



Social and Environmental Responsibility Report

2022

Publication: June 2023

CROMOLOGY

This Document presents Cromology's sustainable development Policy, with regard to its economic, environmental and social challenges as well as its Value Creation strategy. Cromology has been producing a CSR report since 2014.

This report has been audited by an independent third party (KPMG) which certifies

- the presence and compliance of the information: all the required CSR information is present in this report and complies with the regulatory requirements to which Cromology voluntarily complies;
- its fair presentation: the CSR information, taken as a whole, is presented fairly, in accordance with the Standards.

This audit enables Cromology to voluntarily attest to the reliability of its non-financial reporting, based on the European regulatory framework of the NFRD Directive (Non-Financial Reporting Directive).

This voluntary approach enables Cromology to ensure the credibility of the information published with its stakeholders. The independent third party's report is available at the end of this Document.



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PURPOSE

CROMOLOGY

«Sustainably protect and color living spaces
to brighten up everyone's lives.»

Cromology's purpose motivates its employees every day to design, produce and distribute decorative paints that offer the best value for money.

Decorative painting brings colors and textural effects to our immediate environment. It protects against wear and tear from weather and time. It infuses calm and warmth into our interiors. Applied on facades, it enhances the architectural and cultural heritage of our towns and cities.

Cromology thus help sustainably maintain homes, individual or collective properties and enrich its clients' quality of life and well-being. These beliefs make employees proud to wear its brand colors and values. They also engage Cromology to be a company that is even more responsible and innovative.

Company Snapshot

Cromology designs, manufactures and distributes a wide range of paints and other decorative products for professionals and private individuals.

The Group relies on its R&D and industrial capacities consisting of five research laboratories, nine production sites and six logistics platforms. And it serves its customers through more than 380 Integrated Stores and e-shops, the ones of its partners, Independent & Builders' Merchant, Major DIY Retailers and Digital Pure Players.

With 3,150 employees, Cromology is present in eight countries (Belgium, Spain, France, Italy, Luxembourg, Morocco, Portugal and Switzerland).

Through its 275-year history, Cromology has acquired recognised expertise in the field of decorative paints. Cromology's commercial brands stand for its professionalism, its technical and aesthetic know-how and its capacity for innovation (nearly 20% of our sales was generated with products released in the last three years).

Thanks to a high-value customer experience and quality products offering the best value for money, Cromology aims to develop its presence in the decorative painting industry, especially in Europe, while doing the most to minimise its environmental footprint.

Since January 2022, Cromology belongs to DuluxGroup, a subsidiary of Nippon Paint Group, the world's fourth-largest paint group.

belongs to



subsidiary of

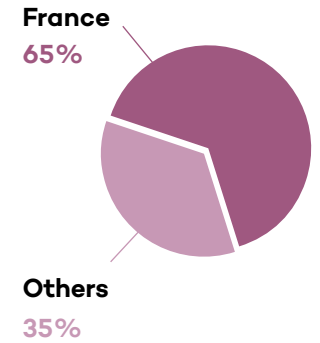
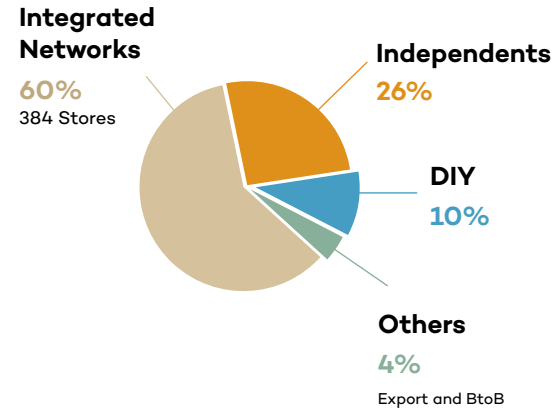
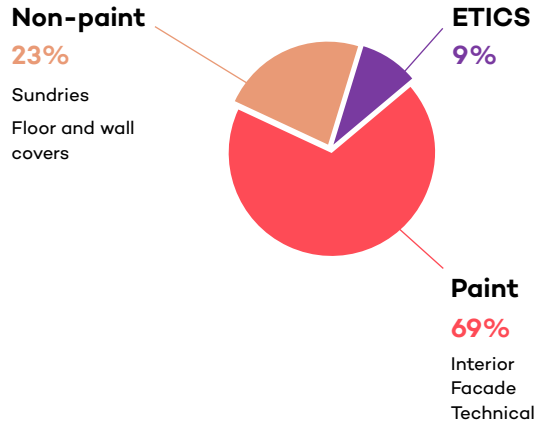
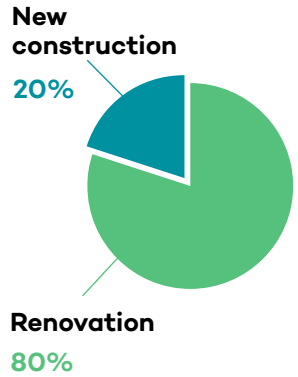


€ **706** M
sales

3150
employees

8
countries

Revenues
Breakdown



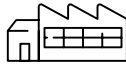
Major strong
local brands





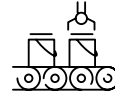
5

laboratories



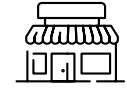
9

production sites



6

logistics platforms



384

company-operated stores

Our certified industrial sites



100%

ISO 45001
SAFETY



83%

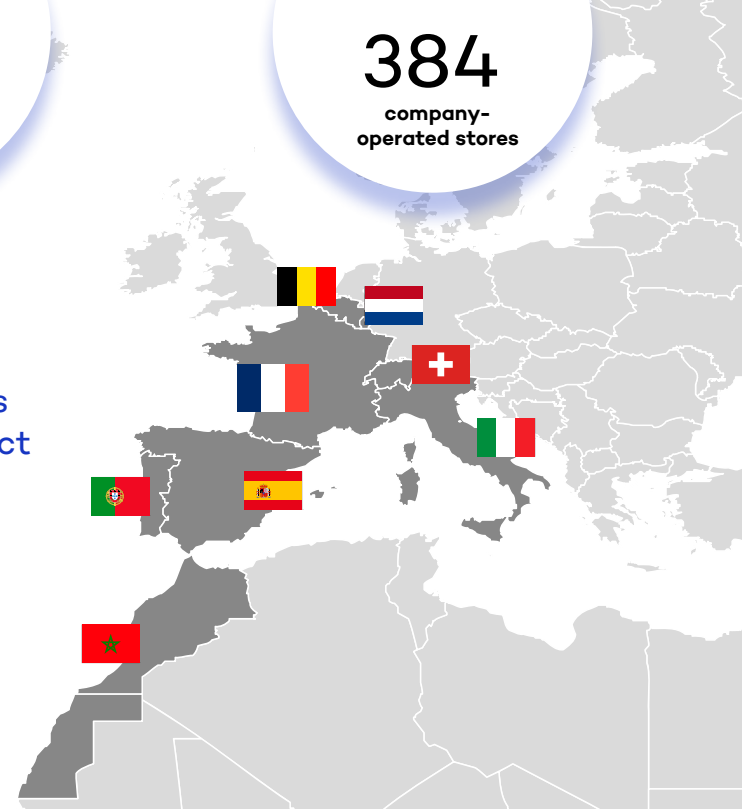
ISO 14001
ENVIRONMENT



92%

ISO 9001
QUALITY

8 countries with a direct footprint



Values



True Customer Satisfaction



Customers have the choice. We are committed to giving them the best experience and making a difference to them. We invest in a long-term relationship of trust with our customers. Our professionalism and integrity ensure that we provide customers with the products and services that best meet their needs.



To achieve Group's ambitions, Cromology employees share core values, which guide their day-to-day plans and actions.

Excellence at Heart



We strive for the highest quality standards in everything we do, whether for our customers, our employees or our other stakeholders. We believe in a process of continuous improvement and change to constantly outdo ourselves, with a sense of pride for our teams and brands.



Collective Winning Spirit



We believe that victories are won by teams. This comes through mutually respecting and learning from our differences and pooling our resources. We take pleasure in our collective drive. This is key to customer satisfaction.

History

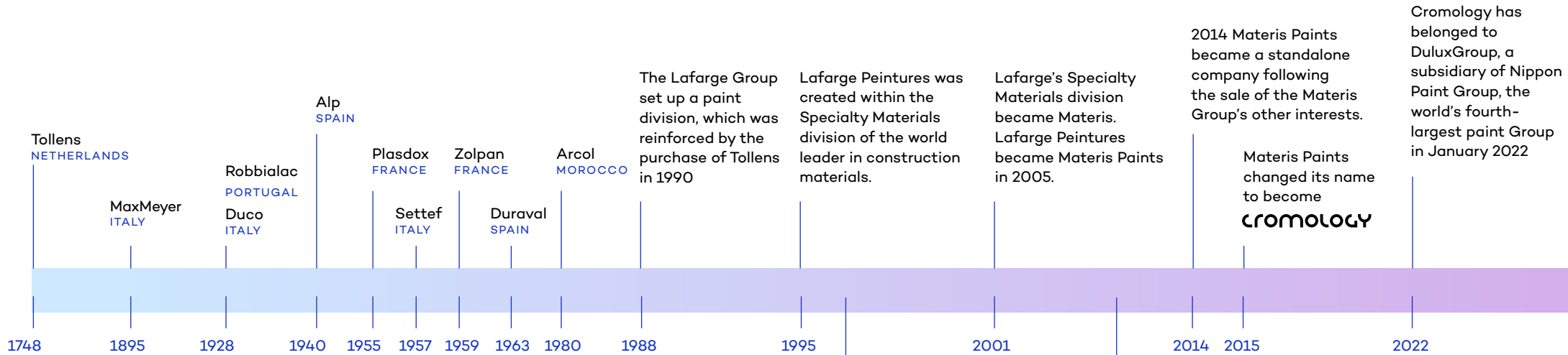


Cromology's story began 275 years ago. Cromology's roots lie in Europe with the passion of family entrepreneurs.

As Johannes Jodocus Tollens (Netherlands, 1748), brothers Francis and Albert Claessens (Switzerland,

1887) and Max Meyer (Italy, 1895), each of them founded a company in their own country, motivated by a common desire: creating exceptional decorative paints with unquestionable technical and aesthetic qualities to protect and beautify our living environments.

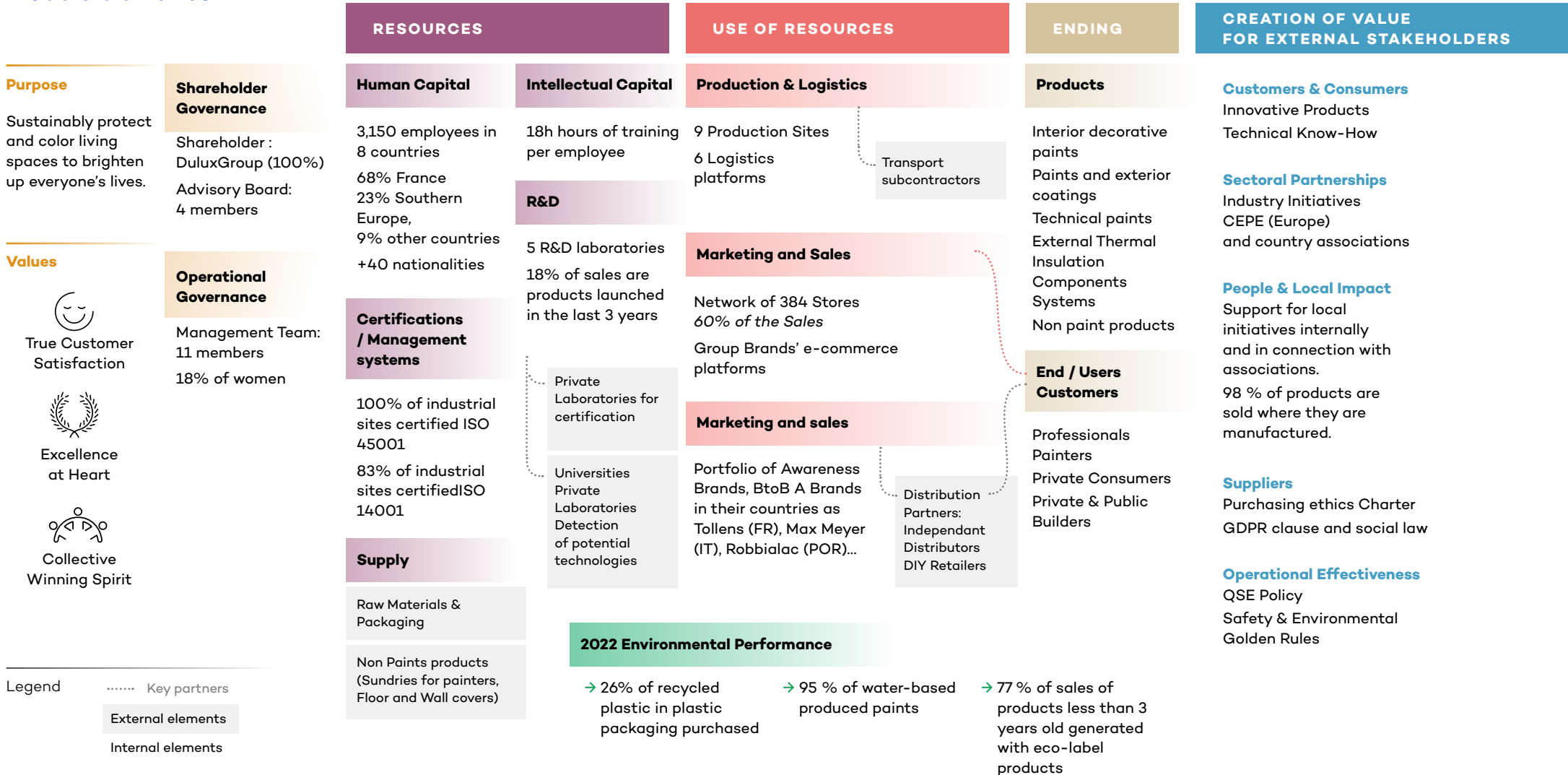
This desire is a heritage that Cromology has carefully preserved over the centuries.



1996 2007

From 1996 and 2007, Materis Paints has become a European player, expanding in Belgium, Spain, France, Italy, Luxembourg, Portugal and also in Morocco

Modèle d'affaires



2 CSR 2020–2023 Roadmap and Governance

Cromology has defined a CSR Roadmap 2020–2023 to cover, at a minimum, the 11 challenges defined above, as well as the implementation of its purpose on the five pillars listed below.

The main objectives are monitored with key performance indicators (KPIs) whose 2022 values are presented in the section entitled «The strategic priorities of Cromology’s CSR vision».

Values


Trus Customer Satisfaction


Excellence at Heart


Collective Winning Spirit

Our Purpose

Sustainably protect and color living spaces to brighten up everyone’s lives



Enabling employees to overachieve & grow, professionally & personally

Fostering maximum integrity & compliance within the organization




Providing healthy working conditions for employees, clients & subcontractors

Minimising the environmental impact of Cromology’s operations


Innovating to offer more user & environment friendly paints & colors

Contributing to the UN SD goals



CSR pillars	Vision	Topics	2023 Targets
 <p>Human Resources</p>	<p>Enabling employees to overachieve and grow professionally and personally</p>	<p>Employee Engagement</p>	<ul style="list-style-type: none"> - 100% of employees having completed one training a year, by 2023 - Average employee training time of 14 hours per year - One third of open positions to be filled through internal promotions
		<p>Diversity, inclusion and equal treatment.</p>	<ul style="list-style-type: none"> - Overall Group score of 85/100 (French Gender Equality Index) - Development of action plans and policies in favour of diversity
 <p>Business Ethics</p>	<p>Fostering maximum integrity and compliance within the organisation</p>	<p>Anti-corruption</p>	<ul style="list-style-type: none"> - Anti-corruption programmes rolled out. - 100% of employees trained on anti-corruption
		<p>Data Protection</p>	<ul style="list-style-type: none"> - GDPR programmes rolled out - 100% of employees trained on GDPR
		<p>Supplier & Supply Chain Risks</p>	<ul style="list-style-type: none"> - Purchasing policy and Partners' Code of Conduct fully deployed
		<p>Competition</p>	<ul style="list-style-type: none"> - Competition programmes rolled out
		<p>Governance</p>	<ul style="list-style-type: none"> - Appropriate governance Charter in place
 <p>Health and Safety</p>	<p>Providing a safe and healthy working environment for our employees, customers and subcontractors</p>	<ul style="list-style-type: none"> - Lost-Time Injury Frequency Rate (LTIFR) reduction by 30% in 2023 - All manufacturing and logistics sites ISO 45001 certified by 2023 	



CSR Pillars	Vision	Topics	2023 Targets
 <p>Environment</p>	<p>Minimising the environmental impact of Cromology's operations</p>	<p>Wastes management</p>	<ul style="list-style-type: none"> - All production and logistics sites ISO 14001 certified by 2023 - Deployment of the Environmental Golden Rules at all sites - Recovery and treatment programme for waste produced by professional and private customers
		<p>Emissions reduction</p>	<ul style="list-style-type: none"> - GHG assessment, including scope 3 elements and action plans to reduce our emissions - Develop green energy supply within global energy consumption
		<p>Compliance to regulation on chemical products</p>	<ul style="list-style-type: none"> - Meetings to share and align all countries with changes in Raw Materials regulations (at least two per year) - Compliance with discharge regulations across all facilities - Compliance with ADR across all facilities
		<p>Natural resources</p>	<ul style="list-style-type: none"> - Waste water recycling in production facilities as far as possible in order to optimise water consumption - Implementation of internal energy-savings culture



CSR Pillars

Vision

Topics

2023 Targets



Paints and colors

Innovating and offering paints and colors that are more user and environmentally friendly

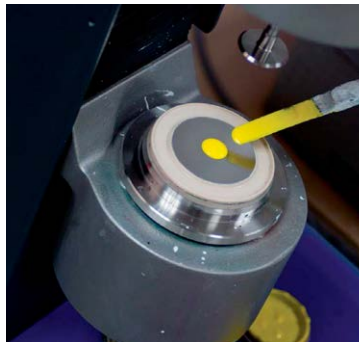
Design formulas meeting the latest regulatory requirements and customers' expectations with regards to sustainability and affordability

- Design formulas with bio sourced or additive free components.
- Ban plastic from our packaging ranges wherever possible.
- Promote paint waste recycling initiatives in Stores.
- Define a sustainable product portfolio assessment.
- Ongoing compliance with all current chemical substance regulations.

Provide all necessary guidance and training to ensure safe and high-quality paint application and color choice

- Develop integrated Teams of paint technology experts covering all steps of the product development cycle.
- Ensure state-of-the-art laboratories, plants, tinting systems, training schools and phygital ecosystems to accompany customers along their paint and decoration journey.
- Set up training courses for painters to improve their skills and better meet the needs of their customers

Roll out professional training programmes for applicators to champion painters' trade and value proposition



CSR Governance

In 2020, Cromology set out the company's CSR vision for 2020–2023. As part of this, Cromology established a CSR Steering Committee. It is responsible for drawing up and managing the

Group's CSR vision. The CSR Steering Committee met nine times in 2022. In each country, CSR coordinators are responsible for the roll-out of the Group's CSR strategy and for monitoring local initiatives.

<p>DuluxGroup - Cromology Advisory Board 4 meetings per year</p>	<p>Cromology Executive Committee 10 meetings per year</p>	<p>CSR Committee 10 meetings per year</p>		
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An assessment of Cromology CSR Policy definition and roll-out is presented to the Board on a quarterly basis.

The CEC validates the group's CSR actions plan and supports its effective implementation throughout Cromology. Together with the CSR Committee, it periodically reviews policies, objectives and actions.

The CSR Committee defines and conducts the group's CSR action plans for the 5 definite pillars. Pillars leaders are responsible for coordinating the roll-out of action plans with country CEOs and function representatives in the field of Human Resources, Safety, Environment, Legal, Purchasing, R&D and Marketing. With the support of the CEC members,

these representatives ensure that the commitments made are relevant and that they are adopted and implemented by all teams, together with the indicators used to monitor the performance of implemented policies.

The CSR Committee Members are: CEO, COO, Head of Product Development & Innovation, Supply Chain, Manufacturing, Purchasing, HSE Director, Communication Director, Head of Human Resources, Chief Legal and Compliance Officer, Head of HSE, Chief Strategy and Marketing Officer

<p>Ethics Committee 10 meetings per year</p>		
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Each quarter, the Ethics Committee examines the group's compliance related to CSR risks which could have a major impact on Cromology's reputation. An ethics alert system, which is accessible to all group's stakeholders, is available in the event of issues involving accounting

and/or financial matters, corruption, competition law, serious damage to the environment or the safety of people, unethical behavior (discrimination and harassment), data protection or a conflict of interest.

The Ethics Committee Members are: CEO, COO, Chief Legal and Compliance Officer, Supply Chain, Manufacturing, Purchasing, HSE Director, Head of Human Resources

3 Business challenges and Materiality Matrix

Cromology has developed a CSR risk map to identify the challenges of its activities and its value chain. 11 key risks and their mitigation policies are reviewed annually by the CSR Committee.

Their analysis in 2022 did not reveal any need to revise them compared with the 2021 publication.

Cromology also relies on a materiality analysis, carried out for the first time in 2021, to characterise the expectations of its stakeholders with regard to its ambitions in terms of sustainable development.

The materiality analysis

The materiality matrix is the result of a consultation carried out in the main countries where the Group operates, with over 126 external (65) and internal (61) stakeholders:

- Suppliers
- Distribution customers
- Specifiers, painters
- BtoC customers
- Public interest associations, sector experts, financial players
- Public, institutional and economic players.

Stakeholders identified ten priority issues for Cromology, in order of importance:

- Compliance to regulation on chemical products
- Employees' working conditions and workplace safety
- Sustainable paint solutions development
- Prevention of industrial risks related to chemical agents
- Consumer experience
- Employee engagement & attractiveness
- Waste management (production, distribution and logistics site)
- Sustainable packaging solutions
- Indoor air pollution reduction
- Products end-of-life management and circular economy

Cross-referencing the CSR risk analysis with the materiality analysis has enabled Cromology to confirm the mapping of its 11 relevant issues:

- | | | |
|---|--|---|
| <p>1
Employee engagement</p> | <p>5
The safety of employees, customers and subcontractors exposed to the industrial process and the operation of the stores</p> | <p>8
Management of hazardous waste generated by the activity</p> |
| <p>2
The breakdown of supply chains</p> | <p>6
Water and soil pollution or contamination of water and soil by restricted substances</p> | <p>9
Failure to take account of regulatory changes in raw materials</p> |
| <p>3
Compliance with anti-corruption provisions (Sapin 2 law) by employees, representatives or partners</p> | <p>7
Air emissions of restricted substances such as Volatile Organic Compounds (VOC) and carcinogens</p> | <p>10
An incident during the transportation of hazardous products</p> |
| <p>4
Management of personal data that does not comply with GDPR and Personal Safety</p> | | <p>11
Adapting products to market requirements</p> |

4 The strategic priorities of Cromology's CSR vision



Human Resources

Enabling employees to overachieve & grow, professionally & personally



Business Ethics

Fostering maximum integrity & compliance within the organization



Health & Safety

Providing healthy working conditions for employees, clients & subcontractors



Environment

Minimising the environmental impact of Cromology's operations



Paints & Colors

Innovating to offer more user & environmentally friendly paints & colors



Human Resources

Enabling employees to overachieve and grow professionally and personally



68% France, Belgium, Luxembourg

23% Spain, Italy, Portugal

9% Morocco, Switzerland

Cromology aims to achieve True Customer Satisfaction by means of passionate and genuinely engaged employees. The Group works to enable all employees to be successful in their roles, while growing professionally and personally.

The prospect of achieving goals, developing skills and expertise, changing or increasing responsibilities is within everyone's grasp at Cromology.

The Group fosters a high-performance culture and values high-quality working relationships, diversity, inclusion and equal treatment.

To consult all KPIs concerning Human Resources, see chapter 6 - Human Resources Dashboard, with definition in chapter 7 - Methodology





Wages

Cromology aims to pay fairly within the company and compared to the market. Employee salaries should reflect their contribution to the company's success. Incentive mechanisms and bonuses are based on a wide range of KPIs. These reflect multiple aspects of the company's performance: sales, gross margin, cost, WC, service levels, CSR criteria... Wherever possible, Cromology believes individual and collective performance or underperformance should be reflected in everyone's compensation.

Each year, negotiations conducted within Cromology's subsidiaries lead to the conclusion of a significant number of local collective agreements on compensation and other "social" issues (32 agreements in 2022).



Training

To enable every employee to grow and develop personally, Cromology supports a range of training initiatives involving teamwork, mentoring, projects and traditional training.

Internal training programmes have been put in place to help upskill all employees. Beginning in 2020, an eLearning platform is being rolled out across all entities to give ready access to courses.

In 2022, 96% of employees received training. This is mainly thanks to the e-learning solution rolled out in all the Group's activities. At the same time, the average number of hours of training per employee has risen by almost 3 hours compared with 2021, to 17.9 hours.



Career development

Cromology promotes internal mobility. The Company also encourages and supports employees in their search for new opportunities within the Company, whether in their current field of expertise or in a new position.

Since 2020, an online recruitment system has been deployed in all European countries, enabling employees to apply for vacant positions. In France, Cromology is also encouraging co-option, which is gradually being rolled out in all countries.





Working conditions

Good working conditions are a pre-requisite to safety and high performance at work. For this reason, Cromology continuously invests in new equipment and IT tools to improve life at work.

Dedicated action plans are set up to improve employee engagement. Cromology strives to provide appropriate means to enable them to achieve their objectives.

For employees working in support functions in major cities such as Paris and Lyon, Cromology facilitates remote working through appropriate management and support, as well as collaborative tools.

In 2022, the absenteeism rate was up slightly compared to 2021. However, it remains marked by contamination of employees by Covid-19 and the isolation of contact cases.

Diversity, inclusion & equal treatment action plans

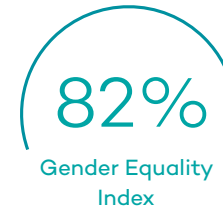
Diversity, inclusion & equal treatment are at the heart of Cromology's values.

When recruiting, rewarding or promoting employees, Cromology makes every effort to avoid any discrimination in the decision-making process.

As part of the French "Act for the freedom to choose one's future career", Cromology now monitors a gender balance index at all Cromology entities in France.

This index has been rolled out throughout the Group since 2020. The aim is for everyone in the Group to be treated equally and for the progress made to be accessible, at all sites and to everyone.

Cromology intends to further support diversity and inclusion in the coming years primarily by communicating on these topics within the organisation and in recruitment ads.





Business Ethics

Fostering maximum integrity and compliance within the organisation

Cromology is committed to operating fairly with maximum integrity and compliance with all applicable laws.

Group compliance programmes (e.g. anti-corruption, data protection, fair competition) are designed to identify and mitigate risks as part of a continuous improvement approach.

Cromology's compliance culture is a source of pride for its employees and trust for all its stakeholders.

To consult all KPIs concerning Business Ethics, see chapter 6 - Business Ethics Dashboard, with definition in chapter 7 - Methodology

Anti-bribery and corruption action plans

Since 2021, initiatives have been developed to prevent the risk of corruption within the organisation:

- A Partners' Code of Conduct addressing the specific risk areas identified during the risk assessment and giving precise guidelines has been in effect since 2021, replacing the Responsible Purchasing Charter. The Code of Conduct for employees is being drawn up and will be rolled out in 2023;
- A communication plan to consolidate both the compliance culture and employee commitment. Cromology communicates with managers to make them aware of their responsibilities;
- Appropriate training tools: business ethics training sessions are run for Group employees to help them detect and manage potentially sensitive situations.

Cromology has a zero-tolerance policy to corruption across all Group business activities.



97%

of employees have signed the group's anti-corruption policy



Data Protection action plans

In the course of its business and operations, Cromology may collect and process personal data relating in particular to its partners (suppliers, service providers, business partners, and customers). In line with applicable regulations, Cromology uses data in a legitimate and proportionate manner.

Cromology has put in place technical and organisational measures to ensure data integrity and confidentiality (Data processing register, IT Charter, Communication, Contracts).

The Data Protection Committee and its representatives in all countries and departments ensure the relevance and effectiveness of the system and develop employee tools and training courses.



95% of employees have signed the group's anti-corruption policy



Supplier & Supply Chain Risks action plans

To ensure its sustainable development, Cromology expects its suppliers to:

- comply with high standards of social and environmental responsibility;
- conduct all business activities in a fair and transparent manner, in compliance with the law and the highest ethical standards.

Cromology formalised its CSR requirement through a Partners' Code of Conduct and an Ethical Purchasing Charter for the purchasing team.

Supply agreements also include GDPR, labour and anti-bribery and corruption clauses.

Cromology may also conduct audits to ensure that production conditions are in line with regulations and best standards.

These expectations are reflected in the Cromology Purchasing Policy adopted in 2020.

Cromology also continues to require suppliers, particularly those specialising in non-paint products, to adhere to the Partners' Code of Conduct.



90.4% Share of Purchasing volume covered by suppliers who have signed the Responsible Purchasing Charter or the Partners' Code of Conduct



100% of Purchasing employees who have signed the Ethical Procurement Charter



Fair competition

Cromology believes that fair competition provides consumers with more choice and helps produce higher quality products and services at the fairest price. This then leads to greater innovation.

As part of its commitments, Cromology makes commercial decisions independently of other market players (suppliers, customers, distributors) and does nothing that restricts normal competition.

Governance

The corporate governance is effective and transparent. It protects the rights of shareholders and encompasses both strategic and operational risk management. It looks to balance the Company's short-term needs with a long-term vision. And it holds the Chairmen and Directors responsible for their management of Cromology.

Our governance ensures a high degree of communication and transparency by encouraging full explanation of decisions and transactions.

The governance framework sets out the principles, structures, enabling factors and interfaces through which the organisation's governance arrangements operate. It also involves delegating appropriate levels of authority and responsibility to managers and other entities and ensuring accountability.

The process and the people who took part in the decision can be traced.

Corporate governance allows for conduct to be examined prior to scrutiny by regulatory bodies.





Health and Safety

Providing a safe and healthy working environment for our employees, customers and subcontractors

Excellence in Health, Safety and Environment (HSE) is at the heart of Cromology's DNA.

With its Health and Safety Policy, the Group strives for the highest HSE standards in all aspects of its operations, encompassing employees, customers, suppliers and the communities living around its facilities.

To consult all KPIs concerning Health and Safety, see chapter 6 - Health and Safety Dashboard, with definition in chapter 7 - Methodology

Health and Safety key actions are organised around:

- maintaining ISO 45001 certification for all industrial facilities;
- continuously improving the Lost-Time Injury Frequency Rate (LTIFR);
- rolling out safety standards throughout the Group, as well as an audit programme to ensure compliance with the requirements of these standards;
- having a contingency plan in all industrial facilities and warehouses, and a crisis management plan in all other sites: administrative, head office, Stores;
- maintaining and renewing the prevention and coordination mechanisms (including security records, warnings, reports of dangerous situations, near-misses and improvement suggestions, etc.);
- fostering a real safety spirit in all locations, including stores;
- having each facility develop their own safety improvement plan;
- identifying the LOPCs, to analyse them and plan the related corrective actions;
- setting up a monitoring system using an authorised external body for 100% of industrial and commercial facilities to ensure equipment and facilities continue to comply with regulations and remain efficient;





- striving to comply, across the integrated distribution network, with local public retail safety guidelines in the countries in which Cromology operates;
- equipping all production facilities with suitable static security systems (if necessary, sprinkling, RIA, etc.).

In 2022, 45 lost time accidents were recorded, down compared to 2021 and 2020. However, the severity rate remains stable.

With the support of DuluxGroup's HSE teams, Cromology launched a multi-year programme in 2022 to prevent all risks of accidents, both low- and high-severity. Safety standards and an audit campaign for all sites are in place. In 2022, the first safety standard, Incident Management, was rolled out and five sites audited.

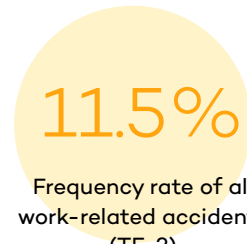
The 5S management method ("Sort, Set in order, Shine, Standardise, Sustain") is well in place in the 308 stores in France. It is also starting to be rolled out at industrial sites and Stores in Switzerland.

All insurance audits have been carried out.

In 2022, all industrial sites maintained their ISO 45001 certification.



100% of our industrial sites are **ISO 45001 certified**
SAFETY



Frequency rate of all work-related accidents (TF-2)



Environment

Minimising the environmental impact of Cromology's operations

Cromology is committed to operating safely in a sustainable environmentally friendly manner.

Cromology aims to achieve the highest regulatory standards across its entities.

To consult all KPIs concerning Environment, see chapter 6 - Environment Dashboard, with definition in chapter 7 - Methodology



Wastes management

Developing and selling new products with minimum environmental impact and waste is a top priority.

All our subsidiaries respect local waste management regulations. 83% of Cromology's production and logistics facilities are ISO 14001 certified. This standard ensures traceability and proper management of chemical substance waste (hazardous and non-hazardous).

A hazardous and non-hazardous waste take-back system has been set up across French distribution networks in collaboration with an external service provider specialised in waste treatment.

We encourage all workers, both in industrial facilities and offices, to sort waste.

In the main countries in which it operates, Cromology is a member of organisations, whose mission is to encourage the sorting, take-back and treatment of certain chemical waste. These include EcoDDS and Valobat (from January 2023) in France, ECOEMBES in Spain and CONAI in Italy.

In France, Cromology is a co-founder and member of the governance of EcoDDS («Eco» is the abbreviation for eco-organisation and «DDS» stands for Déchets Diffus Spécifiques [Specific Diffused Waste]), created in 2012 as part of the extended producer responsibility (EPR) scheme. In this way, Cromology is contributing to the joint efforts of industrial and distribution companies by paying an eco-contribution for the take-back and treatment of chemical waste. EcoDDS calls on waste treatment service providers to incinerate or recycle waste in conditions that respect health and the environment. In partnership with EcoDDS, since 2019 Cromology has also installed a free system of waste sorting bins (paints, sealants, strippers and accessories). This system, called Rekuo, is deployed in 273 Tollens and Zolpan stores (90% of its stores in mainland France). Since 2019, when the Rekuo installation started up, Cromology has collected 850 tonnes of waste from the building sites of its professional and private customers.

Cromology also complies with the regulations on graph paper and pays an annual contribution to the environmental organisation CITEO.



90%

of company-owned Stores in France offer Rekuo, free in-store take-back service of chemical wastes, set up by the eco-organization EcoDDS.





Emissions reduction

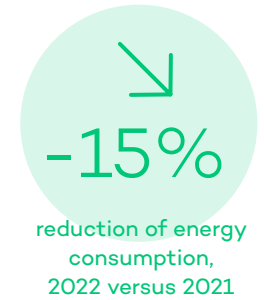
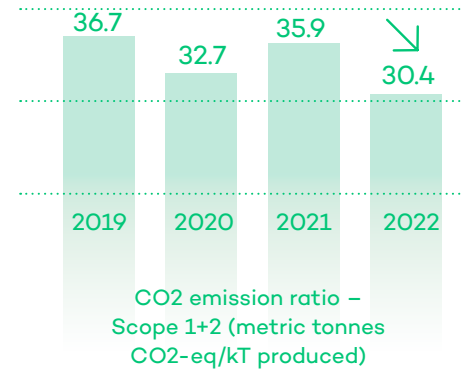
Cromology monitors VOC emissions at all its industrial facilities to check that these regulatory thresholds are respected. It has also installed collective protective mechanisms, such as the vacuum system, to limit employee exposure and avoid atmospheric emissions.

Strict accordance with mandatory personal protective equipment is one of the golden rules for health and safety.

Cromology's R&D team is working on the development of new products with significantly reduced VOC content, well below the limits set by European regulations. For example, with Idrotop products that form the Cromology's range with the highest-volume, our teams have developed formulations with a VOC content of less than 1 gramme per litre, whereas European regulations require a content of less than 30 grammes per litre.

The Group works with suppliers to minimise the environmental impact of the raw materials it buys.

In 2021, Cromology carried out a carbon assessment which made it possible to measure emissions for Scopes 1, 2 and 3. Cromology's total emissions were 165,385 tCO₂e, i.e. 22 tCO₂e per employee. An energy sobriety programme was launched throughout the Group in 2022 to reduce gas and electricity consumption. Energy consumption at the Group's terminals fell by more than 15% between 2021 and 2022.





Compliance with chemical substance regulations

Cromology makes every effort to comply with all regulations and changes to them, and even to anticipate them.

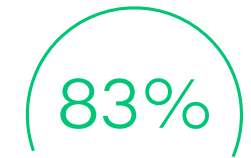
The Group is an active member of the European Industrial Association of Paint Manufacturers CEPE. It regularly takes part in the Technical Regulation Committee, which monitors all the regulations affecting its sector (VOC, CLP, CMR, Reach, etc.). It is also a member of the working group for biocide users.

This allows Cromology to be continually informed of legislative changes and the proper interpretation thereof.

Industrial facilities regularly control discharges to comply with current legislation. Facilities with discharge values above regulatory thresholds are subject to heightened regular checks and an action plan drawn up in agreement with the competent authorities.

The installation of new facilities within the Group, together with stricter management of water discharge stations, has led to a marked improvement in suspended solids (SS) and Chemical Oxygen Demand (COD) values in water discharged in 2022.

In addition, as a shipper from its industrial sites in European Union countries, Cromology complies strictly with ADR regulations (European Agreement concerning the International Carriage of Dangerous Goods).



of our industrial sites
are ISO 14001 certified
Environment



Paints and Colors

Innovating to offer more user and environmentally friendly paints & colors

Cromology develops high-performance products, meeting best-in-class sustainability requirements, to take interior and exterior building finishes to the highest functional standards with a trendy but durable aesthetic touch.

The Group is committed to serving its private customers, applicators and businesses over the long term, in complete safety, from the sourcing of the raw materials for its paints and colors to the application of its products and solutions.

To consult all KPIs concerning Paints and Colors, see chapter 6 - Paints and Colors Dashboard, with definition in chapter 7 - Methodology





Protecting homes, individual and collective property over the long term

Cromology designs paints that extend the life of homes, individual and collective property. The resistance and lifespan of our applied paints is a priority for our Innovation and Product Development and Marketing teams. They are committed to developing paints with the highest level of wet abrasion resistance, according to the eponymous standardised test. This is the case, for example, with Tollens Class 1 washable trim paint. Its formulation means that less paint can be applied than with conventional paint, extending the time before coatings need to be renewed.

Reducing the carbon footprint of our paints

For several years, Cromology has been developing formulas using components with a reduced carbon footprint. This is particularly true of the ranges of resin-based paints using bio sourced residues from the agri-food industry, launched on the French market under the Tollens (Biome) and Zolpan (Bioalkyd) brands and with our DIY superstore partners.

Cromology also favours the use of recycled plastic in its packaging. In all the countries in which the Group operates, around 40% of the packaging used is made from recycled plastic.

Finally, Cromology is implementing an approach to quantify all environmental impacts over the entire life cycle of our paints. This approach is rolled out in all the countries where Cromology operates in Europe, in accordance with the environmental declaration standards in force (FDES for France and EPD for the rest of Europe).

95%

of produced paints are
water-based





Reducing energy bills

Cromology offers a complete range of Exterior Thermal Insulation (ETI) products to improve the thermal performance of buildings while preserving the aesthetic appeal of facades.

The sales teams in the European Union countries where Cromology operates are trained to recommend solutions for reducing heat loss from walls and facades in single-family homes, apartment blocks and commercial buildings, in compliance with local regulations (RE 2020 in France, for example).



The ETICS systems marketed by Cromology are certified in accordance with European Technical Approvals (ETA).

The Group also markets «Cool Roof» reflective coatings, which help to maintain the temperature of buildings in the tertiary sector by protecting them from the sun's rays and heat.

Consumer health and safety

The health and safety of our painters and our private customers is a major concern. This is reflected in the design of our new products, with a maximum limitation on the use of hazardous substances and the search for functions that help to improve indoor air quality, in particular by reducing VOC emission rates or VOC content.

As a result, 77% of sales of our paints launched over the last three years have been ecolabelled.

We have also launched ranges of paints that are lighter in weight for easier paint application and handling. These ranges of paints are mainly intended for our professional users.

56%

Proportion of Paint revenue from eco-certified products in total sales





Design of paint and color formulations. Sourcing of Raw Materials and natural resources

Cromology monitors regulatory developments, which are increasingly restrictive, to mitigate risks and anticipate legislative changes⁽¹⁾.

The **prospective** team uses this regulatory monitoring. This team is tasked with identifying innovative technologies or products (possibly from other industries). The aim is to assess their technical and economic potential, working alongside the marketing and R&D teams to develop the commercial offering while anticipating ways of ensuring compliance with any new regulatory requirements.

Concerning **natural resources**, 95% of the paints produced by Cromology are water-based. On average, water accounts for 45 to 60% of a paint's make-up.

Cromology has complete control over the formulation and production of all its dyes. The Innovation and Product Development teams design and manufacture them at the **Colorant Centre of Excellence** in Tuscany, Italy.

To create the colors, Cromology sources pigment pastes, based on natural or synthetic, mineral or organic pigments, from a selection of suppliers with specifications guaranteeing that the pigments comply with current regulations.

Thanks to constant reformulation work by its R&D teams, Cromology has brought its entire range of water-based dyes onto the market without any «danger» pictograms, in line with CLP regulations.

Cromology dedicates an ever-increasing proportion of its R&D resources, coatings and dyes, to eliminating hazardous substances.

¹ With the exception of Morocco: in this country, where there are no specific regulations, Cromology has set itself the objective of gradually bringing itself into line with European regulations. The company has begun to list CMR and SVHC hazardous raw materials according to the criteria used in the EU, and has put in place an elimination plan where technically possible.

16.6%

Share of Paint revenue generated by products launched within the last three years.



5 Societal relations

Cromology has not identified any priority risks concerning its relations with local communities. However, in order to provide a comprehensive overview of the Group's CSR activities, the following paragraphs describe the main initiatives relating to the local economy and local partnerships and sponsorship initiatives.

Local economy

Most of the Group's products are manufactured locally.

In 2022, the share of Cromology revenue generated by products sold in the regions where they were produced was more than 98%.

With regard to its Policy of purchasing raw materials and packaging in Europe, Cromology favours suppliers who manufacture in Europe as close as possible to its production sites (91% of its purchases in 2022).

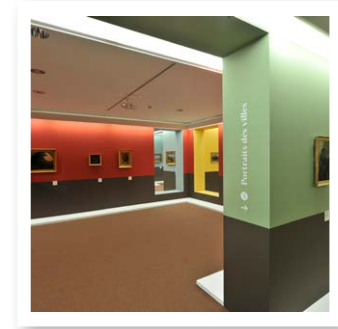
Partnerships and sponsorship initiatives

Cromology encourages its teams to support the initiatives of local or national non-profit organisations to help people in difficulty, local or national heritage, sports or schools, in the form of financial aid, donations of paint and services.



share of Cromology revenue generated by products sold in the regions where they were produced





Among the most representative initiatives:

In 2022, Cromology organised a collection among its employees to support emergency aid for children and their families in Ukraine via a donation to UNICEF, which Cromology and DuluxGroup matched.

In total, the fundraising donated €105,539 to UNICEF.

In Spain, Cromology has been supporting the AECC (Asociación Española Contra el Cáncer) since 2016. In 2022, Cromology supported SELID, a centre for integration through work and training for disabled people, by hiring staff for short assignments through the centre.

In Italy, Cromology has been supporting children's non-profit organisations for many years, in particular i Bambini delle Fate (support for autistic children and their families) and Colori Per La Pace di Stazzema (an exhibition of drawings by hundreds of thousands of children from 134 nations around the world). For the first time in 2022, volunteer days for Italian employees have also been organised to help maintain the outdoor and indoor areas of Dynamo Camp, which provides free recreational programmes for sick children.

In Morocco, Cromology has been involved for several years with a non-profit organisation that helps people in precarious situations by donating food baskets. This year, a non-profit organisation was supported in a project to create a water retention basin and a pipe network to carry the water to the homes in a village.

In Portugal, paint donations are made every year to charities including, for the past ten years, Desafio Jovem, which helps young people with addictive behaviour, volunteer fire brigades, local sports clubs and associations, schools and nurseries, animal protection associations and local authorities.

Promoting art and culture is also a strong priority, as demonstrated by Tollens' partnership in France with the Musée d'Orsay (Paris), the Musée de l'Orangerie (Paris), the Musée de la Piscine (Roubaix) and the Musée d'Art Moderne et Contemporain de Saint-Etienne.

Human Resources

	2020	2021	2022
Demographics			
Group workforce	3217	3184	3150
of which permanent contracts	3118 96.9%	3085 96.9%	3058 97.1%
of which fixed-term contracts	99 3.1%	100 3.1%	92 2.9%
of whom women	941 29.3%	933 29.3%	914 29%
of whom men	2 276 70.7%	2251 70.7%	2236 71%
New hires in the Group ¹	317	390	440
of whom women	97 30.6%	140 35.9%	147 33.4%
Departures from the Group ²	414	465	467
of whom women	128 30.9%	151 32.5%	152 35.1%
Breakdown of staff by geographic region			
France (including Belgium and Luxembourg)	68.5%	68.7%	67.6%
Southern Europe (Spain, Italy, Portugal)	22.9%	23.0%	23.6%
Other countries (Morocco, Switzerland)	8.7%	8.3%	8.8%
Employee Engagement			
Absenteeism rate in calendar days (AR1) (%)	5.40%	4.90%	5.4%
Turnover	13.8%	14.7%	15.2%
Employee Involuntary Turnover	5.3%	6.6%	8.4%
Average number of hours of training per employee "2023 roadmap"	11.2	14.8	17.9
% of employees having completed at least one training programme "2023 roadmap"	88.5%	97%	96%
% of promotion	6.1%	9.7%	7.2%
% of promotion – internal mobility "2023 roadmap"	27%	27.9%	27.5%
Diversity, inclusion and equal treatment			
% of women among all employees	29.3%	29.3%	29%
% of women among management	26.9%	26.8%	27.5%
% of women among recruitments	31.7%	35.9%	33.4%
Gender Equality Index "2023 roadmap"	76.8	81.7	82

¹ Permanent contract + fixed-term contracts converted into permanent contracts + internal transfers + acquisitions.

² Permanent contracts only.

Business Ethics

	2020	2021	2022
Anti-bribery and corruption			
% of employees who have signed the Group's anti-corruption policy among all Cromology Group's employees "2023 roadmap"	58.2%	93%	97%
% of employees who have been trained on Group's anti-corruption policy among all Cromology Group's employees	58.2%	89%	97%
Data Protection			
% of employees who have signed the Data Protection policy among all Cromology Group's employees "2023 roadmap"	(1)	81%	95%
% of employees who have been trained on Group's data protection programme among all Cromology Group's employees	(1)	87%	95%
Supplier & Supply Chain Risks			
% of Purchasing employees who have signed the Ethical Procurement Charter "2023 roadmap"	100%	100%	100%
Share of Raw Materials Purchasing volume covered by suppliers who have signed the Responsible Purchasing Charter or the Partners' Code of Conduct.	81%	79.3%	84.4%
Share of Packaging Purchasing volume covered by suppliers who have signed the Responsible Purchasing Charter or the Partners' Code of Conduct.	82%	86.4%	87.3%
Share of Trade purchase value (Goods for Resale) covered by suppliers who have signed the Responsible Purchasing Charter or the Partners' Code of Conduct.	54%	93.8%	98.1%
Share of Purchasing (raw material, packaging, goods for resale) volume covered by suppliers who have signed the Responsible Purchasing Charter or the Partners' Code of Conduct. "2023 roadmap"	69%	85.9%	90.4%
Health & Safety			
Lost-Time Injury Frequency Rate (LTIFR) "2023 roadmap"	5.09	5.93	8.1
Frequency rate of all work-related accidents (TF-2)	7.73	8.37	11.5
Severity rate of accidents	0.34	0.70	0.72
Deployment of the 5S method in points of sale (%) "2023 roadmap"	94.9%	99.7%	98.5%
% of industrial sites with ISO 45001 certification "2023 roadmap"	100%	100%	100%

¹ New 2021 indicator.

Key Performance Indicators – Environment

	2020	2021	2022
Wastes management			
% of industrial sites ISO 14001 certified "2023 roadmap"	70%	77%	83%
Waste generated (% production volume)	4.3%	4.4%	4.6%
Hazardous waste generated (% production volume)	1%	1.3%	1%
Emissions reduction			
CO2 emissions – Scope 1 (metric tonnes CO2-eq)	2 160.42	3 134.07	2147.82
CO2 emissions – Scope 2 (metric tonnes CO2-eq)	4 396.00	4652.74	4120.92
CO2 emission ratio – Scope 1 (metric tonnes CO2-eq/kT produced)	10.77	14.47	10.42
CO2 emission ratio – Scope 1+2 (metric tonnes CO2-eq/kT produced) "2023 roadmap"	32.70	35.94	30.40
Intensity of Volatile Organic Compounds emitted per kilo metric tonne of production (T/kT) "2023 roadmap"	0.62	0.54	0.51
Compliance to regulation on chemical products			
% of eligible Cromology personnel trained in ADR among those to be trained "2023 roadmap"	69.9%	90.9%	86.9%
Total Suspended Solids (TSS) (metric tonnes) "2023 roadmap"	52.50	57.29	22.81
Chemical Oxygen Demand (COD) (metric tonnes) "2023 roadmap"	60.40	47.83	36.24
Energy consumption (TJ) "2023 roadmap"	140.2	163.8	131.7

Key Performance Indicators – Paints & Colors

	2020	2021	2022
Share of Paint revenue generated by products launched within the last three years	19.7%	17.7%	16.6%
Share of revenue of ecolabelled products less than three years old (out of total sales of products less than three years old) "2023 roadmap"	58.3%	69%	77.4%
Proportion of Paint revenue from eco-certified products in total sales "2023 roadmap"	48%	51.8%	55.9%
Share of production generated by water-based products out of total production	91%	93%	94.7%
Number of packaging purchased containing recycled plastic out of the number of packaging purchased by Cromology			38.4%
Number of countries offering professional training programmes "2023 roadmap"	5 ¹	5	5
% raw materials concerned by regulatory watch out of raw materials' total "2023 roadmap"	9%	9%	12%
Volume of raw materials concerned by regulatory watch (% of raw materials' total)	2.1%	2%	4%

¹ Except Switzerland.

7 Methodology

Themes covered in this extra-financial report

Some of the mandatory themes set out in the Declaration of Extra-Financial Performance (EFPD), which forms the basis of this CSR report, do not apply to Cromology's activities.

Accordingly, Cromology does not consider that it has any major risks or opportunities in the fight against food waste, food insecurity, respect for animal welfare and respect for responsible, fair and sustainable food.

Methodology used to obtain monitoring indicators

Scope and consolidation methods for key indicators

The key indicators in this report were selected from across all subsidiaries consolidated in Cromology's financial statements. Cromology's scope includes 15 industrial sites (production and logistics).

For each indicator, the detailed calculation methods are defined in the chapter "Reporting methodology" below. Where measured data is not available, each entity produces estimates.

Responsibilities and checks

The Group's Human Resources department collects and consolidates the HR data, ensures that it is consistent, and validates it. It is the responsibility of Cromology's human resources community to produce this data in each subsidiary.

Cromology's HSE department consolidates "safety" and "environment" data and performs consistency checks.

"Safety" indicators are produced by the safety manager of each subsidiary. Environmental experts at each Cromology subsidiary are responsible for producing the environmental data.

Monitoring indicators for products launched within the last three years and the percentage of net sales of new products with environmental certification of all products launched within the last three years are produced by the Marketing departments of each subsidiary. These data are consolidated and checked for consistency by the Group Innovation and Product Development Department.

The monitoring indicator for the number of raw materials (including regulated raw materials) used in the formulations of the paints manufactured by Cromology is produced by the Group Innovation and Product Development Department.

The indicator for the volume of use of formulas containing regulated raw materials such as SVHC, CMR (1 and 2) per metric tonne is produced by the Group Innovation and Product Development Department.

The indicator relating to the "% of recycled plastic in packaging used for products sold by Cromology" is monitored by the Group Industrial Purchase department. This is produced by the supplier.

Each Cromology subsidiary is responsible for the indicators it collects and monitors.

Each site director is responsible for producing the indicators and performing an initial verification of the result.

Reporting methodology

Methodological limitations and uncertainties

From fiscal year 2019, Social, Health & Safety and Environmental data are reported directly by Cromology site teams.

The definitions and reporting methods used for the following indicators, as well as any relevant uncertainties, are described below.

Human resources indicators

Employee Engagement

Absenteeism rate: AR1 is the absenteeism rate for employees on permanent and fixed-term contracts that is reported for all subsidiaries.

It is calculated by dividing the number of calendar days of absence by the total number of calendar days in the year (365* for both fixed-term and permanent contracts).

Absences include absences due to sickness, unauthorised unpaid leave, and lost time due to work-related accidents and commuting accidents. Other types of absences, in particular long-term leave of more than three years, are not included in calculating the absentee rate.

Share of departures at employee initiative (resignations, retirements). This rate takes into account the number of employee resignations and retirements in relation to the total number of departures.

% of employees having completed at least one training programme per year: Average number of hours of training per employee. Hours of training for employees on permanent and fixed-term contracts are reported for all subsidiaries. They include internal and external training (including e-learning) and exclude hours corresponding to the schooling of work-study students in France.

% of promotion: People within headcount who had a change in their coefficient, level, grade among total headcount.

% of promotion – internal mobility: People within headcount who had a change in their position among opened permanent positions filled during the period.

Diversity, inclusion and equal treatment

% of women among all employees

% of women among management

% of women among recruitments

Gender Equality Index: Based on the French Gender Equality Index for company with over 250 employees applicable to all Cromology entities. The gender equality index evaluates:

- pay gap between women and men, socio-professional category and comparable age;
- difference in rate of individual increases between women and men;
- difference in promotion rate between women and men;
- % of employees increased upon return from maternity leave;
- parity among the ten highest remunerations.

The index is computed at entity level then consolidate at Group level. Consolidation is done for every entity for which the index is computable. Entity index result is weighting taking into account entity headcount.

Total headcount: Employees with an employment contract (permanent or fixed-term, including work-study contracts) on the last calendar day of the year are counted in the total headcount. Unpaid trainees and PhD students are excluded. Workforce data is reported in number of people and not full-time equivalents. Starting in 2019, employees on notice or reclassification leave for economic reasons have been excluded.

Hires & departures: New hires on permanent contracts and fixed-term contracts made permanent and new hires via company takeovers are counted as new hires. Departures relate solely to permanent contracts for departures at the initiative of the employee or the employer or retirement, or for company disposals, or deaths. Internal transfers between operating companies are recognised at the

Group level. Starting in 2019, employees on notice or reclassification leave for economic reasons have been included in departures at the initiative of the employer.

Business Ethics

Anti-bribery and corruption

% of employees who have signed the Group's anti-corruption Policy out of the total number of eligible employees.

% of employees trained in the Group's anti-corruption Policy out of total eligible employees.

Data Protection

% of employees who have signed the Data Protection Policy out of total eligible employees.

% of employees trained in the Group's data protection programme out of total eligible employees.

All Group employees are considered eligible, with the exception of employees on long-term sick leave at the time the programmes are launched and employees with less than one month's seniority.

Supplier & Supply Chain Risks

% of Purchasing employees who have signed the Ethical Procurement Charter: This is the percentage of Purchasing employees in the Group Purchasing department who have signed the Charter, out of the total number of Purchasing employees.

Share of Raw Materials Purchasing volume covered by suppliers who have signed the Responsible Purchasing Charter or the Partners' Code of Conduct: This is the percentage of the amount of purchases from main suppliers(1) that have signed the Responsible Purchasing Charter or the Partners' Code of Conduct, or presented a CSR approach that meets the criteria of the Responsible Purchasing

Charter or the Partners' Code of Conduct, out of the total amount of purchases.

Share of Packaging Purchasing volume covered by suppliers who have signed the Responsible Purchasing Charter: This is the percentage of the total amount of plastic and metal packaging purchased from main/at-risk suppliers¹ who have signed the Responsible Purchasing Charter or the Partners' Code of Conduct, or those who have presented a CSR approach meeting the criteria of the Responsible Purchasing Charter or the Partners' Code of Conduct, out of the total amount of purchases.

Share of Trade Purchasing value (Goods for Resale) covered by suppliers who have signed the Responsible Purchasing Charter: This is the percentage of the total value of purchases from main/at-risk suppliers¹ who have signed the Responsible Purchasing Charter or the Partners' Code of Conduct, or those who have presented a CSR approach that meets the criteria of the Responsible Purchasing Charter or the Partners' Code of Conduct, out of the total value of purchases.

Share of Purchasing (raw material, packaging, goods for resale) volume covered by suppliers who have signed the Responsible Purchasing Charter: This is the percentage of the total value of purchases from main/at-risk suppliers¹ who have signed the Responsible Purchasing Charter or the Partners' Code of Conduct, or those who have presented a CSR approach that meets the criteria of the Responsible Purchasing Charter or the Partners' Code of Conduct, out of the total value of purchases.

¹ Main/At Risk suppliers are defined according to the "80/20" rule by Cromology's Purchasing team: 20% of the suppliers representing 80% of the total amount of Purchases or presenting a risk.

Health & Safety indicators

Lost-Time Injury Frequency Rate (LTIFR): The Lost-Time Injury Frequency Rate (LTIFR) is the number of recordable accidents with more than one day's absence from work, occurring over a twelve-month period, per million hours worked. It is reported for all subsidiaries in the Cromology Group and includes fixed-term and permanent contract employees, temporary employees and subcontractors.

Accidents while traveling are included in these indicators when they occur during working hours. Accidents while commuting between home and work are not included.

In 2022, disputed non-work-related accidents (DuluxGroup Incident Management standard) will no longer be taken into account in calculating the indicator.

Frequency rate of all work-related accidents: The Lost-Time Injury Frequency Rate of all work-related accidents (LTIFR-2) is the number of recordable accidents with and without lost time, occurring over a twelve-month period, per million hours worked. It is reported for all subsidiaries in the Cromology Group and includes fixed-term and permanent contract employees, temporary employees and subcontractors.

Accidents while traveling are included in these indicators when they occur during working hours. Accidents while commuting between home and work are not included.

In 2022, disputed non-work-related accidents (DuluxGroup Incident Management standard) will no longer be taken into account in calculating the indicator.

Severity rate of accidents: The severity rate of

accidents is the number of days of working time lost over a 12-month period following a work-related accident, per 1,000 hours worked. It is reported for all Cromology Group subsidiaries.

Deployment of the 5S method in stores (%): Number of 5S audits carried out in stores in comparison to 5S audits to be carried out (yearly objective: 3,786 in 2022).

% of industrial sites with ISO 45001 certification: Number of industrial sites with ISO 45001 certification out of the total number of industrial sites.

Environmental indicators

Wastes management

% of industrial and logistics sites ISO 14001 certified: Number of production and logistic sites with ISO 14001 certification out of the total number of production and logistics sites.

Waste generated (% production volume): This involves assessing the quantity of waste generated (in tonnes) per tonne of product manufactured. This rate does not include any exceptional waste, such as waste generated by the removal of asbestos from buildings. Network waste, hazardous or non-hazardous, is included.

Hazardous waste generated (% production volume): This involves assessing the quantity of hazardous waste generated (in metric tonnes) per tonne of product manufactured. This rate does not include any exceptional waste, such as waste generated by the removal of asbestos from buildings. Network waste is included.

Emissions reduction

Indicators used:

CO2 emissions

CO2 emissions – Scope 1 (metric tonnes CO2-eq)

CO2 emissions – Scope 2 (metric tonnes CO2-eq)

CO2 emission ratio – Scope 1 (metric tonnes CO2-eq/kT produced)

CO2 emission ratio – Scope 1+2 (metric tonnes CO2-eq/kT produced)

These emissions are calculated with emission factors based on energy consumption. Emission factors were updated for 2022 and are taken from the OMINEA 2022 database or the Ademe database (Nov. 2022). Emissions for 2021 and 2020 have not been recalculated and use factors from the OMINEA database (2021 and 2019) and from Ademe (2021 and 2020).

CO2 emissions include Scope 1 (domestic fuel and gas consumption) and Scope 2 (electricity consumption).

Intensity of Volatile Organic Compounds emitted per kilo metric tonne of production (T/kT)

VOC emissions from combustion energy are not included in the calculation of total VOC. They represented less than 0.2% of total VOC emissions in 2018 (in metric tonnes produced).

VOC emissions from industrial processes (use of solvents) are the primary components of this indicator.

The calculation methodology is based on that used for solvent management plans.

The «VOC» indicator is calculated as follows (other VOC emitted): VOC (tonnes) in raw materials («VOC inputs 1»); these VOC are calculated on the basis of the VOC content (%) and the quantity consumed (tonnes) of each raw material; VOC (tonnes) in

finished products («outgoing VOC 2»): these VOC are calculated from the average VOC content of a paint formulation. This average VOC content is calculated on the basis of the VOC content of formulas representing at least 50% of the total tonnage produced at the site in question. Weighting with the tonnage of each formula gives the average VOC rate, which is then applied to the total tonnage produced; VOC related to waste («VOC outflows 3»): these VOC are calculated by applying to waste (tonnes) containing solvents either the average VOC content of raw materials or the average VOC content of finished products, depending on the nature of the waste. «Diffuse» VOC.: these VOC are calculated as value of (1) - value of (2) - value of (3).

Compliance to regulation on chemical products

% of eligible Cromology employees trained in ADR among those to be trained: Training for employees in ADR (European Agreement on the International Carriage of Dangerous Goods by Road): Percentage of employees trained in ADR in relation to the number of people scheduled for the annual training plans for ADR.

Total Suspended Solids (TSS) (metric tonnes): Suspended Solids refer to small solid particles which remain in suspension in water. TSS test measures the quantity of suspended particles which will not pass through a filter, as an indicator of water quality. The TSS is measured on a sample taken after the internal treatment system to be representative of the quality of the water discharged.

Chemical Oxygen Demand (COD) (metric tonnes): COD is the mass of Oxygen necessary to fully oxidise carbon and hydrogen containing compounds in one litre of solution, as an indicator of water quality. The COD is measured on a sample taken after the internal treatment system to be representative of the quality of the water discharged.

Sourcing of Raw Materials and natural resources

Number of raw materials concerned by regulatory watch (% of raw materials' total)

Number of raw materials concerned by regulatory watch out of the total number of raw materials

Energy consumption: Energy consumption includes the consumption of energy for production activities and distribution networks. It does not include the consumption of energy associated with employee transportation. It is reported for all Cromology subsidiaries.

Paints & Colors

Share of Paint revenue generated by products launched within the last three years

Share of Paint revenue from eco-certified products launched within the last three years (out of total revenue from products launched within the last three years): This is the share of revenue generated by products launched within the last three years with an ecolabel out of the total revenue of products launched within the last three years.

Ecolabels include:

- the European Union ecolabel established in 1992;
- the TÜV SÜD label is awarded by the German independent eco-body of the same name for renewable energies;
- the NF Environnement label is issued by the French national organisation for standardisation (AFNOR) (paints, varnishes and related products - NF 130);
- the Excell Zone Verte and Excell Plus labels from Excell, an ISO 17025-accredited laboratory, classify materials, products and coatings that are compatible with the indoor air quality of living areas, HQE housing or food industry premises.
- In addition have been included Safelife, Interior Air Emission A+ label, Swiss Environmental label A, A- and B, and other local environmental seals certified by an independent body.

Share of Paint revenue generated by eco-certified products in total sales

Share of production generated by water-based products out of total production

Percentage of packaging purchased containing recycled plastic out of total plastic packaging purchased: This is the number of packing containing recycled plastic (PIR, PCR or regenerated) out of the total number of plastic packs purchased from main/at-risk suppliers.

8 Report of the independent third party on the Consolidated Statement of extra-financial performance

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended 31 December 2022

To the Annual General Meeting

In our capacity as Statutory Auditor of your company (hereinafter the “entity» appointed as independent third party and accredited by the French Accreditation Committee (COFRAC) under number 3-1884 , we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, within the Cromology sub-Group boundaries, prepared in accordance with the entity's procedures (hereinafter the «Guidelines»), for the year ended on 31 December 2022 (hereinafter, the «Information» and the «Statement» respectively), presented in the sub-Group's management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Conclusion

Based on the procedures we have performed as described under the “Nature and scope of procedures” and the evidence we have obtained, nothing has come to our attention that cause us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance Statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement or available on the Entity's website or on request from its headquarters.

Inherent limitations in preparing the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

¹ Accreditation Cofrac Inspection, number 3-1884, scope available at www.cofrac.fr



Responsibility of the entity

Management of the Entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators;
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared under the responsibility of the CSR Committee reporting to General Management, in accordance with legal and regulatory provisions, and has not been approved by the Board of Directors.

Responsibility of the Statutory Auditor, appointed as independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- The fairness of the historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks.

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

It is not our responsibility to report on the entity's compliance with other applicable legal and regulatory provisions nor the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such

engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, "Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière", acting as the verification program, and with the International Standard on Assurance Engagements 3000 (revised).

Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Means and resources

Our work engaged the skills of six people between November 2022 and June 2023 and took a total of four weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted some fifteen interviews with the people responsible for preparing the Statement.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks, and includes,



- where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks
 - We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. Concerning certain risk "Suppliers & Supply Chain Risks", "Risks related to regulatory changes in relation to raw materials", "Risks associated with the transportation of hazardous products", our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities.
 - We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
 - We obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
 - For the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities³ and covers between 21% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;

- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.
- The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, le 15 juin 2023

KPMG S.A.
Elisabeth Roumegoux-Rouvelle
Associée

KPMG S.A
Fanny Houlliot
Expert ESG, Centre d'Excellence ESG



CSR Report 2022

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