



Social and Environmental Responsibility Report

2023

Publication: July 2024

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 with 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.

Indicators identified by pictogram ♦ were the subject of work aimed at formulating a conclusion of limited assurance by the independent third party.

Dear employees, partners and stakeholders,

We are delighted to present our Corporate Social Responsibility (CSR) Report for 2023. Today, CSR represents a real opportunity for differentiation, sustainability and collective pride in line with our values, our strategic vision, our priorities as employees and for our customers.

This is why, in 2020, we defined a CSR roadmap for 2020-2023 with ambitious objectives around our five pillars: Human Resources, Business Ethics, Health & Safety, Environment and Paints & Colors. Our CSR reports have been voluntarily audited by external non-financial auditors, demonstrating the rigor and seriousness of our approach. Our 2023 results reflect the soundness of our choices made in recent years to adapt our model and develop a corporate culture based on collaboration and initiatives.

It is in this spirit that we would like to warmly thank all our employees, partners, customers and stakeholders for the great CSR initiatives carried out in various areas such as: waste water and energy recycling in plants, research and marketing of low-carbon products and the implementation of societal actions. These actions highlight the commitment of our teams to these important issues, at the heart of our company.

At a time when we are experiencing major social, climate and geopolitical upheavals that affect all of us and impact the environment, Cromology is fully committed to contributing to a decarbonized economy, a less resource-consuming performance and a healthier, fairer and more inclusive world. To do this, we have appointed a CSR Manager who will be responsible for working on the next roadmap to address all of these long-term challenges, in France and in all the countries where Cromology operates.

Sincerely,

Mickaël Hamot, Rui Caldas



Mickaël Hamot

CHIEF EXECUTIVE OFFICER
OF CROMOLOGY FRANCE

Rui Caldas

DIRECTOR OF INTERNATIONAL
OPERATIONS

As CSR Manager at Cromology, I am proud to have contributed to the drafting of this 2023 CSR Report highlighting all the major CSR initiatives led by our talented and committed teams in France and abroad, at our plants and stores, to achieve the objectives set in our roadmap for 2020-2023.

I would like to thank the entire management team, whose governance has enabled the implementation of strong action plans and initiatives led by the HR, HSE, legal, R&D, commercial and operational teams, thus enabling the collective achievement of our objectives.

Because our ambition is strong at Cromology, we are currently in the construction phase of a new roadmap based on the CSRD regulation (Corporate Sustainability Reporting Directive) to meet the main climate, social and geopolitical challenges by defining a trajectory and long-term objectives.

Our objective is clear: to make these major challenges our priority in order to ensure our growth, our attractiveness and our specificity in order to always better meet the expectations of our teams and our customers!

Laure Gardebled

GROUP CSR MANAGER

Let's talk CSR



Laure Gardebled, CSR Manager,
with the CRI Nord teams.



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Description

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

The Group relies on its R&D and industrial capacities consisting of five research laboratories, nine production sites and six main logistics platforms. It serves its customers through more than 380 Integrated Stores, its e-commerce sites and the networks of its independent distributors, multi-specialists, major DIY Retailers and Digital Pure Player partners.

Cromology has 3,147 employees and is present in eight countries (Belgium, Spain, France, Italy, Luxembourg, Morocco, Portugal and Switzerland).

Through its 275-year history, Cromology has acquired recognized 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 sales are 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 minimize its environmental footprint.

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

CROMOLOGY

belongs to

DuluxGroup 

subsidiary of

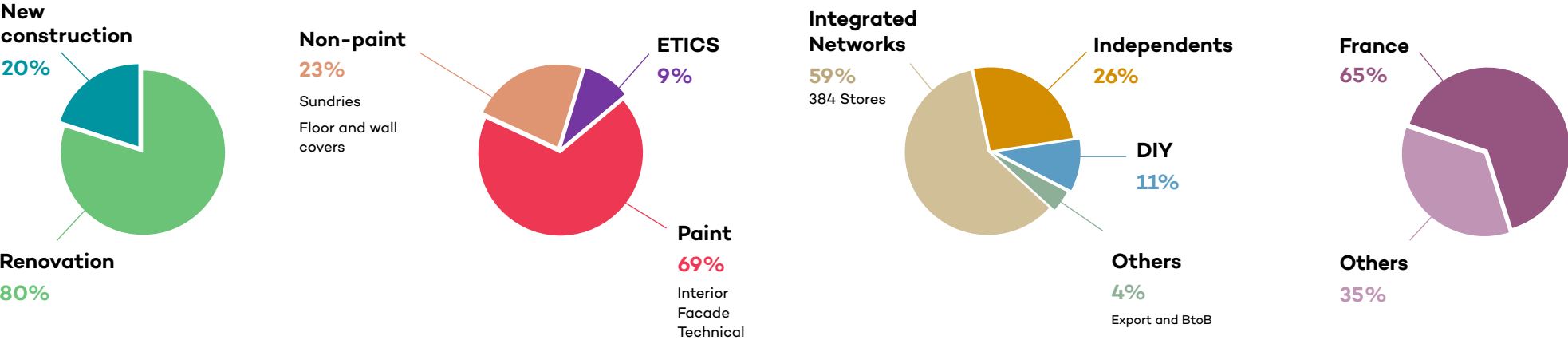
 **NIPPON PAINT GROUP**
Classic & New

€ **715** M
sales

3,147
employees

8
countries

Revenues Breakdown



Major strong
local brands



Purpose

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

Cromology’s Purpose mobilizes and motivates Cromology employees on a daily basis for the benefit of all its stakeholders.

Our values

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



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.



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.

1 Presentation of Cromology's business



French brands
committed to
the environment,
well-being and
craftsmanship

TOLLENS

A Color brand promoting well-being, care for the home and inhabitants, and the durability of colors. A range with the maximum number of ECOLABEL products, formulations aimed at the lowest possible level of VOC emissions, and others incorporating the maximum number of biosource components. The manufacture of its pigments is centralized and controlled by our experts in our laboratories and factories in Italy.

ZOLPAN

A brand committed to:

- reducing the consumption of buildings through its ETICS development program;
- reducing CO2 emissions (GHG) by developing the widest possible range of low-carbon paints;
- supporting craftspeople in France, with training programs for painters in new building techniques: ETICS, application of reflective/heat-regulating paints (Cool Roof Technology).

1 Presentation of Cromology's business



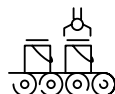
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laboratories



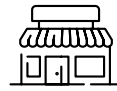
9

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



CSR Governance

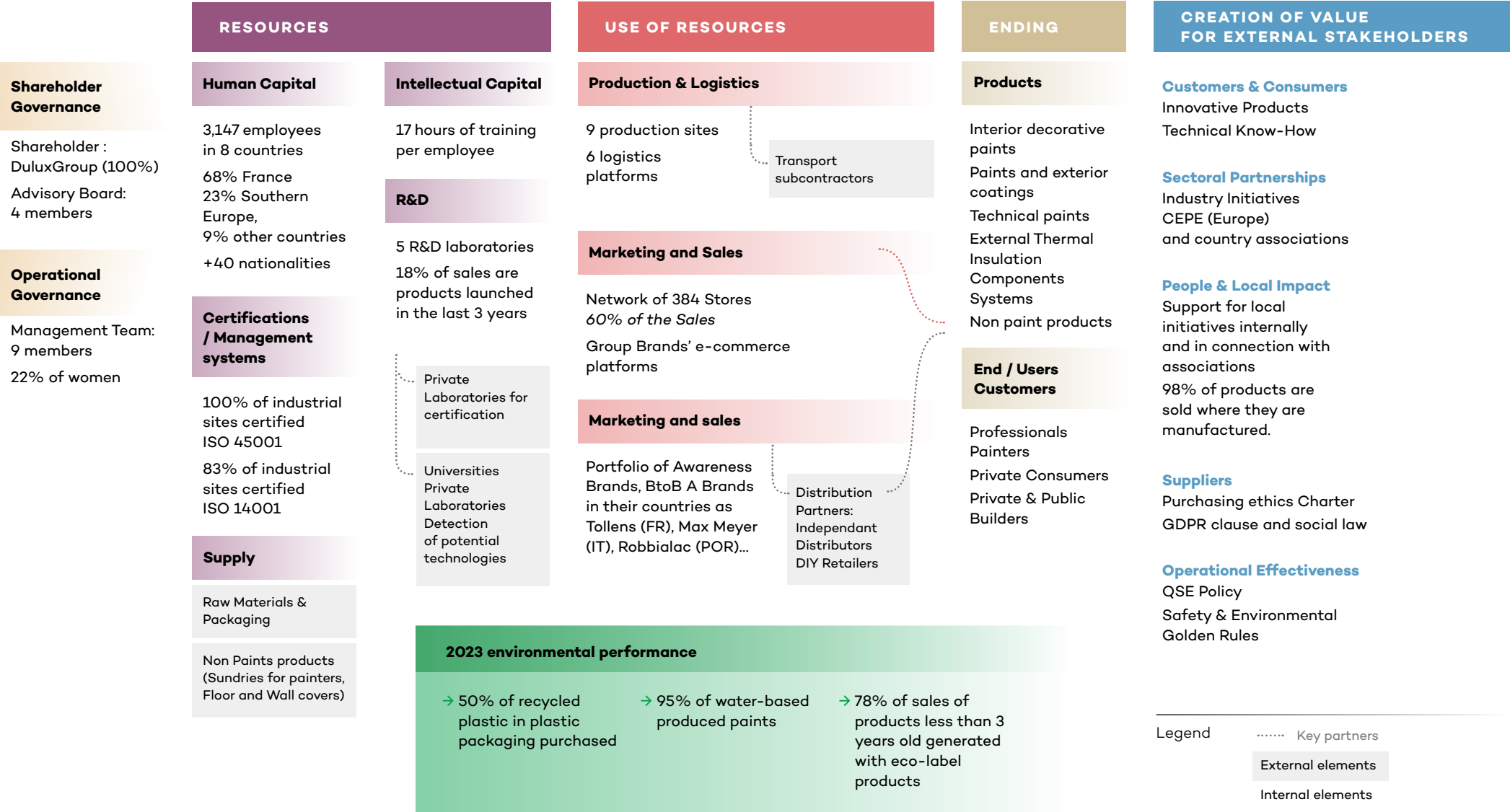
In 2020, Cromology set out the company’s CSR vision for 2023. As part of this, Cromology established a CSR Steering Committee. It is responsible for drawing up and managing the Group’s CSR vision.

The CSR Steering Committee met eight times in 2023. In each country, CSR coordinators are responsible for the roll-out of the Group’s CSR strategy and for monitoring local initiatives.

DuluxGroup - Cromology Advisory Board 4 meetings per year	Cromology Executive Committee 10 meetings per year	CSR Committee 10 meetings per year		
An assessment of Cromology CSR Policy definition and roll-out is presented to the Board on a quarterly basis.	<p>The CEC validates the group’s CSR actions plan and supports its effective implementation throughout Cromology.</p> <p>Together with the CSR Committee, it periodically reviews policies, objectives and actions.</p>	<p>The CSR Committee defines and conducts the group’s CSR action plans for the five definite pillars.</p> <p>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, Research and Development (R&D) and Marketing. With the support of</p>	<p>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.</p>	<p>The CSR Committee Members are: CEO, COO, Head of Product Development & Innovation, Head of Supply Chain, Manufacturing, Purchasing, QHSE Director, Communication Director, Head of Human Resources, Chief Legal and Compliance Officer, Group HSE Director, Chief Strategy and Marketing Officer, Transformation Director, Chief Financial Officer, Chief Information Officer Trade General Manager.</p>
Ethics Committee 10 meetings per year				
<p>Each quarter, the Ethics Committee examines the Group’s compliance related to CSR risks which could have a major impact on Cromology’s reputation.</p> <p>An ethics alert system, which is accessible to all group’s stakeholders, is available in the event of issues involving accounting</p>		<p>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.</p> <p>The Ethics Committee Members are: CEO, COO, Head of Supply Chain, Manufacturing, Purchasing, QHSE Director, Head of Human Resources, Chief Legal and Compliance Officer, Group HSE Director.</p>		

2 CSR Governance and business model

Business Model



3 CSR 2020–2023 Roadmap

Cromology has defined a CSR Roadmap 2020-2023 to cover, at a minimum, the 11 challenges defined (see Business challenges and Materiality Matrix, page 53), 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 2023 values are presented in the section entitled “The strategic priorities of Cromology’s CSR vision”.

Human Resources	
Business Ethics	
Health & Safety	
Environment	
Paints & Colors	

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

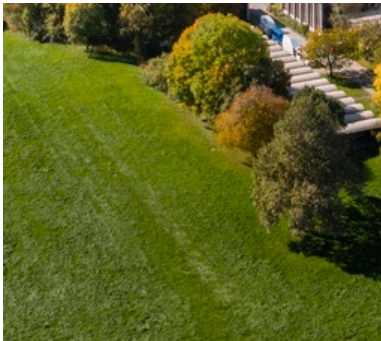
Contributing to the UN SDGs


	
	
	

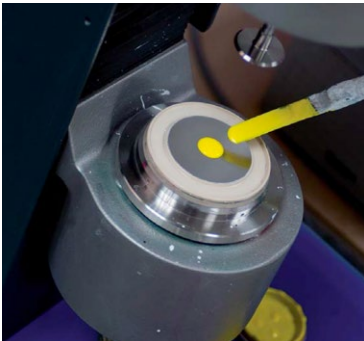
CSR pillars	Vision	Topics	2023 Targets
 Human Resources	Enabling employees to overachieve and grow professionally and personally	Employee Engagement	<ul style="list-style-type: none">– 100% of employees having completed one training a year by 2023– Average employee training time of 14 hours per year– One third of open positions to be filled through internal promotions
		Diversity, inclusion and equal treatment.	<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
 Business Ethics	Fostering maximum integrity and compliance within the organisation	Anti-corruption	<ul style="list-style-type: none">– Anti-corruption programmes rolled out– 100% of employees trained on anti-corruption
		Data Protection	<ul style="list-style-type: none">– GDPR programmes rolled out– 100% of employees trained on GDPR
		Supplier & Supply Chain Risks	<ul style="list-style-type: none">– Purchasing policy and Partners’ Code of Conduct fully deployed
		Competition	<ul style="list-style-type: none">– Competition programmes rolled out
		Governance	<ul style="list-style-type: none">– Appropriate governance Charter in place
 Health and Safety	Providing a safe and healthy working environment for our employees, customers and subcontractors		<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
 Environment	Minimising the environmental impact of Cromology's operations	Wastes management	<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
		Emissions reduction	<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
		Compliance to regulation on chemical products	<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
		Natural resources	<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	<p>Design formulas meeting the latest regulatory requirements and customers' expectations with regards to sustainability and affordability</p> <p>Provide all necessary guidance and training to ensure safe and high-quality paint application and color choice</p> <p>Roll out professional training programmes for applicators to champion painters' trade and value proposition</p>	<ul style="list-style-type: none">– 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. <ul style="list-style-type: none">– 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.



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



Preparation of buckets and lids for future paint cans on a packaging line.

KPIs concerning Human Resources, are available in chapter 8 - CSR indicators Dashboard

Ressources Humaines

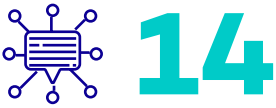
Enabling employees to overachieve and grow professionally and personally

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.





**collective agreements
signed in 2023**

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 indicators reflect several aspects of the company's performance: sales, gross margin, costs, WC, service levels, CSR criteria, etc. Wherever possible, Cromology believes individual and collective performance or underperformance should be reflected in everyone's compensation.

Each year, negotiations carried out within Cromology's subsidiaries lead to the conclusion of a significant number of local collective agreements on compen-



**91%
of employees received
training in 2023**

sation (eight agreements in 2023), working time (one agreement in 2023) and professional equality and Quality of Life at Work (five agreements in 2023) for a total of 14 agreements in 2023.

Training

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

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

In 2023, 91% of employees received training. This is mainly thanks to the e-learning solution rolled out in 2020 in all of the Group's activities. At the same time, the average number of hours of training per employee has risen by almost two hours compared with 2021, to 16.6 hours in 2023.

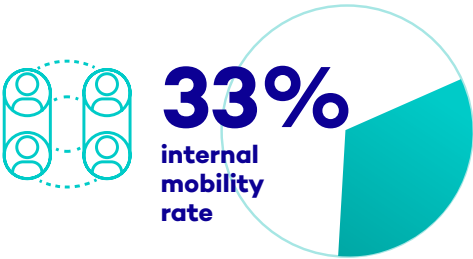
In 2024, Cromology's objective is to deploy more face-to-face training.



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. In 2023, the Group has achieved an internal mobility rate of over 33%.

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-opting, which is gradually being rolled out in all countries. In 2023, two co-opting operations were set up with the aim of boosting the recruitment of itinerant and sedentary salespeople with a doubling of the co-opting bonus. These actions are in addition to our traditional long-term co-opting program. In addition, meetings on people reviews and succession plans were organized in all departments with action plans



identified by employee: training in English (38 people), coaching (six people).

In 2024, the Group will renew coaching for 10 to 15 people per year in the form of a six-month package with an unlimited number of sessions for the employee.

In 2024, Cromology also wants to roll out an ambitious management program covering three levels of training for all of its managers: 360, face-to-face training, role-play, etc.



Onboarding training at Cromology headquarters



Quality control laboratory



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.

An internal satisfaction survey was launched in October 2023 to assess employee engagement. The participation rate was 81%. The results were communicated to all employees. Each manager worked with his or her teams to develop and implement a local action plan to improve employee engagement. A national action plan was also presented to employees during presentations in the regions between April and May 2024.



**Diversity, inclusion & equal treatment
action plans**

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

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

As part of the French Law No. 2018-771 of September 5, 2018 "Freedom to choose one's future career", Cromology now monitors a gender balance index at all Cromology entities in France.

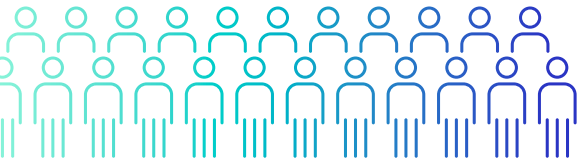
This index has been rolled out throughout the Group since 2020. The aim is for everyone in the Group to be treated equally and for the progress made to be accessible, at all sites and to everyone.

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

In addition, in 2023, a group of employees from all Cromology Group countries (D&I ambassadors), was created to work on actions on diversity and inclusion:

- the launch of a manifesto summarizing our commitments;
- the implementation of a communication and awareness campaign for all employees on the intranet aimed at promoting the diversity of our employees (39 nationalities);
- the creation and communication of a policy against discrimination and harassment in September 2023;
- a mandatory e-learning awareness module launched in January 2024 in France and rolled out internationally at the beginning of the second half of 2024;

39
nationalities



- the implementation of awareness-raising sessions for the Management Committee scheduled for 2024 (launch in March 2024);
- support for employees in the process of recognizing a disability with: an awareness-raising quiz, testimonials, individualized support to help with the process, information on the various types of disabilities (visible, invisible, etc.).

Here are the actions already undertaken before 2023:

- in France, a partnership with the École de la seconde chance has been in place since June 2015, with a seat on the Board of Directors since 2019. This partnership takes two forms:
 - coaching to help young people write their CVs and train them for recruitment interviews,
 - welcoming interns to our teams. In 2023, we welcomed an HR trainee. We will host another one in March 2024;

partnership between Cromology and a second chance school



- QLW (Quality of Life at Work) week with daily communication during the week promoting actions for the well-being of employees (gestures and postures, ergonomics, etc.);
- the implementation of a Klaxit carpooling platform;
- in France, participation in DUODAY since 2022 to raise awareness of disabilities within our profession.

feedback from the teams following participation in DuoDay 2023 at the plant

KLAXIT carpooling platform available to our employees



Business Ethics

Fostering maximum integrity and compliance within the organization

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

Group compliance programs (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.

Anti-bribery and corruption action plans

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

- 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 2024.
- 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 reviews reports of serious misconduct from internal and external stakeholders in order to fight against corruption.

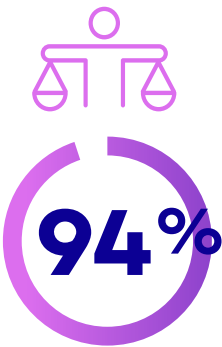


Data Protection action plans

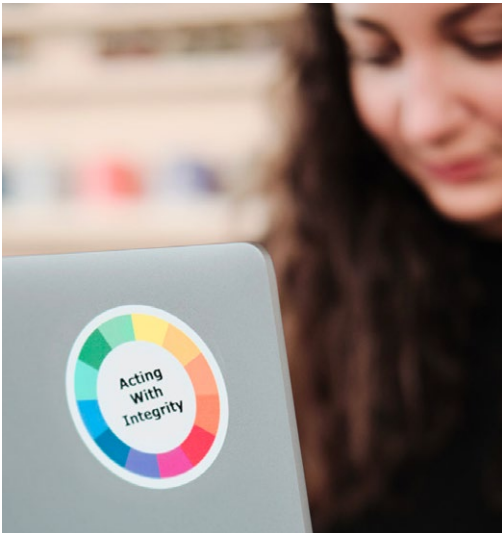
In the course of its business and operations, Cromology may collect and process personal data relating in particular to its partners (suppliers, service providers, business partners, and customers). In line with applicable regulations, Cromology uses data in a legitimate and proportionate manner.

Cromology has put in place technical and organizational 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.



of employees who have been trained on the Group's Anti-corruption Policy among all Cromology Group employees



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 formalized its CSR requirements through a Partners' Code of Conduct and a Purchasing Ethics Charter for Purchasing Department employees.

Supply agreements also include GDPR, labor 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 specializing in non-paint products, to adhere to the Partners' Code of Conduct.



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



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 Group'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 Group's governance arrangements operate. It also involves delegating appropriate levels of authority and responsibility to managers.

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.



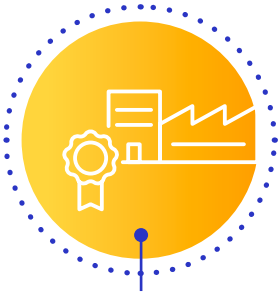
KPIs concerning Health and safety, are available in chapter 8 - CSR indicators Dashboard

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 program 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, headquarters, 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;
- identifying LOPCs (accidental spills), to analyze them and plan the related corrective actions;
- setting up a monitoring system using an authorized 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, sprinklers, fire hose stations, etc.).

In 2023, 50 workplace accidents were recorded (of which, 42 with lost time), significantly down compared to 2022 (64 accidents, of which 45 with lost time). The severity rate has also decreased significantly.

These improvements are due in particular to the new dynamic initiated in 2022, with the support of the DuluxGroup. This program, which covers several years,



100%
of our industrial sites are
ISO 45001 certified

aims to drastically reduce the occurrence of accidents, and in particular to prevent any risk of low-occurrence and high-severity accidents. It consists of the implementation of safety standards, accompanied by an audit campaign of all sites to assess the adequacy of each in terms of the requirements of the standards. In 2023, the “Traffic Management” and “Work Permit” safety standards were rolled out, and the implementation of the “Lockout” standard was started. At the end of 2023, all production sites and five of the six logistics platforms had been audited.

The 5S method (“Sort, Set in order, Shine, Standardize, Sustain”) is 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 2023, all industrial sites maintained their ISO 45001 certification.



The strategic priorities of Cromology's CSR vision
Health and Safety



308
stores

in France rolled out the 5S
method (“Sort, Set in order,
Shine, Standardize, Sustain”)





Environment

Minimising the environmental impact of Cromology's operations

Cromology is committed to acting to sustainably minimize the impact of its activities on the environment.

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

Waste management

Developing and selling new products with minimum environmental impact and lower quantities of waste is a top priority for Cromology.

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

83%

of Cromology's logistic and production sites are ISO 14001 certified



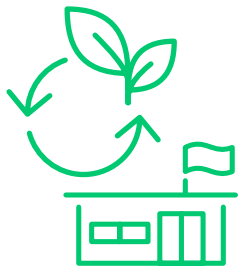
KPIs concerning Environment, are available in chapter 8 - CSR indicators Dashboard





90%

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



961 metric tons

of waste collected from the building sites of Cromology's professional and private customers since 2019

A hazardous and non-hazardous waste take-back system has been set up across French distribution networks in collaboration with an external service provider specialized 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 organizations, whose mission is to encourage the sorting, take-back and treatment of certain chemical waste. These include EcoDDS and Valobat 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-organization 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 uses waste treatment service providers to incinerate or recycle it under conditions that respect health and the environment. In partnership with EcoDDS, since 2019, Cromology has installed a free system of waste sorting bins (paints, sealants, strippers, accessories). This system, called Rekupo, is deployed in 271 Tollens and Zolpan stores (90% of its stores in mainland France). Since 2019, when the Rekupo installation started up, Cromology has collected 961 metric tons of waste from the building sites of its professional and private customers.




In addition, our paint manufacturing plant in the north of France recycles its waste water from the paint manufacturing process through a flocculation/nanofiltration system.

It aims to recover its rainwater by the end of 2024 to reuse it in the manufacture of its paints.

Other environmental initiatives have been undertaken, such as the installation of LED lighting with motion sensors and the recycling of energy from heating installations.

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



VOC content
less than
1g/L

whereas European
regulations require a content
of less than 30 grams
per liter

Emissions reduction

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

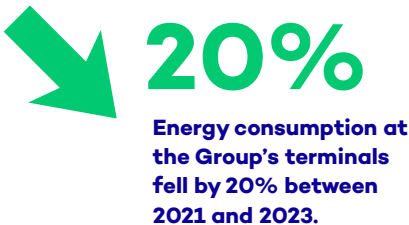
Cromology's R&D team is working on the development of new products with significantly reduced VOC content, well below the limits set by European regu-

lations. For example, with respect to the Idrotop products, one of Cromology's highest-volume paint ranges, our teams have developed formulations with a VOC content of less than one gram per liter, whereas European regulations require a content of less than 30 grams per liter.

Following the decision to discontinue the INDUSTRIE range in Morocco for reasons related to the health of our employees and the reduction of our impact on the environment, the decrease in VOC emissions in 2023 was significant at -34% compared to 2022.

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

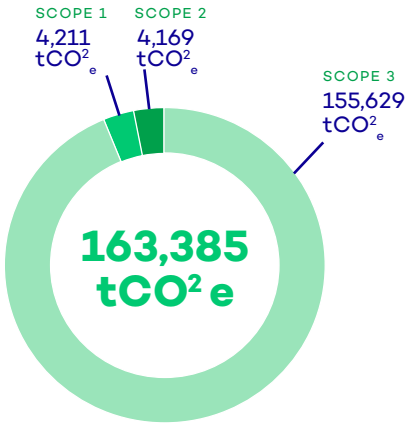




In 2021, Cromology carried out a carbon assessment which made it possible to measure emissions for Scopes 1, 2 and 3. Cromology's total emissions were 163,385 tCO₂e, i.e. 22 tCO₂e per employee. An energy sobriety program was launched throughout the Group in 2022 to reduce gas and electricity consumption and thereby reduce our GHG emissions.

In 2022 and 2023, numerous actions were carried out on industrial sites and in stores. They include:

- raising staff awareness of eco-friendly practices;
- the installation of LED lighting, coupled with a motion sensor on certain logistics platforms;
- cleaning of the skydomes to promote natural lighting;
- heat recovery from compressors to heat offices and thus reduce heating gas consumption.



All these actions have made it possible to reduce the energy consumption at the Group's terminals by 20% between 2021 and 2023.



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.

In each country, Cromology is an active member of local federations to discuss regulatory changes and the application of laws in our profession.

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 2023.

Cromology is committed to reducing its overall water consumption, which is why waste water recycling facilities were modernized in 2023 at our plant in northern France. This modernization plan will continue in 2024 with our Savoie plant. Other studies are underway for recycling in our factories in Europe.

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 by Road).

Cromology has appointed an external safety adviser for each of its sites, who prepares one compliance report per year.

Interview with Thierry Jeannette, Cromology Product Marketing Director in Infochimie Magazine February 2024

Près de 90 %
Part de marché des peintures aqueuses

Milieu des années 2010
décollage des peintures naturelles

Plus de 65 %
Part de biosourcé dans les résines alkydes de nouvelle génération

Une industrie à l'heure

Après l'avènement des solutions en phase aqueuse, l'arrivée sur le marché des produits biosourcés a amorcé le second tournant de la décarbonation de l'industrie de la peinture. Mais pour répondre aux enjeux de cette transition, les industriels multiplient aussi d'autres approches : matières premières issues de l'économie circulaire, optimisation des procédés, gestion et minimisation des déchets...

Par Alexandre Rougier

« L'industrie de la peinture est au second tournant de sa décarbonation », lance Thierry Jeannette (Chimnology), président de la commission l'avronnement de la Fédération des industries des peintures, encres, couleurs, colles et adhésifs, résine (Fipco). Le premier virage, lui, remonte au début des années 2000, avec le passage des peintures solvantes aux solutions en phase aqueuse, encouragé par la directive européenne relative à la réduction des émissions de composés organiques volatils (COV). « À l'époque, les clients et consommateurs étaient principalement sensibilisés à la question par rapport à des problématiques de santé », souligne Thierry Jeannette. En une vingtaine d'années, l'innovation a permis aux solutions en phase aqueuse d'atteindre des perfor-

mances équivalentes à celles des peintures solvantes et de s'imposer, petit à petit, jusqu'à représenter près de 90 % du marché, aujourd'hui. Même si, à l'époque, personne n'en parlait dans ces termes-là, l'industrie de la peinture venait de faire un premier pas vers la décarbonation. À la fin des années 2000, la démarche acquiert une nouvelle dimension, avec le constat de plus en plus prégnant de la nécessité de préserver l'environnement et la planète. Les industriels commencent alors à développer des solutions en phase aqueuse biosourcées (encadré p. 21), pour s'affranchir des ressources d'origine pétrochimique. À partir du milieu des années 2010, ces peintures « naturelles » rencontrent un succès grandissant dont le déclencheur semble être la prise de conscience de l'urgence environnementale par les industriels et consommateurs. « Aux résineux français et européens, aucune réglementation ne pousse les industriels à proposer des solutions biosourcées », remarque Laurent Prigent, responsable environnement de la Fipco. « Elle les incite seulement à bien communiquer et à justifier leurs obligations lorsqu'ils le font », nuance-t-il. Ces dernières années, la crise sanitaire du Covid-19 semble, elle aussi, avoir contribué à cette prise de

« MICHAEL TOUTIER LES INDUSTRIES DE LA REACTION www.infochimie.com »

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17585 - Février 2024 - infochimie magazine



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.

KPIs concerning Environment, are available in chapter 8 - CSR indicators Dashboard



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 standardized test. This is the case, for example, with Tollens Class 1 washable trim paint. Its formulation makes it possible to extend the time before renewing coatings.



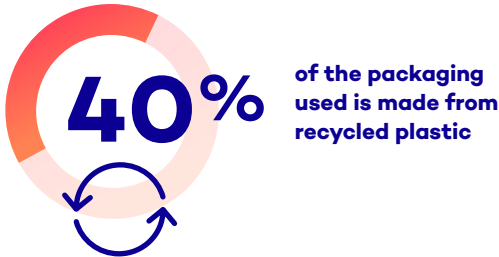
Reducing the carbon footprint of our paints

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 favors 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.

Lastly, 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).



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 lower temperatures in buildings in the tertiary sector by reflecting the sun’s rays.

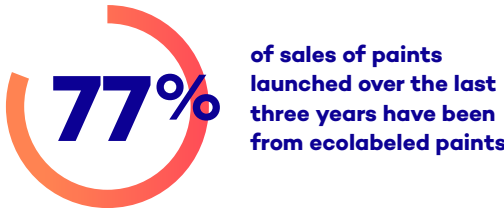


The health and safety of our customers and respect for the environment

The safety and health of all our customers is a major concern, as is our impact on the environment. 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 paints launched over the last three years have been from ecolabeled paints.

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.



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 changes¹. Cromology has significantly increased its investments for more than three years to better anticipate regulatory changes and better assess their impacts.

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 (impact study), working alongside the marketing and R&D teams to develop the commercial offering while anticipating ways of ensuring compliance with any new regulatory requirements.

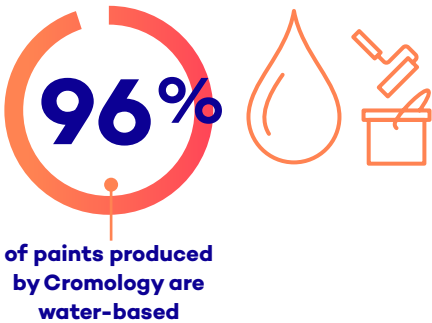
With regard to **natural resources**, 95% of paints produced by Cromology are water-based, thus limiting the use of solvents derived from fossil resources.

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 Center of Excellence in Tuscany, Italy. This center was set up over three years ago with the aim of centralizing studies and skills in one place.

To create the colors, Cromology manufactures pigment pastes based on natural or synthetic, mineral or organic pigments. These pigments are supplied from a selection of suppliers with specifications guaranteeing the compliance of the pigments with the regulations in force.

Thanks to constant color 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.



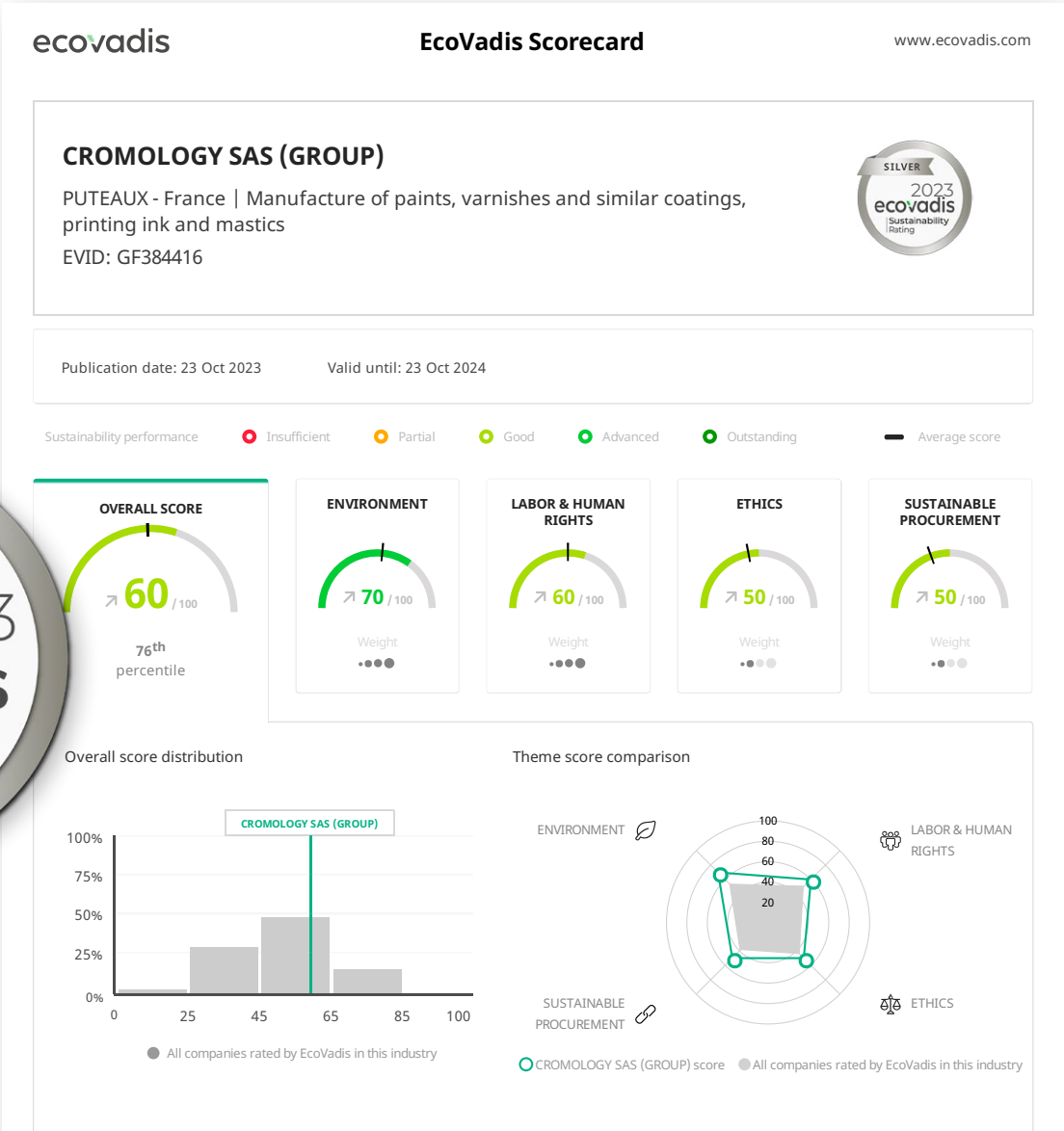
¹ With the exception of Morocco: in this country, where there are no specific regulations, Cromology has set itself the objective of gradually bringing itself into line with European regulations. The company has begun to list CMR and SVHC hazardous raw materials according to the criteria used in the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

Ecovadis Certification

In 2023, the EcoVadis rating system awarded Cromology the silver medal with a score of 60/100. This score demonstrates our commitment to responsible practices, offering our employees, customers, suppliers and partners additional assurance on the quality and reliability of our commitments.



4 The strategic priorities of Cromology’s CSR vision



Summary of the results of our 2020-2023 CSR roadmap

The results of our 2020-2023 CSR roadmap reflect all the CSR commitments and the efforts put in place by Cromology to exceed them and work towards achieving our objectives.

At Cromology, we are very proud of the results and we intend to continue our efforts on all CSR pillars.

We are currently working on the definition of our next roadmap for 2024-2026, which will be even more ambitious and engaging in order to meet all the CSR challenges of tomorrow.

		2019	2020	2021	2022	YTD 2023	2023 Obj.
Human Resources	% of Employees having completed at least one training program	84%	88.5%	97%	96%	91%	100%
	Average number of hours of training per employee	12.3h	11.2h	14.8h	17.9h	16,6h	14h
	% of Promotion / internal mobility	(2)	27,2%	27,9%	27.5%	34,5%	33%
	Gender Equality Index	(2)	76.8/100	81.7/100	82/100	79.2/100	85/100
Business Ethics	% of Employees who have signed the group's anti-corruption policy	(2)	58.2%	93%	97%	94%	100%
	% of Employees who have signed the Data Protection policy	(2)	(3)	81%	95%	92%	100%
	% of Purchasing employees who have signed the Ethical Procurement charter	100%	100%	100%	100%	100%	100%
	Share of Purchasing * volume covered by suppliers who have signed the Responsible Purchasing charter		69%	85,9%	90.9%	89.9%	80%
Health & Safety	Frequency rate of all accidents (TRIFR).	8,4	7,7	8,4	11,6	8,9	7,2
	% of industrial sites with ISO 45001 certification	NA	100%	100%	100%	100%	100%
	Deployment of the 5S method in points of sale (%)	97%	94.9%	99.7%	98,5%	97,7%	100%
Environment	% of industrial sites ISO 14001 certified	77%	70%	77%	83%	83%	91,7%
	Intensity of Volatile Organic Compounds emitted per kilo metric ton of production (T/kT)	0.67	0.62	0.52	0.51	0,37	0.60
	CO2 emissions (metric tons CO2-eq/kT produced) Scope 1 et 2	36.7	32.7	35,9	30,40	29,7	
	% of eligible Cromology personnel trained in ADR	90.3%	69.9%	90.9%	87.4%	73.0%	98%
	Total Suspended Solids (TSS) (metric tons)	26.4	52.5	57.3	22.8	5.2	35
	Chemical Oxygen Demand (COD) (metric tons)	53.3	60.4	47.8	36.2	23,8	50
	Energy consumption (TJ)	168,6	140.19	163.82	131,71	130.31	
	Number of raw materials concerned by regulatory watch (% of raw materials' total)	9%	9%	9%	12%	14%	<10%
Paints & Colors	Proportion of revenue from eco-certified products launched within the last 3 years (out of total revenue from products launched within the last 3 years)	60%	58.3%	69%	77.4%	77,6%	65%
	Proportion of Paint revenue from eco-certified products	50%	48%	52,9%	55.9%	56,4%	50%
	% of pack with plastic recycled among plastic pack				38%	50%	
	Number of countries offering professional training programs for clients	(2)	5	5	5	5	6
	Sales share of new products	(2)	20%	17,7%	16.6%	17,4%	23%

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

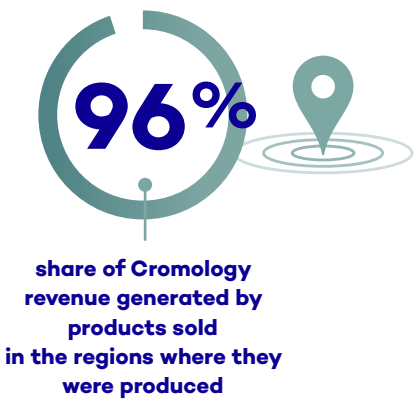
Most of the Group’s products are manufactured locally.

In 2023, the share of Cromology sales generated by products sold in the regions where they were produced was more than 96%.

With regard to its policy of purchasing raw materials and packaging in Europe, Cromology favors suppliers who manufacture in Europe as close as possible to its production sites (95% of its purchases in 2023).

Partnerships and sponsorships

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



In **France**, our initiatives in favor of people with disabilities are also numerous, notably with the establishment of partnerships with ESATs (maintenance of green spaces, relabeling of products, etc.), the organization of the DuoDay for the first year, etc.

Social and environmental initiatives are also offered to employees: partnership with the Klaxit carpooling platform, and the collection of toys for Restos du Cœur just before Christmas.

At Cromology, whether in France or abroad, the promotion of art and culture is a strong priority, as evidenced by the many partnerships we have forged: in France, thanks to the Tollens brand, with the Musée d'Orsay and the Orangerie Museum (Paris), the Musée de la Piscine in Roubaix, the Château de Chantilly and the Musée d'Art Moderne et Contemporain of Saint-Etienne.



Musée d'Art Moderne in Saint-Étienne



Musée d'Orsay
Exhibition of pastels
from Millet to Redon»

In **Spain**, Cromology engages in actions to support people with disabilities, in particular with a partnership with SELID, a center for the integration through work and training of disabled people, by hiring staff for short assignments via this center. But also with other companies promoting the integration of people with disabilities: purchase of PPE from Protec & Marti, maintenance of green spaces with Fundacio ceo del Maresme, or the wrapping of Christmas gifts by Christmas Bouchet. Cromology Spain also supports the Spanish Red Cross in the fight against social exclusion.

In **Italy**, Cromology has been supporting children's non-profit organizations 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). The Italian teams support several associations through product donations to improve living spaces and promote professional or educational reintegration (e.g. Fondazione Dynamo Camp Onlus, whose purpose is to offer free recreational programs to sick children, Cose e persone, Nanina, etc.). They have also committed to urban redevelopment with, for example, the artist Massimo Sirelli during the Catanzaro ColorFul Event, which painted around a hundred concrete breakwaters in the Catanzaro port area; or an urban redevelopment project in disadvantaged areas of the city of Cosenza.



Work by the Italian artist Massimo Sirelli



Work by the artist Massimo Sirelli in the city of Cosenza's urban landscape

On September 8, 2023, **Morocco** experienced the strongest earthquake ever recorded in the history of the country, with an estimated magnitude between 6.7 and 6.9, and more than 2,000 victims. The Cromology Morocco teams therefore all mobilized to support the victims (+€6,000 in donations including tents and equipment). They have also committed to the renovation and modernization of schools and mosques.

In **Portugal**, paint donations are made every year to charities which help young people with addictive behavior, volunteer fire brigades, local sports clubs, schools and nurseries, animal protection associations and local authorities. Among the 2023 actions, we can highlight the painting of a wall with the image of the Pope during World Youth Day in Coimbra, the rehabilitation of public places with the Junta Freguesia Carapinha, or donations of food and hygiene products at the CAT (Centra de acolhimento temporario).

Wall fresco made with the help of our painting donations during WYD 2023 in Portugal



Rehabilitation of a school with the Junta Freguesia Carapinha in Portugal

6 Methodology

Themes covered in this extra-financial report

Some of the mandatory themes set out in the Extra Financial Performance Declaration (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. It should also be noted that in terms of greenhouse gas emissions, Cromology does not update every year the direct and indirect greenhouse gas emissions related to the upstream and downstream transport activities of the activity, and more broadly, Scope 3 emissions (the Group’s last carbon assessment was carried out in 2021 and will be updated in 2024). Lastly, Cromology did not carry out any specific actions to promote the nation-army link and support enlistment in the reserves.

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 sales of new eco-certified products 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 ton 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’s Purchasing Department. It 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.

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, unauthorized 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 program 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 in the headcount who had a change in their coefficient, level and grade among total headcount.

% of promotions/internal mobility: People in the headcount who had a change in their position among the open permanent positions filled during the period.

Diversity, inclusion and equal treatment

% of women among all employees

% of women among management: this indicator makes it possible to monitor the proportion of women holding a managerial role within the company.

% of women among recruitments

Gender Equality Index: Based on the French Gender Equality Index for companies with over 250 employees; applicable to all Cromology entities. The Gender Equality Index evaluates:

- the pay gap between women and men, at comparable socio-professional category and age;
- the difference in the rate of individual increases for women and men;
- the difference in the promotion rate between women and men;
- the % of employees increased upon their 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 interns and doctoral students are excluded from the scope as well as employees benefiting from a specific pre-retirement scheme. 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 recognized 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 indicators

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 program 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 programs are launched and employees with less than one month's seniority.

Supplier & Supply Chain Risks

% of Purchasing Department employees who have signed the Purchasing Ethics Charter: This is the percentage of Purchasing employees in the Group Purchasing Department who have signed the charter, out of the 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 suppliers¹ 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 the packaging purchase 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 purchases (goods for resale) covered by suppliers who have signed the Responsible Purchasing Charter: This is the percentage of the amount of purchases from main/at-risk suppliers¹ 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 the purchasing volume (raw material, packaging, goods for resale) covered by suppliers who have signed the Responsible Purchasing Charter: This is the percentage of the amount of purchases from main/at-risk suppliers¹ 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.

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.

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

Frequency rate of all work-related accidents (FR-2): The frequency rate of all work-related accidents (FR-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.

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

Severity rate of accidents: The severity rate of accidents with lost time 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 compared to 5S audits to be carried out.

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

Environmental indicators

Wastes management

% of production and logistics sites ISO 14001 certified: Number of production and logistics 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 metric tons) per metric ton of product manufactured via these indicators. 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 tons) per metric ton of products 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

CO² emissions

CO² emissions - Scope 1 (metric tons CO² eq.)

CO² emissions - Scope 2 (metric tons CO² eq.)

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

CO² emission ratio - Scopes 1 + 2 (metric tons CO² eq/kT produced)

These emissions are calculated with emission factors based on energy consumption. Emission factors were updated for 2023 and are taken from the OMINEA 2023 database or the Ademe database (Nov. 2023). Emissions for 2022 and 2021 have not been recalculated and use factors from the OMINEA database (2022 and 2021) and from Ademe (2022 and 2021).

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

Intensity of Volatile Organic Compounds emitted per kilo metric ton 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 tons 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 emissions): VOC (metric tons) in raw materials

("input VOCs 1"): these VOCs are calculated on the basis of the VOC content (%) and the quantity consumed (metric tons) of each raw material; VOC (metric tons) in finished products ("VOC output 2"): these VOCs 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 content which is then applied to the total tonnages produced; VOCs related to waste ("VOC output 3"): these VOCs are calculated by applying to the waste (metric tons) containing solvents either the average VOC content of the raw materials or the average VOC content of the finished products, depending on the type of waste; "Diffuse" VOC: these VOCs are calculated as value of (1) - (2) value of - value of (3).

It should be noted that some of the data is estimated and corresponds to the best information available to date by Cromology (end-of-year energy consumption, VOC emissions at non-significant sites). The data are corrected retroactively in the CSR N+1 report and indicated by an asterisk. The impacts of these corrections are not significant (less than 5%).

Compliance to regulation on chemical products

% of eligible Cromology personnel 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 in the annual training plans for ADR.

Total Suspended Solids (TSS) (metric tons): 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 tons): COD is the mass of oxygen necessary to fully oxidize carbon and hydrogen containing compounds in one liter of solution, which is 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 potentially subject to regulation (% of total raw materials)

Number of raw materials potentially targeted by the regulation on 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 sales generated by products launched within the last three years

Share of sales 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 sales generated from products less than three years old with an environmental label out of total revenue from products less than three years old.

The environmental labels are:

- the European Union eco-label 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 organization for standardization (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 sales 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.

7 Report of the Statutory Auditors, appointed as an independent third party, on the consolidated extra financial performance declaration

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 December 31, 2023

To the Annual General Meeting

In our capacity as Statutory Auditors of your company (hereinafter the "Entity"), we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated extra financial performance declaration, within the Cromology sub-Group boundaries, prepared in accordance with the Entity's procedures (hereinafter the «Guidelines»), for the year ended on December 31, 2023 (hereinafter, the «Information» and the «Declaration» respectively), established voluntarily by the Entity pursuant to the 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 implemented, as described in the "Nature and scope of the work" section, and the information we collected, we did not identify any material misstatements that would call into question the fact that the consolidated extra financial performance declaration complies with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code, and that the Information overall, is fairly presented in accordance with the Guidelines.

Preparation of the extra financial performance declaration

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 Declaration or available on the Entity's website or on request from its headquarters.

Inherent limitations in preparing the Information

As indicated in the Declaration, 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 Declaration.

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

The Declaration 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 Auditors

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

- the compliance of the Declaration 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 comment on:

- the Entity's compliance with other applicable legal and regulatory provisions;
- the compliance of products and services with applicable regulations.

Applicable professional doctrine

We performed the work described below in accordance with the professional doctrine 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", 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 four people between November 2023 and May 2024 and took a total of five 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 Declaration.

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 Declaration covers each category of social and environmental information provided for in Article L. 225-102-1 III, and includes, where applicable, an explanation of the reasons for the absence of the information required by the second paragraph of III of Article L. 225-102-1;



- we verified that the Declaration presents the information provided for in II of Article R. 225-105 when it is relevant with regard to the main risks;
- we verified that the Declaration 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 verified that the Declaration includes a clear and reasoned explanation of the reasons justifying the absence of a policy concerning one or more of these risks in accordance with Article R. 225-105 I of the French Commercial Code;
- 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 (actions and outcomes) that we considered to be the most important presented in Appendix. For certain risks, our work was carried out at the level of the consolidating entity, for other risks, work was carried out at the level of the consolidating entity and in a selection of entities;
- we verified that the Declaration covers the consolidated scope, i.e. all entities included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code;
- 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 25% and 100% of the consolidated data 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, June 7, 2024

KPMG S.A.
Elisabeth Roumegoux-Rouville
Partner

KPMG S.A.
Fanny Houlliot
ESG Expert, ESG Center of Excellence

Appendix

Qualitative information (actions and results) considered most important

Policies and actions to manage the risks associated with transporting hazardous products
Policies and actions in place to monitor regulatory changes concerning raw materials
Policies and actions to promote diversity and inclusion

Key performance indicators and other quantitative results considered most important

Total headcount
Absenteeism rate in calendar days (AR1)
Employee Involuntary Turnover
Share of women among management
Frequency rate of all work-related accidents (TF-2)
Severity rate of accidents
Share of employees who have been trained on Group’s anti-corruption policy among all Cromology Group’s employees
Share of employees who have been trained on Group’s data protection programme among all Cromology Group’s employees
Share of Packaging Purchasing volume covered by suppliers who have signed the Responsible Purchasing Charter or the Partners’ Code of Conduct
CO2 emissions – Scope 1 (metric tonnes CO2-eq)
CO2 emissions – Scope 2 (metric tonnes CO2-eq).
CO2 emission ratio – Scope 1 + 2 (metric tonnes CO2-eq/kT produced).
Intensity of Volatile Organic Compounds emitted per kilo metric tonne of production (T/kT).
Waste generated (% of production volumes)
Chemical Oxygen Demand (COD)
Share of revenue generated by eco-certified products in total sales
Number of packaging purchased containing recycled plastic out of the number of packaging purchased by Cromology

Human Resources	2021	2022	2023
Demographics			
Group workforce	3,184	3,150	3,147 ♦
of which permanent contracts	3,085	3,058	3,033
	96.9%	97.1%	96.4%
of which fixed-term contracts	100	92	114
	3.1%	2.9%	3.6%
of whom women	933	914	916
	29.3%	29%	29.1%
of whom men	2,251	2,236	2,231
	70.7%	71%	70.9%
New hires in the Group ¹	390	440	413
of whom women	140	147	126
	35.9%	33.4%	30.5%
Departures from the Group ²	465	467	424
of whom women	151	152	128
	32.5%	35.1%	30.2%
Breakdown of staff by geographic region			
France (including Belgium and Luxembourg)	68.7%	67.6%	68.6%
Southern Europe (Spain, Italy, Portugal)	23.0%	23.6%	23.2%
Other countries (Morocco, Switzerland)	8.3%	8.8%	8.2%
Employee Engagement			
Absenteeism rate in calendar days (AR1) (%)	4.90%	5.4%	5.1% ♦
Turnover	14.7%	15.2%	14%
Employee Involuntary Turnover	6.6%	8.4%	8%*
Average number of hours of training per employee "2023 roadmap"	14.8	17.9	16.6
% of employees having completed at least one training programme "2023 roadmap"	97%	96%	91%
% of promotion	9.7%	7.2%	13.6%
% of promotion – internal mobility "2023 roadmap"	27.9%	27.5%	33.5%
Diversity, inclusion and equal treatment			
% of women among all employees	29.3%	29%	29.1%
% of women among management	26.8%	27.5%	28.5% ♦
% of women among recruitments	35.9%	33.4%	30.5%
Gender Equality Index "2023 roadmap"	81.7	82	79.2

¹ Permanent contract + fixed-term contracts converted into permanent contracts + internal transfers + acquisitions.
² Permanent contracts only.

Business Ethics	2021	2022	2023
Anti-bribery and corruption			
% of employees who have signed the Group's anti-corruption policy among all Cromology Group's employees "2023 roadmap"	93%	97%	94%
% of employees who have been trained on Group's anti-corruption policy among all Cromology Group's employees	89%	97%	94% ♦
Data Protection			
% of employees who have signed the Data Protection policy among all Cromology Group's employees "2023 roadmap"	81%	95%	92%
% of employees who have been trained on Group's data protection programme among all Cromology Group's employees	87%	95%	92% ♦
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	79.3%	84.4%	83.4%
Share of Packaging Purchasing volume covered by suppliers who have signed the Responsible Purchasing Charter or the Partners' Code of Conduct	86.4%	87.3%	89.3% ♦
Share of Trade purchase value (Goods for Resale) covered by suppliers who have signed the Responsible Purchasing Charter or the Partners' Code of Conduct	93.8%	98.1%	97.4%
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"	85.9%	90.4%	89.9%
¹ New 2021 indicator.			
Health & Safety			
Lost-Time Injury Frequency Rate (LTIFR) "2023 roadmap"	5.93	8.1	7.5
Frequency rate of all work-related accidents (TF-2)	8.37	11.5	8.9 ♦
Severity rate of accidents (SR)	0.70	0.72	0.31 ♦
Deployment of the 5S method in points of sale (%) "2023 roadmap"	99.7%	98.5%	97.7%
% of industrial sites with ISO 45001 certification "2023 roadmap"	100%	100%	100%

Key Performance Indicators – Environment	2021	2022	2023
Wastes management			
% of industrial sites ISO 14001 certified “2023 roadmap”	77%	83%	83%
Waste generated (% production volume)	4.4%	4.6%	4.2♦
Hazardous waste generated (% production volume)	1.3%	1%	1%
Emissions reduction			
CO ² emissions – Scope 1 (metric tonnes CO ² -eq)	3,134.07	2,147.82	1891.3♦
CO ² emissions – Scope 2 (metric tonnes CO ² -eq)	4,652.74	4,120.92	4288.2♦
CO ² emission ratio – Scope 1 (metric tonnes CO ² -eq/kT produced)	14.47	10.42	9.07♦
CO2 emission ratio – Scope 1+2 (metric tonnes CO ² -eq/kT produced) “2023 roadmap”	35.94	30.40	29.6♦
Intensity of Volatile Organic Compounds emitted per kilo metric tonne of production (T/kT) “2023 roadmap”	0.54	0.51	0.37♦
Compliance to regulation on chemical products			
% of eligible Cromology personnel trained in ADR among those to be trained “2023 roadmap”	90.9%	86.9%	73%
Total Suspended Solids (TSS) (metric tonnes) “2023 roadmap”	57.29	22.81	5.2
Chemical Oxygen Demand (COD) (metric tonnes) “2023 roadmap”	47.83	36.24	23.8♦
Energy consumption (TJ) “2023 roadmap”	163.8	133.7	131.8

Key Performance Indicators – Paints & Colors	2021	2022	2023
Share of Paint revenue generated by products launched within the last three years	17.7%	16.6%	17.4%
Share of revenue of ecolabelled products less than three years old (out of total sales of products less than three years old) “2023 roadmap”	69%	77.4%	77.6%
Proportion of Paint revenue from eco-certified products in total sales “2023 roadmap”	51.8%	55.9%	56.4%♦
Share of production generated by water-based products out of total production	93%	94.7%	94.9%
Number of packaging purchased containing recycled plastic out of the number of packaging purchased by Cromology		38.4%	50% ♦
Number of countries offering professional training programmes “2023 roadmap”	5	5	5
% raw materials concerned by regulatory watch out of raw materials' total “2023 roadmap”	9%	12%	14%
Volume of raw materials concerned by regulatory watch (% of raw materials' total)	2%	4%	9%

¹ Except Switzerland.

Indicators identified by the pictogram ♦ were subject to verification work aimed at providing a conclusion of limited assurance by the independent third party.

9 Business challenges and Materiality Matrix

To define its approach to sustainable development and establish its 2020-2023 CSR roadmap, 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 2023 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 characterize the expectations of its stakeholders with regard to its ambitions in terms of sustainable development.

L'analyse de matérialité

The analysis confirmed the material priorities that the Group set for itself in its 2020-2023 CSR roadmap for the success of its activities and for its external stakeholders. It is the result of a consultation conducted in the main countries where the Group operates, with more than 126 external (65) and internal (61) stakeholders: suppliers; distributor customers; specifying customers, painters, BtoC customers; general interest associations, sector experts, financial players; public, institutional and economic players.

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

- Employee engagement & attractiveness
- 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
- Waste management (production, distribution and logistics sites)
- Sustainable packaging solutions
- Indoor air pollution reduction
- Products end-of-life management and circular economy

10 Summary of risks identified and mitigation policies implemented

CSR topics	Extra-financial risks	Description of the risk	Mitigation policies and measures	KPIs (key risk measurement indicators)	Relevant paragraph
Social	Risks related to lack of employee engagement	The level of employee engagement is key to the development of activities	Actions related to employee engagement (wages, training, career development, working conditions)	Absenteeism rate in calendar days (AR1) (%) ♦	6.a
				Headcount (nbr and %) ♦	
				Absenteeism rate in days worked (AR2) (%)	
				Employee Involuntary Turnover (%) ♦	
Social	Diversity, inclusion and equal treatment	The potential impact would be departures from the company, recruitment difficulties and membership issues	Actions to promote diversity, inclusion and equal treatment	Average number of hours of training per employee	
				% of promotion	
				% of women among all employees	
				% of women in management ♦	
Supply chain	Supplier & Supply Chain Risks	The potential impact is a disruption in the supply of raw materials if a supplier's production site is affected and in turn weighs on Cromology's production capacity	The requirements vis-à-vis suppliers are formalized by the signing of the partner code of conduct. All purchasing employees sign an ethical purchasing charter	% of women among recruitments	6.b
				Gender Equality Index	
				Share of materials purchasing volume covered by suppliers who have signed the Responsible Purchasing Charter	
				Share of packaging volume covered by suppliers who have signed the Responsible Purchasing Charter ♦	
Supply chain	Supplier & Supply Chain Risks	The potential impact is a disruption in the supply of raw materials if a supplier's production site is affected and in turn weighs on Cromology's production capacity	Implementation of an annual progress plan for purchases and development of double sourcing	Share of purchases (goods for resale) covered by suppliers who have signed the Responsible Purchasing Charter	

10 Summary of risks identified and mitigation policies implemented

CSR topics	Extra-financial risks	Description of the risk	Mitigation policies and measures	KPIs (key risk measurement indicators)	Relevant paragraph
Compliance	Risks associated with non-compliance with anti-corruption provisions (Sapin 2 law) by employees, representatives or partners	The potential impact would be a sanction in the event of non-compliance and a negative effect on Cromology's reputation	Updated policy and procedures (Anti-corruption Policy, conflicts of interest, third-party assessment procedures, internal rules establishing the obligation to comply with the Code); Register of gifts and invitations and standard clauses in assessment of risks contracts using an appropriate methodology and constant assessment. Risk mapping and action plan established for all Group entities	% of employees who have signed the Group's Anti-corruption Policy out of the total number of Cromology employees ♦	6.b
			Due diligence with regard to third parties: decision table, two tools implemented (data and questionnaire) Training: e-learning for all employees with consideration of the Policy and specific training according to the position in the Group/level of risk + welcome pack for new recruits. Formalization of an obligation through the signature of a Responsible Purchasing Charter by the main suppliers/ at-risk suppliers, and of a Purchasing Ethics Charter by 100% of employees in the Purchasing Department		
	Risks related to personal data management that does not comply with the GDPR	The potential impact would be a sanction in the event of non-compliance and a negative effect on Cromology's reputation	Definition and deployment of a code of conduct for partners	% of employees trained in the Group's Anti-corruption Policy out of total eligible employees	6.b
			The GDPR Committee: a contact person appointed in each department, classification of data collected according to the GDPR criteria, data processing register, precautionary measures (IT Charter, communication, contracts), communications and training for employees with signature of the Charter. Specific data protection action plans have been put in place to deal with the increase in cyber risk	% of employees who have signed the Data Protection Policy out of total Group employees ♦ % of employees trained in the Group's data protection program out of total number of Cromology employees	
Health and Safety	Risks related to personal safety	Risks within Cromology sites relating to the health of employees, subcontractor employees or store customers	Group HSE Policy signed by Executive Management. Preventive actions: safety training, gestures and postures, daily activities (communication of the latest news, audits carried out). Golden rules in terms of security. ISO 45001 certification	Lost Time Injury Frequency Rate (LTIFR)	6.c
				Frequency rate of all work-related accidents (FR-2) ♦ Severity rate of accidents (SR) ♦	
Health and Safety	Risks related to the safety of the industrial process and the operation of the stores	Risk of an accidental event such as a fire or an explosion occurring on a production site, logistics site or at a store	Implementation of anticipation and risk reduction measures described in the HSE Policy. Implementation of an internal intervention plan. Training: fire protection, lead and rear evacuation wardens, use of fire extinguishers	% of industrial sites certified ISO 45001	6.c
				Insurance audits carried out (%) Deployment of the 5S method in stores (%)	

10 Summary of risks identified and mitigation policies implemented

CSR topics	Extra-financial risks	Description of the risk	Mitigation policies and measures	KPIs (key risk measurement indicators)	Relevant paragraph
Environment	Risks associated with water and soil pollution or contamination of water and soil by restricted substances	Risk related to the quality of effluents discharged into water or soil pollution, a risk related to an accidental spill or a risk of non-compliance with local regulations in force	Discharges are regularly checked. They are increased for sites with discharge values above regulatory thresholds. In addition, an action plan is in place for them	% of industrial and logistics sites ISO 14001 certified Total Suspended Solids (TSS) (metric tons) Chemical Oxygen Demand (COD) (metric tons) ♦	6.d
	Environmental and health risks associated with air emissions of restricted substances such as Volatile Organic Compounds (VOC) and carcinogens	Emission of substances likely to harm human health (through inhalation), fauna or biodiversity	As a member of the European Industrial Association of Paint Manufacturers (CEPE), Cromology participates in the working group on biocide users. Monitoring of VOC emissions to verify compliance with regulatory thresholds. Risk management actions (wearing personal protective equipment, collective protection, training)	CO ² emissions – Scope 1 (metric tons CO ² -eq) ♦ CO ² emissions – Scope 2 (metric tons CO ² -eq) ♦ CO ² emissions ratio – (Scope 1) (metric tons CO ² -eq/kT produced) CO ² emissions ratio – (Scopes 1+2) (metric tons CO ² -eq/kT produced) ♦ Intensity of Volatile Organic Compounds emitted per kilo metric ton of production (T/kT) ♦	6.d
	Risks related to hazardous waste generated by the activity	Management of hazardous waste produced by production sites and distribution networks that is potentially harmful or hazardous to human health and the environment	ISO 14001 certification, Hazardous waste management system, Participation in EcoDDS through an eco-contribution	Waste generated (% of production volume) Hazardous waste generated (% production volume) ♦	6.d
	Risk related to regulatory changes in raw materials	Risk related to regulatory changes in raw materials, leading to the prohibition of a raw material or the restriction of its use, or the taking of increased protection measures	Regulatory watch. Regular reformulations according to new regulations	Share of the number of raw materials concerned Share of the volume of raw materials concerned	6.d 6.d
	Risks related to the transport of hazardous products	Risk of non-compliance, and environmental risk. The potential impacts are a disruption of activity or a legal risk in the case of non-compliance following a control of transport subcontractors	Compliance with ADR regulations, annual reports by the safety adviser, checks during loading by carriers, training	Percentage of Cromology staff trained in ADR among those to be trained (%)	6.d

10 Summary of risks identified
and mitigation policies implemented

CSR topics	Extra-financial risks	Description of the risk	Mitigation policies and measures	KPIs (key risk measurement indicators)	Relevant paragraph
CSP Performance of paints and colors	Risks associated with products not being in line with market needs	Long-term trends identified by Cromology include consumer demand for products with the lowest possible environmental impact. In this context, it is necessary to maintain a constant pace of innovation to ensure the formulation of paints with constantly improving ecological qualities	Regulatory watch and innovation. Monitoring of raw materials suppliers' innovations. Packaging optimization and innovation monitoring	Share of sales generated by products launched within the last three years	6.e
				Share of sales from products less than three years old with an eco-label (out of total revenue from products less than three years old)	
				Share of sales from eco-certified products in total sales ♦	
				Share of sales generated by water-based products out of total sales	
				Packaging purchased containing recycled plastic out of the total packaging purchased by Cromology ♦	
				Share of metal packaging	

CSR Report 2023

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