNATED AREAS**

**WORK WITH A VALID PERMIT
WHEN REQUIRED**
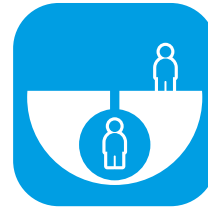
**PROOF THAT ATMOSPHERE
IS SAFE BEFORE ENTERING
IN A CONFINED SPACE**
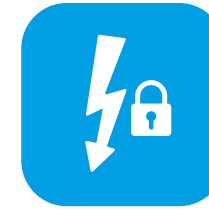
**LOCK OUT, TAG OUT
AND TRY OUT BEFORE WORK ON
MACHINES OR EQUIPMENT BEGINS**

**OBTAIN AUTHORIZATION
BEFORE LINE BREAKING**

**OBTAIN AUTHORIZATION
BEFORE OVERRIDING OR
DISABLING CRITICAL
SAFETY EQUIPMENT**

**PROTECT YOURSELF
AGAINST A FALL WHEN
WORKING AT HEIGHT**

**LIFTING AND HOISTING:
DO NOT ENTER A DANGER
ZONE WHERE OBJECTS CAN FALL**

**COMPLY WITH MANAGEMENT
OF CHANGE WHEN REQUIRED**

**FOLLOW YOUR JOURNEY
MANAGEMENT PLAN**
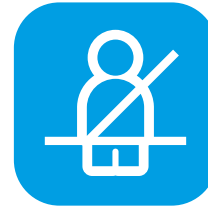
WEAR YOUR SEATBELT

**DRIVE RESPONSIBLY
AND COMPLY WITH
LOCAL LAW**

OCCUPATIONAL HEALTH & SAFETY RISK AND EMERGENCY MANAGEMENT

A comprehensive assessment of risks related to our operations and products is prerequisite for sustainable business processes. A local and global emergency organization is in place to ensure comprehensive emergency management and response.

We take initiatives to reduce safety and health risks in the production, storage, distribution and usage of our products and in the disposal of waste. In order to manage the risks associated with chemical manufacturing, process hazard analyses are conducted. Each manufacturing site and standalone laboratory has its own risk profile, particular to the manufacturing processes and chemicals used at that site. The primary hazards are fire/explosion, chemical properties and personal injury. This risk portfolio is updated annually, or ad hoc when a manufacturing process is added or modified on the site.

Each Archroma location has a Safety and Environment Officer (SEO), who reports on a monthly basis to the global Safety, Health and Environment (SHE) Manager. Individual goals are set for each site. There are three safety pillars: prevention of incidents, training and safety audits.

1. INCIDENT PREVENTION
All process incidents, work-related injuries and illness cases are investigated, and root causes and corrective actions are shared with all Archroma sites to prevent re-occurrence.

2. TRAINING
To support continuous learning, every site has a comprehensive training program developed specifically for that site and focused on specific knowledge improvement requirements. Broader training topics for the organization are conducted through regular webinars.

3. SAFETY, HEALTH AND ENVIRONMENTAL (SHE) AUDITS
Site SHE audits are scheduled on a 3-year cycle. These audits are conducted over one week by two internal qualified safety experts, at a frequency of 8 to 10 sites per year. The audits are conducted against 25 comprehensive guidelines which describe people safety, process safety, as well as the transportation, storage and use of all materials.

In addition, we launched a new series of safety webinars for our employees. During the monthly sessions, we examine the latest safety results, share our experiences, and discuss observations and trends. Our target is to enable a higher share of best practices to further develop our safe ways of working and increase safety awareness in our organization. We believe including employees at all levels of the organization and driving managerial accountability, together with understanding human aspects of safety are key to better safety performance. The monthly webinar presentations are cascaded to the organization by the respective SEOs.

ACCESS TO MENTAL & PHYSICAL HEALTH INITIATIVES

The changing and uncertain environment in terms of COVID-19, inflation, the energy and the geopolitical crisis have put a lot of pressure on employees individually and collectively. This can have a negative impact on health, as well as emotional and mental wellbeing, already threatened by the increased stress and uncertainty over the last three years as we have had to navigate different ways of working and living. We address this through our Fair & attractive employer ambition, which focuses on improving how we care for our people and ensuring that everyone at our sites has access to mental and physical health initiatives such as trainings or workout facilities. Our approach to health and wellbeing is about helping Archroma employees to fostering the energy and resilience they need to do great work.

ARCHROMA HEALTH & WELLBEING SESSIONS

In March 2024 we launched our new series of Health and Wellbeing Sessions. This marked the beginning of a series of informative monthly sessions on a broad range of Health & Wellbeing themes such as "balanced nutrition, power of sleep, effective stress management or family wellbeing & resilience". A dedicated coach brings expertise as a certified nutritionist and wellbeing specialist to guide Archroma employees in understanding the underlying causes of common issues we all encounter, while equipping us with effective strategies to address them. Throughout 2024, a variety of engaging sessions have been hosted, with recordings available for those unable to attend live. Each session is scheduled for 60 minutes, followed by a dedicated Q&A session for those seeking further insights or clarification from our metal health coach.
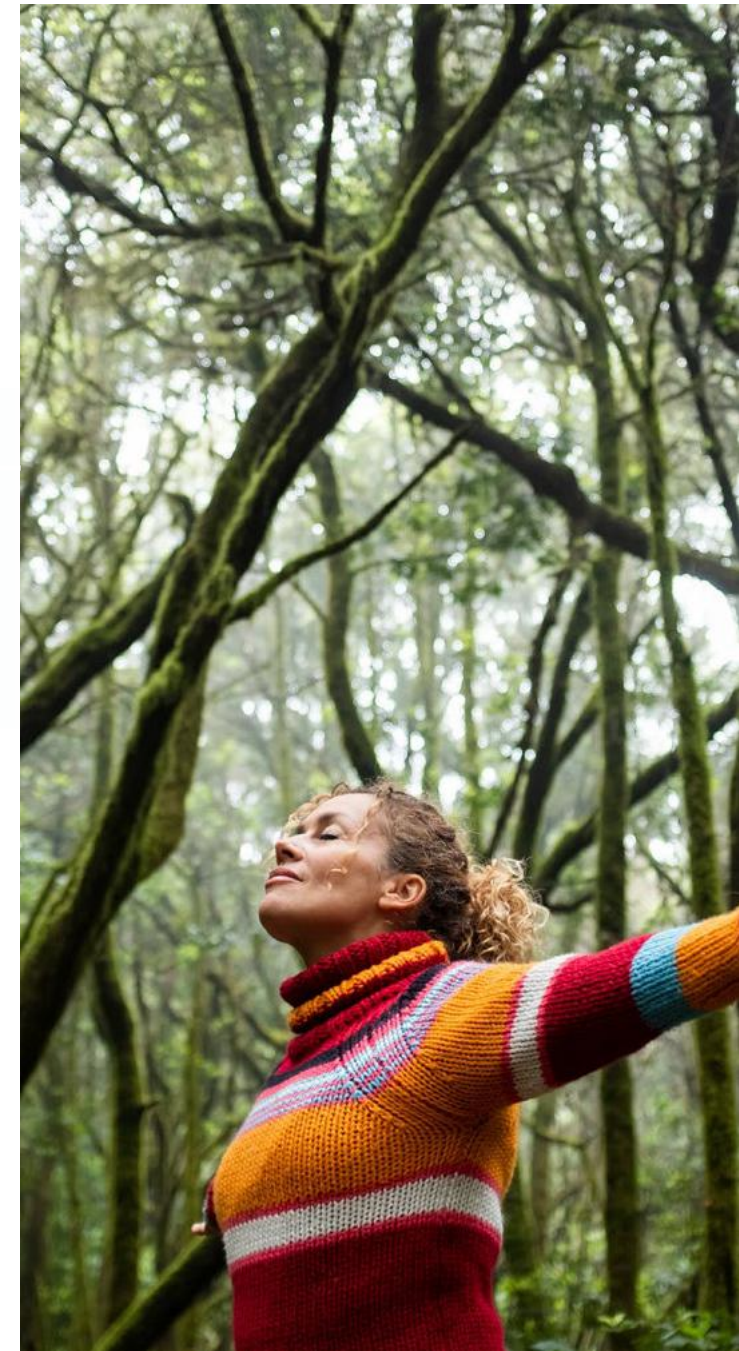
CONSUMER PRODUCT SAFETY

It is of highest importance for our stakeholders along the value chain and for Archroma to ensure that products used in manufacturing processes do not pose a health and safety risk to the users and final consumers. Environmental safety is referred to under the other topics of "Climate change", "Resource optimization", "Waste (solid)" and "Wastewater management".

The role of Archroma Product Stewardship organization is to ensure that any potential hazardous chemical risks are identified and controlled as early as possible. Deep knowledge of current and future regulatory requirements, often specific to countries and regions, is essential to meet this prerequisite. Several value chain stakeholders (consumers, brands, and NGOs) constantly influence market demand. This might eventually lead to an alteration of a product specification to manage the chemistry that might pose a hazard risk to consumers and/or the environment. All these factors must be monitored, identified, consolidated, and communicated to all internal stakeholders to ensure that product design, innovation, registration, production, and the resulting application are aligned to these changing requirements.

We also recognize that there are enormous challenges ahead of us due to upcoming policy changes. Future "group restrictions" under REACH, restriction on skin sensitizers, PFAS, microplastics, etc. will impact our industry in the EU in the coming years with more than 5,000 substances being impacted by these planned restrictions. On the other hand, these changes also represent a vast opportunity for substitution and the transformation of our portfolio.

The Product Stewardship team reviews the raw material compliance and monitors the incoming raw materials with respect to restricted substances. Archroma Product Stewardship operates with two testing laboratories in Pakistan and India. They are assigned to control and confirm product compliance to market-related restricted substance lists and major ecolabel certifications in addition to regulatory requirements. Hence, we have invested in a specialist global team, trained, and qualified with the required analytical chemistry knowledge.

Archroma is particularly committed to developing products conforming to the major ecolabels and other third-party certification requirements of our industries. These reputed and robust certifications provide externally verified assurance of Archroma's processes and products. It is also important to transparently communicate the latest product compliance information across our supply chain.

During the reporting period we did not have any reported incidents of non-compliance concerning the health and safety impacts of our products and services.

ALL NEW GLOBAL PRODUCTS ARE LAUNCHED WITH A PACKAGE ADDRESSED TO THE MARKETING & SALES ORGANIZATION CONTAINING:

1. An internal launch letter containing information on e.g., marketing positioning, business opportunity, production site, packaging options, performance, application field, recipe, fastness tests, and available certifications.

2. The respective Technical data sheet(s).

3. The respective Product safety data sheet(s).

4. Promotional information to support the new product(s), such as flyers, technical customer presentations, etc.

New product launches are further introduced to the marketing & sales organization in dedicated webinars allowing deeper training and knowledge to help the team to recommend the right products according to customers' application, performance and compliance requirements.

The marketing & sales organization is then responsible for the introduction of the new product to the customers and market, supported on an ad hoc basis by media activities such as press releases, advertisements, or social media activities.

Any products removed from the portfolio, or reformulated, trigger a similar communication process to the sales organization.

PROCESS SAFETY AND QUALITY

QUALITY MANAGEMENT

In 2024, we successfully completed an external audit, reaffirming the effectiveness of our Archroma Management System (AMS). Conducted by Bureau Veritas at the Archroma headqarters in Pratteln, the audit provided clear evidence that our processes and management systems align with the following international standards:

- **ISO 9001:** 2015 Quality Management System
- **ISO 14001:** 2015 Environmental Management System
- **ISO 45001:** 2018 Occupational Health and Safety Management System

Furthermore, Archroma holds site specific ISO Certifications in 'Energy Management System', according to ISO 50001:2018 standard, at Mahachai (Thailand), Tianjin (China) and Langweid (Germany) plants, as well as a Certification according to ISO 22716:2007 'Good Manufacturing Practice' (GMP) for cosmetics in Gersthofen (Germany) plant.

The Archroma internal auditor team oversees conducting cyclical audits to assess the AMS effectiveness as well as the company overall performance. The team is continuously trained in external and internal standards to verify processes are well implemented, maintained and improved. Audit outcomes are reported to Leadership Team throughout Management Review sessions conducted every six months.

As we are aware of how critical documented information is for any company, Quality Management (QM) is leading a project to deploy a new system to manage global documentation in Archroma. As a result, in 2020 we successfully deployed a document management system (DMS) at the global level. Seeing the huge benefits it offered to employees, we decided to roll it out across the company, focusing on the local level. The DMS is now fully operational at more than 35 sites worldwide.

PROCESS SAFETY

Process safety involves the design, construction, operation and maintenance of our process units and facilities to safely handle, process, contain and store the chemical substances we use and manufacture. It is fundamental to our business. An integrated program of process safety management practices shall be implemented at all facilities to manage risks and hazards. Archroma is committed to prevent all process safety incidents within its facilities, and thus encourages near miss reporting.

ALL ARCHROMA FACILITIES HAVE A PROCESS SAFETY MANAGEMENT SYSTEM THAT IS BASED UPON THE FOLLOWING KEY PRINCIPLES:

- All employees are trained, qualified and competent to fulfill specified process safety roles and responsibilities;

- Ensure the design construction, operation, maintenance and modification of process units conform to the requirements of the Archroma SHE and process safety procedures;

- Identify process-related hazards by performing a process risk analysis as outlined in SHE-Guideline No. 06 "Process Risk Analysis";

- Install and maintain engineering and administrative controls for all process-related hazards to ensure processes are operated within risk management requirements.

- Develop and maintain operating procedures and training to ensure processes are commissioned, started up and operated safely by competent personnel and within the design limitation of the equipment;

- Establish an equipment testing, inspection and maintenance program to ensure process equipment mechanical integrity and reliability throughout its lifecycle (including peripheral safety equipment, i.e. fire water systems, personnel alerting systems, etc.)

- Conduct self-assessments, internal SHE audits and external insurance company audits of the process safety management system and implement appropriate corrective actions.

FAIR LABOR PRACTICES

AT ARCHROMA, PEOPLE ARE THE CORE OF OUR BUSINESS

We operate with the deep belief that only by aligning personal and business goals are we able to achieve sustainable growth.

Archroma fully supports and complies with the 1948 United Nations Universal Declaration of Human Rights. Archroma does not undertake any business with any country or regime with known human rights abuses such as child labor. Likewise, Archroma supports and complies with international sanctions regulations worldwide, including those from the United Nations, the USA, and the European Union to the extent they are applicable to us. This commitment is reflected in the Archroma Human Rights Policy which is new for 2024.*

"We believe in treating others fairly and with respect as well as abiding with local labor laws and practices. Our employment practices such as recruitment, training, performance evaluation, promotion and rewards are based on merit, regardless of age, race, ethnicity, gender, sexual identity, religion, marital status, family responsibilities, worldview or disability". Karine Nangia, Group CHRO at Archroma

Archroma also recognizes the freedom of association, and the right to collective representation and bargaining. We operate in many countries worldwide and have a very diverse workforce.

Archroma does not tolerate any acts of harassment or bullying, whether done by an employee or non- employee, in any form, including physical actions, verbal or written remarks or visual depictions, or any unwelcoming behavior that has the purpose or effect of creating an intimidating, hostile or offensive work environment.

Our contracts of employment clearly state the terms and conditions of employment including remuneration and amount of paid leave. Company benefits, performance measurement processes, grievance and disciplinary procedures are communicated to each employee.

We ensure that our notice periods are in line with country legislative requirements and procedure for significant operational changes.

We actively work with our employee representative bodies to foster healthy employee-employer relations. Our employee representative bodies work very closely with the management teams to ensure that our workforce understands our culture and is engaged in productive work. We also discuss and sign collective bargaining agreements, where applicable, that help the employee representative bodies bring forward issues which are relevant and can be addressed in a systematic and structured manner.

*For more information, please visit our website: https://www.archroma.com/compliance

All changes to bargaining agreements, where applicable, are compliant with the local requirements related to notice periods for changes, consultation, and fair negotiation employment practices. Based on our current labor policies, type of operations and workforce profile, Archroma does not foresee a high risk with respect to human rights violation.

Since its inception in October 2013, Archroma has set itself high labor practice standards throughout the entire employment cycle, from hire to exit.

ARCHROMA OPERATES ALONG THREE GUIDING PRINCIPLES:

1. Global standards aiming for the same treatment for all employees wherever they are located.
2. Compliance with global and local regulations and best practice.
3. Compliant, open and transparent relations management with employee representative bodies.

To ensure that these guiding principles are enforced at all times, Archroma currently has:
- A Chief Human Resources (HR) Officer, responsible for setting direction in line with company strategy and ensuring fair HR and labor practice globally.
- Global policies and processes reinforced when adequate or required by local policies and processes.
- Approval processes to ensure appropriate level of control, up to the Core Team and Board of Directors, for hiring, developing, and exiting of employees, as well as compensation and benefits.
- Control and monitoring tools such as reports, analytical data, targets and benchmarks.
- HR Managers dedicated to each country who are accountable for ensuring fair treatment at all stages of the employment cycle, compliance with local rules and regulations, and consistency of practice within and between the global and country framework.
- A global HR management system where the personnel and remuneration information related to Archroma employees is securely stored and accessible to monitor and control fairness across the organization.

Archroma employees are encouraged to raise questions and issues or signal a breach or incident affecting their working conditions and treatment, and they are free to choose the way they feel the most comfortable to do so: Via a line manager; HR country manager; the Works Council, union, or employee representative of their country or location; a Compliance Officer, who can be contacted anonymously and in a confidential manner; or via the whistleblowing portal. This right is guaranteed and protected by the Archroma Code of Conduct and Whistleblowing policy, and all the above-mentioned communication channels are regularly used.

For more detailed information, please see chapter "RESPONSIBLE BUSINESS PRACTICES, COMPLIANCE AND ANTI-CORRUPTION".

Archroma currently has over 90 locations in 41 countries worldwide, 31 production sites, 23 locations with laboratory facilities, 50 warehouses, and 67 offices. We have significant operations in Brazil, China, Germany, India, Indonesia, Mexico, Pakistan, Spain, and in the USA. As a result, Archroma is strongly attached to diversity as one of its core values, as outlined in the new Archroma Code of Conduct. We strive for a diverse workforce and create an environment where people feel a sense of belonging and where uniqueness is respected and valued.

COMPENSATION AND BENEFITS

Archroma commits to provide competitive and fair compensation to all their employees including the highest governance body and senior executives. This compensation includes all pay and benefits, providing a "total compensation" package consistent with various practices in different regions of the world.

The employee package typically includes base pay and, as appropriate, variable pay. The variable pay plans will make clear distinctions between high and low performance, resulting in different levels of pay-out to support the group's growth goals.

All our compensation and benefits for permanent and temporary employees are in line with local legislation. Archroma has two variable pay plans in place: The Archroma Group Incentive Plan (AGIP) for non-sales employees and the Archroma Sales Incentive Plan (ASIP) for the sales force.

THE AGIP FY2024 IS DESIGNED TO INCREASE AWARENESS, UNDERSTANDING AND COMMITMENT TO THE ARCHROMA YEARLY STRATEGIC FOCUS:

- It recognizes and rewards the role of employees in the success of the Company;
- Support the Company's strategic focus on profitable margin growth, Region Contribution, Region NWC as % of Sales and cash generation;
- Encourages employee excellence, collaboration and teamwork across the company;
- Enhance Archroma's competitiveness and ability to attract, motivate and retain top talent.

Archroma globally uses survey data from Mercer and Aon Hewitt to ensure that we have competitive market data for building salary ranges. The resulting data enable us to carry out regular assessments to safeguard that we always stay above the minimum local wage. Archroma does not have workforce paid at or below minimum wage.

Overall, Archroma achieves above average performance with view to our compensation as well as benefits, and regarding the procedure to recruit, motivate, and retain the highest governance body members, senior executives, and other employees. Our remuneration policy further empowers the organization's strategy, contributes to sustainable development, and allows us to align with our stakeholders' perspectives.

We recognize how important our people are and that a successful future for the company depends on motivating highly talented employees from diverse backgrounds and cultures.
For Archroma, the equality in remuneration is an important factor in retaining qualified employees. Therefore, we commit, as mentioned in our Diversity & Inclusion policy, to a fair compensation.

ADD GENDER PAY GAP ASSESSMENT

2024 LEVEL	GRADE	RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN
Senior Management	C	108.7%
	D	104.8%
Middle Management	E	100.7%
	F	96.1%
Junior Management	G	109.0%
	H	112.4%
No Management	I	128.2%
	J	59.2%

KEY PILLARS OF ARCHROMA'S RENUMERATION STRATEGY:

• Pay-for-performance: This is the basic underlying principle of all our compensation & benefits plans and processes.

• Global consistency, local execution: We strive for globally consistent compensation and benefits plans and processes. Responsibility for execution resides in the local level.

• Balance of external competitiveness and internal equity: We will make sure that our pay package is attractive to attract the employees we need, without neglecting internal fairness.

• Total rewards: We aim to provide our employees with more than just pay; our strong values, our commitment to sustainability, being a leader in the industry and interesting career opportunities are other important components of our total reward environment.

We recognize how important our people are and that a successful future for the company depends on motivating highly talented employees from diverse backgrounds and cultures. For Archroma, the equality in remuneration is an important factor in retaining qualified employees. Therefore, we commit, in our Diversity & Inclusion policy, to a fair compensation. Our family support policies include maternity and paternity benefits and provide additional leave over and above the stipulated leave entitlement by local law to ensure that employees can focus on their children and balance the needs of the workplace and home.

DIVERSITY, EQUITY AND INCLUSION

Focus area	OUR AMBITION 2030 targets	Status FY2024
Fair & attractive employer	40% Women in Governance bodies	20%
	40% Women in management	17%

Archroma recognizes the dignity, privacy and personal rights of all individuals working together with various ethnic backgrounds, cultures, religions, ages, disabilities, races, sexual identity, world view and gender.

OUR AIM IS TO:

- Foster an environment in which individual differences and the contributions of all our employees are promoted, recognized and valued;

- Create a working environment that promotes dignity and respect for all, where no form of intimidation, bullying or harassment will be tolerated;

- Ensure that training, development and progression opportunities are available to all;

- Regularly review all employment practices and procedures to ensure that job applicants and employees are treated on an equal footing;

- Treat breaches of the diversity policy seriously and take disciplinary action when required.

Archroma does not tolerate discrimination against anyone based on these characteristics or any other comparable offensive behavior. Our Compliance Committee oversees the assessment and remediation plan in case of an incident of discrimination. In the reporting period we had one substantiated incident of discrimination on grounds of race, color, sex, religion, political opinion, national extraction, or social origin as defined by the International Labor Organization (ILO), or other relevant forms of discrimination involving internal and/or external stakeholders across operations. The incident was investigated under the Compliance program. The allegations were found to be substantiated and appropriate disciplinary measures were taken resulting in the interim suspension and ultimate termination of the employee.

Archroma values diverse and talented colleagues and supports them so that they can leverage their full potential. We see value in a diverse environment of various nationalities and cultures. There are 60 nationalities working in Archroma which is representative of our geographical reach.

NUMBER OF NATIONALITIES

Employee Profile by Nationalities (60)

Nationalities

Nationality	Count
American	163
Argentinian	60
Australian	1
Austrian	7
Bangladeshi	18
Belgian	5
Bolivian	1
Brazilian	302
British	21
Bulgarian	1
Canadian	3
Chilean	46
Chinese	592
Colombian	44
Croatian	1
Cypriot	1
Czech	30
Deutsch	25
Dutch	2
Egyptian	58
El Salvador	3
Finnish	5
French	91
German	337
Guatemalan	34
Haitian	2
Honduran	8
Hong Kong	3
Hungarian	2
Indian	753
Indonesian	157
Iran	1
Italian	50
Japanese	16
Korean	24
Lithuanian	2
Malaysian	6
Mexican	391
Moroccan	3
Pakistani	260
Paraguayan	2
Peruvian	18
Philippines	3
Polish	2
Portuguese	8
Rumanian	1
Serbian	1
Singaporean	42
Slovakian	4
Spanish	376
Sri Lankan	1
Swedish	2
Swiss	26
Syrian	2
Taiwanese	7
Thai	309
Turkish	50
Ukrainian	3
Venezuelan	13
Vietnamese	11

Gender diversity by Cluster

Staff Count

Cluster

Female
Male
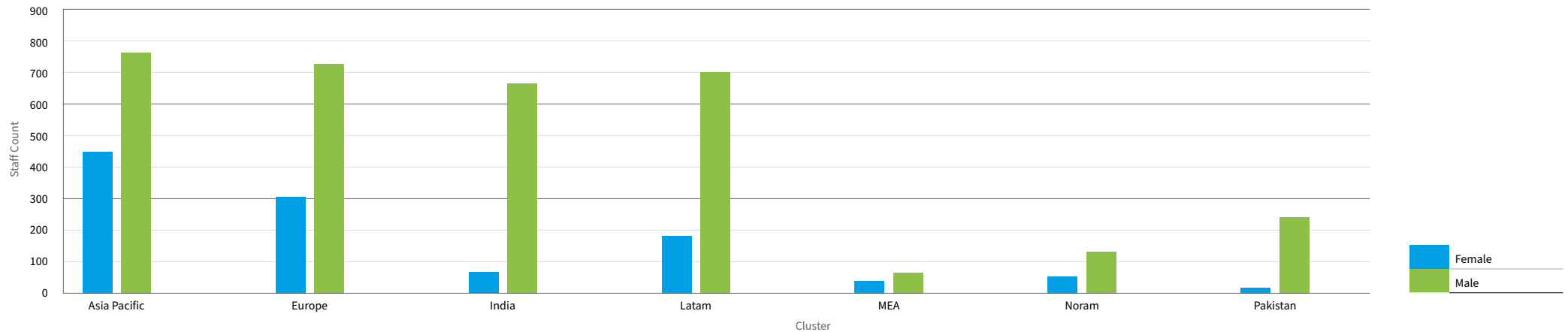
We have 4,410 employees working across six regions, who are actively engaged and driving our business forward. 24.6% of the workforce comprises women. This ratio has decreased by 0.2% in comparison to the previous reporting period.

We have a balanced representation of women at all levels of the workforce, including leadership roles. For Archroma, management includes the Core Team, Senior executive, Senior management, Middle management and Junior management positions.

The positions are classified according to job levels that are defined using the JobLink™ methodology for job evaluation that was developed by Aon Hewitt, a globally recognized compensation and benefits consultant firm.

The governance body (i.e., Core Team as of September 30, 2024) has a representation of 20% women and 80% men, the ratio has decreased by 2% compared to the previous reporting period. 20% of this group is below 50 years old and 80% are at least 50 years old.

Women leaders play a critical role in the management of Archroma and represent 17% of the total management. Unfortunately, the ratio has decreased by 8% compared to the previous reporting period. This development can be explained by a substantial organizational phased realignment due to continued integration efforts in FY2024.

New targets and KPIs for Diversity, Equity & Inclusion have been set and are fully integrated in our ESG strategy. The increase of female representation in our management will remain an integral part of our ambition for FY2024 and beyond.

For more details, please see chapter "OUR SUSTAINABILITY APPROACH".

IT IS OF UTMOST IMPORTANCE TO ARCHROMA TO ATTRACT AND RETAIN FEMALE TALENT. TO THIS END, WE LAUNCHED THE WOMEN'S INITIATIVE NETWORK (W.I.N) IN FY 2024 WITH 4 PILLARS:

1. Social Events to strengthen the female networking opportunities for mutual support that could encompass emotional, psychological, sharing of experiences and career/professional guidance.

2. Training of New Managers – from a HR and professional perspective. All employees will be included in this training.

3. Relooking at Policies

4. Career Opportunities and Empowerment female staff through mentorship and providing possible useful tools

Employee Profile by gender

- Female
- Male

3,324 — 1,086
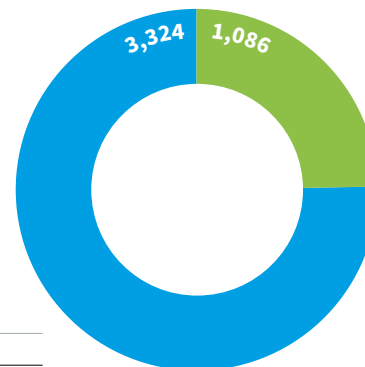
Employee Profile by age group

- < 30 (7%)
- 30 - 50 (59%)
- > 50 (34%)

33% — 8% — 59%
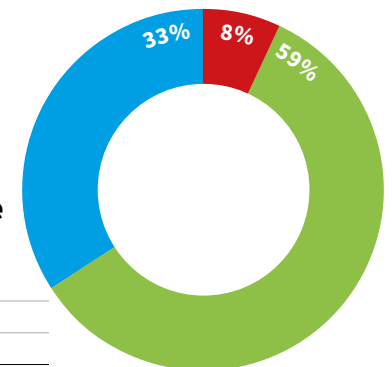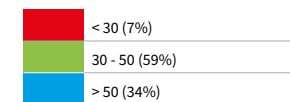
Employee Management Structure by Gender

Female
Male
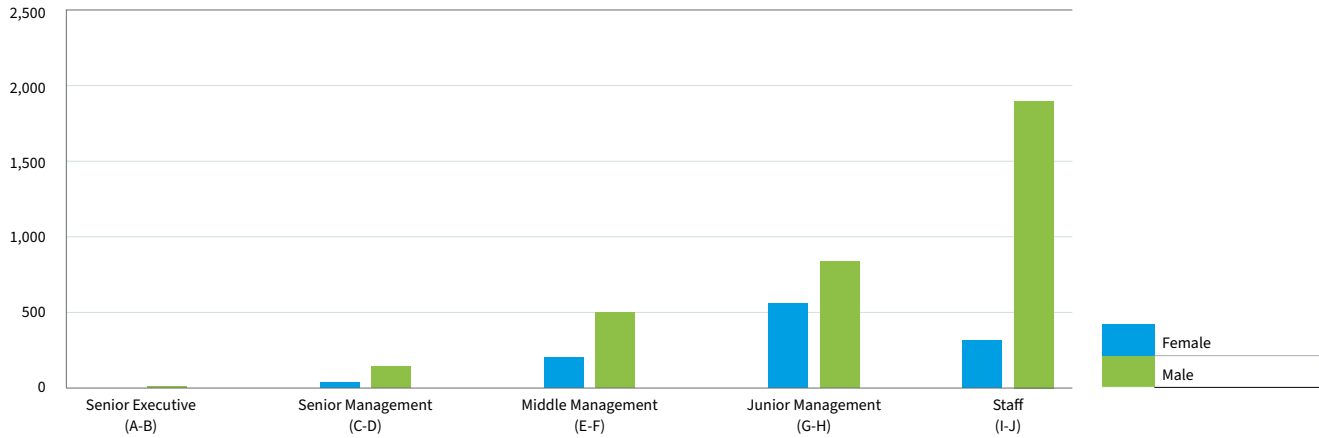
Management Profile per Age Group (<30, 30-50, >50) and Gender

Senior Management (C-D)
Middle Management (E-F)
Junior Management (G-H)
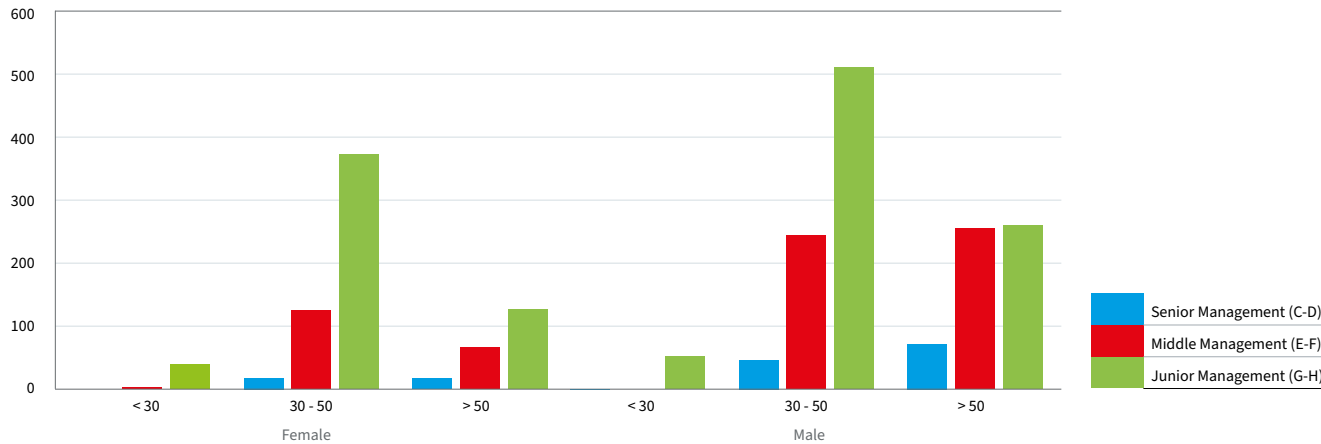
Staff Profile per Age Group (<30, 30-50, >50) and Gender

Female
Male
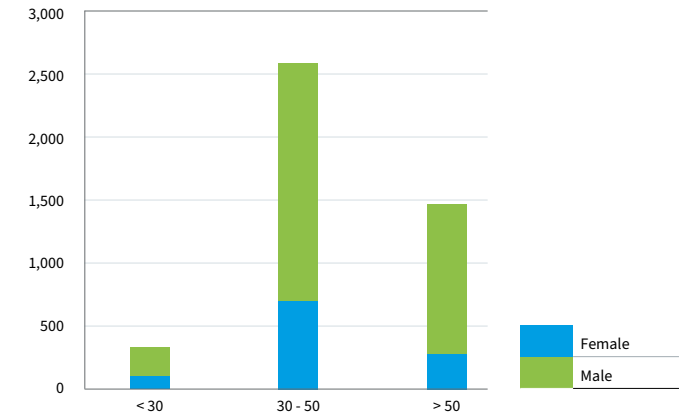
TALENT MANAGEMENT

The Archroma talent management philosophy is based upon the guiding principle to attract, manage, develop and retain talents who enrich Archroma's culture and enable the company to achieve its goals and objectives in the most effective and sustainable manner.

There are three pillars of talent management at Archroma: Talent acquisition, performance monitoring and talent development.

TALENT ACQUISITION

Talent acquisition is driven by the organization based upon current and future business needs. The total number of Archroma employees decreased from 4,633 in FY2023 to 4,410 in FY2024 as part of the overall organization realignment.

We hired in total 343 new employees in FY2024 of which 16% were under 30 years old and 6% were female. 87% of these new employees were hired with permanent contracts. Overall, permanent contracts are in place for 98% of all Archroma employees.

All of the newly hired employees are at management level, while 34% are women.

The turnover rate dropped from 85% in FY2023 to 83% in FY2024. The turnover represented 61% for management positions and 39% for staff positions.

New hirings by gender & Cluster
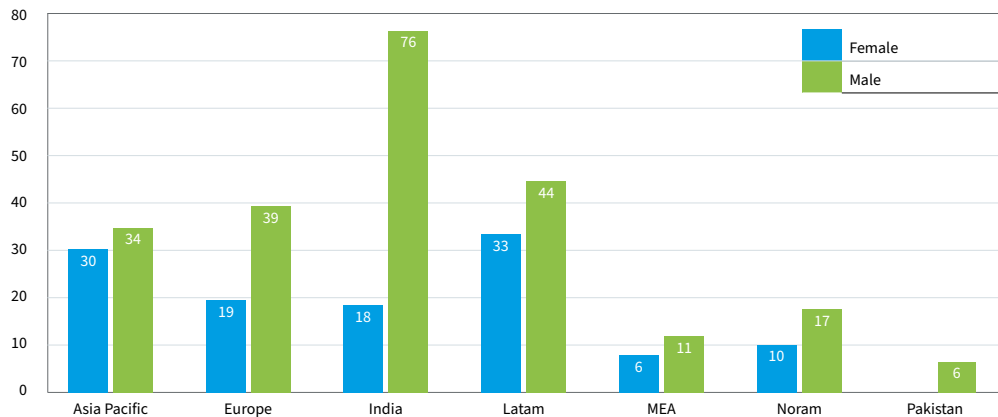
NEW HIRINGS BY TYPE OF CONTRACT, GENDER AND AGE

New Hires by Contract Type

- Apprentice/Internship (red)
- Permanent (green)
- Temporary (blue)
- Unknown (grey)

New Hires by Gender

- Female (green)
- Male (blue)

New Hires by Age Range

- > 50 yrs (red)
- 30 – 50 yrs (green)
- < 30 yrs (blue)
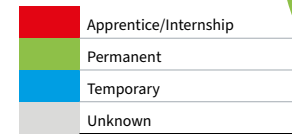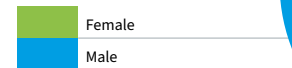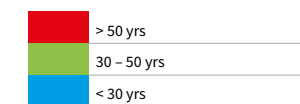
PERFORMANCE MANAGEMENT

Our performance management process has two components: A tangible or "WHAT" component, describing a specifically desired result in line with the company objectives which is shared with all our employees. Secondly, there is a behavioral component i.e., "HOW" to achieve the results.

There is a bi-annual evaluation cycle for performance management in place. At the end of the fiscal year, employees are initially rated by their manager, followed by a company-wide calibration process. The outcome of the calibration is reviewed both at a local level by local leadership and at a global level by the Archroma Core Team.

We believe that feedback is essential to drive alignment and motivation within our organization.
As described above, goal setting at all levels of the organization is driven by the annual operating plan and based on the principles of "WHAT" needs to be achieved and "HOW" results can be realized.

Fiscal Year 2024 was for Archroma a year of transformation. During the reporting period we integrated the Huntsman Textile Effects business, which we acquired in February 2023. This led to a substantial organizational phased realignment. As part of the transformation process in FY2024 our Performance Management process was more fluid and reflective of our constant engagement with our teams to be adaptive and responsive to the evolving structure. As a result, instead of a formal process with a fixed completion date, the team's performance was by reportable targets aligned with the evolving structure and line managers. The deliverables attained clearly are demonstrated in our FY2024 Highlights section of this report.

TALENT DEVELOPMENT

Our development process addresses four aspects:
1. **Skills**
2. **Capability**
3. **Leadership**
4. **Mindset**

1. **Skills** requirements are assessed at country level, where the performance management process identifies skill gaps for individuals via the individual development plans. Specific local programs are initiated to provide the trainings required to bridge the skills gap which can be for individual employees or groups. These training initiatives tend to be organized locally and managed by the local leadership.

2. **Capability** covers those organizational skills that are required to fulfil the organization's future objectives. They are much broader in scope and address such aspects as periodic Code of Conduct training, IT security awareness trainings, document management system training, or those programs that run under the Archroma Academy, focused on improving functional efficiency, for example procurement, operational, finance or commercial excellence programs. Both requirements tend to be linked. If we identify that many individuals require the same or similar skills improvement, then we address it under organizational capability, rather than individual skills, and adapt the training scope accordingly.

3. **Leadership** is considered a key capability for the organization. Assessment of the organization's current leadership skills and delivery of improvement training is done by the Human Resources team.

4. **Mindset** particularly the strengthening of a growth mentality, continued to play a significant role and has been again actively promoted in our organization. In the reporting year, we specifically targeted the area of customer & market focus with our Archroma Build training series.

The objective is to empower all employees to perform their individual jobs effectively and prepare them for future challenges to ensure that the organization meets its purpose sustainably.

Learning and development (L&D) is a joint responsibility between individual employees, supervisors/ management and Archroma. It is integrated within each employee's job specification and forms a part of the annual performance appraisal. Archroma provides company-wide training programs for nominated employees in line with their job, function and needs.

Archroma invests in these programs for instance by partnering with specialist training and technology companies for design support. Specific trainings on human rights are currently not foreseen but the topic has been fully integrated in our latest Code of Conduct training. Our business, which consists of the manufacturing, selling and marketing of specialty chemicals, tends to be capital rather than labor intensive.

Health & safety

Fair and attractive employer

Corporate citizenship

COMMUNITY ENGAGEMENT

APPROACH
Across the world, we embrace our opportunity to play an active role in strengthening the communities where we live and work. Our responsible citizenship approach accelerates social change and creates a more sustainable and equitable future. We get involved with our local communities to support and foster education, health and environmental protection.

All Archroma sites are actively assessing the needs of their communities at local level and engaging with all stakeholders based on the topics that the local management teams have been made aware of. Community representatives are consulted, and programs are organized accordingly to benefit those communities.

VISION
Engage to create a positive impact for people and society as a whole

PROGRAM AREAS & OBJECTIVES
Archroma carries out its corporate social responsibility (CSR) activities in and around the areas where it operates. We have identified focus areas for intervention such as education, vocational training, healthcare, environment to create positive impacts in a way which is most beneficial for the respective local community.

CSR FOCUS AREAS
Together with our community partners, we create social impact through the following six strategic priorities:

01 EDUCATION

02 HEALTH & HYGIENE

03 ENVIRONMENT

04 SKILL DEVELOPMENT & LIVELIHOOD

RURAL DEVELOPMENT **05**

DISASTER MANAGEMENT **06**

METHODOLOGY

In all our programs we follow an inclusive methodology. Hence, all concerned stakeholders are involved in the process from the very beginning.

At first a gap assessment is carried out which is underpinned by a solid and realistic baseline. It constitutes the backbone for the program concept and design for the specific community.

Once the concept is designed, we define the strategy to roll out the program in close coordination with the local people in the community.

Finally, we evaluate the impact of our intervention through a scientific data analysis. This way, we are able to achieve a positive, measurable, social or environmental impact.

IDENTIFY NEEDS DESIGN DEVELOP IMPLEMENT EVALUATE

ARCHROMA WINS SOCIAL EXCELLENCE AWARD AT THE 2024 JUST STYLE EXCELLENCE AWARDS

Archroma took home the coveted **Social Excellence** award for its longstanding and holistic commitment to community engagement in Baroda, India.

The awards recognize how Archroma is making a positive impact on communities in the vicinity of Baroda through multifaceted initiatives that span early childhood development, student scholarships, agricultural education and the empowerment of women.

Archroma recently set up an Anganwadi Centre to provide a range of services in the community, including nutrition and health education and pre-school learning. It also runs a scholarship program for students in vocational training, helping to create a skilled talent pool for the region. Archroma is also collaborating with a local NGO to empower farmers with modern agricultural methods and insights.

The building of a Household Biogas Plant in Umraya village is another example of Archroma's sustainable initiatives. The conversion of manure into clean renewable energy by the plant tackles several issues, such as reducing greenhouse gas emissions and enhancing soil health. It also liberates rural women from the burden of sourcing conventional fuel sources and the health risks associated with burning dung cakes for fuel.

The Just Style Excellence Awards celebrate the top achievements and innovations in the global textile and apparel sector to encourage companies to pursue excellence and drive positive change.

ARCHROMA INTERNSHIPS IN PAKISTAN

The Archroma Center of Excellence at Karachi provides hands-on technical training in textiles to students in our laboratories. The internships are our flagship initiative. The six weeks training comprises both theory & lab work. The course completion certificate is highly recognized locally and is a criterion in job placements, mainly in textile mills. The interns are also much sought after amongst the academic institutions.

The internship program initially started in 1996 and has been run successfully since then, round the year. Students are given practical demos in Textile Wet Processing along with tutorials and tests at the end of internship. To-date more than 9,000 students have participated in our program and are working on responsible positions within the textile industry. More than 25% of our interns are female students.

Hands on experience in labs at Archroma Center of Excellence

Students graduating from the internship course with their certificates

GOVERNANCE

Business ethics & compliance

Sustainable supply chain

Economic performance

Business ethics & compliance

Sustainable supply chain

Economic performance

By revamping Archroma's Code of Conduct, our priority is to strengthen the focus on our existing values and principles, while modernizing the way we approach compliance in our group. For us, the Code of Conduct is at the core of everything we do. It will continue to be our first and foremost guidance to our employees to make the right decision, and protect our tangible and intangible assets, keeping integrity always at the heart of all our actions.

Patrick Verraes, General Counsel and
Chief Compliance Officer of Archroma

RESPONSIBLE BUSINESS PRACTICES, COMPLIANCE AND ANTI-CORRUPTION

COMPLIANCE AND ANTI-CORRUPTION

Archroma fully supports and complies with the 1948 United Nations Universal Declaration of Human Rights. Archroma does not undertake any business with any country or regime with known human rights abuses. Likewise, Archroma supports and complies with international sanctions regulations worldwide, including those from the United Nations, the USA, and the European Union to the extent they are applicable to us. This commitment is reflected in the Archroma Human Rights Policy which is new for 2024.*

For Archroma, there is no other way to do business than in a sustainable, compliant, safe and responsible way. It is the core of everything that we do in Archroma. We act with integrity and in strict compliance with the law.

Archroma's Code of Conduct has been revamped for 2024 and it serves as the central compliance guideline for Archroma.* All other policies and programs will be based on and linked to this foundation. The Code of Conduct sets out the binding rules and guidelines for all employees and officers of Archroma including anti-corruption prevention. Our Code focuses on safety, health and environmental responsibility as well as compliance with laws and general ethical behavior, which are high priority for Archroma.

Employees rely on the Code as a navigation guide which, combined with sound judgement, allows to uphold a high standard of integrity for the individual and for Archroma. To ensure maximum commitment to and understanding of our Code of Conduct, it is provided in multiple languages.

Each employee is required to make a personal commitment to abide by the Code of Conduct when joining the group. Furthermore, Archroma conducts refresher trainings regarding topics covered in the Code of Conduct for all employees on a regular basis. The training now also includes a section on Human Rights, including awareness raising on topics such as child labor. Archroma has partnered with a compliance training partner offering access to a full training curriculum. We are very proud that the completion rate is typically above 90%. In addition, compliance topics are encouraged to be included in meeting agendas to reinforce awareness throughout the organization.

* For more information, please visit our website: https://www.archroma.com/compliance

Archroma takes responsibility for its employees, its customers, its suppliers, all its stakeholders, and the environment to achieve profitable long-term business development. Archroma commits to maintain an ethical and sustainable operation, and to conduct business in all activities according to its Code of Conduct and Responsible Care®.

Archroma also has a Whistleblowing Policy and a Whistleblowing Hotline operated 24/7/365 that allows the anonymous reporting of any suspicious situation violations of our Code of Conduct or the law. Violations of the Code may be reported by employees, customers or suppliers at any time, and all reporters may remain anonymous if they choose. Archroma has a strict non-retaliation policy to encourage reporting.

Archroma strictly prohibits all forms of corruption and any business conduct that could create the appearance of improper influence and a new Archroma Conflicts of Interest Policy is expected to be rolled out in 2024. Archroma applies a zero-tolerance policy regarding bribery in every kind of commercial setting.

THESE PRINCIPLES ARE SUMMARIZED IN THREE RULES:

1. No bribery under any circumstance;
2. Do not accept or offer kickbacks, even if moderate in value;
3. Third parties hired by Archroma are subject to the above-mentioned principles.

It is the duty and responsibility of all employees and third parties to take whatever reasonable steps necessary to ensure compliance with these principles. According to the company's Code of Conduct and Whistleblower Policy, employees shall immediately disclose to the company any knowledge or suspicion of plans to offer, promise or give a bribe or to request, agree to receive or accept a bribe in connection with the business of the company.

Archroma has a Compliance Council ("CC") and a Chief Compliance Officer ("CCO"). The CC holds regular meetings and is responsible for evaluating any potential violations in a professional and consistent manner, while safeguarding fundamental legal principles such as confidentiality, fairness and objectivity. It is also responsible to regularly revise and update the compliance policies and to propose actions to improve the compliance culture within Archroma.

Any breach of the Code of Conduct reported to the Compliance Council is investigated and, if necessary, may result in a disciplinary procedure and/or criminal prosecution, should the case apply.

Within the reporting period there were no confirmed incidents of corruption. Furthermore, the company investigated one incident of non-compliance with the law which did not result in any fines or penalties. Within the reporting period there are no pending or completed legal actions with respect to anti- competitive behavior or violations of anti-trust and monopoly legislation in which the company has been identified as a participant.

Regular internal audits are performed by the Group Internal Audit function. The audit plan is based, in addition to other elements, on the Corruption Perception Index, published annually by Transparency International.

RISK MANAGEMENT

Archroma is committed to a strong risk management throughout the company, supported by the Core Team and Board of Directors and implemented at all levels. We understand that risks are inherent to all businesses. Consequently, we strive to create sustainable value by understanding and managing the threats we face. Simultaneously, we identify opportunities which contribute to the achievement of Archroma's strategic objectives.

OUR RISK MANAGEMENT PROCESS

The risk management function is under the responsibility of the Vice President Risk Management & Internal Audit, reporting on risk management areas to the Chief Finance Officer in his capacity as member of the Core Team.
The company has a Risk Management Policy in place since 2015, which was updated in 2021, and has been undergoing regular risk assessment reviews.

Assess — Mitigate

Identify — Monitor & Report
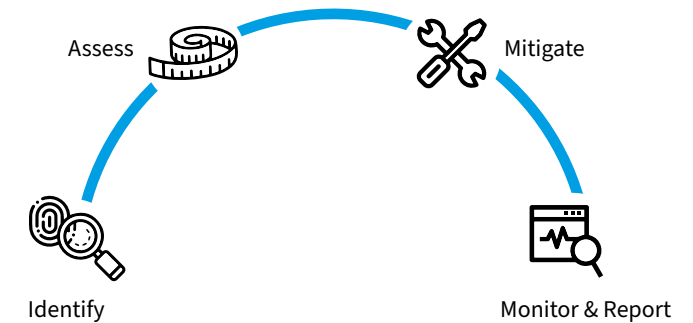
FUNCTIONAL RISK MAPS HAVE BEEN BUILT THROUGH SPECIFIC WORKSHOPS WITH THE FUNCTIONAL LEADERS AND THEIR TEAMS, FOLLOWING THE STAGES ABOVE:

1. Understanding each function's strategic objectives and challenges, allowing top management to tailor the risks and detail them more so they are aligned with their daily activities. Thus, making the risk management methodology become an additional input in managerial activities.
2. Both the impact and likelihood for each risk has been assessed in different scenarios (ranging from the best-case scenario to the worst-case scenario).
3. Existing and additional mitigation actions have been discussed, in order to propose improvements in Archroma's processes, policies and strategies that adjust the risk profile to the desired risk appetite.
4. Key Risk Indicators have been defined and will start being tracked to monitor the evolution and exposure that Archroma has to each of the risks identified.

HIGH LEVEL RISK

LEVEL 1 RISKS

CORPORATE RISK MAP

DETAILED **RISK 1**

RISK Owner/Manager

DETAILED **RISK 2**

RISK Owner/Manager

DETAILED **RISK 3**

DETAILED **RISK 4**

RISK Owner/Manager

LEVEL 2 RISKS

FUNCTIONAL RISK MAP

DETAILED **RISK 3**
(COMPONENT 1)

RISK Owner/Manager

DETAILED **RISK 3**
(COMPONENT 2)

RISK Owner/Manager

DETAILED **RISK 3**
(COMPONENT 3)

RISK Owner/Manager

LEVEL 3 RISKS
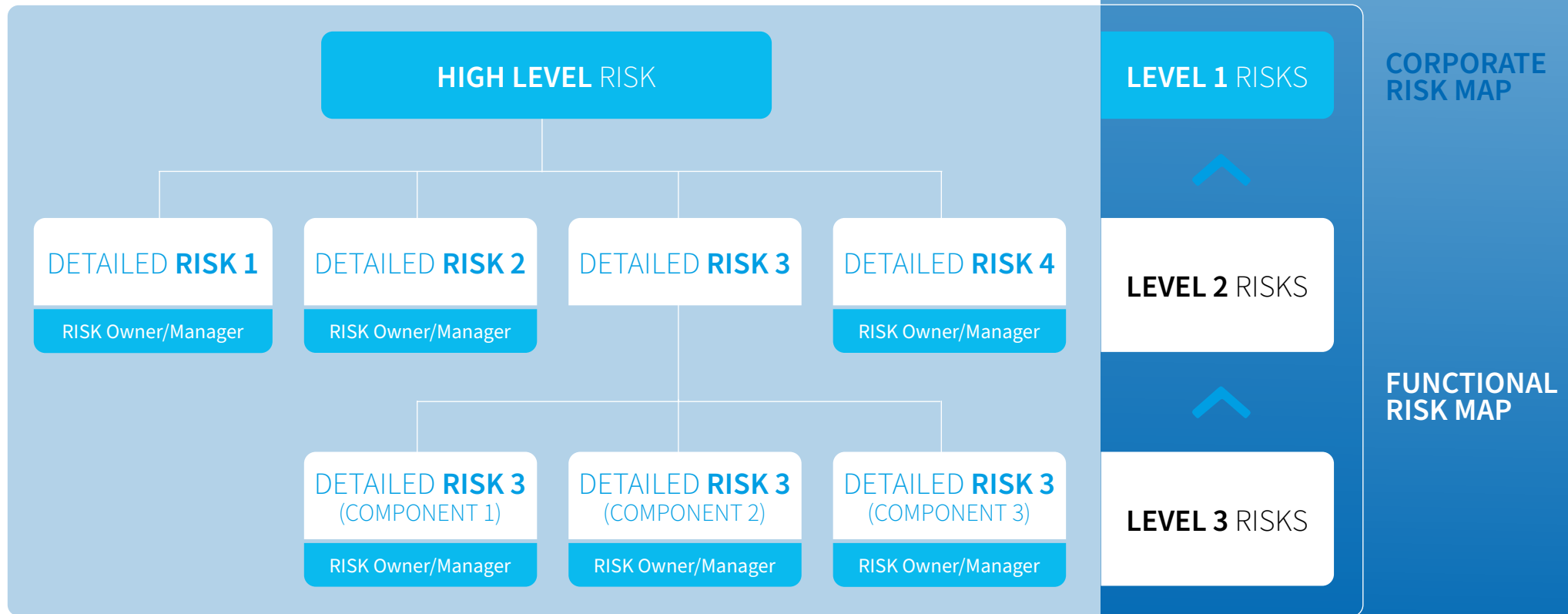
Around 50 members of the top management in Archroma (representing our diversity in terms of geographies, businesses and functions) participated in the exercise described above, to assess the risks impact and likelihood, through data collection, discussions and workshops.

After the different functional risk maps have been defined, the corporate risk map has been built and aggregated into higher-level risks while considering their correlation.

In line with the overall Governance structure of the company, the outcome of the assessment prepared by the Risk Management Council has been aligned with the Core Team. The resulting Corporate Risk Map, alongside with the proposed mitigation plans, has been subsequently submitted for approval to the Audit Committee of the Board of Directors.

Stage 1: Risk Identification and Assessment	Stage 2: Risk Mitigation and Monitoring	Stage 3: Risk Reporting

BOARD OF DIRECTORS (AUDIT COMMITTEE)

Approve the ERM Policy	Approve the resulting Risk Map	Monitor risk performance
Identify and analyze risks. Determine how likely is the occurrence of each risk and how severe it could be.	Identify the most relevant way of tracking the evolution of the risk, and proposed mitigation strategies.	Periodically provide the Board of Directors with essential information to better inform their decision-making.
OUTPUT: • Risk register update • Risk assessment	OUTPUT: • Risk manager assignation • Performance monitoring model	OUTPUT: • Prioritized ranking of Archroma's risks • Action plans and monitoring evolution

CORE TEAM / RISK MANAGEMENT COUNCIL

RISK MAPPING RESULTS

Archroma defined the risk management process with the objective to have an overview of the main risks affecting the company and, subsequently, to our stakeholders and society. Risk landscape a is very broad topic, and hence the assessment result requires prioritization to focus on the most relevant matters.

| **THEREFORE, WE CLASSIFY OUR RISKS INTO:** | **TIER 1**: The most relevant risks on which we set the main focus;
TIER 2: Relevant risks that we need to closely monitor;
TIER 3: Other important risks to keep in our radar.
REST: Risks that, according to the residual risk assessment are sufficiently mitigated but require periodical reassessment. | **APART FROM THEIR PRIORITIZATION AND THE IDENTIFICATION OF A CLEARLY IDENTIFIED RISK OWNER, RISKS ARE CLASSIFIED AMONGST:** | Strategic risks
Operational risks
Financial risks
Legal and Compliance risks |

Once consolidated into Level 1 risks for the Corporate Risk Map, the shortlisted risk register includes relevant risks in all areas, such as demand decrease, cybersecurity, talent shortage and a number of environmental risks related to climate change. Relevant "Level 2" risks related to climate change are summarized in the chart below.

TYPE	LEVEL 1 RISK	RELEVANCE	LEVEL 2 RISK	IMPACT ON VALUE CREATION	MITIGATION
Physical	Physical Security	REST	Exposure to weather/ natural disasters	Extreme weather events or natural disasters affecting Archroma's premises may cause operational impact or disruption in our plants, affecting our regular operations.	We have developed a natural disaster risk assessment, identifying the main possible events in each of our plants, and implemented preventive actions while identifying back-up plants to minimize the potential impact in business continuity.

TYPE	LEVEL 1 RISK	RELEVANCE	LEVEL 2 RISK	IMPACT ON VALUE CREATION	MITIGATION
Physical	Natural Resource Scarcity	TIER 3	Water supply stress	Continued drought in the regions where plants are located might lead to restrictions in the use of water supply, causing operational disruptions in the production process. Changes in precipitation patterns could adversely impact our operations and may negatively impact our ability to produce at competitive prices and on time, which might decrease revenue, in particular if demand is modulated via taxes or additional regulatory charges.	Water efficiency projects are proactively and systematically identified and executed in the relevant sites, as part of our plan to meet our water intensity reduction target (-40% by 2030), to reduce our water consumption and improve management of effluent discharge. We mitigate water risk and improve water quality management aspects in our supply chain and in our communities. We carry out regular assessments of potential risks and back-up plans.
Physical	Natural Resource Scarcity	TIER 3	Energy supply stress	Energy shortages or imposed restrictions in the use of electricity or problems with the power grid can cause operational disruption if they affect an Archroma production site. These could lead to reduced sales due to not being able to timely serve the customers, or increased cost of energy supply if demand is modulated via taxes, charges, or cost.	We proactively and systematically identify and execute energy efficiency projects in our sites, as part of our plan to meet our energy intensity reduction target (-15% by 2030). We engage in procurement practices in renewable electricity to reduce our dependence on fossil-based energy supply, and aim to significantly increase our share as part of our Scope 2 GHG emission target by 2030.

TYPE	LEVEL 1 RISK	RELEVANCE	LEVEL 2 RISK	IMPACT ON VALUE CREATION	MITIGATION
Physical	Environmental Risk	REST	Waste management	If waste disposal was not properly managed, it could lead to pollution, contamination, greenhouse gas emissions, habitat loss, and health problems for humans and wildlife. Archroma might face reputational impacts and potential liabilities /penalties in case there were errors in assessing or mitigating the environmental risks and impacts of our waste disposal.	We proactively and systematically identify and execute waste elimination and/or reduction projects in our sites, as part of our waste intensity reduction target (-10% by 2030) and our target to Zero Hazardous Waste (by 2030). We have respective risk assessments per site in place which are regularly carried out and updated to prevent potential impacts on the environment or on human health.
Physical	Environmental Risk	REST	Uncontrolled emissions/ pollution	Potential incidents or accidents in our production processes could have an environmental impact though pollution and emissions, which would also have associated reputational, legal and economic consequences.	All Archroma sites follow strict safety procedures, with specific risk assessments and preventive measures to minimize the risk of environmental incidents in our operations. Process safety is managed through application of standard practices and tools, monthly metrics tracking and follow-up, and leveraged support where appropriate. On top of such preventive measures, we have local disaster recovery plans to minimize the impact in case the risk materializes.

TYPE	LEVEL 1 RISK	RELEVANCE	LEVEL 2 RISK	IMPACT ON VALUE CREATION	MITIGATION
Transition	Adverse Legal & Regulatory changes	TIER 3	Green Taxation	Further developments in green taxation could impact our business by an Increased operational cost caused by: • the imposition of a tax rate to greenhouse gas emissions in the production process • the imposition of a tax rate on non-reusable plastic packaging • EU Carbon Border Adjustment Mechanism (CBAM) • new "Green Taxes" imposed by authorities, • changes in the classification of hazardous/non-hazardous waste • or increased cost of raw materials passed on by suppliers Additionally, in case the new requirements were not timely identified and complied with, authorities could potentially impose penalties and/or fines.	We actively monitor the development of the regulations that can have an impact to our operations, to define and implement the actions needed to ensure compliance, including a reduction of our dependence on fossil-based energy supply and the engagement in energy-efficiency projects and procurement practices in renewable electricity. As part of the analysis to define necessary actions we assess how to minimize the negative impacts and maximize the opportunities that can be capitalized for our business.
Transition	Sustainable procurement	TIER 2	Green sourcing strategy impact	The execution of our green sourcing strategy can create a potential negative impact, either with lower supply availability or higher costs. Alternatively, in case we did not achieve our green sourcing targets, it could have a commercial impact either through lost opportunities or reputational harm.	Our Procurement team is in constant alignment with the business to enable the shift towards a more sustainable sourcing base while maintaining the right balance in terms of supply reliability and cost.

TYPE	LEVEL 1 RISK	RELEVANCE	LEVEL 2 RISK	IMPACT ON VALUE CREATION	MITIGATION
Transition	Increased ESG requirements	TIER 3	Inability to set up & meet reduction targets (emissions, water, waste)	Archroma's reputation could be harmed and some business opportunities might be lost in case we were not able to establish our reduction targets and meet them, in: • Greenhouse Gas emissions. • Water consumption. • Waste generation.	Archroma's Sustainability Targets for 2030 have been approved and published in FY2024, including the underlying action plans and relevant investments. The relevant metrics are being monitored and tracked, with intermediate milestones that will be used as intermediate proof-points to ensure the right path is followed.
Reporting	Increased ESG requirements	TIER 3	Inability to meet ESG reporting requirements	The increasing reporting needs in ESG-related matters, and diversity of scopes and methodologies in the requirements will create an increase in our operational cost to adapt and comply with different reporting requirements in diverse jurisdictions. In case we were not able to meet regulators and stakeholders' expectations in ESG reporting, Archroma might face potential administrative penalties and reputational harm, or even an impaired competitive position leading to lost business opportunities.	We engage external advisors to support us in the identification of the requirements that are applicable to Archroma, and to identify the gaps and actions required to ensure compliance. We constantly seek for efficiency improvement in the collection and consolidation of data, and in the reports preparation efforts to minimize the costs, while identifying the synergies in the different jurisdiction requirements to leverage the efforts that have already been done.

TYPE	LEVEL 1 RISK	RELEVANCE	LEVEL 2 RISK	IMPACT ON VALUE CREATION	MITIGATION
Reporting	Increased ESG requirements	TIER 3	Reported data accuracy, completeness & reliability	In case Archroma's Sustainability Report contains material misstatements (either due to error or fraud) that was not detected or prevented by Archroma's Internal Control System, we could face delays in the independent verification process, and if those misstatements were eventually not detected in such verification and included in the published report, it could have an impact in Archroma's reputation.	As part of the actions derived from the CSRD Gap Analysis project, Sustainability will work together with Risk Management to enhance Archroma's Internal Control System and include the relevant control activities needed.

Once such activities are defined and implemented, Internal Audit will include them in their periodical reviews to provide additional assurance on reported data.

We have our non-financial performance reporting externally audited to avoid inaccuracies. |
| Reporting | Brand image/ reputation | TIER 2 | Greenwashing | Sustainability-related statements, declarations, actions, or communications not clearly and fairly reflecting the underlying sustainability profile of Archroma, and its products might have a potential reputational impact (and legal consequences in some jurisdictions) caused by the inability to properly support such statements made. | Initiatives are being implemented to further raise awareness internally and prevent a discrepancy between publicly stated positions and our ambitions in ESG matters (e.g. comprehensive Greenwashing Guidelines for our editors are going to be published at the beginning of FY2025).

We monitor public commitments in sustainability/non-financial matters and have our non-financial performance reporting externally audited to avoid greenwashing. |

On top of the risks and opportunities described above, we also closely monitor market trends and foreseeable changes in regulations that might affect our product portfolio. This process drives the proactive adaptation of our range and leads to the reduction of potential impacts. At the same time, it opens opportunities to increase our market share through a shift towards a more sustainable product portfolio.

With risks being turned into opportunities we facilitate the transformation of our industry to become more sustainable, including investments underpinned by clear sustainability criteria.

DATA PROTECTION AND CYBERSECURITY

DIGITALIZATION & DATA PROTECTION

Archroma continuously invests in technologies and innovations to digitally transform our global business operations and services and provide differential value to our customers and business partners, aiming for simpler, and more reliable and efficient interactions.

The Archroma digital roadmap aims to achieve more sustainable ways of working as a key driver of transformational change, through data driven processes and with information security in mind.

DATA-DRIVEN DECISION MAKING

Providing data insights to the Archroma business community is key to drive the development of our business operations and management decisions. Our digital reporting tools ensure confidentiality, reliability, integrity, and availability for up-to-date information and dashboards to all business areas and functions. In the reporting period, Archroma has deployed process mining capabilities to key process areas as order-to-cash and procure-to-pay, which will be used by Archroma process experts in their continuous monitoring and improvement initiatives.

Based on data mining and advanced analytics techniques, such as machine learning and artificial Intelligence, Archroma has started a number of initiatives with data science expertise to develop our journey towards predictive analytics in the coming years.

CUSTOMER DIGITAL JOURNEY

In FY2021, Archroma launched the Safe Edge, an innovative and state-of-the art customer digital platform solution, developed by our own IT and product stewardship experts to provide self-service capabilities for regulatory and compliance information of Archroma products to all our customers and partners.

During FY2022, the Safe Edge platform has continued its rollout with great adoption and customer feedback. In the reporting period, the Safe Edge platform was awarded by the EQA (European Quality Assurance Certificate for R+D+i), as an innovative technology project.

After the Textile Effects acquisition in FY2023, Archroma has expanded the platform to incorporate all new products into the Safe Edge.

In FY2024 Archroma launched SAFE EDGE+, our groundbreaking initiative that represents our commitment to providing a roadmap for compliance and cleaner chemistries for use in the textile industry. It combines The Safe Edge platform with Foundation+, our beyond compliant portfolio.

REDUCING RESOURCE IMPACT

The impact of information and communications technologies is estimated to be as high as 2 to 4% of global GHG emissions*. In Archroma we commit to a responsible use of technology as an enabler and key contributor to our sustainability goals. Through our transition to cloud solutions, we have radically simplified our IT infrastructure and operations. We also maintain our infrastructures and end-user devices for longer user life. This allows us to continuously review and allocate digital resources where they are most needed to keep on reducing our carbon emissions through energy optimization and operational efficiencies.

INFORMATION SECURITY & DATA PROTECTION

Archroma is strongly committed to the protection of the information and data of its employees, customers, and partners in general. Cyberthreats are on the rise and always evolving, particularly fueled by the prospect of artificial intelligence and remote working scenario. Archroma therefore continuously focuses on information security. The Archroma Code of Conduct and Information security training is regularly required for all employees, providing rules and guidelines aiming to protect sensitive and confidential customer and company information. The company also has a Data Protection Officer and applies active accountability policies to ensure compliance.

The Archroma information security management system is based on ISO 27001, with Information security and other related policies in place. The information security team follows a proactive risk management approach to determine suitable strategies and tactics to protect the confidentiality, integrity and availability of Archroma information assets, including vendor security assessments, breach-and-attack simulations and periodic penetration tests.

Archroma counts with best-in-class cybersecurity standards and controls while all end-user computing devices are protected with up-to-date antivirus, latest operative system, periodic security patches, solid firewalls and multifactor authentication access. Internal phishing campaigns are executed to improve and measure Archroma phishing-prone rate, with latest indicator of 1% which remains lower than industry benchmark of 4.3%.

In the reporting period, Archroma has implemented a security operations center to proactively monitor all the IT environment looking for threats that could jeopardize the confidentiality, integrity or availability of systems. In addition, Archroma has positively gone through an external cyber maturity assessment, contracted a cyber-insurance policy and recorded no incidents nor complaints related to the theft, loss, or leaks of customer information, without any breaches of confidentiality.

The positive early results and great customer feedback in the implementation of the Safe Edge, encourage our vision to make a step change towards integrating additional digital services and value to our customers in the near future. We believe that the Safe Edge will become a key platform towards more sustainability in our industry.

* See: https://arxiv.org/ftp/arxiv/papers/2102/2102.02622.pdf

SUSTAINABLE & TRANSPARENT SOURCING PRACTICES

Focus area	OUR AMBITION	Status FY2024
	2025 targets	
Sustainable supply chain	% of supplier spend with ASSR >Direct Spend: 94%* >Top 200 indirect spend: 80%	% of supplier spend with ASSR > Direct spend: 77%** > Top 200 indirect spend: 75%
	% of supplier spend with ≥ "good" ASSR >Direct Spend: 80%* >Top 200 indirect spend: 60%	% of supplier spend with ≥ "good" ASSR > Direct spend: 77%** > Top 200 indirect spend: 75%
	Due Diligence on child labour in the supply chain (supported by EcoVadis IQPlus tool)	Implementation ongoing (first report by March 2025)

SUSTAINABLE SOURCING

For Archroma, sustainable sourcing is critical as our vendor network significantly influences our own environmental footprint as well as the system solutions which we sell to our customers. The raw materials we buy affect the quality and safety of Archroma's products.

We are strongly engaging with our suppliers and trading partners to support sustainable development through our Corporate Sustainability activities and the application of Responsible Care®. Both initiatives are crucial to foster partnerships in the supply chain which are based on responsible business behavior. We request from our suppliers and service providers to adopt standards in line with Archroma's policies. Above all, our vendors are asked to bind their own suppliers to a similar level of compliance. Furthermore, our suppliers are monitored through the Archroma Sustainable Supplier Rating (ASSR) to assess their sustainability performance (for more details please see page 120).

* Revised ASSR targets: Including packaging and logistics from FY2025
** ASSR baseline FY2023 & ASSR status FY2024: Direct, active 2023 spend rated, excluding packaging, logistics and archived; target results for FY2024 are based on FY2023 spend, not on the number of suppliers.

SUSTAINABLE SOURCING – SPEND DETAILS

North Asia
Vendors
1,220

Americas
Vendors
2,590

EMEA
Vendors
2,740

South Asia
Vendors
3,020
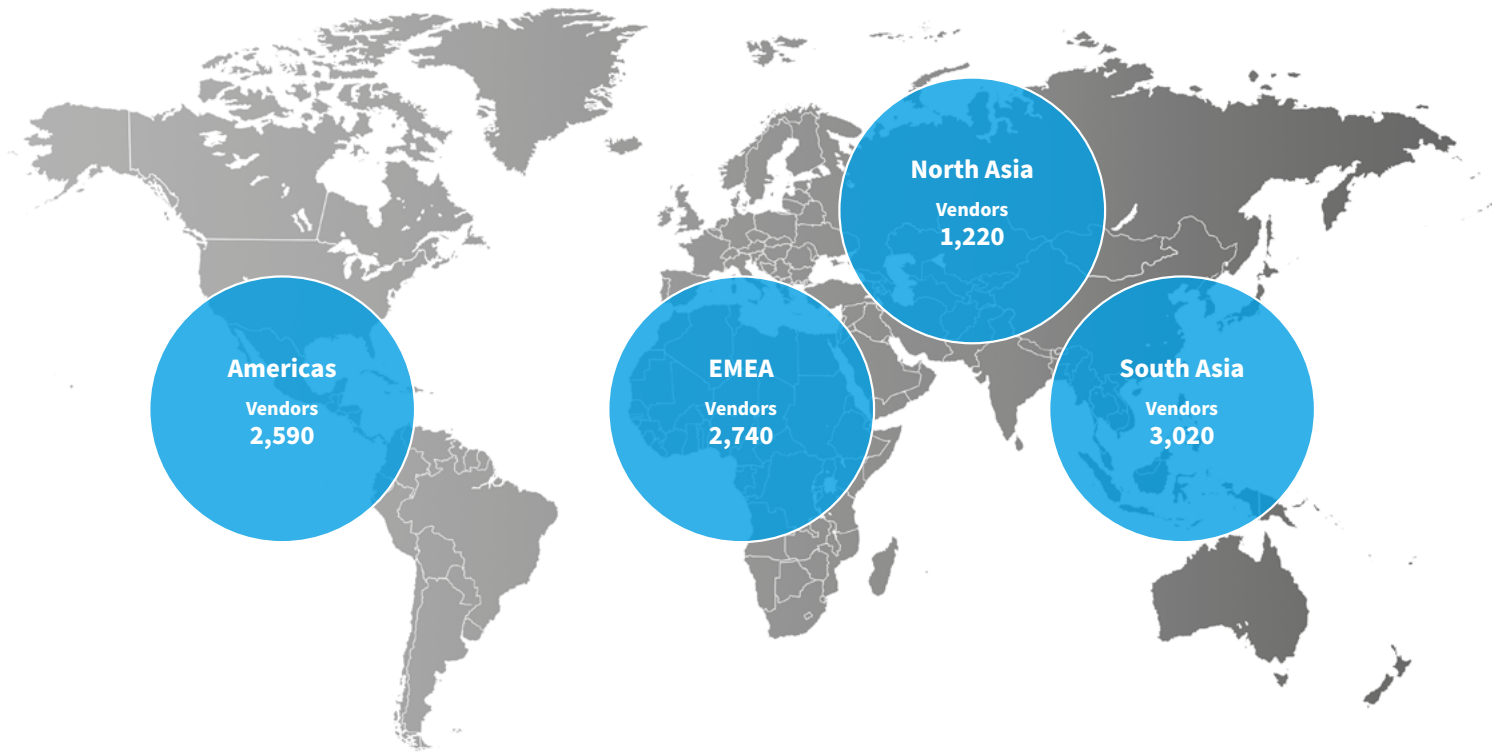
Procurement at Archroma is a complex operation which comprises integrated strategies and policies to deliver optimized value for the organization. As a specialty chemical manufacturer, we have extensive knowledge and wide experience in managing the whole supply chain of complex chemical raw materials. Archroma's production sites process various materials in numerous locations. Accordingly, our raw material vendors are equally diverse regarding their portfolios and locations. Archroma sources over 5,000 raw materials from more than 2,300 vendors worldwide. Such complexity requires dedicated processes to ensure on time and complete delivery of quality compliant raw materials at optimized cost. Therefore, our procurement strategy is based on four pillars: Cost, Quality, Supply Security and Sustainability.

All four criteria are consolidated and measured in a global vendor scorecard which builds the basis of the supplier evaluation process.

Sustainability is a core strategic pillar for Archroma. It is our purpose to lead the industry to a better sustainable future and all our vendors play a critical role in it. Vendor's sustainability performance affects not only our own sustainability profile but also Archroma's ability to provide sustainable solutions.

Therefore, vendor management and development with a strong focus on sustainability, along with the environmental and social ESG dimensions, is an essential part of our mission.

Dhirendra Gautam VP Procurement & Strategic Projects

COST

Procurement decisions are based on the "total cost of ownership" (TCO) principles, taking into consideration not only direct but also indirect costs such as logistic cost, inventory management, quality assurance, administration and payment terms.

Archroma's annual procurement spend in FY2024 was 0.96 billion USD, with strong focus on EMEA (32.8%), South Asia (32.7%) and Americas (19.7%).

QUALITY

Archroma procurement manages quality in terms of direct impact to our own manufacturing as well as indirect to our customers. In chemical manufacturing, clear specifications and the conformance are essential to define the intended raw material requirements. Our extensive in-house chemical knowledge allows us to determine these specifications to meet the technical requirements of the industries we serve. Depending on the supplier's performance and risk profile, procurement uses strong standard operating procedures to ensure compliance to specifications.

SUPPLY SECURITY

Archroma's suppliers are closely monitored via key performance indicators to minimize the risk of raw material shortages and supply interruptions. The regular monitoring through the "on time in full" (OTIF) metrics for supply performance measurement is one of the operational KPI's.

Besides, Archroma has established a direct material risk assessment system to regularly review and identify potential risks and define mitigation actions. Sustainability is one of the four assessment scopes. Based on the risk profile, global procurement category teams work closely together in cross-functional teams to develop sourcing strategies to secure supply for raw materials in potential supply risk.

Led by the Vice President (VP), the procurement organization is staffed with a team of 115 employees who are located in four main regions, North & South Asia, Americas and Europe and split into 13 categories for direct and indirect spend.

The targets for sustainable sourcing are divided into annual individual targets for each category and region.

SUSTAINABILITY

Vendor selection and management at Archroma is a systematic approach based on compliance to our Supplier Code of Conduct (https://www.archroma.com/compliance). It is mandatory for our suppliers (direct and indirect) to have a Code of Conduct in place which is in line with Archroma's policies. Until today, more than 95% of our approved suppliers were accepted according to this criterion*. The historical and anticipated performance, the experience and the financial stability of a vendor are regularly assessed to determine compliance to the Supplier Code of Conduct.

Apart from continuous exchanges regarding the improvement roadmap, Archroma provides additional supplier trainings and webinars. At the same time, our suppliers' commitment to environmental principles is covered by the TfS audits, EcoVadis assessments as well as Archroma audit reports.

DEVELOPMENT OF ARCHROMA SUSTAINABLE PROCUREMENT

2018
• Implemented audit partnership with EcoVadis

2019
• Started cooperation with IPE
• Established ASSR concept

2020
• Awarded with EcoVadis Gold Medal

2021
• Awarded with EcoVadis Platinum Medal
• Became TfS member
• Ranked No. 1 in IPE's (Institute of Public and Environmental Affairs) CITI Chemical industry

2022
• Awarded with EcoVadis Platinum Medal
• Ranked No. 1 in IPE's (Institute of Public and Environmental Affairs) CITI Chemical industry
• Accomplished TfS audit target

2023
• Ranked No. 1 in IPE's (Institute of Public and Environmental Affairs) CITI Chemical industry
• Final stage of integration of Huntsman TE legacy suppliers into ASSR

2024
• Awarded with EcoVadis Gold Medal
• Ranked No. 1 in IPE's (Institute of Public and Environmental Affairs) CITI Chemical industry
• Accomplished TfS 2023 target

GOLD | Top **5%**
ecovadis
Sustainability Rating
JUL 2024

* % of direct and active spend rated

ARCHROMA SUSTAINABLE SUPPLIER RATING (ASSR)

All our suppliers are monitored through the Archroma Sustainable Supplier Rating (ASSR) to assess their sustainability performance. The rating system is based on defined multi-channel inputs like EcoVadis assessments, TfS audits, ISO certificates and other sources.

New suppliers are required to provide existing sustainability performance results as basis for the ASSR rating. If no results are available, the concerned suppliers are requested to carry out a sustainability assessment. All suppliers are required to execute a corrective action plan on the improvement areas identified during their assessment.

In addition, we monitor all approved vendors on a regular basis through our ASSR rating. Constant communication and collaboration with our suppliers underline Archroma's ongoing commitment to building partnerships for more ethical business practices, human rights and labor standards, and anti-corruption and enable us to act against modern slavery and child labor. All suppliers have been subject to a qualitative screening with the consequence of exclusion from business relations in case of non-compliance. If a non-compliance occurs, the vendor is blocked until there is visible improvement and evidence that they have taken all necessary corrective actions.

Archroma does not engage in business dealings either directly or indirectly with suppliers from regions with reported high risk of unfair labor practices (such as child labor, forced or compulsory labor etc.). In the reporting period no cases of non-compliance with environmental laws and regulations occurred.

In FY2024, 95% of Archroma's direct supplier spend was assessed through the ASSR. More than 77% of this direct supplier spend was rated "good" or "outstanding".*
Less than 1% of this spend received an unsatisfactory assessment, requiring corrective action plans to be set up and implemented within an agreed time frame. In addition to continuous engagement regarding the improvement roadmap, Archroma provides additional supplier training to support these vendors.

The target results for FY2024 are based on FY2023 spend, not on the number of suppliers. The categories packaging and logistics have been excluded from the calculations for the reporting period FY2024 and for the baseline FY2023. However, we have now revised our FY2025 targets and will include packaging and logistics for the calculations from the next reporting period onwards.

A dedicated full-time Sustainable Sourcing Manager is driving the program and guiding our own procurement team as well as our suppliers. The ASSR is an integral part of the monthly reviews with Archroma's procurement organization, including individual follow-up meetings to ensure target achievement.

* ASSR baseline FY2023 & ASSR status FY2024: Direct, active 2023 spend rated, excluding packaging, logistics and archived; target results for FY2024 are based on FY2023 spend, not on the number of suppliers.

TOGETHER FOR SUSTAINABILITY (TFS)

In November 2020, Archroma became a member of Together for Sustainability (TfS), a joint initiative of major chemical companies that delivers global standard for environmental, social and governance performance of chemical supply chains. TfS operates a global program to assess and improve the sustainability performance of chemical companies and their suppliers.

TfS audit system is one of the preferred options for Archroma's suppliers to achieve an acceptable ASSR rating. The TfS audit rating is valid for three years and needs to be re-assessed every third year.

ECOVADIS

EcoVadis is one of the largest and most trusted providers of business sustainability ratings. The EcoVadis sustainability assessment methodology is built on international sustainability standards, including the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000. The EcoVadis Sustainability Scorecard is an evaluation of how well a company has integrated the principles of Sustainability into their business and management system. It illustrates the performance in four themes: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. Since FY2021 Archroma is proud to be a Top ranked member of EcoVadis. The EcoVadis Scorecard builds a strong basis for our ASSR rating and is highly recommended to our supply partners.

PROCUREMENT SUSTAINABLE PARTNERSHIP

EcoVadis

ecovadis

EcoVadis is the collaborative platform enabling companies to monitor the Sustainability performance. (cooperated since 2018)

IPE
Institute of Public & Environmental Affairs

IPE

Non-governmental organization which is located in China, collecting all negative records (such as accidents) & violations of Chinese factories from central government and local governments. (cooperated since 2019)

TfS
Together for Sustainability

TOGETHER FOR® SUSTAINABILITY

Together for Sustainability (TfS), a joint initiative and global network of 54 chemical companies, delivers the global standard for environmental, social and governance performance of chemical supply chains.
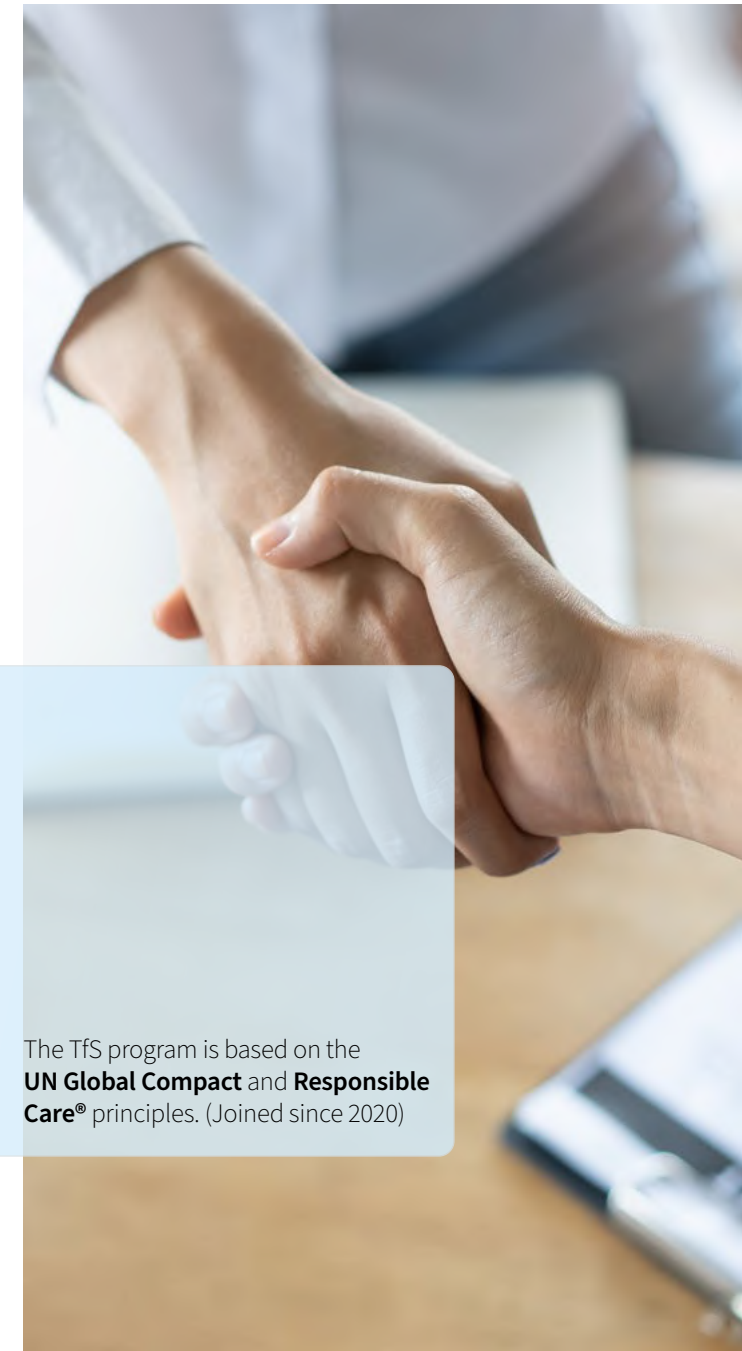
The TfS program is based on the **UN Global Compact** and **Responsible Care®** principles. (Joined since 2020)

NEW INITIATIVE TO BETTER IDENTIFY CHILD AND FORCED LABOR IN THE SUPPLY CHAIN

In addition to our ongoing activities with TfS and EcoVadis, we have decided to further deepen our existing engagement. With the acquisition of the EcoVadis IQPlus tool*, Archroma partners with EcoVadis to empower the prevention of child & forced labor in the supply chain.

- Through IQPlus, Archroma enables a holistic sustainability risk management
- Sustainability profiles based on country, industry and company-risk of suppliers
- All Archroma suppliers will be assessed specifically regarding their risks on child & forced labor
- Integration of the existing EcoVadis & TfS Ratings of Archroma suppliers
- Building on current Archroma Sustainability Supplier Assessment (ASSR)
- Implementation currently ongoing and expected to be finalized by end of 2024
- First comprehensive report available in early 2025

EcoVadis IQ Plus

IDENTIFY RISK & OPPORTUNITY
- Risk visibility across the whole supply base via country, industry, and company-specific information
- Ongoing evaluation of new and existing suppliers

IDENTIFY
EcoVadis IQ Plus

ASSESS
EcoVadis Ratings

ASSESS COMPANIES
- Ratings based on proven methodology
- Deep dive carbon assessment
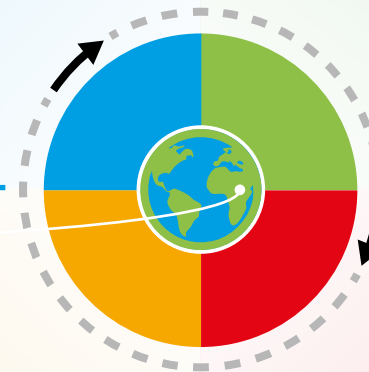
REPORT ON PROGRESS
- Reporting dashboards and business intelligence
- Monitoring of implemented actions

REPORT
Quantitative Metrics

IMPROVE
Corrective Action Plan

DRIVE IMPROVEMENTS
- Strengths and improvement areas
- Tailored buyer and supplier e-learning

* Source: Procurement and Supply Chain Risk Management Software | EcoVadis

HUMAN RIGHTS & CHILD LABOR

Responsible supply chain management is important for our business, and we strive to uphold human rights in all activities. We do not tolerate the use of child or forced labour, slavery or human trafficking in any of our facilities, operations or supply chain. Archroma fully supports and complies with the 1948 United Nations Universal Declaration of Human Rights. Likewise, Archroma fully supports and complies with international sanctions regulations worldwide, including those from the United Nations, the USA, and the European Union.

Our principles on these topics are set out in our Archroma Code of Conduct, the Supplier Code of Conduct and the Archroma Human Rights Policy.* We discontinue business relationships with any individual or company that does not follow the same standards. We require our supply partners to support the Supplier Code of Conduct, which incorporates our commitment to conduct business free of slavery and human trafficking risks.

Archroma has a Whistleblowing Policy and a Whistleblowing Hotline operated 24/7/365 that allows the anonymous reporting of any ethical violations of our Code of Conduct or the law. Violations of the Code may be reported by employees, customers or suppliers. All reporters may remain anonymous if they choose. Archroma has a strict non-retaliation policy to encourage reporting.

We require our supply partners to support the Supplier Code of Conduct, which incorporates our commitment to conduct business free of slavery and human trafficking risks.

* For more information, please visit our website: https://www.archroma.com/compliance

Business ethics & compliance

Sustainable supply chain

Economic performance

SALES DEVELOPMENT

Focus area	OUR AMBITION	
	2030 targets	Status FY2024
Sustainable materials	40% from Sustainable+ collection (Total sales)*	23%
	>95% from certified products (Total sales)**	89%

Archroma's total revenue for FY2024 was 1,705 MUSD. This reflects a 17.5% increase compared to the previous reporting period (vs FY2023: 1,451 MUSD) and was primarily driven by a pass on effect of increasing raw material prices. Total sales volume for FY2024 is 582.9 MT (FY2023: 493 MT), thereof 83.8 MT from Huntsman Textile Effects (In FY 2023 Huntsman Textile Effects was only for 7 months, where the entity accumulated 53 MT. This is the remainder 5 months for FY2024). The Archroma entity reached 498.1 MT (vs FY2023: 440 MT), where the quantity increase is mainly from Brazil, India and Indonesia.

SUSTAINABLE PRODUCTS

In the FY2024, 89% of the total sales were from certified products such as bluesign, GOTS, ZDHC compliance etc. and 23% were from the Sustainable+ collection such as cleaner chemistry, circularity, resource efficiency in use etc.

As a result, Archroma progressively restored business performance and closed its FY2024 with healthy and sustainable revenue levels.

"With the acquisition of Huntsman Textile Effects, Archroma today has the most extensive portfolio of textile dyes and specialty chemicals. It has never been more important for us to stay true to our nature and help reshape our industry with safe products, efficient processes and innovations that add value. As we look to the future, financial success must go hand-in-hand with sustainable growth. We are proud of the progress we've made and are inspired to continue our journey towards a more sustainable and resilient business model."

Thomas Bucher, Group Chief Finance Officer (CFO)

* Sustainability+ criteria = cleaner chemistry, circularity, resource efficiency in use
** C2C, Bluesign, GOTS, ZDHC compliance, Ecopassport

MARKETS SERVED

During the reporting period, Archroma served 93 markets worldwide with sales reported for three regional zones:
The Americas, incorporating North, Central and South America; Europe, Middle East and Africa (EMEA); and Asia.

Americas

**Sales
406 MUSD
(24%)**

EMEA

**Sales
349 MUSD
(20%)**

Asia

**Sales
950 MUSD
(56%)**

**Packaging
Technologies (PT)
465 MUSD (30%)**

**Textile Effects (TE)
1,240 MUSD (70%)**

30%   **70%**

**Sales by
division/MUSD**

Textile Effects (TE)

Packaging Technologies (PT)
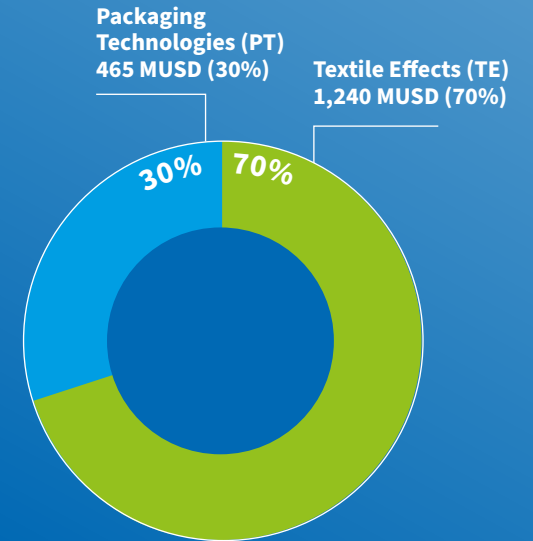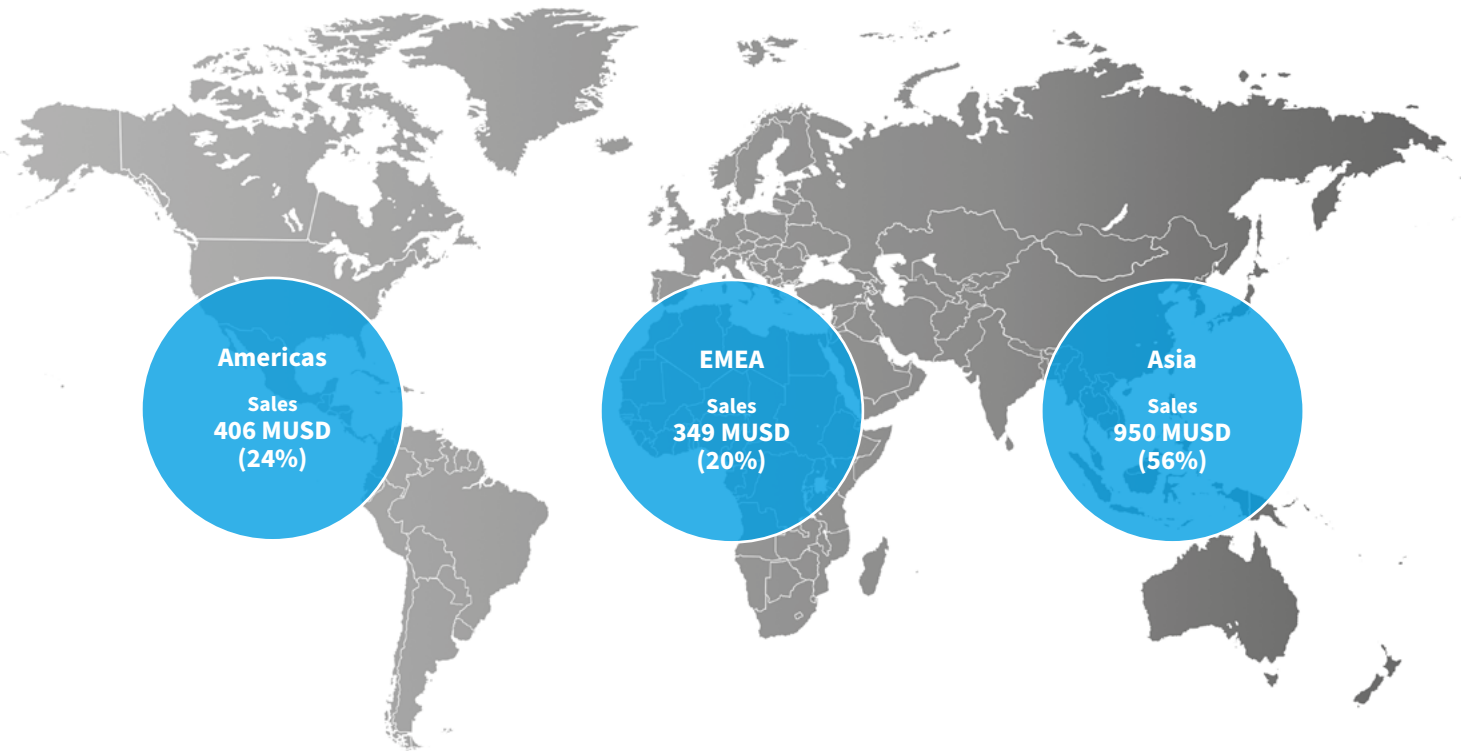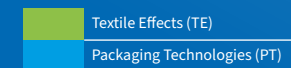
DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

DEFINED BENEFIT PLAN

The Group's defined benefit plans are usually established as trusts independent of the Group and are funded by payments from Group companies and by employees. In some cases, e.g., for a post-employment medical plan in Brazil, the plans are unfunded, and the Group pays pensions to retired employees directly from its own financial resources.
 The funding of plans where applicable is determined by local regulations using independent actuarial valuations. Separate independent actuarial valuations are prepared in accordance with the requirements of IAS 19 for use in the Group's consolidated financial statements. The Group's major defined benefit plans are in Switzerland (43% of the Group's total defined benefit obligation), the US (13% of the Group's total defined benefit obligation), Germany (30% of the Group's total defined benefit obligation) and Brazil (0% of the Group's total defined benefit obligation). Most of the defined benefit obligation relates to active members.

BENEFIT PLANS PER COUNTRY
SWISS PLANS

The Swiss pension plan is governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans ('BVG'), which stipulates that pension plans are to be managed by independent, legally autonomous units. The assets of the pension plan are to be held within a separate foundation and cannot revert to the employer. Pension plans are overseen by a regulator as well as by a state supervisory body.

The Group participates in two collective foundations, which are administrating the pension plans of various unrelated employers. The collective foundations are fully insured for the contract lifetime between the pension fund and the insurance companies, which are Helvetia Life for Archroma employees and Trianon for former employees of Huntsman Textile Effects. Assets and liabilities are held by the respective insurance companies. The plans cover all employees in Switzerland and provide benefits on a cash balance basis. Plan participants, their spouse and children are insured against the financial consequences of old age, disability, and death. Their benefits are defined in pension plan rules compliant with the BVG, which is specifying the minimum benefits that are to be provided. There was a transfer of the Swiss Huntsman Textile Effects pension fund to the Trianon Swiss Archroma's pension fund in FY24. The transfer results in a settlement of liabilities for all retirees as Archroma has no further obligation for these benefits. The impact of the settlement is CHF 31m (approx. USD 35.8) recognized in current year IAS19 Profit & Loss. Each employee has a savings account to which the employee and the Group contributes. A minimum interest is to be guaranteed on this account (1.25% in 2024 and 1% in 2023 based on the law is to be guaranteed on the BVG minimum benefit). When an employee retires, the insurance company takes over the pension payment and carries the market and longevity risk, or the retiree can elect a lump sum payment.

According to IAS 19, the Swiss pension plan is classified as "defined benefit" plan. All actuarial risks of the Helvetia plan, e.g. old age, invalidity and death or investment are fully covered by insurance. An underfunding is therefore not possible.

The Trianon Plan also fully covers the actuarial risks of old age and death, but not the risk of disability. Trianon could theoretically fall into underfunding related to active employees and disabilities, which could lead to the payment of reconstruction contributions. In addition, each of the two collective foundation is able to withdraw from the contract with the Group at any time, resulting in the plan being classified as "defined benefit" plan.

Each affiliated employer to the collective foundation has a benefit committee equally made up of employees and representatives of the Group, which has an obligation to act in the interests of the plan participants.

US PLAN

The Group operates a non-contributory defined benefit plan which is subject to the provisions of the Employee Retirement Income Security Act ('ERISA'). The assets of the plan are held separately from the Group by the trustee-custodian. Funding valuations of the plan are carried out on an actuarial basis and contributions are made as necessary. The funding target is to provide the plan with sufficient assets to meet future obligations.

There is a risk to the Group that adverse experience could lead to a requirement for the Group to make additional contributions to recover any deficit that arises. This risk relates to the market risks and longevity risks of the plan.

GERMAN PLANS

The Group operates various defined benefit plans in Germany including benefits that provide life annuity payments and others that provide the employee with the accumulated lump sum value of a savings account upon leaving the Group. The defined benefit plans are primarily unfunded book reserve plans, while some of the plans are funded through contractual trust arrangements (CTAs).

BRAZILIAN PLANS

The main plan operated by the Group in Brazil is an insured medical plan to its employees. Following sections 30 and 31 of the Law # 9.656/98, this medical plan is classified as a post-employment benefit plan. The plan is unfunded.

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT
France
In FY2024 a government grant of 20 kEUR (FY2023: 12 kEUR) was received, which was used to reduce water consumption.

Spain
There were no additional government grants for the FY2024. Last year in FY2023 a government grant of 0.3 was received. This was used to reduce gas consumption.

POLITICAL CONTRIBUTIONS
In Archroma, no political contributions were made in the FY2024.

TAX TRANSPARENCY APPROACH

As mentioned, Archroma is a global colour and specialty chemicals company, where the choice of countries in which the Group operates is guided by business assessments and not by tax reasons.

TAX STRATEGY

Since its establishment in 2013, Archroma has adopted a tax strategy, as a set of principles and guidelines inspired by values of transparency and legality. The Group's subsidiaries are required to adopt the tax strategy approved by the Parent Company, thereby assuming the responsibility of ensuring it is acknowledged and applied.

TAX PRINCIPLES

The tax strategy principles are the guidelines for Group companies, underpinning their business operations when managing tax compliance. The principles also require suitable processes to be adopted to ensure their effectiveness and application.

Values: In line with its sustainability strategy, the Group acts in accordance with the values of honesty and integrity in its tax management, understanding that tax revenue is one of the main sources of contribution to economic and social development of the countries where it operates.

Legality: The Group pursues behavior geared towards compliance with the applicable tax rules and is committed to interpreting them in a way that respects both the substance and form.
Tone at the top: The Board of Directors has the role and responsibility of leading the dissemination of a corporate culture based on the values of honesty and integrity and the principle of legality.

Transparency: The Group maintains collaborative and transparent relations with tax authorities, enabling them – among other things – to gain a full understanding of the facts underlying the application of tax rules.

Shareholder value: The Group considers tax to be a business cost and, as such, believes that it must be managed in compliance with the principle of legality, with the aim of safeguarding the Group's assets and pursuing the primary interest of creating value for shareholders in the medium to long term.

Archroma's Board of Directors sets out the tax strategy of the entire Group, with the goal to apply the OECD guidelines and comply with local country tax laws. This is underpinned by the following approach:

- Correct and timely determination and settlement of taxes due under the law and implementation of the respective obligations;
- Correct management of the tax risk, which is the risk incurred for the violation of tax rules or abuse of the principles and purposes of the tax system.

TAX GOVERNANCE, CONTROL, AND RISK MANAGEMENT

Archroma has successfully established a tax strategy that complies with the tax governance bodies (as stated above). The strategy is controlled and managed on a frequent basis to ensure that it continues to meet the regulations.

INTERNAL CONTROL & RISK MANAGEMENT

With its global operational footprint, Archroma is exposed to a variety of risks in the course of its usual business activities. The willingness to take entrepreneurial risks enables the Group to exploit opportunities as they arise. Therefore, Archroma takes risks, as long as they can be managed without compromising the Group's sustainability, when they are expected to create a sustainable increase in shareholder value.

In this context, Archroma established a risk management system to reduce the uncertainty on the achievement of Archroma's strategic objectives and to carefully manage and monitor risks. Risk Management is not designed to prevent employees from taking risks but rather to help them to optimize the level of risk taken and encourage entrepreneurial behavior. Risk is inherent in all activities, and it is essential that Archroma embeds best practice for Risk Management in core business processes.

Risk Management at Archroma is not only managed at the high level allowed by the risk mapping exercise (with Corporate and functional risk maps being developed, and Key Risk Indicators defined and monitored against their defined target value), but also translated into the daily activities through Archroma's policies and procedures and the control activities established in their Internal Control System. The Group implemented a comprehensive internal control system that prevents risks arising during operations by adopting appropriate controls and processes, especially regarding conformity with the law, compliance with strategy and internal policies, quality of accounting and reporting, quality of processes and protection of assets. For more details, please see section "RISK MANAGEMENT".

Archroma is exposed to financial risks such as inflation, interest rates increase risk, credit risk, liquidity risk and market risk. These financial risks are described in the next paragraph below and in the notes of the consolidated financial statements. The Group is also exposed to market development and pricing risks related to its wide geographic footprint and high level of intra-Group transactions between countries, resulting from its integrated supply chain and production sites supplying the world.

The Group's functional currency is USD. As a result, the pricing risk of the Group, and especially its risk of transactional currency effects, is managed through a combination of local and regional coordinated resources actively adjusting pricing to address shifts in competitive environments, currencies and raw material input costs. Archroma has been strongly engaged in monitoring and adjusting pricing to compensate for the quickly shifting marketplace.

APPENDIX

Tables

GRI Index

KPMG limited assurance report

TABLES (SUSTAINABILITY DASHBOARD)

Environment

Reducing the ecological impacts on our planet

METRIC	Unit	FY2022	FY2021	FY2023	FY2024
Total production volume	mt	418,963	460,937	459,907	514,650
Total GHG emissions	tCO$_2$e	79,192	86,694	120,376	119,944
Scope 1	tCO$_2$e	39,232	42,545	56,675	63,214
Scope 2	tCO$_2$e	39,960	44,150	63,700	56,731
GHG intensity	tCO$_2$e/t	0.189	0.188	0.262	0.233
Total energy consumption	TJ	1,135	1,214	1,562	1,707
Energy intensity	GJ/mt prod	2.71	2.62	3.40	3.32
Total water intake	thousand m^3	6,939	7,480	7,474	8,004
Water intensity	m^3/mt prod	16.56	16.23	16.25	15.55
Total waste generated	mt	17,840	17,642	26,478	30,423
Waste intensity*	kg/mt prod	42.58	38.27	56.5	56.2

Social

Creating value for our employees, partners and society as a whole

METRIC	Unit	FY2022	FY2021	FY2023	FY2024
Total recordable injury rate TRR	200,000 hrs	0.18	0.27	0.25	0.23
Product safety - 3rd party certified	%	90	90	85	89
Total employees	FTE	2,806	2,756	4,631	4,410
female	%	22	21	25	24.6

Governance

Enabling the sustainability transformation

METRIC	Unit	FY2022	FY2021	FY2023	FY2024
Economic performance (revenue)	000 $	1,286	1,374	1,451	1,451
Ethics and compliance non-conformities	#	-	-	-	1
Sustainable sourcing	% ASSR rating**	93%	89%	95%	95%

* Waste intensity considers total production related waste over tons produced
** ASSR baseline FY2023 & ASSR status FY2024: Direct, active 2023 spend rated, excluding packaging, logistics and archived; target results for FY2024 are based on FY2023 spend, not on the number of suppliers.

TABLES (DIVERSITY & INCLUSION, TALENT MANAGEMENT)

Total employee turnover by position and gender

	FY '24 Employee Count			FY '24 Turnover						FY '24 Employee in %		
Structure	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Core Team (Sep 30 '24)	1	4	5	0	0	0	0%	0%	0%	20%	80%	100%
Senior Executive (A-B)	0	3	3	3	2	5	100%	67%	167%	0%	100%	100%
Senior Management (C-D)	36	118	154	5	51	56	14%	43%	36%	23%	77%	100%
Middle Management (E-F)	193	495	688	38	113	151	20%	23%	22%	28%	72%	100%
Junior Management (G-H)	538	815	1353	100	151	251	19%	19%	19%	40%	60%	100%
Staff (I-J)	318	1,889	2207	78	223	301	25%	12%	14%	14%	86%	100%
Total	**1,086**	**3,324**	**4,410**	**224**	**540**	**764**	**21%**	**16%**	**17%**	**25%**	**75%**	**100%**

Management turnover by gender

	FY '24 Employee Count			FY '24 Turnover						FY '24 Employee in %		
Structure	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Core Team (Sep 30 '24)	1	4	5	0	0	0	0%	0%	0%	20%	80%	100%
Senior Executive (A-B)	0	3	3	3	2	5	100%	67%	167%	0%	100%	100%
Senior Management (C-D)	36	118	154	5	51	56	14%	43%	36%	23%	77%	100%
Middle Management (E-F)	193	495	688	38	113	151	20%	23%	22%	28%	72%	100%
Junior Management (G-H)	538	815	1353	100	151	251	19%	19%	19%	40%	60%	100%
Total	**768**	**1,435**	**2,203**	**146**	**317**	**463**	**19%**	**22%**	**21%**	**35%**	**65%**	**100%**

Staff turnover by gender

	FY '24 Employee Count			FY '24 Turnover						FY '24 Employee in %		
Structure	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Staff (I-J)	318	1,889	2207	78	223	301	25%	12%	14%	14%	86%	100%

GRI CONTENT INDEX

DISCLOSURE	DESCRIPTION	CROSS REFERENCE OR RESPONSE	PAGES
The organization and its reporting practices			
2-1	Organizational details	About the report	7
2-2	Entities included in the organization's sustainability reporting	About the report	7
2-3	Reporting period, frequency and contact point	About the report	7
2-4	Restatements of information	There are no restatements of information for this reporting period.	
2-5	External assurance	About the report, Appendix	7, 142 ff.
Activities and workers			
2-6	Activities, value chain and other business relationships	Global presence, Businesses	10, 21-28
2-7	Employees	Diversity, equity and inclusion, Appendix	91-94, 130 ff.
2-8	Workers who are not employees	Fair labor practices, Annex	87-90, 130 ff.
Governance			
2-9	Governance structure and composition	Corporate governance	11-15
2-10	Nomination and selection of the highest governance body	Corporate governance	11-15
2-11	Chair of the highest governance body	Corporate governance	11-15
2-12	Role of the highest governance body in overseeing the management of impacts	The BoD meets regularly. ESG issues are discussed and reviewed at these meetings.	13-14
2-13	Delegation of responsibility for managing impacts	Sustainability topics are integrated into key decision-making processes.	13-14
2-14	Role of the highest governance body in sustainability reporting	The Archroma management reviews and approves the sustainability report.	13-14
2-15	Conflicts of interest	Corporate governance, Compliance and anti-corruption	13-14, 103-104
2-16	Communication of critical concerns	Fair labor practices, Corporate governance, Compliance and anti-corruption	87-90, 13-14, 103-104
2-17	Collective knowledge of the highest governance body	Corporate governance	11-15
2-18	Evaluation of the performance of the highest governance body	Corporate governance	15
2-19	Remuneration policies	Corporate governance	87-90, 15
2-20	Process to determine remuneration	Fair labor practices, Corporate governance	87-90, 15
2-21	Annual total compensation ratio	Fair labor practices	87-90

GRI CONTENT INDEX

DISCLOSURE	DESCRIPTION	CROSS REFERENCE OR RESPONSE	PAGES
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Strategy purpose & values, Materiality matrix, Sustainability framework and targets	16, 33-38, 40-44
2-23	Policy commitments	At Archroma, good governance and corporate responsibility are integral parts of our business strategy. The focus areas of our corporate responsibility program include people, health & safety and environment, as well as sustainability and our product stewardship activities.	87 ff., 79-82, 58 ff., 29-44, 56-57, 83-84
2-24	Embedding policy commitments	See above	
2-25	Processes to remediate negative impacts	Sustainability approach, Risk management, Compliance and anti-corruption	29-44, 105-113, 103-104
2-26	Mechanisms for seeking advice and raising concerns	Compliance and anti-corruption	103-104
2-27	Compliance with laws and regulations	Compliance and anti-corruption	103-104
2-28	Membership associations	Affiliations and memberships	19-20
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Affiliations and memberships, Stakeholder Engagement, Materiality Matrix, Consumer product safety	19-20, 32, 33-38, 83-84
2-30	Collective bargaining agreements	Fair labor practices	87-90
Material topics			
3-1	Process to determine material topics	We report our impacts in our identified material topics. As part of the stakeholder interviews in spring 2023 positive and negative impacts were assessed and discussed with all participating stakeholders. The detailed process and the outcomes of this dialogue are disclosed in the chapter "Sustainability approach". We started to further integrate the determination of impacts and material topics with our organization's risk management process. Archroma is committed to a strong risk management throughout the company, supported by the Core Team and Board of Directors and implemented at all levels. We strive to minimize risks and create positive impacts on the environment, people and economy while minimizing / eliminating negative impacts. The risk management includes the assessment of climate-related risks and opportunities presented by climate change, as well as the impact their operations have on climate change and the environment but also on people, incl. human rights, & the economy. The Risk management process seeks input from across the company's global business, regions, and functions and engages external subject matter experts to identify risks, drivers, and mitigation measures. The results shape Archroma's strategic objectives. More details can be found in the section "Risk Management".	29-44, 105-113

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DISCLOSURE	DESCRIPTION	CROSS REFERENCE OR RESPONSE	PAGES
Material topics			
3-2	List of material topics	Materiality matrix	38
3-3	Management of material topics	Materiality matrix, Disclosed for each material topic	34-39, 40
Economic performance			
201-1	Direct economic value generated and distributed	Economic performance	124-127
201-2	Financial implications and other risks and opportunities due to Climate change	Risk Management	105-113
201-3	Defined benefit plan obligations and other retirement plans	Economic performance	124-127
201-4	Financial assistance received from government	Economic performance	124-127
Market Presence			
202-1	Ratios of standard entry level by gender compared to local minimum wage	Fair labor practices	87-90
202-2	Proportion of senior management hired from the local community	Talent management	95-97
Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	Corporate citizenship	98-101
203-2	Significant indirect economic impacts	Biodiversity, Corporate citizenship	77, 98-101
Procurement Practices			
204-1	Proportion of spending on local suppliers	Sustainable and transparent sourcing practices	116-122
Anti-corruption			
205-1	Operations assessed for risks relating to corruption	Compliance and anti-corruption	103-104
205-2	Communication and training about anti-corruption policies and procedures	Compliance and anti-corruption	103-104
205-3	Confirmed incidents of corruption and actions taken	Compliance and anti-corruption	103-104
Anti-competitive behavior			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Compliance and anti-corruption	103-104

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DISCLOSURE	DESCRIPTION	CROSS REFERENCE OR RESPONSE	PAGES
Tax			
207-1	Approach to tax	Economic performance	128-129
207-2	Tax governance, control, and risk management	Economic performance	124-127, 105-113
207-3	Stakeholder engagement and management of concerns related to tax	Economic performance	124-127
207-4	Country by country reporting	Economic performance	124-127
Materials			
301-1	Materials used by weight or volume	This data is currently not available for reporting. Archroma investigates the measurability of this topic internally.	
301-2	Recycled input materials used	This data is currently not available. Archroma will investigate the materiality and measurability of this topic. Currently this topic has not been resolved yet. For information on how Archroma works with waste streams, see Waste & circularity.	66-71
301-3	Reclaimed products and their packaging materials	This data is not available and currently not assessed as material for Archroma. In general, the company's businesses do not produce consumer end products and are not in a position to trace the reclamation of the final end products.	
Energy			
302-1	Energy consumption within the organization	FY2024 reporting includes Huntsman figures from the beginning of the FY on emissions, waste, water & energy.	64-65
302-2	Energy consumption outside of the organization	Energy	64-65
302-3	Energy intensity	Energy	64-65
302-4	Reduction of energy consumption	Energy	64-65
302-5	Reductions in energy requirements of products and services	Sustainable materials	46-55
Water and effluent			
303-1	Management approach disclosures - interactions with water as a shared resource	Water stewardship FY2024 reporting includes Huntsman figures from the beginning of the FY on emissions, waste, water & energy.	74-77
303-2	Management approach disclosures - management of water discharge-related impacts	Wastewater management, Sustainability approach	71, 35

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DISCLOSURE	DESCRIPTION	CROSS REFERENCE OR RESPONSE	PAGES
Water and effluent			
303-3	Water withdrawal	There is no distinction between "freshwater" and "other water" as both are being used for the same purposes. Water withdrawal only refers to manufacturing sites. There is no use of seawater at any location. No seawater and produced water is withdrawn in water stress areas, except at our Mahachai site (Thailand) where produced water is withdrawn.	74-77
303-4	Water discharge	Wastewater management	71
303-5	Water consumption	Water stewardship, Sustainable materials	74-77, 46-55
Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high Biodiversity value outside protected areas	Biodiversity	77
304-2	Significant impacts of activities, products, and services on Biodiversity	Biodiversity	77
304-3	Habitats protected or restored	Biodiversity	77
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity	77
Emissions			
305-1	Direct (Scope 1) GHG emissions	Climate change	58-63
305-2	Energy indirect (Scope 2) GHG emissions	Climate change	58-63
305-3	Other indirect (Scope 3) GHG emissions	Climate change	58-63
305-4	GHG emission intensity	FY2024 reporting includes Huntsman figures from the beginning of the FY on emissions, waste, water & energy. GHG intensity is based on Scope 1 and 2 emissions. The following gases were included in the calculation: CH_4 and N_2O.	60
305-5	Reduction in GHG emissions	Climate change, Sustainability approach	58-63, 40-44
305-6	Emissions of ozone-depleting substances (ODS)	Climate change	58-63
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Climate change	58-63

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DISCLOSURE	DESCRIPTION	CROSS REFERENCE OR RESPONSE	PAGES
Waste			
306-1	Management approach disclosure: Waste generation and significant Waste-related impacts	Waste, Sustainability approach	69-70, 35
306-2	Management of significant Waste -related impacts	Waste	69-70
306-3	Waste generated	Waste generated only refers to manufacturing sites. Total waste is total production related waste plus non production related waste (like traded goods waste).	69-70
306-4	Waste diverted from disposal	Waste	69-70
306-5	Waste directed to disposal	Waste	69-70
Supplier environmental assessment			
308-1	New suppliers that were screened using environmental criteria	Sustainable and transparent sourcing practices. ASSR baseline FY2023 & ASSR status FY2024: Direct, active 2023 spend rated, excluding packaging, logistics and archived; target results for FY2024 are based on FY2023 spend, not on the number of suppliers. In FY2025 all suppliers will be assessed regarding negative social impacts (i.e. Modern Slavery & child labor).	116-122
308-2	Negative environmental impacts in the supply chain and actions taken	As above	116-122
Employment			
401-1	New employee hires and employee turnover	Fair labor practices	87-90
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Fair labor practices	87-90
401-3	Parental leave	Fair labor practices	87-90
Labor management relations			
402-1	Minimum notice periods regarding operational changes	Fair labor practices	87-90
Occupational health and safety			
403-1	Management approach disclosures - Occupational Health & Safety management systems	Occupational safety, Process safety & quality FY2024 reporting includes Huntsman figures from the beginning of the FY on Health & safety.	79-82, 85-86
403-2	Management approach disclosures - Hazard identification, Risk Management, and incident investigation	Occupational safety, Process safety & quality	79-82, 85-86
403-3	Management approach disclosures - Occupational health services	Occupational safety, Process safety & quality	79-82, 85-86

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DISCLOSURE	DESCRIPTION	CROSS REFERENCE OR RESPONSE	PAGES
Occupational health and safety			
403-4	Management approach disclosures - Worker participation, consultation, and communication on occupational health & safety	Occupational safety, Process safety & quality	79-82, 85-86
403-5	Management approach disclosures - Worker training on occupational health & safety	Occupational safety, Process safety & quality	79-82, 85-86
403-6	Management approach disclosures - Promotion of worker health	Occupational safety, Process safety & quality	79-82, 85-86
403-7	Management approach disclosures - Prevention and mitigation of occupational health & safety impacts directly linked by business relationships	Occupational safety, Process safety & quality	79-82, 85-86
403-8	Workers covered by an occupational health and safety management system	Occupational safety, Process safety & quality	79-82, 85-86
403-9	Work-related injuries	Occupational safety Reporting only on employees. The accidents for contractors (first aids/medical treatments/lost time work cases) are collected internally but not included in reporting. Omission: Total number of employees and hours worked is Archroma Confidential. Same applies for number and rate of fatalities as a result of work-related injury; and number and rate of high-consequence work-related injuries (excluding fatalities).	79-81
403-10	Work-related ill-health	Occupational safety	79-81
Training and education			
404-1	Average hours of training per year per employee	Talent management	95-97
404-2	Programs for upgrading employee skills and transition assistance programs	Talent management	95-97
404-3	Percentage of employees receiving regular performance and career development reviews	Talent management	95-97
Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	Corporate governance, Diversity, equity and inclusion	11-15, 91-94
405-2	Ratio of base salary and remuneration of women to men	Corporate governance, Diversity, equity and inclusion	11-15, 91-94
Non-discrimination			
406-1	Incidents of discrimination and corrective action taken	Diversity, equity and inclusion	11-15, 91-94

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DISCLOSURE	DESCRIPTION	CROSS REFERENCE OR RESPONSE	PAGES
Freedom of association and collective bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Fair labor practices, Diversity, equity and inclusion	87-90, 91-94
Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	Fair labor practices, Sustainable and transparent sourcing practices	87-90, 116-122
Forced or compulsory labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Fair labor practices	87-90
Security practices			
410-1	Security personnel trained in human rights policies or procedures	Fair labor practices	87-90
Rights of indigenous peoples			
411-1	Incidents of violations involving rights of indigenours peoples	Fair labor practices	86-89
Local communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Corporate citizenship	98-101
413-2	Operations with significant actual and potential negative impacts on Local communities	Corporate citizenship	98-101
Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Sustainable and transparent sourcing practices. ASSR baseline FY2023 & ASSR status FY2024: Direct, active 2023 spend rated, excluding packaging, logistics and archived; target results for FY2024 are based on FY2023 spend, not on the number of suppliers. In FY2025 all suppliers will be assessed regarding negative social impacts (i.e. Modern Slavery & child labor).	116-122
414-2	Negative social impacts in the supply chain and actions taken	As above	115-122

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DISCLOSURE	DESCRIPTION	CROSS REFERENCE OR RESPONSE	PAGES
Public policy			
415-1	Political contributions	Economic performance	127
Customer health and safety			
416-1	Assessment of the health and safety impacts of product and service categories	Product stewardship, Consumer product safety	56-57, 83-84
416-2	Incidents of non-Compliance concerning the health and safety impacts of products and services	Product stewardship, Consumer product safety, Process safety & quality, Business ethics & compliance	56-57, 83-84, 85-86, 103-104
Marketing and labeling			
417-1	Requirements for product and service information and labeling	Consumer product safety, Process safety & quality, Business ethics & compliance	83-84, 85-86, 103-104
417-2	Incidents of non-Compliance concerning product and service information and labeling	Consumer product safety, Process safety & quality, Business ethics & compliance	83-84, 85-86, 103-104
417-3	Incidents of non-Compliance concerning marketing communications	Consumer product safety, Process safety & quality, Business ethics & compliance	83-84, 85-86, 103-104
Customer privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data protection and cybersecurity	114-115

Independent limited assurance report on selected Sustainability Information of Archroma Management GmbH

To the Management of Archroma Management GmbH, Pratteln
We have undertaken a limited assurance engagement on Archroma Management GmbH's (hereinafter "Archroma") following selected quantitative Sustainability Information in the Sustainability Report for the financial year from the 1st of October 2023 to the 30th of September 2024 (hereinafter "Sustainability Information"):
- Scope 1 & 2 CO_2 emissions intensity: tons CO_2e emissions/tons produced (as per GRI 305-4)
- Water intake intensity (m^3 water intake/tons produced (as per GRI 303-3)
- Waste intensity (waste produced/tons produced) (as per GRI 306-3)
- Workplace health & safety: TRR cases/200'000 hours worked (as per GRI 403-9)
- Diversity and inclusion: % female in management and Board (as per GRI 405-1)
- Supply chain responsibility (as per GRI 308-2, 414-2).

Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Sustainability Report, Annual Report or any other Report, including any images, audio files or embedded videos.

Our Limited Assurance Conclusion
Based on the procedures we have performed as described under the *'Summary of the work we performed as the basis for our assurance conclusion'* and the evidence we have obtained, nothing has come to our attention that causes us to believe that Archroma's above mentioned Sustainability Information in the Sustainability Report for the financial year ended September 30, 2024 is not prepared, in all material respects, in accordance with the Global Reporting Initiative (GRI).

We do not express an assurance conclusion on information in respect of earlier periods or to any other information included in the Sustainability Report, Annual Report or any other Report, including any images, audio files or embedded videos.

Understanding how Archroma Management GmbH has Prepared the Sustainability Information
The GRI Standards have been used as criteria references for the disclosures. Consequently, the Sustainability Information needs to be read and understood together with the GRI Standards.

Inherent Limitations in Preparing the Sustainability Information
Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Archroma's Responsibilities
The Management of Archroma is responsible for:
- Selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable law and regulations related to reporting the Sustainability Information;
- The preparation of the Sustainability Information in accordance with the criteria (GRI);
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities
We are responsible for:
- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our independent conclusion to the Management of Archroma.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by management, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied
We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information,* issued by the International Auditing and Assurance Standards Board.

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KPMG limited assurance report

KPMG

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Sustainability Information included, among others:
- Assessment of the design and implementation of systems, processes and internal controls for determining, processing and monitoring sustainability performance data, including the consolidation of data;
- Inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- Inspection of selected internal and external documents to determine whether quantitative and qualitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of the data collection, validation and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations;
- Analytical assessment of the data and trends of the quantitative disclosures included in the scope of the limited assurance engagement;
- Assessment of the consistency of the disclosures applicable to Archroma with the other disclosures and key figures and of the overall presentation of the disclosures through critical reading of the Sustainability Report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

KPMG AG

Cyrill Kaufmann
Licensed audit expert

Diana Guerra
Engagement Manager

Zurich, 29 November 2024