

Sustainability report 2021

Creating a world of opportunity



IMCD is a market leader in the marketing, sales, and distribution of speciality chemicals and ingredients. Listed on Euronext, Amsterdam (IMCD), IMCD achieved a revenue of **EUR 3,435 million** in 2021 with more than **3,700 employees** in over **50 countries** on **six continents**.

With an in-depth understanding of industry trends, its dedicated teams of technical and commercial experts innovate with a comprehensive portfolio of sustainable products and provide formulation advice that meet the needs of customers across its eight Business Groups.

IMCD's result-driven professionals provide market-focused solutions to around **56,000 customers** and partners with a diverse range of world-class suppliers across EMEA, Americas and Asia-Pacific.

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Foreword CEO

Dear Reader,

As we emerge from the challenges of the pandemic, we are forced to rethink the way we live, work, and do business. The events of the past two years have also underscored the need for action against climate change. To keep global warming to no more than 1.5°C, as called for in the Paris Agreement, the world needs to reduce carbon emissions by 45% by 2030 and reach net zero by 2050. Businesses will play a major part in achieving this goal.

The way forward is to embrace sustainability and encode it within our DNA. At IMCD, we recognise that our impact on the environment and society has grown in line with our global presence. I am happy to share that our efforts to balance our economic, environmental, and social needs are beginning to show tangible results.

In our fourth year of reporting on sustainability, we now have more data available, helping us to better understand our environmental impact. We brought more focus in our efforts to improve our sustainability performance and streamlined the steps going forward. We also enhanced our reporting further, meeting the Global Reporting Initiative (GRI) standards.

Our effort to improve sustainability practices also received external recognition. First, I am delighted that IMCD was recently included in the new AEX ESG Index on the Euronext Amsterdam Stock Exchange, as one of the 25 best-in-class publicly traded companies in

the Netherlands that demonstrate the most effective practices in Environmental, Social and Governance (ESG) areas.

In 2021, IMCD Group was also awarded with a Gold rating by EcoVadis, a leading sustainability rating provider, promoting transparency and sustainability in global supply chains. IMCD previously had a Silver rating. The new status reflects our drive for continued improvement and reassures our business partners that IMCD meets high sustainability standards in all areas of its business.

Turning to operations, we implemented an uniform, global set of ESG standards for our business partners. With our asset-light business model and outsourced supply chain, we understand that the responsible management of our supply chain can only be achieved together with our partners. We are encouraged by the high adoption rates from our third-party logistics providers.

An important step has been fine-tuning our materiality matrix. By taking a new look at what is most material to IMCD, we have been able to improve our sustainability strategic planning. Here, we have sharpened our focus around three major areas, namely Sustainable Solutions, Supply Chain Decarbonisation and Talent Attraction and Retention.



“In our fourth year of reporting on sustainability, we now have more data available, helping us to better understand our environmental impact.”

Piet van der Slikke
CEO IMCD

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In terms of Sustainable Solutions, our commercial teams and technical experts have been promoting greener, healthier, and more sustainable products and formulations across all eight Business Groups for several years now. Last year, we streamlined and aligned this approach within the Global IMCD Sustainable Solutions Framework Programme. The new programme ensures that our Business Groups serve the needs of their respective markets while staying aligned to our overall approach to promoting sustainable products.

Through our new Supply Chain Decarbonisation Programme, we support the reduction of emissions across our supply chain by optimising our transport and order management and by engaging with third-party logistics service providers.

Talent Attraction and Retention, our third area of focus, strengthens the diversity of our teams and further foster an already strong international and entrepreneurial business culture. We know diversity is integral to creating a world of opportunity. That is also why we launched the first IMCD Global Women in Leadership Development Programme last year. A development we will continue in the future.

I am proud of the success we have achieved so far, and of our colleagues' efforts in uniting around our sustainability performance. There is much more work ahead for us to contribute to the world's net-zero targets, but I am confident that our almost 4,000-strong team will lead from the front on sustainability in the years ahead.

Rotterdam, 28 June 2022

Piet van der Slikke



“Our efforts to balance our economic, environmental, and social needs are beginning to show tangible results.”

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Summary of key KPIs

Versus 2020

Environment



GHG emissions intensity

▼ 13%
tCO₂eq/mln euro EBITDA

GHG emissions

▼ 12%
Scope 1 and 2, tCO₂eq

▲ 31%
Scope 3, tCO₂eq
Increase due to organic growth, mergers and acquisitions.



Water consumption

▼ 42%



Waste

▲ 51%
Non-hazardous

Increase due to increased reporting quality of non-hazardous waste.

▲ 41%
Hazardous

Increased due to increased reporting quality of hazardous waste and a disposal of historically build up stock in US and UK.

People



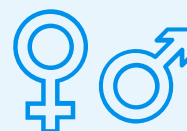
Total number of employees (FTE)

▲ 13%



Nationalities

>50



Women / Men

51% / 49%



Women in senior country & region teams

39%

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Sustainability highlights 2021



ESG Standards for IMCD Business Partners implemented.

88% of third-party logistic providers, based on spending, covered

First IMCD Global Women in Leadership Development Programme launched

Seventy senior managers appointed of which 50% are female

New materiality assessment & focus areas defined

EcoVadis® Gold rating on Group level

IMCD Sustainable Solutions Framework Programme

aligned all Business Groups

First GRI-compliant Sustainability Report

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About IMCD

IMCD N.V. ("IMCD" or the "Company"), with its corporate Headquarters in Rotterdam, the Netherlands, is a market leader in the sales, marketing and distribution of speciality chemicals and ingredients. We began in 1995 as a small group of companies with a common ambition and a harmonised business model. From there, we have grown to have a global footprint in over 50 countries on six continents. For a complete list of countries in which IMCD has legal entities, we refer you to the list of group companies as included in IMCD's annual report, which is available on our website.

In 2021, our 3,740 employees generated revenue of over EUR 3.4 billion. Today, we are an increasingly digitised distributor that offers formulation expertise and solutions that add value for our stakeholders.

IMCD's technical expertise and formulation support are strengths that differentiate us from our competitors. With our in-depth understanding of consumer trends, our highly skilled and results-driven professionals, we innovate with our comprehensive product portfolios to

provide market-focused solutions that meet the needs of customers across our eight Business Groups. By partnering with IMCD, our suppliers benefit from our market intelligence and accelerated growth through direct access to markets across the world.

Economic performance

Despite the continuing challenging market conditions, including persistent supply chain constraints and COVID-19 related restrictions, the outcome of 2021 was very strong. All regions delivered double digit EBITA growth in 2021. In addition to the strong organic EBITA growth, we realised substantial acquisition EBITA growth, which is the result of the full year impact of acquisitions completed in 2020 and 2021. We achieved success in the further execution of our growth strategy, with acquisitions in Turkey, the Netherlands, Austria and Southeast Europe, South Africa, Colombia, Caribbean and Central America, Mexico, Indonesia, China, Australia and New Zealand. Through our technical, marketing and supply chain expertise, IMCD continues to deliver sustainable added value and growth to both its customers and principal partners in more than 60 countries.

Compared with 2020, revenue increased by 24% to EUR 3,435.3 million in 2021. The revenue growth is the result of organic growth (+16%), the first-time inclusion of acquisitions (+9%) and the negative impact of foreign currency exchange differences (-1%). Employee wages and benefits increased by 16% compared to 2020. The cost increase is merely in line with the increase in the number of FTEs. This increase is caused in part by the first-time inclusion of acquisitions and furthermore shows our focus on recruiting and retaining talented employees to support our continuous growth and development. Further information on our

KEY PERFORMANCE INDICATORS (IN THOUSAND EURO)	2021	2020	CHANGE
Revenue	3,435,250	2,774,918	24%
Other income	24,254	12,443	95%
Operating income	3,459,504	2,787,361	24%
Costs			
Operating costs	2,865,569	2,348,236	22%
Employee wages and benefits	288,470	248,745	16%
Payments to providers of capital	81,601	75,730	8%
Payments to governments	76,591	44,446	72%
Economic investments	17,521	15,417	14%
Direct economic value retained	129,752	54,787	137%
Total capitalisation	3,270,558	2,696,792	21%
debt	1,809,204	1,444,384	25%
equity	1,461,354	1,252,408	17%
Total assets	3,270,558	2,696,792	21%

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financial performance is available in the Financial Performance chapter of our Annual Report 2021.

Significant changes to the organisation and its supply chain

There have been no significant changes to the organisation or the supply chain in 2021.

In the execution of its strategy to create sustainable growth for its stakeholders, IMCD completed the acquisition of eight businesses in 2021. The most significant acquisitions were Andes Chemical Corp. ("Andes Chemical") and PT Megasetia Agung Kimia ("Megasetia").

On 19 May 2021, IMCD acquired 100% of the shares in Andes Chemical. Headquartered in the Miami metropolitan area, Andes Chemical is active in Caribbean and Central American countries, Colombia and Peru. Andes Chemical serves the coatings, adhesives, sealants, and elastomers (CASE), construction, cosmetics, personal care, plastics, pharmaceuticals, and HI&I industries. Andes Chemical has 43 employees and generated a revenue of USD 46 million in 2020.

On 17 November 2021, IMCD signed an agreement to acquire 100% of the shares in Megasetia in Indonesia. Megasetia is a distributor of speciality ingredients for the pharmaceutical industry. Megasetia has 160 employees and generated a revenue of approximately EUR 80 million in 2021. The transaction will take place in two tranches, with 70% acquired on 21 December 2021 and the remaining 30% to be acquired in 2025 by the latest

Our market

The products in our portfolio are used in almost every aspect of daily life, ranging from home, industrial and institutionalised care, personal care, food & nutrition and pharma to lubricants & energy, coatings & construction, advanced materials and synthesis.

The constant demand for product improvement and higher performance drives the need for innovative speciality chemicals and food and pharmaceutical ingredients. Diverse, complex and international markets require suppliers with first-class knowledge and support. For this reason, IMCD invests heavily in technical expertise and application know-how, as well as in sales and marketing excellence.

But we go further than that. Both our suppliers and our customers benefit from IMCD's ability to simplify their business, providing access to numerous partners, without the complexity that this usually involves. In our unique position, we are drivers of innovation, contributors of insight and safeguarders of timely supply. The speciality chemicals distribution market is still made up of large global or pan-regional companies and a large number of local players, often family-owned. There is strong demand from major suppliers for pan-regional distributors who can streamline business operations and work as a strategic partner to support long-term growth.

As a result, further consolidation within the sector is taking place with an ongoing focus on local excellence and technical expertise. The rationalisation of the global speciality chemicals distribution industry will continue to be shaped by the following trends:

1. Selective outsourcing

The outsourcing of sales, marketing and distribution to a more limited number of third-party distributors, remains an important part of the channel strategy of suppliers. The greater complexity in the breadth of speciality products, lower order volumes and specific customer requirements in the various end markets are expected to drive outsourcing to a decreasing number of speciality chemicals distributors.

2. Preferred partnership

Suppliers in developed markets are generally looking for more structured pan-regional management of sales and distribution. By entering into a sole third-party rights of distribution relationship with a preferred distribution partner for multiple countries or regions, suppliers are able to simplify and optimise their route-to-market.

3. Increased regulation

In sophisticated markets, increasing regulation, concerning ESG aspects, will require chemical distributors to obtain a certain minimum scale in order to be able to fully comply with the requirements at an affordable cost. In order to be compliant, smaller distributors may need to upgrade their facilities or alter their processes. Smaller, locally-oriented distributors that currently do not comply with the additional requirements are generally required to make comparatively large investments in order to comply, whereas such investments are easier for larger distributors to make thanks to their scale.

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Our business model

In close cooperation with its key stakeholders, IMCD strives for operational excellence in all aspects of its business operations. With the overarching principles of product stewardship and fostering open relationships with its partners, IMCD aims to create long-term value across its value chain.

Core activities

IMCD's core activity is the sales, marketing and distribution of speciality chemicals and food and pharmaceutical ingredients. By building strong relationships, IMCD seeks to simplify its suppliers' business operations while supporting growth through its extensive local networks, market intelligence

and technical expertise. A single point of contact, coordinated inventory management, business process integration and the digitisation of transactions are all examples of the benefits that IMCD brings to its suppliers, which in turn accelerate their value-added growth. At the other end of the value chain, IMCD focuses on its customers: manufacturers that need speciality chemicals for the production of end products.

By maintaining a large and diverse product portfolio, IMCD offers its customers a broad range of solutions to meet specific requirements. IMCD aims to develop lasting customer relationships by providing customers with quality assurance and highly specialised product knowledge, alongside technical advice and formulation support. In addition to its sales and marketing

activities, IMCD provides distribution and other ancillary services. Wherever possible, IMCD outsources its physical distribution and other ancillary activities, such as warehousing, bulk breaking, mixing, blending, packaging and labelling to professional third-party logistics service providers.

Technical expertise

IMCD strives to make a positive impact for both its business partners and society as a whole. Its technical experts analyse new technologies and proactively offer innovative solutions for the constantly developing and demanding markets in which IMCD operates. Together with its business partners, IMCD turns market trends into sustainable products that benefit the lives of consumers worldwide and help reduce the environmental impact.

In 2021, we continued to optimise our ways of working through a more intensive use of our virtual platforms, while focusing on the following areas:

A. New product analysis and development

We work in close collaboration with our customers' R&D Departments, carrying out competitive matching, sharing new application opportunities and assisting in the formulation of the most effective and innovative products.

B. Customer workshops

We developed over 500 digital marketing campaigns and organised more than 100 webinars for our customers - all around the world- to introduce new additions to our portfolio, share insights on the latest market trends or present solutions to production processing challenges. Across our global network of technical centres, customers can test product performance, run stability and application tests and experience the finished product with the support of our scientific and technical teams.



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C. Supplier workshops

At our technical centres, suppliers can gain an understanding of how their products interact and function (in combination with other products from within the IMCD portfolio) as part of a finished formulation. This understanding and market trend awareness enables us to assist our suppliers with the development of new product concepts.

D. Internal training

Workshops and training sessions on site and through our e-learning tools are in place, for IMCD teams across the globe. This ensures our people stay abreast of market trends and developments and fully understand the functionality and characteristics of the products in our portfolio, so that we can better support our customers.

Our organisation

IMCD's business is organised into a number of strategic market sectors with dedicated Business Groups in each country where we operate. This matrix structure enables us to provide fully integrated and coordinated distribution services on a global scale and facilitates the exchange of commercial and technical expertise across our organisation. With this arrangement, our expert chemists and technical teams can offer customers both in-depth local market insight and state-of-the-art application knowledge.

Each end market is managed by a Business Group management team to ensure the same high level performance across the IMCD organisation. At the local level, IMCD's country management teams are responsible for the optimisation of our services to customers locally, across the various market segments.



“We are a market leader in the sales, marketing and distribution of speciality chemicals and ingredients”

Our local activities are further strengthened by the support of our two regional Headquarters in the Americas and in Asia-Pacific. In addition, our global head office in the Netherlands provides guidance, alignment and central policies with regards to sustainability, digitalisation, IT, HR, finance & control and compliance, among other functions.

An overview of our Business Groups is provided on the following pages.

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Our business groups



The Home Care and I&I (Industrial & Institutional) business group delivers high-performance, premium ingredients which yield consistent results and sustainable solutions, ensuring better cost-in-use through performance-driven products for cleaning, surface and laundry care.



The Pharmaceuticals business group offers a wide range of speciality ingredients used in the production of human and veterinary medicines, food supplements and products for plant health.



The Beauty & Personal Care business group supplies a complete range of speciality ingredients to create future-facing cosmetic products, with a wide variety of innovative textures that meet consumer needs in all market segments.



The Coatings & Construction business group delivers a wide range of speciality raw materials to drive performance, innovation and sustainability in paints, coatings, construction, adhesives, printing inks, textile, leather and paper formulations.



The Food & Nutrition business group offers a complementary range of speciality food ingredients and flavours. By providing insightful application support, we enable food producers to generate on-trend food and beverage solutions that are part of consumers' daily lives.



The Lubricants & Energy business group brings together IMCD's expertise across the lubricant, fuel, oil & gas and energy sectors. We offer base oils and additives for automotive and industrial lubricants and a range of speciality chemicals for use in oil, gas, fuel and energy markets.



Industrial Solutions provides industry-leading speciality solutions to our customers in chemical intermediaries, environmental technologies, material technologies and processing technologies that spark success and drive their business forward.



The Business Group Advanced Materials partners with world-class producers to develop innovative and sustainable solutions for a safer and healthier life. We distribute high-performance materials to our customers. Our global network of expert teams are eager to collaborate with our clients, who are active in 24 different end-markets within the Converting, Compounding and Composites industries.

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Approach to sustainability



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How we operate in the ecological, social, and economic environment

Our approach to sustainability responds to the global challenges for our planet and society as a whole and is embedded in the IMCD business model. It addresses the most material topics to our business and our stakeholders and translates our overall sustainability efforts into tangible goals.

Managing sustainability

IMCD's sustainability agenda and strategy are determined by its Management Board, which also reviews and approves the organisation's Sustainability Report and ensures that all material topics are covered.

The Supervisory Board oversees, monitors, and advises the Management Board on the Environment, Social and Governance (ESG) issues that are relevant to the business and the IMCD strategy for achieving its sustainability agenda. Sustainability and corporate responsibility are not only central to the business strategy but will increasingly become a driver of business growth.

Both governing bodies review sustainability topics and their impacts, risks, and opportunities at least annually, as well as in case of specific concerns.

The day-to-day sustainability aspects of IMCD's operational activities are managed by the business groups and the countries. Group Departments such as Health, Safety, Environment, Quality and Regulatory (HSEQR) & Sustainability, Global Supply Chain Management, Global Human Resources and Corporate Affairs & Compliance, led by the respective Directors, are responsible for the coordination, the global policies and the strategic direction, and they report directly to the Management Board.

The key sustainability topics are identified in consultation with external and internal stakeholders, assessed by the Management Board, and are monitored at group level by IMCD's Group Sustainability Task Force responsible for matters relating to the environment, safety, health, quality, regulatory compliance, sustainability, supply chain management, human resources, and legal and corporate affairs. The members of the Group Sustainability Task Force are functional leaders who work in alignment to assure

sustainability integration in all areas of our business and who advise the Management Board.

The Company's ESG policies and global procedures are reviewed continuously and are approved by the Management Board. These policies cover all companies in the IMCD Group.

IMCD aims to be a valued partner to all its suppliers and customers by providing continuous training to its employees, ensuring they have the skills and ability to deliver high quality services. When new policies, procedures, regulations, or laws are implemented that are relevant to staff, special training sessions are organised to ensure up-to-date knowledge and effective performance throughout the company.

Sustainability strategy

IMCD is currently developing an updated strategic sustainability framework with an approach to sustainability that responds to the global challenges for our planet and society as a whole and is embedded in the IMCD business model and overarching strategy. It tackles the most material topics to our business and our stakeholders and translates our overall sustainability efforts into tangible goals.

IMCD aims to grow its business while reducing its environmental footprint and having positive social impact demonstrated through clear and measurable metrics. We are committed to offering products and solutions within our portfolio that focus on the health and well-being of our consumers, the environment and society, while managing our operations in a responsible way.

In 2018, IMCD started to work on defining its group wide sustainability approach and a Group Sustainability

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Task Force was established. IMCD identified key areas for stimulating sustainable practices. In 2021, these key areas were further redefined as part of the new materiality assessment and focus areas were identified where IMCD can make a difference.

Our future ambitions are to contribute to meeting the Paris Agreement and the Green Deal targets for safer chemicals, circularity and zero pollution by 2050. However, we embarked on this journey recently (2018) and we are currently re-assessing our GHG emissions calculation methodologies. To do so, we are further optimising our data quality and coverage, performing gap analyses in order to implement a new strategic sustainability framework, with clear long- and short-term ambitions and targets. In addition, we work on further strengthening the IMCD Sustainability Management System.

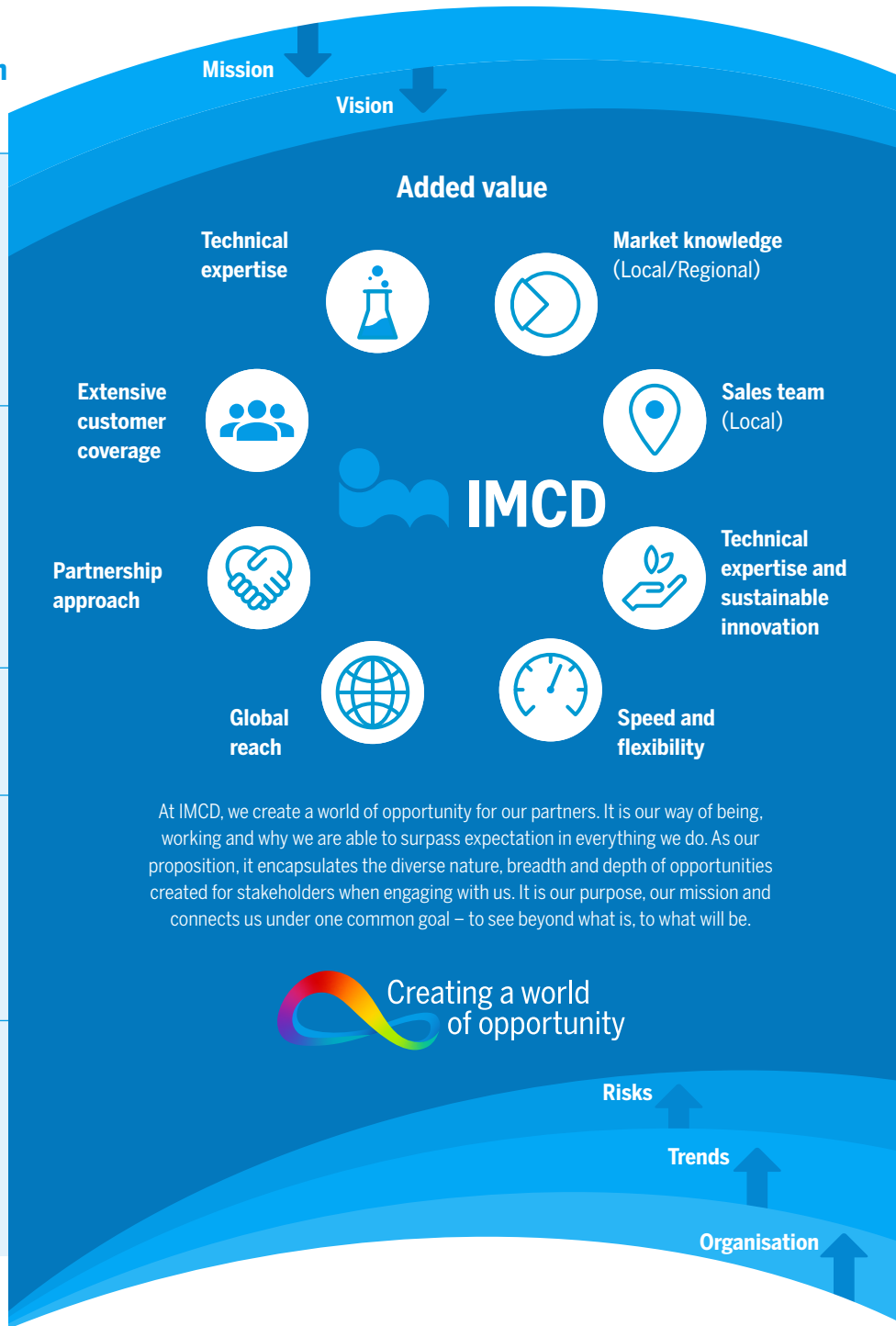


“We are developing a strategic sustainability framework to respond to the global challenges of our planet and society and to fully integrate sustainability into our business model and strategy.”

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Our Value creation

Financial
€ 612.5 million Working capital
2.3 Net Debt / Operating EBITA
Infrastructure
8 business groups
3 regions 92 offices 107 warehouses 65 laboratories
Intellectual
43,000 products
Human
3,740 employees
51% female 49% male
Social & relational
56,000 customers
2,600 suppliers



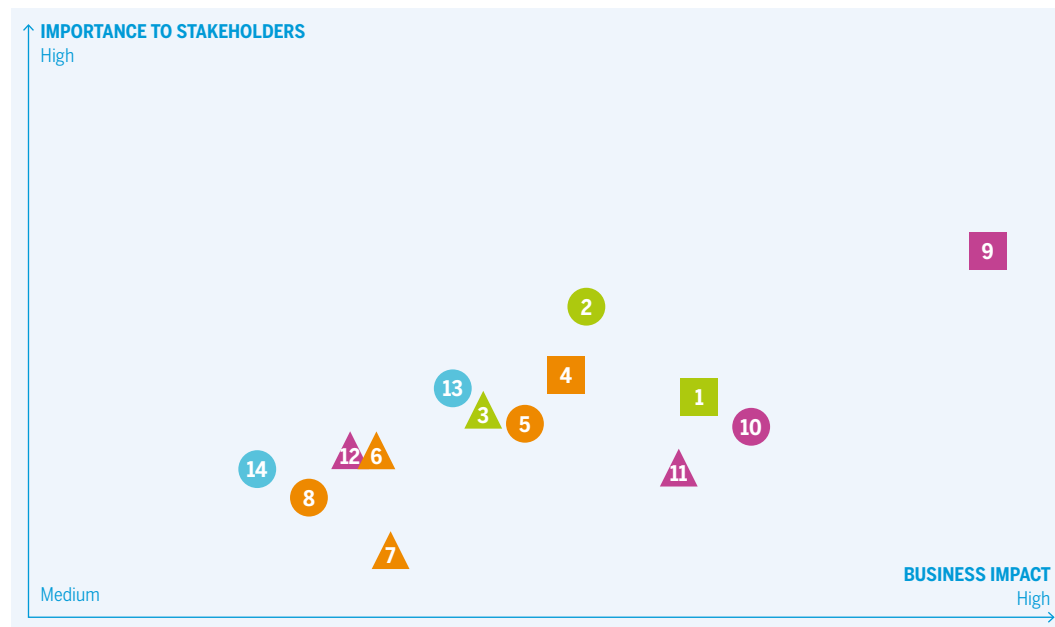
Output	Outcome	Impact
29% Organic gross profit growth		
9% Acquisition gross profit growth	Financial resilience	
10.9% EBITA margin		
20% EBITA CAGR (5 years)	Environment	
€ 3.4 billion Revenue		
63% Earnings per share growth	People	
€ 1.62 Dividend per share		
	Product	
	Governance	

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Key areas for sustainability

In 2021, IMCD renewed its materiality assessment to identify the most relevant and impactful ESG topics for the organisation to manage. The materiality assessment was undertaken by engaging key internal and external stakeholders and applying the double-materiality principle, in order to take a forward-looking perspective. The list of topics was derived from desk research on ESG reporting frameworks, ESG ratings, disclosure standards, trend reports, a selection of IMCD's peers, as well as IMCD's current initiatives. It was fine-tuned through internal discussions on the topics' risks and opportunities. Once the list of material topics was established, stakeholder relevance on the topics and business impacts were assessed. During all activities, feedback on the materialities was requested in order to validate the list of material topics and their definition. The relevance to stakeholder was assessed through interviews with a selection of IMCD's senior management and principal partners, through a workshop with internal stakeholders who gave by-proxy insights for IMCD's stakeholders (customers, principal suppliers, IMCD people, investors/shareholders) and through additional desk research on involving a selection of customers, principal partners, investors/shareholders, public organisations and peers. The material topics' impacts were assessed through an additional workshop during which the working group members discussed and rated the outside-in and inside-out impacts. This latter step was performed to comply with the concept of double materiality in line with the GRI Standards. Finally, the material topics were mapped into IMCD's new materiality matrix.

In line with GRI Standards, materialities are reflections of IMCD's significant economic, environmental and social impacts, and substantively influence the assessments and decisions of stakeholders. All topics displayed in the materiality matrix shown on the



CATEGORIES FOR FOCUS AND EFFECTIVE MANAGEMENT

- **Core focus areas for acceleration**
Materialities for strategic focus and differentiation
- ▲ **Sustainability enablers**
Materialities that put the company in the right position to address the core focus areas
- **Areas that are important to monitor**
Materialities that should be actively monitored in order to meet compliance standards and to mitigate risk



ENVIRONMENT

1. Supply Chain Decarbonisation (Core focus)
2. Climate Strategy
3. Eco-Efficient Operations



PEOPLE

4. Talent Attraction & Retention (Core focus)
5. OHS & Well-Being
6. Diversity, Equity & Inclusion
7. Community Care
8. Labor Practices & Human Rights



PRODUCT

9. Sustainable Solutions (Core focus)
10. Safe Handling & Distribution
11. Sustainable Procurement
12. Digitalisation



GOVERNANCE

13. Ethics & Governance
14. Cybersecurity

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right were assessed to be material to IMCD. Business Impact (X-axis) is defined as the estimated magnitude of IMCD's economic, environmental, and/or social impacts as a business, considering the related risks and opportunities. Importance to Stakeholders (Y-axis) relates to the relevance of the material issues to IMCD's stakeholders: customers, principal suppliers, senior management, IMCD people, investors, public organizations, and peers.

material topics were organised under the four key pillars and each material topic was furthermore classified as a:

- core focus area for acceleration,
- sustainability enabler and
- area to monitor

The focus areas are Sustainable Solutions, Supply Chain Decarbonisation and Talent Attraction and Retention. An acceleration roadmap for these focus areas has been developed.

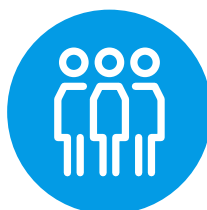
The IMCD Sustainability Task Force identified four key pillars in which IMCD strives to stimulate sustainable practices: Environment, People, Product and Governance. For effective management, the

Key pillars in which IMCD strives to stimulate sustainable practices



ENVIRONMENT

IMCD takes climate protection seriously and proactively responds to risks and opportunities relating to climate change together with suppliers and customers and in its logistics. IMCD continuously seeks to reduce the environmental impact of its operations. We optimise daily operations, focusing on reducing the greenhouse gas emissions from our activities and in the supply chain. We engage with third-party logistic providers to reduce Scope 3 emissions. IMCD ensures that the highest standards are applied for its waste handling and disposal to avoid environmental pollution.



PEOPLE

IMCD is proud of its people and considers them to be its most valuable asset by far. We have no factories, neither products of our own; therefore, the value of the company lies in our brand, in the commercial partnerships we have established and in the quality of the people we employ. IMCD fosters an entrepreneurial business culture that gets the best out of everybody. It also helps to attract and retain the very best in the industry. We believe that our diversity contributes to our overall performance.



PRODUCT

As a leader in the distribution of speciality chemicals and ingredients, IMCD is equipped with the market intelligence, technical expertise, application laboratories and product know-how needed to push forward the sustainable solutions that should be at the forefront of the industry. IMCD promotes Sustainable Solutions on the market when it champions the journey of its suppliers and de-complexifies the market and the sustainability landscape for its customers. IMCD is dedicated to the safe and reliable handling of chemicals, ensuring its warehouse operations and transport comply with all relevant standards. IMCD safeguards ethical and sustainable sourcing from its suppliers and service providers to ensure responsible ESG practices.



GOVERNANCE

Integrity is fundamental to the way IMCD does business. IMCD has strong values and clear policies and standards in place to ensure that its employees always act in an ethical manner. By asking our partners to do the same, we aim to have a positive influence across our value chain.

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Voluntary commitments to external sustainability initiatives

IMCD is a committed participant in various external sustainability initiatives, networks, and platforms. Below, some examples are provided. A more extensive list of IMCD's main memberships of industry and other associations can be found on IMCD's website.

EcoVadis

IMCD participates in the Together for Sustainability (TfS) initiative, a programme founded in 2011 by six multinational chemical companies. TfS aims to develop and implement a global audit programme, using a set of criteria to assess and improve sustainable practices within chemical industry supply chains. As participant in TfS, IMCD Group and several group companies undergo annual assessments by EcoVadis, a leading sustainability rating provider, promoting transparency and sustainability in global supply chains. IMCD is proud to have achieved a global Gold level recognition in 2021.

Several group companies were also able to maintain or increase their individual Ecovadis score. IMCD Germany's excellent result puts it again among the top-1% performers evaluated by EcoVadis for the German chemical distribution industry. IMCD Benelux and IMCD France both reached a gold level recognition. IMCD entities in Brazil, the US, Italy, Poland and the UK all achieved silver. Assessments in some other significant IMCD companies such as IMCD India and IMCD South Africa are underway.

Sustainalytics' ESG Risk Rating

Sustainalytics, a Morningstar Company, is a leading independent ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies.



IMCD Group EcoVadis rating

In 2021, the IMCD Group has been awarded a GOLD rating by EcoVadis for a first time. EcoVadis assessed the sustainability performance of IMCD Group in four key areas, namely "Environment", "Labour and Human Rights", "Ethics" and "Sustainable Procurement". With this result IMCD Group belongs to the top 5 % of 75,000 active companies working with this programme. This rating reassures our business partners that IMCD meets the sustainability standards in all areas of its business. It also affirms that we are making a progress in our sustainability effort for continuous improvement.

Its ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. In 2021, IMCD received an ESG Risk Rating of 14.8, indicating IMCD to be at low risk of experiencing material financial impacts for ESG factors. In 2022, this score improved to 13.8, ranking IMCD first among over 180 international peer companies in trading and distribution.

Roundtable on Sustainable Palm Oil

IMCD is a proud member of the Roundtable on Sustainable Palm Oil (RSPO), a non-profit organisation that unites stakeholders from seven sectors of the palm oil industry, aiming to develop and implement global standards for sustainable palm oil. In 2021, 32 IMCD entities were part of IMCD's group membership.

Responsible Care and Responsible Distribution

Most of IMCD's operating companies take part through local associations in the Responsible Care or Responsible Distribution programmes of the International Council of Chemical Associations (ICCA). These operating companies have stated that they are committed to the ongoing development and observance of the guidelines laid down in the global programme covering eight guiding principles.

The commitment to these guidelines and policies is assessed by independent third-party experts applying the relevant regional assessment systems. Independent experts also review and document the relevant operating company's environmental performance and safe handling of chemicals.

United Nations Global Compact

IMCD supports the Ten Principles of the United Nations Global Compact, the largest corporate sustainability initiative in the area of human rights, labour, environment, and anti-corruption. These principles are embedded in IMCD's culture and values, and have been included in the Group's policies and procedures over the past years. As of February 2022, IMCD is an official signatory to the UN Global Compact. Our first Communication on Progress will be published in 2023.

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Sustainable Development Goals alignment

A selection of leading chemical companies and industry associations initiated the process of translating the United Nations Sustainable Development Goals (SDGs) into a Chemical Sector SDG Roadmap (published in July 2018 under the guidance of the World Business Council for Sustainable Development). IMCD has aligned its sustainability priorities with targets underlining at least four of the SDGs the chemical sector identified, as summarised on this page.

To contribute to these goals, we focus on reshaping our product portfolio and optimising our own operations. In addition, we support local initiatives through which we can impact the daily lives and futures of the people present in the local communities where IMCD operates. More on this can be found on page 45.

Stakeholder engagement

In close cooperation with the key stakeholders in its value chain, IMCD strives for operational excellence in all aspects of its business operations. Based on open relationships with its business partners, IMCD aims to create long-term value for its stakeholders. For IMCD, stakeholder engagement takes many forms and comprises multiple topics.

In respect of IMCD's sustainability strategy, stakeholder dialogue and consultations are included to assess materiality and impact of various topics. Stakeholders were identified via desk research and interviews with senior management. IMCD also takes feedback from customers, principals, and third-party logistic providers as well from sustainability rating agencies such as EcoVadis, auditors, certification bodies, public

authorities, and investors. This feedback helps us to further improve on the various sustainability topics.

As a distributor of a wide range of speciality chemicals and ingredients, we acknowledge that the products we distribute have impact throughout their entire life cycle. Therefore, IMCD encourages responsible and sustainable operations in its entire supply chain and cooperate closely with its supply chain partners, both up and downstream. IMCD's direct environmental footprint is limited given its asset-light business model; however, thanks to our particular position in the supply chain and using our market knowledge, technical expertise, large customer base, and broad product range, we can have a significant impact towards making the chemicals and ingredients supply chains more sustainable and future-focused. We can choose and influence our third-party logistic service providers; we engage with our customers regarding their needs and educate them and we feed our principals with information regarding the needs on the market, and together we co-innovate to meet the environmental and societal challenges we all face. We truly believe that the sustainability challenges our planet and society face are not something we can tackle alone.

Applying the precautionary principle

IMCD believes in actively responding to the threat of serious and irreversible damage to society and the environment. Even when issues are uncertain, the possibility of adverse effects urges us to make discretionary decisions. When acting on its key areas of sustainability, IMCD applies and encourages its partners to apply the precautionary principle to protect society and the environment from exposure to harm.



3. Good Health and Well-Being

IMCD promotes sustainable products on the market. Its technical experts constantly analyse new technologies and turn market trends into viable green, healthy and more sustainable applications, formulations and solutions. By putting this expertise to work for the benefit of our suppliers and customers, IMCD contributes to increased availability of products with health and safety benefits, while reducing their environmental footprint. IMCD aims for all its people to be safe and healthy, and to have a well-balanced life.



8. Decent Work and Economic Growth

IMCD employs over 3,700 people globally and reaches some 2,600 suppliers and more than 56,000 customers through its operational activities. This means that IMCD plays a key role in generating rewarding work opportunities, providing fair working conditions and contributing significantly to economic growth, both directly and indirectly.



12. Responsible Consumption and production



13. Climate Action

By simplifying its suppliers supply chains on a local and a global scale, IMCD enhances process efficiency, increasing efficiency in the use of resources while reducing emissions, energy consumption and waste reductions. IMCD not only achieves this for its partners, but is also committed to working in a responsible, ethical and sustainable manner at all times itself.

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Grievance mechanism and concerns communication

For all concerns, IMCD has implemented an Internal Alert Procedure, available on its website (www.imcdgroup.com/en/investors), that enables IMCD employees worldwide to report, without fear of retaliation, any irregularities or deviations in IMCD's operations, including deviations from IMCD's business principles as described in the Code of Conduct or other group policies. To support the use of the Internal Alert Procedure and in line with European legislation on whistleblower protection (Directive EU 2019/1937) IMCD maintains an (externally hosted) Ethics and Compliance Hotline. As from September 2021, the hotline is also included in the ESG Standards for IMCD Business Partners and open to reports by third party stakeholders.

All complaints and critical concerns regarding HSEQR related topics are handled through the existing complaint and incident handling procedure. Claims raised internally or by third parties are reported to the Group Finance and Legal Department. Emergency situations can also be communicated to IMCD through a 24-hour emergency response provider or by calling a contact number mentioned on IMCD's website.

All reported concerns, complaints and incidents are registered, investigated, followed up and closed. Reported non-compliance claims are registered using global systems and following global procedures. Local HSEQR Managers are responsible for assessing the compliance impact of non-conformities and determining the actions required.

Significant complaints and incidents must be communicated to the relevant IMCD Product Manager, the local finance Department, and the local Managing Director, as well as to the HSEQR Manager responsible



for the region, and the Group Regulatory, Quality and Sustainability Director. The latter is responsible for assessing the concerns raised, communicating critical concerns to the Management Board and managing the required actions.

“We truly believe that the sustainability challenges our planet and society face are not something we can tackle alone. Therefore we seek engagement with national and global industry initiatives and cooperate with our business partners.”

Environment



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We care for our planet

IMCD takes climate protection seriously and proactively responds to risks and opportunities relating to climate change together with suppliers and customers and in its logistics. IMCD continuously seeks to reduce the environmental impact of its operations. We optimise daily operations, focusing on reducing greenhouse gas emissions from our activities and in the supply chain. We engage with third-party logistics providers to reduce Scope 3 emissions. IMCD ensures the highest standards are applied for its waste handling and disposal to avoid environmental pollution.

IMCD recognises the impacts of its activities on the environment, and we report on three topics that surfaced during our new materiality assessment, namely Supply Chain Decarbonisation (Scope 3 GHG emissions), Climate Change Strategy and Eco-efficient

operations (Scope 1 and 2 GHG emissions, energy, water, wastewater and waste management).

One of the most significant ways to reduce our environmental impact is by reducing our carbon

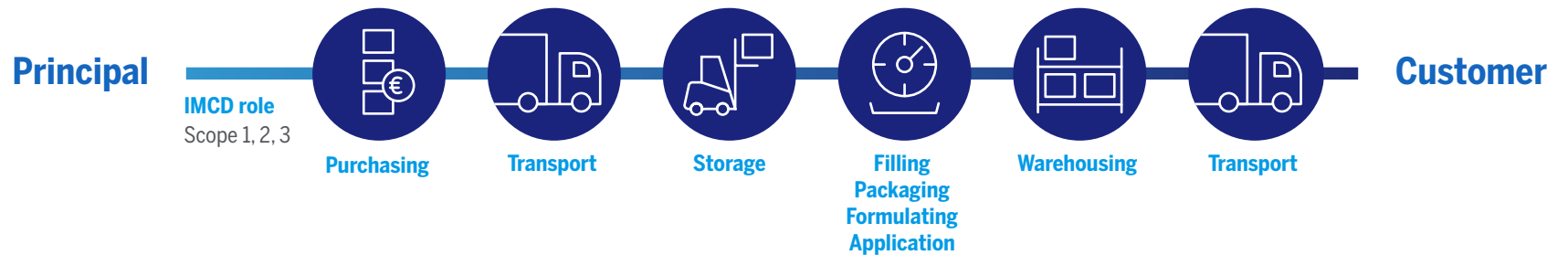
footprint, and this starts with monitoring carbon emissions. We track our progress by monitoring and reporting the emissions in Scopes 1 and 2 (as defined by the GHG Protocol), as well as emissions originated in transport carried out by our logistics partners (falling under scope 3 in the GHG Protocol).

IMCD distinguishes the following categories of GHG emissions, following the GHG Protocol:

Scope 1 emissions are caused by using direct energy carriers in our offices, in production locations, for business trips, and for our inhouse transport, warehouse and distribution activities. Marginal share is associated with cooling agents in the air conditioning of our working spaces.

Scope 2 emissions are the result of using provided energy (mainly electricity) in our offices, in production locations and to a certain extent, in our own warehouse activities.

Our environmental impact coming from our operations, mainly logistics



Scope 1 emissions are direct emissions produced by the burning of fuels by IMCD.

Scope 2 emissions are indirect emissions generated by electricity consumed and purchased by IMCD.

Scope 3 emissions are direct emissions produced by the burning of fuels by third-party logistics providers contracted by IMCD.

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Scope 3 emissions represent the emissions originated in transport activities by our contracted third-party logistics service providers, mainly in the combustion of fuel.

Scope 1 and scope 2 emissions are measured on a global scale, and scope 3 reflects the geographical area in which an IMCD's entity has one full year of transactional data available in its ERP system. IMCD entities that have been incorporated into the ERP system during the year are out of scope but will be added the year after.

IMCD's target (set in 2019) remains to deliver a 15% reduction in its GHG emissions per million-euro operating EBITDA by 2024, compared to the 2019 baseline.

The total GHG emissions intensity was 872 tCO₂eq in 2021, a 13% reduction compared to last year and a 28% increase from 2019.

The scope 1 and 2 GHG emissions are discussed in detail in the eco-efficient operations chapter and scope 3 emissions are addressed in the supply chain decarbonisation section.

The IMCD Sustainability Task Force identified and acknowledged the increase in our carbon footprint. The main driver of the increase is operations growth, both organic and through acquisitions. This sets the



“The total GHG emissions intensity per million-euro operating EBITDA was 872 tCO₂eq/mln in 2021, a 28% increase from 2019 and a 13% reduction compared to last year.”

focus of attention on the strategy, policies, and global procedures. We are in the process of improving our data analytics and re-evaluating our methodology to calculate GHG emissions. In multiple locations we have moved to greener office facilities. We have started to engage with our third-party logistics service providers to compare the emissions estimation made according to our methodology and the more accurate first-hand data received from their side. Together we will continue to explore opportunities to drive down

our carbon footprint and build an even more resilient and responsible business that meets the needs of our stakeholders.

GHG emissions and emissions intensity

	2021	2020	CHANGE 2021/2020	2019	CHANGE 2021/2019
Direct energy carriers use (Scope 1) - global	4,762	5,751	(17%)	7,384	(36%)
Provided energy (Scope 2) - global	5,688	6,062	(6%)	5,879	(3%)
Third parties logistics (Scope 3) - in available geographical scope	339,430	259,079	31%	155,400	118%
Total estimated emissions, tCO₂eq	349,880	270,892	29%	168,663	107%
Emissions intensity per mln euro of operating EBITDA	872	1,007	(13%)	683	28%

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Eco-efficient operations

IMCD's direct environmental footprint is limited given its asset-light business model. Nevertheless, reducing its overall operational footprint on the environment is essential for IMCD and its stakeholders. Performing well on this topic is important if we are to set an example for our upstream and downstream business partners. This gives us the credibility and leverage to engage with them to address our core focus areas, i.e. Supply Chain Decarbonisation and Sustainable Solutions. Embedding good environmental practices in our business also makes IMCD an attractive employer for young talent.

Eco-efficient operations concern sustainably managing our energy and GHG emissions, conscientious water usage, and good waste and wastewater management. We monitor and report on these items according to the GRI guidance.

These components are governed by the Group Health, Safety, Environment, Quality and Regulatory (HSEQR) & Sustainability Department, which ensures and further develops compliance within IMCD at a Group level regarding regulatory, quality, and broader sustainability requirements. We combine our expertise with the strategic overview we have over the business to develop and shape sustainability, regulations, and quality in IMCD's overall strategy. The management approach is based on four parts that are not mutually exclusive:

- Close collaboration between our HSEQR Departments and Sustainability Coordinators in every country.
- Enhancing our systems to bring these up to the HSEQ, Regulatory, and broader Sustainability requirements arising from legislation and IMCD standards.

- Planning, communicating, and executing projects to ensure compliance.
- Having a central overview of the HSEQ, Regulatory, and Sustainability compliance of IMCD's global business.

In specific cases, all four parts need to be coordinated, and the local experts in the countries, need to collaborate on these. IMCD's network of specialists is a facilitating force that further drives compliance, quality, and embedding sustainability in our core activities, improving overall performance.

The HSEQR & Sustainability Policy and Global procedures are developed at Group level. The HSEQR Managers in each country translate these into local procedures, taking into account local laws and regulations, and the business landscape. The local HSEQR Managers are responsible for the implementation and execution of the procedures, for measuring performance, implementing corrective actions, and monitoring the results. They report back to the Group HSEQR & Sustainability Department, and the reported metrics are assessed by the Group Corporate Control Department and the Group HSEQR & Sustainability Department. We track our performance and our progress towards achieving our overall sustainability vision by reporting and monitoring our KPIs. We can see whether new measures are needed, or if our targets or policies should be adjusted. It is a continuous improvement process, one in which we communicate our progress internally and to our external stakeholders.

Energy and emissions management

IMCD recognises the impacts its activities have on the environment. Although our direct environmental footprint is limited given our asset-light business model, we know that the energy use in our facilities, our own transport and our production processes are our sources for GHG emissions under Scope 1 and 2. Driving down these emissions is important to set an example towards our upstream and downstream business partners.

Our Scope 1 emissions are direct emissions from owned or controlled sources such as direct energy carriers in our offices, in production locations, for business trips, and for our inhouse execution of transport activities, warehousing and distribution activities.

Our Scope 2 emissions are indirect emissions from the generation of purchased energy for our offices (mainly electricity), in production locations and to a limited extent, for our own warehouse activities.

Scope 1 and 2 together with Scope 3 total GHG emissions intensity is used to measure progress on our target communicated at the beginning of the Environment section. In this section we discuss in-depth the developments in the emissions in 2021 and our plans for further reduction.

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Energy consumption and absolute GHG emissions within the organisation

ENERGY CARRIER	ENERGY CONSUMPTION WITHIN THE ORGANISATION, GJ			ENERGY RELATED EMISSIONS, TCO ₂ EQ ¹		
	2021	2020 ²	2019 ²	2021	2020 ²	2019 ²
Direct energy carriers use (Scope 1)	71,959	87,600	112,644	4,762	5,751	7,384
natural gas	25,883	33,237	40,199	1,456	1,870	2,261
petrol	16,638	13,350	22,574	1,140	915	1,551
diesel	27,565	37,996	45,425	1,913	2,639	3,153
LPG	1,479	2,300	2,772	90	140	169
fuel oil	394	717	1,674	29	53	124
fugitive emissions	-	-	-	134	133	126
Provided energy (Scope 2)	39,779	43,880	44,066	5,688	6,062	5,879
electricity	34,607	38,999	40,492	5,414	5,820	5,754
supplied heating	3,845	3,848	3,198	125	125	104
supplied cooling	1,327	1,033	376	149	117	21
TOTAL energy consumption within organisation (Scope 1 and 2)	111,738	131,480	156,710	10,450	11,813	13,263
Intensity per ton merchanded	0.104	0.139	0.162	0.010	0.013	0.014
Intensity per FTE	29.9	39.9	52.4	2.8	3.6	4.4
Intensity per mln euro of operating EBITDA	278.6	489.1	635.0	26.1	43.9	53.8
Direct energy carriers use (biogenic)	2,232	3,825	4,097	157	268	287
biodiesel	2,232	3,825	4,097	157	268	287

¹ Emission factors for the consumed electricity include as a minor share, upstream emissions that occur the value chain before the electricity generation process (e.g. emissions related to the production of fuels combusted for electricity generation at a power plant). Such, presented values include as well emissions of Scope 3.3 according to the Greenhouse gas Protocol classification.

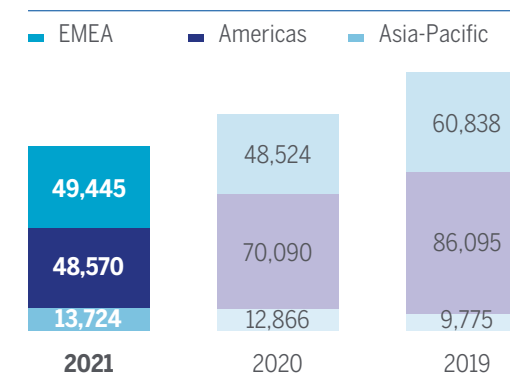
² Restated values, see the details in the Restatement of information

In 2021, most of our energy consumption and related emissions of scope 1 and 2, were attributed to the energy use at the facilities: supplying electricity and heating and cooling of the space. Use of fuels for transportation (in business trips, warehousing, or minor share of logistics) contributed to 46% of the energy consumption within the organisation, and to 36% of the GHG emissions of Scope 1 and 2.

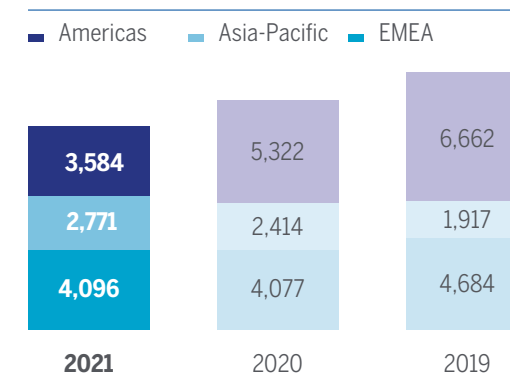
Geographically, EMEA and Americas regions take the major share of both energy consumption and GHG emissions due to the scale of their operations. Both energy consumption and emissions in the Americas region have a strong reduction trend in the last two years as a result of optimisation in the operations of acquired businesses.

Fugitive emissions, estimated coolant leakage in normal operation of air conditioning systems, composed only a marginal part of our Scope 1 (about 1%).

Total energy consumption within the organisation by region of operation
GJ

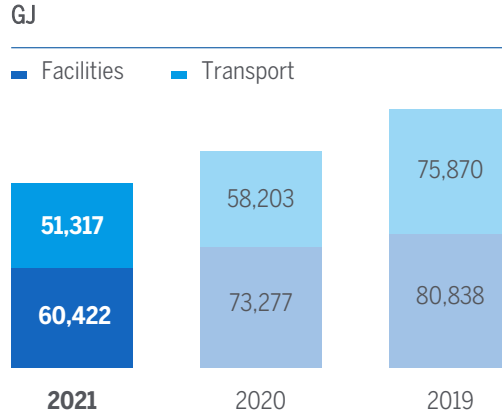


Total GHG emissions within the organisation (Scope 1 and 2) by region of operation
tCO₂eq

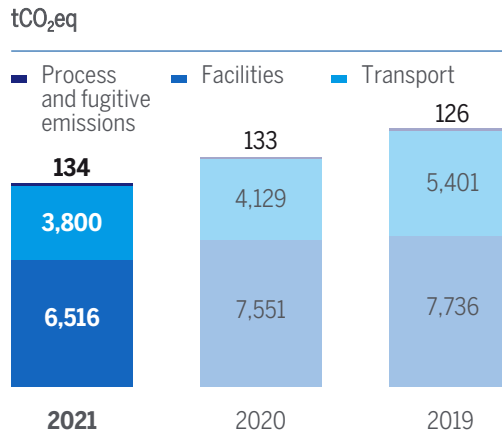


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Energy consumption by activity



GHG emissions by activity



Both IMCD's energy consumption, as well as its associated GHG emissions, have decreased in 2021 compared with last year and the base year 2019.

We take it as a particular achievement given that 2020 had expectedly low energy and emissions indicators due to global and large scale COVID-19 lockdowns. While 2021 was characterised by reduced workplace presence too, the scale was not as wide as the year

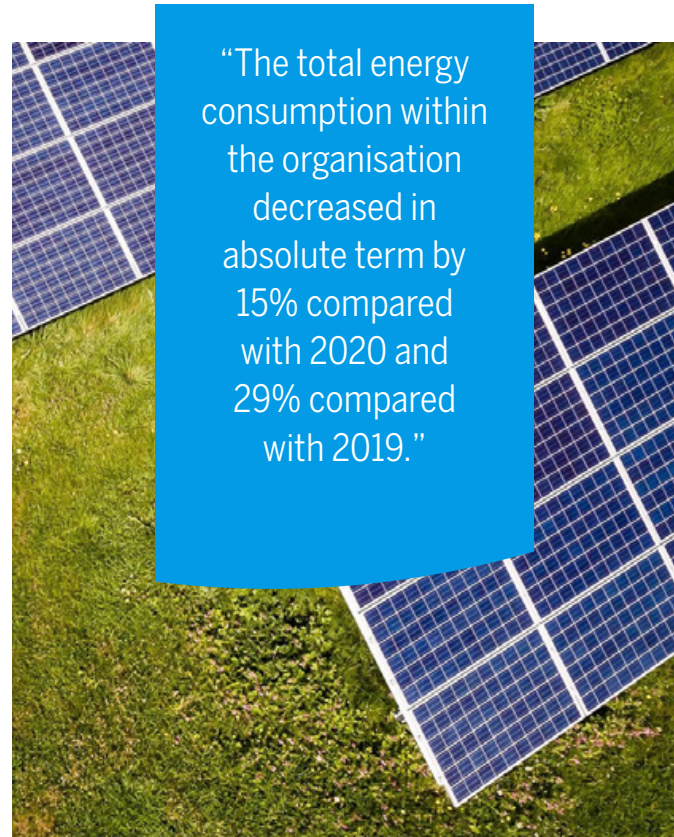
before, and the operations themselves expanded due to organic growth and acquisitions. Yet, the total energy consumption within the organisation decreased in absolute term by 15% compared with 2020 and 29% compared with 2019.

Total GHG emissions (Scope 1 and 2) were reduced by 12% compared with 2020 and by 21% compared with the baseline 2019.

Scope 1 and 2 emissions intensity per mln euro of operating EBITDA decreased by 52% comparing to the base year of 2019 in the Group total, and 41% compared with last year. This decrease is most prominent in Scope 1 where the decrease is 60% and 45% compared with 2019 and 2020, respectively. However, Scope 2 emissions intensity also showed significant reduction in 2021 (40% and 37% decrease compared with 2019 and 2020, respectively). Moreover, the reduction was seen in all regions. The most significant reduction was realized in the Americas region, including the impact of the divestment of less efficient operations. EMEA showed the lowest reduction, being the most established business with a great record of operations optimisation.

Significant reduction is observed in energy and emissions intensity, with all considered bases: per FTE, per ton of sales, and per Operating EBITDA. The reduction is significant considering that the operations are growing each year, with respective growth of personnel, sales, and financial indicators.

The reduction of the energy consumption and the emissions is explained by the decrease in fuels used (in particular, natural gas, diesel, fuel oil, and LPG), as well as the reduction of electricity used in 2021. This reduction is primarily due to divestment in facilities with higher energy consumption, significantly decreasing energy use. Most noticeable are the developments



“The total energy consumption within the organisation decreased in absolute term by 15% compared with 2020 and 29% compared with 2019.”

in the Americas region. Additionally, some of the operating companies of the Group relocated offices in 2021, leading to lower energy consumption and, consequently, better environmental performance. For example, office lease contracts expired in Spain, France, Italy, and Sweden, and offices were moved to more sustainable buildings. Some share of the reduction might be also attributed to better quality data reporting in 2021. As a result of our efforts to increase the data quality, 74% of the emissions and 75% of energy consumption were reported based on confirmed primary data in 2021, compared with 71% and 66% respectively in 2020.

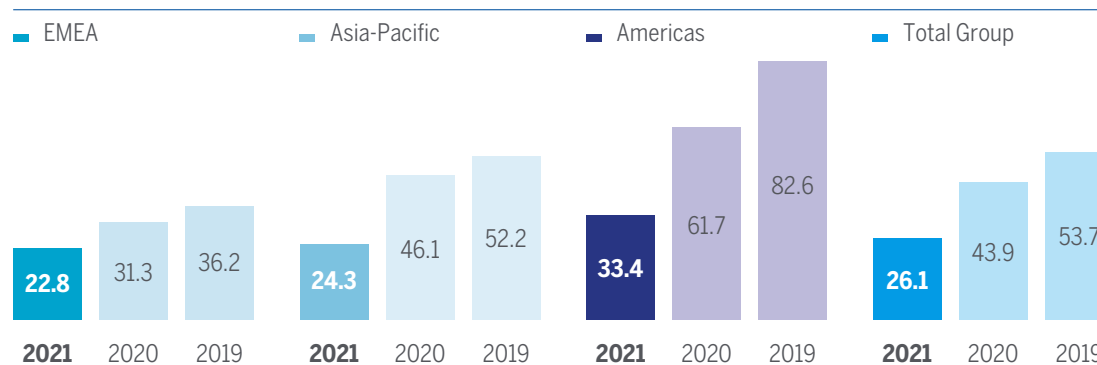
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The increase in workspace presence and operations after releasing the COVID-19 restrictions led to a certain increase in petrol consumption of passenger cars used for commuting and business trips, supplied cooling, and fugitive emissions (cooling agent leakage from air conditioning). However, this increase in energy consumption did not offset the overall improvements achieved.

As the next steps for further improvements, we are focusing on expanding renewable energy use in our operations and the growth of the share of electric vehicles in our vehicles fleet. As of 2021, two companies in the Group have a 100% renewable electricity mix in all the facilities, and 26 companies reported partial use of renewable energy. There are 24 electric passenger cars in ownership or lease of the companies of the Group, and 68% of our warehouse vehicles are electric. IMCD, together with its service providers, will further improve the reporting of data on the electricity use and electricity mixes at rented facilities.



Total GHG emissions intensity within the organisation by region
tCO₂eq per mln euro operating EBITDA



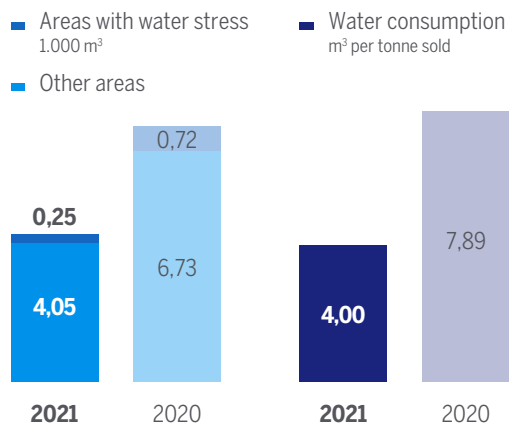
“Total GHG emissions (scope 1 and 2) were reduced by 12% compared with 2020 and by 21% compared with the baseline 2019.”

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Water and wastewater

As a global distributor of chemicals, IMCD understands the importance of water use in its supply chain and operations. IMCD supports responsible water management throughout its supply chain by committing to water efficiency in its activities, compliance with local regulation and international standards, and the prioritisation of local users' needs. Since it relies on fresh water sources to deliver products and services of distinctive quality, IMCD acknowledges that water is a precious shared resource which IMCD must sustainably maintain along with the local communities in which IMCD operates. For this purpose, although we do not set up any water-related goal or target, we encourage water saving measures in our own processes and in all our facilities. To monitor our progress, water-related performance indicators are part of our reporting system. Moreover, we are continuously working on the development of products that can help our customers in more responsible water use in their operations.

Water consumption and water consumption intensity per tonne sold



Our global water consumption decreased from 7,451 m³ in 2020 to 4,299 m³ in 2021. In addition, water consumption in water-stressed areas decreased as well, from 724 m³ to 249 m³. The water consumption intensity decreased by 49% compared with 2020.

Our company's direct water-related impacts relate predominantly to water use in laboratories, warehouses, and offices such as in kitchens, for cleaning and for sanitary usage.

Due to the types of buildings we use, and the relatively small amount of water involved in our processes, we do not commonly source water ourselves, but work with local water providers. Nonetheless, we have three sites where rainwater is harvested¹.

Our global water consumption decreased from 7,451 m³ in 2020 to 4,299 m³ in 2021. In addition, water consumption in water-stressed areas² decreased as well, from 724 m³ to 249 m³. The water consumption intensity decreased by 49% compared to 2020. This is, to a large extent, due to the effect of better data quality reporting, particularly at our Asia-Pacific facilities. Regarding that, two of our sites in Indonesia reported water discharge data that could not be estimated in 2020, and consequently, it was accounted as a conservative assumption on water consumption. The availability of this information largely explains the reduction in our overall water consumption

results for 2021. IMCD companies usually do not discharge water themselves, but instead send it to third parties for treatment. In most of the cases, our wastewater generally has the same characteristics as municipal wastewater and is therefore transferred to wastewater treatment facilities over a common pipeline. Substances of concern in our wastewater are generally like those found in municipal wastewater³ with a marginal amount of laboratory wastewater containing ethanol, methanol and similar substances. We monitor the operations of our wastewater treatment providers to ensure the quality of their service and their compliance with regulation. Moreover, we only perform non-hazardous wastewater treatment at two of our sites in Indonesia, which began to report their discharge volumes in 2021, contributing to a better monitoring of our processes. The non-hazardous water at the Indonesian sites runs into bioseptic tanks, and once treated is discharged to surface water. The minor amount of wastewater originating from the laboratory is collected in a storage tank. While following the established practices in these activities, no specific internal standard was created by IMCD due to the

¹ Water withdrawal through rainwater harvesting is estimated to be 0.3% of our total water withdrawal.

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relatively small amount of wastewater and the non-hazardous nature of the wastewater.

Operational waste management

Responsible waste management is an important part of our approach to sustainable operations. Working with chemicals can entail the generation of a considerable amount of waste via the companies' operations and supply chain. Therefore, IMCD is committed to meeting all relevant requirements set by local laws and regulation and in our internal policies, as well as requirements agreed with customers and suppliers regarding waste treatment and disposal. Furthermore, we encourage the reduction of waste in our value chain by promoting a line of more sustainable products and services in our product portfolio throughout the IMCD Sustainable Solutions programme.

Our own offices, warehouses and limited production sites are the main sources of waste. Led by warehousing activities, the waste generated is predominantly non-hazardous. However, certain processes in our laboratories and product storage activities result in the generation of hazardous waste. To ensure that all waste generated by operations is properly identified and sent for disposal by licensed companies in accordance with the relevant laws and regulations, a global waste disposal policy is in place as part of both the HSEQR Policy and the Supply Chain Management Policy. The waste disposal policy applies to supply-chain-related materials and office-related waste.

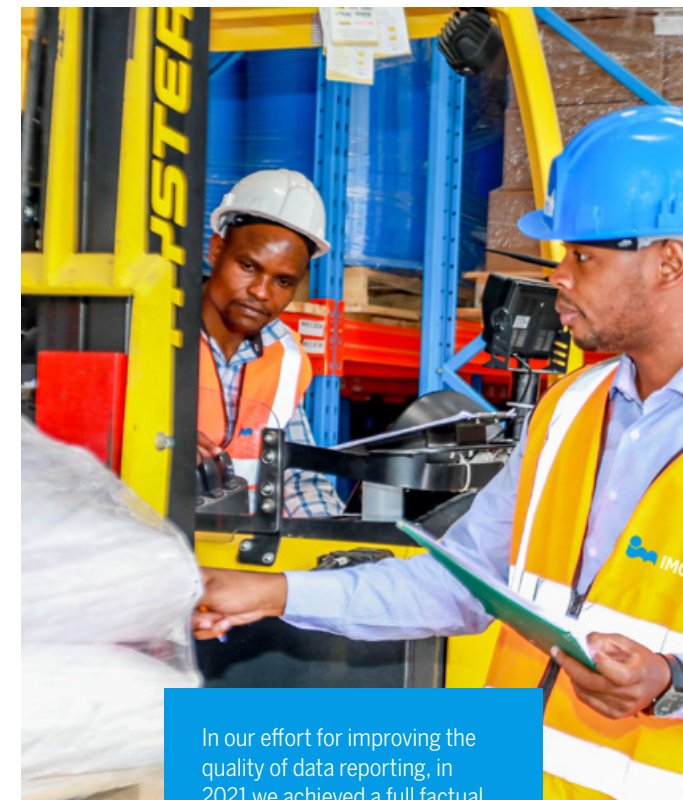
All waste generated in our activities is transferred to third parties for treatment. Local HSEQ Managers are responsible for ensuring that disposals are undertaken

according to local laws and regulations, and by accredited disposal companies. In its offices and at other locations, IMCD promotes the recycling of used material and minimising paper consumption.

In our effort to improve the quality of data reporting, in 2021 we achieved a full factual assessment of hazardous waste generation. Moreover, the reporting quality of non-hazardous waste increased, with 56% of the waste generation in 2021 being based on estimations compared to 62% in 2020.

For all regions, the generation of hazardous and non-hazardous waste increased in 2021 compared to the previous year. This was an expected outcome given the low values in 2020 due to COVID-19 measures, and the increased activities on the premises in 2021 due to the ease of restrictions. In addition, part of the increase in waste generation is caused by the growth of the business. The total amount (tonnes) of non-hazardous waste, however, has remained below the level in 2019 indicating that there is an overall reduction due to optimisations in the infrastructure and the logistics in the premises and scale down of the production facilities.

All waste generated by our activities is transferred to third-party service providers for treatment. In total, 8% of our non-hazardous waste is diverted from disposal, including through material recycling activities (5%) and other recovery operations such as biowaste sent for processing (3%).



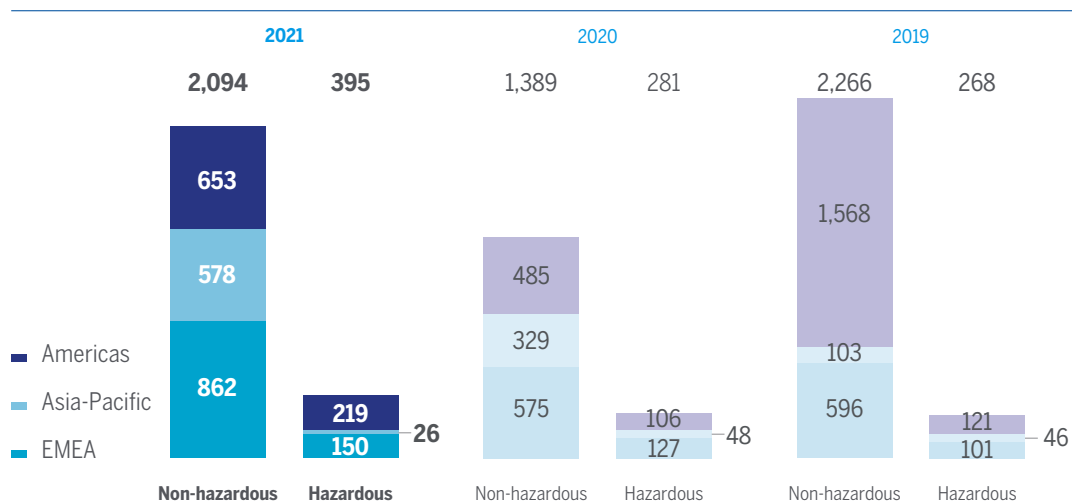
In our effort for improving the quality of data reporting, in 2021 we achieved a full factual assessment of hazardous waste generation. Moreover, the reporting quality of non-hazardous waste increased, with 56% of the waste generation in 2021 being based on estimations compared with 62% in 2020.

² Identified as areas with high or extremely high baseline water stress, based on data from the World Resources Institute, Aqueduct Water Risk Atlas. The definition of baseline water stress used by WRI, is the ratio between the total water withdrawals and the available renewable surface and ground water supplies. The available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability (WRI Aqueduct 2019).

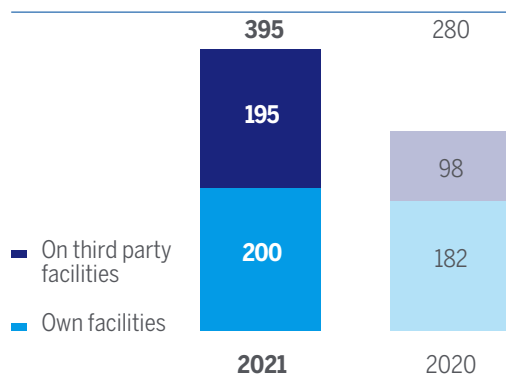
³ According to FAO, the main concern for municipal wastewater is caused by dissolved and suspended solids, nitrogen, phosphorus, chloride, alkalinity, grease and BODs. Available in: www.fao.org/3/t0551e/t0551e03.htm

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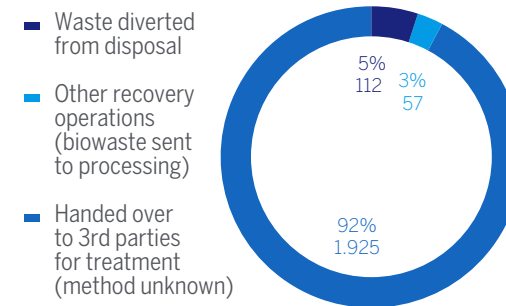
Hazardous and non-hazardous waste generation by region tonne



Hazardous waste generation tonne



Treatment of non-hazardous waste in 2021 tonne



The hazardous waste generation in 2021 exceeds the levels of 2019 and 2020. This is largely explained by the disposal of batches of historically accumulated hazardous waste in our US and UK companies, leading to an overall increase of waste volumes for 2021.

About half of the hazardous waste is generated on IMCD's own premises and half in third-party facilities.

In 2022, we will continue our work on aligning waste management policies and practices across the Group, especially in our newly acquired companies.

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Supply Chain Decarbonisation

In IMCD's business model warehouse operations and transport are outsourced to a high degree. Decarbonisation therefore is only possible in close cooperation with our logistics partners. We support them in their journey to decrease carbon emissions, through efficient routing, optimisation of volume-mileage ratio and implementation of sustainable transport modes, where possible. Where successful, we make a positive contribution to the entire value chain of our business partners. Supply Chain Decarbonisation is therefore a focus area for acceleration.

Since 2018 IMCD has been tracking the emissions associated with the transport of the products we buy and sell, and we work hard to improve our data quality and expand our reporting scope. After identifying Supply Chain Decarbonisation as a focus area in 2021, we have been working on a Supply Chain Decarbonisation Programme consisting of two pillars: optimisation of our own transport and order management, and engaging with third-party logistics service providers to encourage further improvements.

Our centralised Supply Chain Team and local experts are committed to ensuring the most efficient routing, optimal volume-mileage ratio, and selecting more sustainable transport modes where possible. This requires that we partner with our principal suppliers; we help them redesign their logistics set-up, aiming to create more cost-effective models and faster market access while reducing the carbon footprint. In addition, selection of and engagement with third-party logistics service providers includes them committing to our ESG Standards for Business Partners, followed by self-assessment, audits and partnership projects to reduce

emissions. The Supply Chain Decarbonisation efforts are led by the Global Supply Chain Management & HSEQR and Sustainability Director and a global Supply Chain Management Policy is in place. The local supply chain Managers are responsible for implementation and execution of the programme in each country.

Based on the transactional data in our ERP system, a live dashboard tool has been implemented to gain better insight into the carbon footprint of our shipments on a day-to-day basis. We plan to implement further measuring tools, corrective actions where possible and we will be monitoring the results. These results form the basis for further refinement of the management approach.

We offer transparency by reporting on our Scope 3 GHG emissions, which result from the activities from assets not owned or controlled by IMCD but that indirectly impact our value chain. An analysis of the Scope 3 emissions for 2021 is presented below.

Indirect (Scope 3) GHG emissions

Our Scope 3 emissions represent only the emissions originated in transport activities by our contracted third-party logistics service providers, mainly in the combustion of fuel. Our transport is mainly executed by third-party logistics service providers, and Scope 3 reporting of emissions is based on the combination of detailed transactional data about the transportation assignments and expert assumptions of our Logistics Department. Other Scope 3 categories were excluded as they were negligible or irrelevant, or we did not have information in an adequate certainty level. As part of our Sustainability Strategy update, we are looking into the possibility to tackle other emission categories and reducing the carbon footprint in our supply chain. We acknowledge that the products we distribute have the most significant impact upstream and downstream in the supply chain. Therefore, we promote products

with a reduced carbon footprint throughout the IMCD Sustainable Solutions Programme. As a distributor of these products, we are also committed to providing information on the carbon footprint resulting from the third-party transport of the products. Therefore, we can contribute to the quantitative life-cycle analysis performed by our principal suppliers or customers.

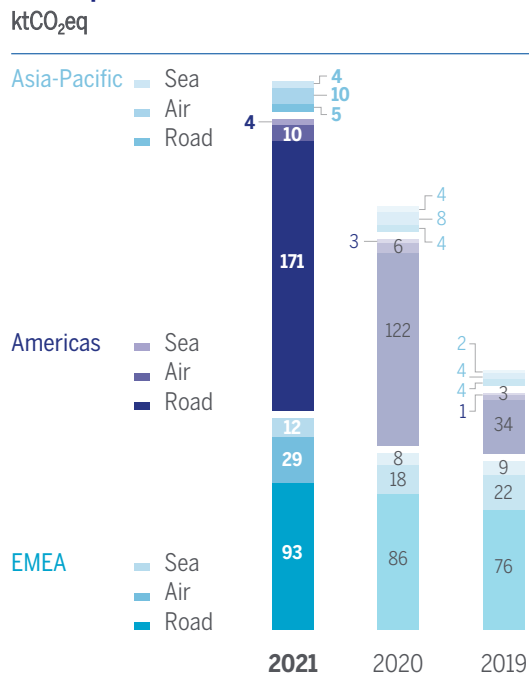
In 2021, we started to engage with our third-party logistics service providers to compare the emissions estimation made according to our methodology and the more accurate first-hand data received from their side. The outcome of a case study demonstrates lower emissions estimates, which is a consequence of more accurate and factual data. We will extend the scope and further analyse this trend.

We continue on-boarding our operating companies and newly acquired entities onto our ERP system, which facilitates more extensive reporting. Last year marked further expansion: local operations were added in the APAC region, and the EMEA region grew with the operations acquired in the previous year. The largest build-up was observed in the Americas region, where we on-boarded our Mexican and Canadian operations, reaching the inclusion of most of the American continent scope. Consequently, the entities considered in the calculation scope under reporting has increased, so have our reported absolute emissions.

The year 2020 marked the most significant on-boarding assignment, with the US operations acquired in 2019 merged with IMCD US. Companies, characterised by large transport volumes and longer distances of road transport, contributed to the growth of the emissions. This, together with the organic growth of the operations, caused the growth in the absolute emissions.

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Third party logistics emissions by region and mode of transport



By the end of 2021, emissions from third-party transport were 339 ktCO₂eq, which means a 31% increase compared to 2020, and a 118% increase compared to the baseline set in 2019. On-boarding of the new operations naturally increased the considered

purchases and sales and the mass of products transported. It is important to note that the largest rise was observed in the Americas region. There, not only the masses of transported goods were more significant, also the transport distances were longer and most of the transport was done by road within the US, Canada and Mexico.

Emissions from road transport in 2021 amounted to 79% of the total Scope 3 emissions and 55% of total Scope 3 emissions came from the Americas region. Furthermore, a noticeable growth in sea and air transport emissions was generated in the EMEA region due to increased intercontinental transport. The emissions from road transport in EMEA remained stable and includes a minor acquisition effect.

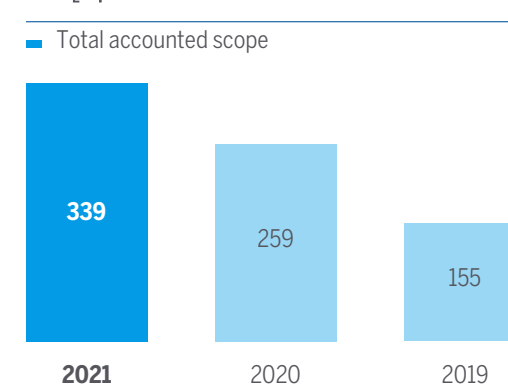
Two of the emissions intensity indicators showed increases as a result of the absolute emissions growth. Emissions per FTE increased by 20% and emissions per tonne of product sold by 15% compared to the last year. The increase in the intensity per FTE reflects the growth of the scale of operations. When integrating acquisitions, we optimise processes. Consequently, operations become more efficient and require fewer resources. Intensity per tonne of product sold has increased compared to 2020, mainly due to our further expansion in the Americas region.

EMISSIONS IN KTCO₂EQ

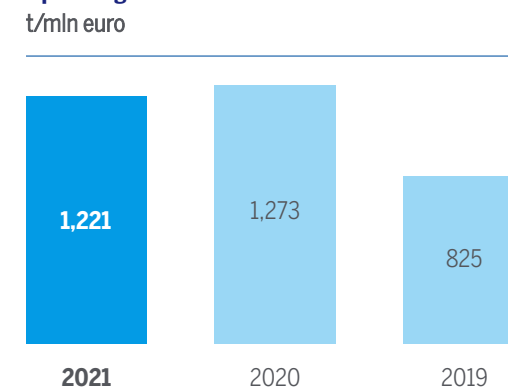
	2021	2020	CHANGE 2021/2020	2019	CHANGE 2021/2019
Third parties logistics (in established scope)	339	259	31%	155	118%
Road freight	268	213	26%	114	135%
Sea freight	21	14	52%	12	71%
Air freight	50	33	52%	29	71%
Emissions intensity per FTE (in established scope)	128	106	20%	74	73%
Emissions intensity per ton of sold product (in established scope)	0.381	0.331	15%	0.285	34%
Emissions intensity per mln euro of operating EBITDA (in established scope)	1,221	1,273	(4)%	825	48%

¹ Intensity per Operating EBITDA is calculated using the Operating EBITDA acquired in activities of the companies of the group in the accounted scope of the logistical transactions

Third party transportation emissions



Third party transportation emissions intensity, per Operating EBITDA



At the same time, the specific emissions per operating million euro operating EBITDA¹ for 2021 decreased by 4%, from 1,273 tCO₂eq to 1,221 tCO₂eq compared to 2020. This is the result of a successful financial year in 2021 and significant growth of operating EBITDA. Despite the indicator showing an increase of 48% compared to the 2019 baseline level, we have demonstrated an annual reduction in 2021.

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The IMCD Sustainability Task Force identified and acknowledged the increase of the carbon footprint, mainly as a result of the growth in the operations, both organic and through acquisitions. This increase in the carbon footprint sets the focus in the further development of the strategy. Emissions resulting from logistic activities operated by third parties represent 97% of the total emissions, however, these are not under the direct control of IMCD. Therefore, we have engaged with our third-party logistics service providers across the globe and introduced the ESG Standards for IMCD Business Partners. The adoption by the end of 2021 was high; 88% of the third-party logistics service providers signed our standards, making clear their willingness to drive improvements in ESG performance together. In addition, we have included commitment to the ESG Standards in our contract templates, as well as in procurement conditions for third-party services to be used going forward. As part of the Supply Chain Decarbonisation Programme, IMCD is developing an action plan to engage with third-party logistics partners and explore more sustainable distribution activities.

In addition, the Sustainability Task Force has implemented a dashboard tool to closely monitor the carbon emissions of both our own and third-parties' transport, based on a combination of internal data (goods and quantities sold, mileage), and set of vast assumptions and expert judgements. Through this dashboard tool, we have a daily overview of the carbon footprint for all operating companies using our global ERP system. This data can be used by our sales and support teams to make efficiency gains more visible to our customers and suppliers.

In coming years, we will continue our work to increase the granularity of the data used on the dashboard tool, and refine the methodology so that it reflects the improvements by our internal teams and third-party logistics service providers like optimisation of route

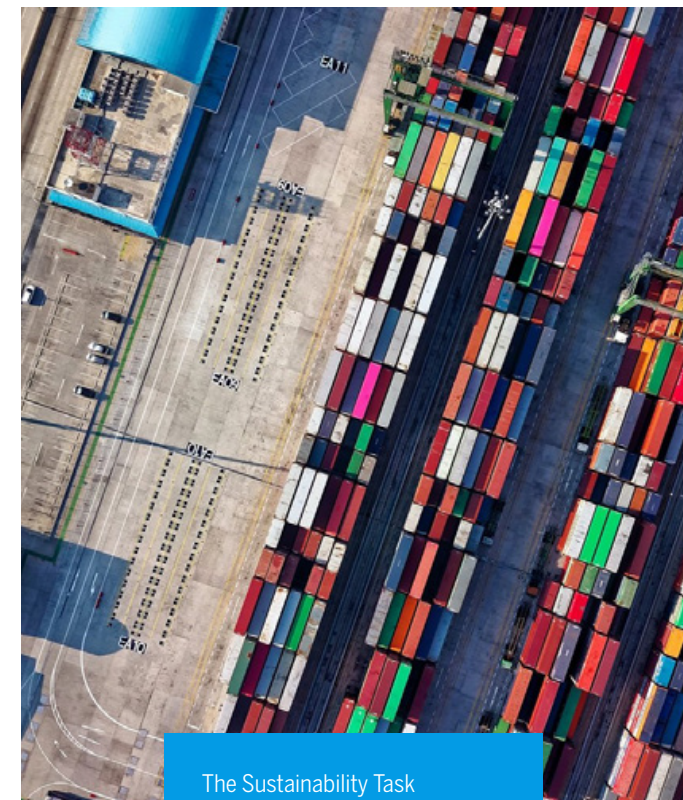
planning and drop size, for example, or the use of more environmentally friendly fuel or trucks.

Climate Strategy

Climate change is a topic around which there is a sense of urgency and is of increasing concern to IMCD's stakeholders across the globe. In our Climate Strategy, we identify and monitor the impacts of climate change, both risks and opportunities, on IMCD's business. Where needed, we prepare and adapt our business processes to mitigate negative effects. We do so in close collaboration with our suppliers and customers, as well as with our logistics partners.

As part of our compliance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have identified several climate change-related operational risks and opportunities relating to IMCD, such as disruptions to transport infrastructures due to extreme weather events and shortages of any feedstock we source due to agricultural losses.

The identified climate change-related risks and opportunities will be further analysed in 2022, including the impact on financial performance and financial planning in the short, medium, and long term. This also includes a scenario analysis on the impact of our strategy and financial position. For risks identified, IMCD has installed measures to mitigate such risks. For example, potential climate factors are considered in the selection processes for logistics service providers, such as whether they have contingency procedures to deal with environmental incidents.



The Sustainability Task Force has implemented a dashboarding tool for monitoring the carbon footprint related to our shipments based on a combination of primary data and a set of assumptions and expert judgements.

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Who we are and how we work

IMCD is a diverse group of 3,740 women and men who live and work in more than 50 countries in the Americas, the Europe, Middle East & Africa (EMEA) and the Asia Pacific region (APAC). IMCD is very proud of its people and culture and considers them to be its most valuable asset by far. It is easy to explain why: the value of the company lies in the commercial partnerships we have established with suppliers and customers all over the globe, in the quality and the technical expertise of the people who manage those relationships, and in the people who lead and support them in various functions.

In this very technical world of speciality chemicals and ingredients, our management approach is to operate as a people centric, professional services firm, where highly qualified key people working in a flat organisation with locally delegated decision making, make the difference for suppliers, customers and each other. IMCD aims to minimise bureaucracy and encourages entrepreneurship. IMCD competes with large chemical and ingredient producers for talent and needs to attract and hire very capable and highly educated individuals, but also train and develop them to get the very best out of everybody. Lastly, IMCD is keen to retain the best, especially in these current environment of scarce mobile talent in the post COVID-19 times. All this in a business environment where we continue to acquire new companies and integrate them quickly. Our culture is the glue that keeps the talent and the new businesses together, it cuts across geographies and helps to integrate newly acquired businesses quickly

and it ensures that IMCD has winning teams all over the world.

The IMCD Management Board and Executive Committee are responsible for and committed to achieving the highest standards of talent attraction & retention, diversity and labour practices. The Global Human Resources Director, who reports directly to the CEO, is responsible for developing and implementing people practices in dialogue with the Management Board and Executive Committee. IMCD has a network of Human Resources (HR) heads in the large and middle-sized countries who implement HR practices & policies in line with the company's strategy and global people plans.

The overall People related goals for IMCD are, firstly, to attract the necessary quantity and quality of new staff to enable the business growth in all regions.



“Our values explain to newcomers how things work in IMCD.”

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Secondly, to develop and to maintain the existing workforce through specialized training programmes and keep turnover of employees in check. Thirdly, to ensure all staff understand and act in line with our business culture.

As more formalised parts of the management approach, the following describe the behaviour we expect from our people (and the boundaries):

1. the IMCD Code of Conduct and IMCD Business Principles,
2. the Management Instructions and
3. IMCD's values.

The IMCD Code of Conduct and IMCD Business Principles are applicable to all our staff and articulate standards on expected behaviours, working conditions, equal opportunities, human and labour rights. For country Managing Directors we have additional Management Instructions detailing specific company

norms, actions, expectations, and limits of decision making. The IMCD values embedded in our company culture provide further guidelines about what type of behaviours and actions we expect from all employees. Not only towards customers and suppliers but also towards co-workers. The values also serve as a good starting point to explain to employees in newly acquired businesses how things work at IMCD and the type of behaviour we expect.

In 2021, we recalibrated the material topics to sustainability in the new materiality matrix and the outcomes are a stronger focus on (1) Talent attraction & retention (2) Diversity, equity & inclusion and (3) Labour practices, in this order of importance.

Work environment, culture and values

In 2019 we re-evaluated our IMCD Culture and Values and worded them more precisely. We informed the Supervisory Board, Management Board, Executive Committee, Country Managing Directors through various meetings, brochures, and town-halls.

A brochure describing the values was printed and an IMCD Values video made and published on the IMCD corporate website. Values are needed to guide behaviours and decisions of Managers and employees in the desired direction and in a certain manner. In an entrepreneurial company like IMCD, where freedom to act is key we cannot -nor would we want to- dictate employee behaviour in detailed handbooks, but we can provide the principles that guide decision making and behaviours. Our values cut across borders, languages and cultures and are the same everywhere, anytime. Our combined IMCD values and behaviours define the IMCD culture.

Although company values are mainly an internal thing we expect that our customers and principals will see IMCD employees that enjoy what they are doing, who

act in a common way, irrespective of borders and background.

We apply the values in multiple ways. Firstly, the values serve as a good starting point to explain to employees in newly acquired business how things work in IMCD and what type of behaviour we expect. Secondly, we explain to new hires in existing businesses how IMCD functions. Thirdly, values also serve as guiding principles for Managers and employees when they have to take difficult decisions about promotions and transitions out.

Regarding employee transitions, in 2021 we divested the US based Nutri Granulations business and the Indonesian warehouse; a total of 62 people (less than 2% of the total workforce) were affected by these changes. Employees were offered the opportunity to transfer with their jobs to the new owners, the vast majority accepted, and those who did not accept received transitions packages that were over and beyond the legal minimum.

We did not conduct and large-scale redundancy or reduction in workforce in 2021 of more than 5% of our employee base. IMCD is a growth company and treats its employees with care, so these restructurings are not commonplace.



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Talent attraction, retention and development

To better understand our Talent attraction approach, we would first like to provide an overview of the IMCD workforce.

The vast majority of IMCD's employees bring with them deep knowledge of and experience in industrial speciality chemicals or food/pharma/personal care ingredients. Most work in internal or external sales, marketing and product management or in technical development/application research. Commercial staff make up, by far, the largest portion of IMCD's organisation. Our organisation is flat with locally delegated decision making.

In 2021, 2,367 FTE's (63% of IMCD staff) worked in a supplier, or customer facing role, in inside sales, outside sales, customer service, external sales and product management. This strong commercial focus is valuable to the Group. Education levels of our employees are high to very high. IMCD employs 978 (26% of total FTE's) individuals with a completed master's degree or higher and another 1,642 (44%) with a bachelor's degree or equivalent. Of this, 36% of our people do hold

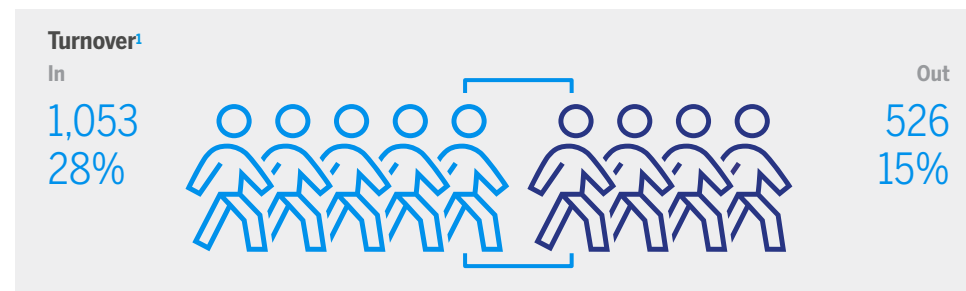
technical or technological sciences degree. These high education levels make the difference between a good and great business and underlines why IMCD sees itself as a professional services firm active in the distribution of speciality chemicals.

Last year, our workforce grew from 3,298 at the start of 2021 by 442 additional FTE's to a total of 3,740 FTE's (13% increase compared to 2020) at year end, due to the combination of sustained organic growth (144 additional FTE's) and acquisitions (298 FTE's).

The addition of 442 additional FTE's are the net effect of new hires from acquired companies and organic business growth minus the leavers. We acquired a record amount of new talent last year; 1,053 new people joined the company. Also, 526 employees left the company due to retirement, jobs elsewhere or as a result of a post acquisition business integration. Please note that this group consist of leavers for all regular reasons. Excluded were the 62 FTE's due to the divestiture of the US Nutri Granulations business and the sale of the warehouse activities in Indonesia. The 1,053 new hires all joined us in a year in which COVID-19 was still forcing many of our countries to partly work from home, most initial candidate interviews took place via Zoom & Teams calls although final interviews were face to face and so was the candidate on-boarding.

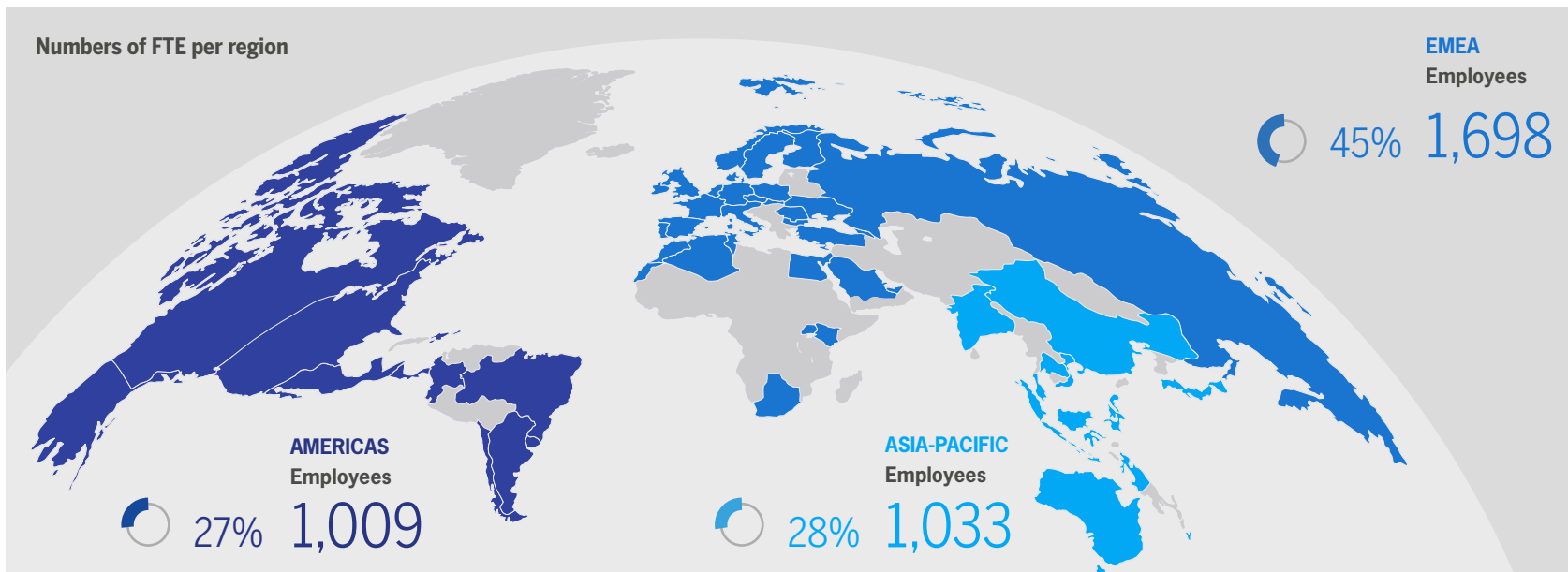
Despite COVID-19 we could attract, source and select enough capable candidates to fill the open positions. We observed that candidates are attracted by the growth of IMCD, and in our industry of speciality chemicals and ingredients we are well known and are seen as an attractive employer. The fact that many candidates were working from home (WFH) made the first contact and interviews a lot easier, in the end the thresholds for an interview were lower than in the past. Our approach to conduct most final interviews and on-boarding in the office was perceived positively by most candidates, so our combination of WFH and work in the office was used to our advantage in the tight labour markets. The fact that we could bring on board a record 1,053 new hires (of a total of 3,740 FTE's year-end) underlines that.

We closed the year with EMEA still being the largest region with 1,698 employees (45% of total), followed by APAC with 1,033 employees (28%) and the Americas where we employed 1,009 people (27%) nearly as many as in Asia.



¹ FTE's leaving due to one-off divestitures and work hours adjustments excluded

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Employee retention

IMCD's employee turnover levels are monitored continuously. In 2021, total turnover, for all reasons, and acquisition effects, calculated as the leavers divided by the average headcount over 2021 was 15% worldwide (versus 13% in 2020 and 14% in 2019).

	2021	2020
EMEA	13.8%	12.2%
Americas	18.5%	14.9%
Asia-Pacific	13.2%	11.3%
Total turnover	15.0%	12.7%

Our definition of employee turnover is broader than the one used by many other businesses. Rather than reporting only the somewhat subjective "voluntary" turnover we include all voluntary leavers, terminations,

redundancies, retirements and all other reasons for employee turnover, except in the case of divestitures. Compared to last year attrition levels went up in all regions. IMCD's Asia Pacific region had again the lowest attrition rate, at 13.2%, despite a very competitive Asian labour market and strong business growth. The Americas region reported 18.5% turnover and EMEA 13.8%, reflecting the different dynamics of movement of people in these vastly disparate labour markets.

We also closely follow the turnover of female and male employees and concluded that turnover among women is lower than in men. Women make 51% of IMCD's employee base yet count for only 45% of the leavers. This is an improvement over last year when turnover was almost equally divided over men/women.

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**NEW HIRES AND STAFF TURNOVER (LEAVERS) BY GENDER
(EXCL ACQUISITIONS)**

	2021		2020	
	New hires	Turnover	New hires	Turnover
Male	448.1	321.9	236.3	197.5
Female	472.0	265.9	292.7	200.5
Total	920.1	587.8	529.0	398.0

**NEW HIRES AND STAFF TURNOVER (LEAVERS) BY AGE
(EXCL ACQUISITIONS)**

	2021		2020	
	New hires	Turnover	New hires	Turnover
Under 30	298.3	117.3	159.2	69.4
30-50	533.4	343.2	306.1	223.5
Over 50	88.4	127.3	63.7	105.1
Total	920.1	587.8	529.0	398.0

We have seen some influence from COVID-19 or a "working from home" effect on our 2021 turnover figures. Geographically, in North America the effect was noticeable. By age group, we also observed that turnover decreased year over year in the group of employees aged 50 years or older and increased in the age groups under 50. We attribute that to a delayed COVID-19 and lockdown effect where younger employees reassessed priorities in life after a long period of working from home.

Training and development

Our 65 laboratories have organised hundreds of technical trainings, product seminars and formulation meetings in order to deploy the technical and formulation expertise for the benefit of our customers or to train our own staff. These Business Group specific training sessions are one of the core elements of our business.

In 2021 we enhanced employee skills in the areas of Antitrust, Fraud prevention, Cybersecurity, Compliance, Salesforce, and Digital Transformation; with 2,803 employees registering and completing more than 65,000 courses and spending 7,672 hours on our Global Cornerstone learning management system. The average user spent nearly 3 hours on training sessions and completing tests.



“The vast majority of our jobs are full-time and permanent.”

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Occupational Health, Safety and Well-Being

Our business relies heavily on our people, and the health and safety of our employees is of the utmost importance to us. We therefore follow a people-centric management approach. We aim to minimise occupational risks for our employees by providing safe environments and equipment, effective communication on safe handling of the products, and health and safety training. Our ultimate target is zero incidents. Our ambition is for all our people to be safe, healthy, and have a balanced life.

In addition to complying to local laws and regulations, an occupational health and safety management policy (part of the IMCD HSEQR Policy) has been implemented across all companies in the Group and applies to all our workers and activities with special attention to those that take place in laboratories, our own warehouses and operations. Within our approach, IMCD operates local health and safety management systems that define our commitment to providing a safe and healthy work environment and ensuring our employees and visitors, no matter where they are, can return home safely, each and every day. The health and safety system has been developed and is regularly reviewed by the Global HSEQR & Sustainability Director, and is supported at local level by Regional HSEQR Directors for the development of regional HSEQR plans. Implementation of, and compliance with, the policy is overseen by our Local HSEQR Managers. We are committed to delivering on our health and safety goals through processes and operating procedures that always prioritise safe work practices, by proactively identifying and managing exposure to risk and ensuring that our business



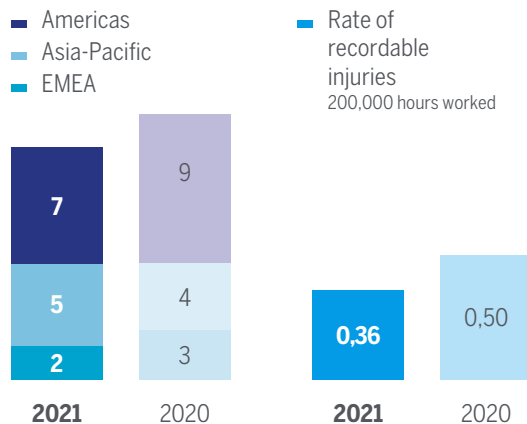
“Our ultimate target is zero safety incidents with employees.”

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activities comply with all laws and regulations specific to the regions in which we operate.

Our local HSEQR Managers are responsible for conducting employee training on occupational health and safety. These trainings are provided regularly to each employee and bring greater attention to the handling of hazardous products using safety data sheets, as well as evacuation, first aid and emergency instructions. Each warehouse or production site has a trained first-aider and, where relevant, a fire fighter. Every work-related incident at our sites is investigated by a competent person or, when necessary, a committee. This process includes identifying the hazards, assessing the risks, and determining corrective actions and necessary improvements to the health and safety management system. Where employees encounter a hazard at the work place, or a situation that they feel could cause an injury or illness, they are required to immediately remove themselves from the situation and report this to the local HSEQR Manager. The health, safety, and well-being of our workers is unconditional; we make no concessions in this area.

Number of recordable injuries



We have agreed strict operating procedures for all our third-party logistics operations. We measure performance and non-conformances (NCR management) which we have made visible on a global scale. In addition to our business reviews, we audit our own and external sites for health and safety policy compliance on an annual basis.

In 2021, a total of 14 incidents were registered by the company (2020: 16). The incidents involved recordable work-related injuries due to muscle strain, slips, trips and falls, cuts and handling chemicals, as well as a household injury while working from home. No fatalities or injuries resulting in an inability to work for longer than six months were registered by any of the companies in the Group in 2021.

The rate of recordable work-related injuries is reduced from 0.50 in 2020 to 0.36 in 2021, based on 200,000 worked hours; The rate of high consequence work-related injuries dropped from 0.03 in 2020 to 0.00 in 2021, again based on 200,000 worked hours.

Through performing risk assessments and supported by the results of the incident investigations, we identified the main sources of hazards that pose a risk of injury and ill health as follows: ergonomics of the equipment and the walking surfaces; warehouse vehicles, machinery and tools; exposure to chemicals; traffic and other commute related aspects; natural events; and contact with electricity. To eliminate the hazards and minimise the risks, we conducted a series of trainings and briefings on safety protocols and standard operating procedures, followed up the incidents with introduction of first-aider courses, complemented annual medical exams with ergonomic assessments of the equipment and working spaces, conducted treatment of slippery surfaces and evaluated the prevention tools available on premises subject to risk. To reinforce risk prevention and mitigation, we

support regular trainings with periodic health and safety messages and review controls. We encourage countries to share best practices and have an opportunity to standardise programmes across all countries. To further ensure the good health of the team, we provide the legally required medical insurance policies, and, where relevant, medical exams for the workers.

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Diversity, Equity and Inclusion

This topic concerns IMCD building a diverse and inclusive workforce that prohibits discrimination and harassment and offers equal opportunities for all employees. Also, IMCD fosters an entrepreneurial business culture that enables employees to deliver their best.

From a gender diversity perspective, in 2021, IMCD maintained a well-balanced workforce and employed slightly more women than men (1,921 female and 1,819 male FTEs, meaning 51% women and 49% men), which, for a business operating in the highly technical world of chemicals and ingredients, underscores our commitment to diversity.

Our management approach to Diversity, Equity and Inclusion (Diversity) starts with the commitment to all employees that we provide equal opportunities, irrespective of gender, or gender identity (LBGTQ) race, disability, ethnicity, nationality, age, or religion. This principle we apply to the full employee life-cycle starting with attraction, recruitment, job assignments, promotions, rewards and benefits. We do not tolerate discrimination on any of the above grounds. We have made this clear to all our staff in our Code of Conduct,

Management Instructions and Values. Furthermore, we have set up and widely communicated Internal Alert Procedure and Ethics and Compliance Hotline where employees can, if desired anonymously, report grievances. In 2021, no discrimination cases were reported, signifying no incidents, no pending cases from previous years.

The responsibility for achieving the desired results in the area of Diversity lies with the Management Board/ Executive Committee and the Global HR Director.

It should be noted that, as a global company, we are not allowed to track and monitor all employee categories in all our countries, such as disability or gender identity (LBGTQ), for the simple reason that local laws do not always permit this. We therefore focus on two topics we are allowed to monitor: (1) gender and (2) nationality.

We start here with Diversity in nationality, our employee base consists of more than 50 different nationalities. The various country backgrounds at the top of the house (Management Board/Supervisory Board/ Executive Committee) are mentioned below.

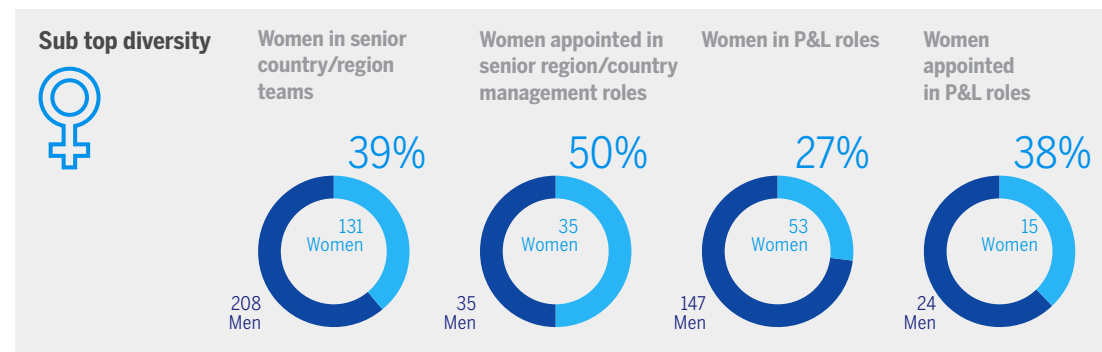
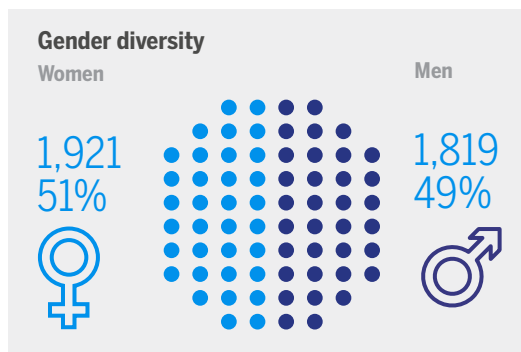
As to Diversity in gender, as stated previously, the gender distribution of our workforce is very well

balanced with 51,4% women (1,921 total) and 48,6% men (1,819). This is a very different gender distribution, with far more women, than on average in the Chemical and Ingredient industry and is a testament to IMCD's attractiveness to women.

Zooming in on gender diversity per layer in the organisation, the Supervisory Board comprises of 40% women and 60% men making the F:M composition 40%. IMCD more than complies with the Dutch Corporate Governance Code in this respect which calls for at least 33% women on Supervisory Boards.

Our Management Board/Executive Committee consists of six members who are all male.

Our subtop means a leader in a country reporting to a country managing director or a senior manager in one of the regional leadership teams. At this management sub top of the business, we find all Country Managing Directors and their management teams as well as all regional headquarter staff, a total of 339 positions of which 131 (39%) are filled by women. The more senior women are managing directors leading businesses in Turkey, Colombia, Vietnam, the Philippines and Indonesia and women in senior functions in the Group Office and/or Business Groups.



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After conducting an internal Diversity analysis, which was discussed at Supervisory & Management Board level, we concluded that women are already well represented in our country management teams in functional or non-commercial roles such as Finance, HR, Legal and Health/Safety/Environment (56% of these roles filled by women) but less so in commercial and digital leadership roles (27% of these positions lead by women). To address this imbalance we defined an ambitious global goal to increase the number of female leaders in commercial senior sub top management positions. As in, responsible for the overall leadership and Profit & Loss (P&L) of a certain business or Department.

We had several Diversity goals and targets in 2021. Firstly, to maintain a balanced male and female employee base. Secondly, to ensure the top management layer/the board and executive committee has diversity in nationality and thirdly, to appoint a minimum of 40% women in all open sub top vacancies -globally. A final goal was to start a specific development programme for up-and-coming women to speed up the internal talent pipeline.

As a result of this goal setting, we committed resources in the form of Management Board/Supervisory Board/ Executive Committee/HR time and attention but we also came up with the needed budget for the Women in Leadership development programme.

What we achieved, firstly, we concluded the year with a healthy employee base of 51% women and 49% men. Secondly, the Diversity in nationality at the top of the business, our Supervisory Board has five members representing four nationalities, and our Management Board/Executive Committee consists of six senior leaders representing four distinct nationalities. Thirdly, in 2021 IMCD appointed 35 women to sub top management positions, representing 50% of the 70

open positions, meaning, we overachieved our own target of appointing 40% women. Fourth, we started with support of the US-based IMPACT Group, an IMCD Global Women in Leadership programme to accelerate the training and development of women in the Americas, EMEA, and Asia and to better prepare them for future leadership roles. In the 2021/22 programme we enrolled 19 participants from Canada and the US, EMEA and Asia. Lastly, we also monitored the number of appointments of women in purely commercial and digital leadership roles, as a subgroup of the above-mentioned senior teams in regions and countries. A total of 40 roles from the 70 open positions in 2021 were classified as commercial with profit and loss responsibility and in this group we appointed 15 (37,5%) women and 25 (62,5%) men.

Therefore, we were pleased to see that our ambitious Diversity goals and programmes have contributed to IMCD's Diversity profile and attractiveness as an employer. Our strategy aims, on the one hand, to maintain the positive near equal gender balance in the company as a whole and, on the other hand, to accelerate the development of women in commercial and/or digital positions especially at the sub top level of the company. We are a professional services company, have most of our contemporary offices in large cities, and have an entrepreneurial and values-driven business culture, all of which makes IMCD an attractive employer for a highly educated mainly urban population, both men or women. We simply need the best talent.



“We filled 50% of open subtop management positions with women.”

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Labour practices and human rights

At IMCD, this topic covers the application of ethical labour practices and respect of human rights in our activities and business operations. In engaging with our business partners we ask them to adhere to and implement internationally-recognized human rights standards in their organisations.

IMCD's management approach is to act in line with the OECD guidelines for Multinational Enterprises and the three UN Guiding Principles on Business and Human Rights; Protect, Respect, Remedy. Our IMCD values are also clear guidelines for the behaviour of our employees, and we hold them accountable. We require the same standards for labour and human rights in our supply chain via our ESG Standards for IMCD Business Partners. By means of this document, business partners of IMCD are informed about the (minimum) standards that IMCD expects them to adhere to and operate by. More information about how we engage with business partners can be found in the sustainable procurement section of this report.

IMCD has zero tolerance for forced labour and/or child labour. We respect the right of our employees to organise themselves and to join trade unions and representative bodies such as works councils and Health Safety & Environment Committees. All employees have the right of collective bargaining. In 2021, we did not receive any complaints or grievances indicating that the freedom of association or collective bargaining is at risk in one of our countries, neither via management channels, our Internal Alert Procedure or the IMCD Ethics and Compliance Hotline .

	2021	2020
Employees covered by CLA	1,019	914
Employees not covered by CLA	2,721	2,384
Total	3,740	3,298

We monitor child labour annually and measure how many workers are covered by a collective bargaining agreement (CBA). There was zero child labour at IMCD in 2021 and, we know of all seven employees under the age of 20 that were employed by IMCD, their country of employment and type of role, mostly interns and students or other young learners.

At year-end 2021, we had 1,019 employees whose employment conditions were guided by a collective agreement. We also measure formal employee representation on an annual basis. In 2021, 1,575 employees (42% of the workforce) worldwide were represented in formal joint management and employee Health & Safety committees and 943 employees (25% of workforce) covered by formally elected employee representatives such as works councils. Most works councils and employee representation at IMCD can be found in our EMEA region and the least representation is in our Asian countries. However, social dialogue with employees goes further than workers represented through works councils and committees. The direct dialogue is equally important. Our management approach in this topic is a combination of:

1. global town-halls with all staff,
2. employee opinion surveys and
3. ongoing dialogue between management and employees.

IMCD conducted two global town-halls for all employees in 2021, one in March and the other in November. Some of the topics on the agenda were: full year financial results, people statistics, COVID-19/work from home,

diversity, digitalisation, the IMCD Cares fund. Town-halls are always live and, interactive and presenters take questions from the participants. Questions that are not addressed in the town-hall are answered in writing afterwards.

We engaged in more direct social dialogue with employees. In 2021 we conducted employee opinion surveys in a number of countries including Austria, Germany, Sweden, Brazil, and the UK, and we recently issued a worldwide Sales Excellence survey to poll all our worldwide inside and outside sales staff on topics such as the IMCD sales process, training & recruitment.

For next year, as part of our social dialogue management approach we decided to conduct a standardised global employee opinion survey to enhance the direct dialogue with our employees.

Lastly, due to our flat organisational structure and the relatively modest size of our business (in terms of FTE's per country) our country managing directors and their teams are in daily contact with their colleagues and co-workers. Changes in department, positions or job contents can be discussed in an early stage.

IMCD informs employees of upcoming changes in the business/organisation at an early stage and in great detail and, we give people advance notice that more than complies with the minimum period of notice required locally and/or international level. Given our business model of delegated decision-making by Country Managing Directors, we defer to their judgement of the local situation and provide advance notice and transition payments over and above the local legal requirements and/or better than packages that are the results of collective bargaining agreements.

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Community Care

IMCD is a proud employer of almost 4,000 world citizens. Our people are part of the local communities in which our companies operate and where IMCD in many cases has a long-standing presence. Taking care of the communities in which our companies operate is very important within the value change in the chemical industry. We are proud that we can engage, through our local teams, in projects that have either a social or environmental impact at the local level.

In 2020, the year of IMCD's 25th anniversary, IMCD launched the IMCD Cares fund. Employees from any of IMCD's entities and operations globally can get involved and apply for sponsoring for a project. The programme is led by the Head of Corporate Affairs. Applications are assessed against set criteria, and sponsoring is decided upon by IMCD's Management Board.

With its IMCD Cares fund, IMCD aims to offer its employees the opportunity to make a positive and meaningful impact in their local communities. Its goal is to improve the daily lives and futures of those around us, focusing on three pillars: environment, education & diversity, and health & well-being.

In all projects, we look to contribute towards the UN's SDGs (discussed in more detail on page 20). Information on each pillar and the projects sponsored can be found in the [CSR section of our website](#). IMCD employees from all our entities and operations globally can take part and put forward a project funding application. Read on to learn about some examples of projects that our local teams took on in 2021.



[More >](#)

Eco Conquista (Brazil)

Eco Conquista is a social and environmental development programme to help improve community-wide recycling efforts in the city of Diadema. In coordination with the Associação Nova Conquista and the Council of Diadema, IMCD Brasil committed to improving the community of 25,000 residents by investing in new recycling centre equipment to improve the working conditions of the independent sanitation workers.

The launch of Eco Conquista reinforces IMCD Brasil's long-term commitment to create an inclusive and productive working environment for sanitation workers in the local community. With the programme, IMCD has contributed to the city's enhanced recycling programme and improved Diadema residents' quality of life.

The donations from IMCD Brasil are anticipated to increase productivity from 100 to 200 tonnes of recycled material. This initiative also includes the planting of 136 trees in the community and 40 environmental educational actions for neighbouring schools and the community.

This project positively contributes to UN SDGs 8, 11, 12 and 13.



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Educational Volunteers Foundation (Turkey)

IMCD Turkey partnered with the Educational Volunteers Foundation of Turkey (TEGV) to provide easy access to online education for children from low-income households. The project involved distributing 351 tablets with free satellite internet access to primary-school children. With these tablets, pupils will be able to access courses delivered by the Ministry of National Education and to the TEGV distance education platform. IMCD employees from Turkey engage with the children through online technical experiments and face-to-face meetings, such as those related to Science Day. In connection with this project, IMCD Turkey decided to open up its laboratories and invite children to carry out experiments and learn more about science.

This project contributes positively to UN SDGs 1 and 4.



Direct Air Capture in the Built Environment (Germany)

With support of the IMCD Cares fund, IMCD Germany funded a new research project conducted by the European University of Applied Sciences (EUJFH) in Brühl.

The research investigates the use of Direct Air Capture (DAC) technology in a novel ventilation concept, which actively removes CO₂ from buildings' exhaust air, filters remaining impurities and recirculates the air back to the building at nearly the same temperature, without the use of heat exchangers. The results could contribute

to achieving Germany's climate goals of reducing the almost 120 million tonnes of CO₂ generated by the building sector in 2020 by 50% between now and 2030. The overall goal is to achieve total energy savings in combination with cost-efficient CO₂ capture, while improving indoor air quality in large building complexes, supported by IMCD's business group Coatings and Construction.

With these projects, and IMCD's long-term partnership and work-placement programme with EUJFH, the company aims to contribute positively to UN SDGs 4, 9, 11, 12 and 13.



STEMintheCity (Italy)

In April 2021, IMCD Italy actively participated in the fifth edition of STEMintheCity, a UN initiative promoted by the Municipality of Milan with ambitious goals: to spread the culture of STEM disciplines, to dismantle the cultural stereotypes that dissuade girls from studying technical and scientific subjects and to close the gender divide in STEM careers and professions.

The values and aspirations that this project encourages are a perfect reflection of those promoted by IMCD Italy and align with IMCD's global support for diversity and women in science.

This project contributes positively to UN SDGs 4, 8 and 9.



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What we offer to our partners

As a leader in the distribution of speciality chemicals and ingredients, IMCD is equipped with market intelligence, technical expertise, application laboratories and product know-how to push forward the Sustainable Solutions that should be at the forefront of the industry. IMCD promotes Sustainable Solutions on the market when it champions the journey of its suppliers and de-complexifies the market and the sustainability landscape for its customers. IMCD is dedicated to the safe and reliable handling of chemicals, ensuring its warehouse operations and transport comply with all relevant standards. IMCD safeguards ethical and sustainable sourcing from its suppliers and service providers, to ensure responsible ESG practices.

Sustainable Solutions

IMCD promotes sustainable products on the market, supports its suppliers and customers in product stewardship, and develops innovative, high-performance, sustainable formulations. These solutions help address societal challenges arising from increased climate-change awareness and the transition towards a more circular economy. Using IMCD's market knowledge, technical expertise, 65 labs, large customer base, and broad product range, IMCD can help turn the chemicals landscape into a future-focused market that leads to more sustainable applications.

Definition and Methodology

Sustainable Solutions is a one-stop resource that supports our customers in navigating the complexities of green solutions. Our approach makes it easy for our customers to:

- explore extensive sustainable materials, educational content, regulations, and opportunities.
- evaluate which materials are suitable for their unique needs.
- elect to switch to using greener solutions in the production of their products.

The solutions are organised into sustainable categories which reflect the market needs. For example, there are eight categories for the Advanced Materials business group: renewable source; CO2 reduction; recycling;

biodegradable; compostable; end-of-life enhancement; waste reduction; and weight reduction.

We recognised a gap in our industry in access to sustainability resources that are educational, actionable, and measurable, and we are committed to creating such resources.

Based on our regulatory data system, we are able to conduct a large-scale analysis of our products. This we do for each line of business. Each of our eight Business Groups are currently conducting extensive research into the major trends, regulations and opportunities relating to sustainable materials. They tap into the sustainability programme of our top performing principal suppliers and engage with them, as well as with customers and associations to collect the most important information needed to implement greener solutions. This market intelligence, together with our technical expertise and product know-how, enables us to define the Sustainable Solutions that should be at the forefront of the industry.

Based on the research as described above, the Business Groups select, together with our suppliers, the products that can be categorised under the relevant sustainability categories. Products that meet the sustainability criteria and have the supporting scientific data for our suppliers' claims or from our labs will be tagged in our product data system and will be marketed as Sustainable Solutions. Products that do not meet toxicity and regulatory requirements and appear to be SVHC (substances of very high concern) or have a severe hazard class, will be marked for reformulation, enabling us to phase out such products.

This enables IMCD's commercial teams to engage with customers, discuss the business case for alternatives, and push more sustainable solutions.

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IMCD has developed 65 laboratories into a global network of technical centres that support its business partners with high quality technical advice and formulation expertise. The IMCD's scientists and technical teams analyse market trends and new technologies, share their technical expertise and product formulations, process and application knowledge to support the sustainable innovations of both its suppliers and customers.

Sustainable Solutions allows our customers, our suppliers, our team and our other stakeholders to make informed sustainable decisions throughout their product creation.

IMCD Sustainable Solutions Framework Programme

Sustainable Solutions are offered through our Business Groups. We started with a pilot project at the Business Group Advanced Materials. After evaluating the pilot, we decided to roll it out to the other Business Groups. Therefore, in 2021 we launched our IMCD Sustainable Solutions Framework Programme, a market-oriented programme where we promote greener products through our supply chain. We established the IMCD Sustainable Solutions Team represented by a 'Focal Point' from each Business Group to assure alignment. For the teams, further alignment with the Group Sustainability Program Manager occurs through Project Coordinators and at monthly meetings. Each Sustainable Solutions Focal Point is responsible for building a Sustainable Solutions Task Force within their business and driving the programme in the EMEA, Americas and APAC regions. Within two years, we aim to have the Sustainable Solutions Framework Programme implemented in all the Business Groups. Therefore, a two-year programme plan was developed which starts with setting the teams and developing the project plans for each Business Group and includes internal portfolio analysis, consultations, validation, and knowledge



centre development. When this process is complete, the Sustainable Solutions categories will be tagged in our product database, and we can measure the share of sustainable products in our portfolio. The approval of new products as Sustainable Solutions is the responsibility of the respective business Sustainable Solutions Task Force. The Business Groups are

independent and can tailor the approach to their market, while remaining aligned.

The IMCD Sustainable Solutions Framework is a key programme in our sustainability strategy. It demonstrates our added value as expert, co-innovator and market influencer. The programme benefits our customers, principal suppliers, and our teams.

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Our customers

At IMCD, we are committed to taking our customers' sustainability challenges and working toward solving them. Whether the priority is CO2 reduction, recyclability or any other challenge, together, we can explore all the sustainable possibilities in one place, at one time. Sustainable Solutions makes it easy for our customers to know where to start with their sustainability goals and educate themselves on the core sustainability trends. We are then there to provide the consulting they need when making decisions and the technical support when implementing new solutions.

Our principals

Sustainable Solutions allows us to consistently market the value that our principals' sustainable materials brings to our customers and increase the visibility of their materials around the world. With a one-stop resource for information, we can strategically align with our principals' sustainability goals and best position their materials to our customers.

Our IMCD teams

Sustainable Solution provides a global overview of our principal's sustainable materials, making it easy for our teams to explore what is possible for their customers. Our information hub offers direct access to a complete list of supplier materials, the latest regulations, educational content, and more. Additionally, in standardising what sustainable solutions we offer, we can identify gaps in our principal offerings and prioritise opportunities for the growth of our business.



“We promotes sustainable solutions on the market and champion the sustainability journey of our suppliers and customers.”

CASE IMCD COATINGS & CONSTRUCTION

Introducing sustainable products to new markets



“I’m glad that IMCD has the laboratory capabilities to enable our customer to introduce a bio-based product into the Polish market.”

Przemysław Obrat
Marketing & Sales Manager

IMCD Coatings & Construction has introduced a bio-based paint formulation to a new market, by actively looking for companies that would benefit from our expertise.

Through our Polish network, IMCD Coatings & Construction came into contact with a company importing bio-based paint under its brand name and convinced it to switch to in-house production. Since the company lacked laboratory equipment and knowledge in certification, the IMCD laboratory in Lyon, France put forward a solution based on the local product portfolio, with all raw materials meeting eco-label requirements.

Our team suggested an aqueous polymer dispersion with a low concentration of volatile organic compounds, which does not require raw materials derived from fossil resources. The formulation was then meticulously finetuned to the customer’s needs.

Benefiting from a close relationship with the local manufacturer, IMCD was quick to promote a connection between its customer and its future supplier. A new supply chain for partially bio-based paint has since been established, with the prospect of future increases in the bio-content proportion.

Thanks to this proactive stance by IMCD, a new bio-based paint was introduced to the local market, bringing the sustainability standards that originated in Western Europe to Poland. Since then, our customer has been able to hire specialised personnel, acquire laboratory and manufacturing material, and enter new markets. In the future, the customer aims to develop bio-based paint for several other applications.

The importance of having ready-to-use formulations for bio-based paints as part of IMCD’s range of sustainable solutions has once again been reinforced. This success story was made possible by IMCD’s anticipation of the customer’s needs, our close relationship with suppliers and an approach tailored to local needs.

CASE IMCD LUBRICANTS & ENERGY

Accelerating progress in developing environmentally friendly hydraulic fluids



“Our team is proud to have supported our customer on their journey to developing a hydraulic fluid with improved environmental credentials.”

Emma Guthrie

Communications Manager

IMCD Lubricants & Energy is a committed partner for our principal suppliers in promoting and demonstrating the sustainable value of products used in lubricant formulations. By keeping the customer at the centre of our activities, we want to make it easier for them to access ingredients that have a low environmental impact, can boost energy saving and limit CO₂ emissions. Our team of experts have defined a set of sustainable categories that enable us to identify and select sustainable materials that are currently available through our distribution partnership.

By using this approach, we can deliver success for our customers. One such case is with an Italian producer of plant-based raw materials and lubricants. The customer was working with an end user of hydraulic systems who was looking to replace their standard hydraulic fluid with an alternative that delivered a lower environmental impact.

Hydraulic fluids are used in machines and equipment to transfer pressure from one point to another. They are largely used in tractors and other farm equipment or construction equipment in close contact with environment, so there is a relatively high risk that they can accidentally leak and be spilled on to soil. Moreover, users can be exposed when fluids spill or leak on the skin during fluid refilling. Hence, there is a growing need from the end user for a hydraulic fluid with a high biodegradability, less flammability and low toxicity.

The customer was attracted by a premium ashless additive package, offered to the market by IMCD. This package is used for blending high-performance bio-hydraulic fluids and is included on the LuSC list* of eco-friendly additives thanks to its low toxicity profile. Products on the LuSC list can in turn be used for blending Environmentally Acceptable Lubricants (EAL).

Our customer carried out detailed laboratory work to adapt the finished fluid formula to the specific end-user application. As a result, our customer was able to develop a high-performing lubricant with a good level of biodegradability (> 60% ready biodegradability) and a high content of renewable material (> 50%), thus meeting the end user’s requirements for a hydraulic fluid with improved environmental and toxicological credentials.

* The Lubricant Substance Classification List (LuSC-list) is a list of substances and brands that have been assessed and rated by a competent body based on their biodegradability, level of aquatic toxicity and renewability.

CASE IMCD BEAUTY & PERSONAL CARE

Using biotechnology to deliver sustainable beauty



“Biotech Beauty offers customers a pathway to create products that use fewer resources while improving efficacy.”

Danielle Wheeler
Technical and Business
Development Director

As awareness of environmental issues increases, sustainability has become an important consideration for beauty and personal care consumers in the beauty and personal-care sector. There is now greater demand for healthier and less wasteful products, for more personalised solutions, and for greater transparency around ingredients and processes.

IMCD’s Beauty and Personal Care team has a proven track record of taking a proactive approach to market trends by developing groundbreaking concepts that enable our customers to stay ahead of the curve.

In particular, the onset of advanced technologies offers a pathway to create sustainable solutions within the industry.

After extensive research and market analysis, IMCD’s Beauty and Personal Care team introduced Biotech Beauty. The breakthrough concept is built around three pillars that advance the creation of sustainable products. These are biomimicry, artificial intelligence (AI) and hybridisation.

Our technical team is now focused on developing innovative formulations that minimise or eliminate the need for packaging and water waste, while maintaining or improving product efficacy.

These efforts have resulted in reducing water consumption within specific Biotech Beauty formulations by 70% and halving the volume of packaging.

The launch of Biotech Beauty reiterates yet again that the IMCD US Beauty and Personal Care is the leading distributor of speciality ingredients in North America. Partners, suppliers and customers can rest assured that we will continue to lead the development of the beauty solutions of tomorrow through innovation, sustainability, technical excellence and staying ahead of market trends.

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Sustainable Procurement

IMCD is safeguarding ethical and sustainable sourcing from its suppliers and service providers in order to ensure responsible environmental, social and governance practices. We believe Sustainable Procurement is a sustainability enabler to address the core focus areas of Supply Chain Decarbonisation and Sustainable Solutions.

IMCD is committed to embedding sound sustainability principles to ensure we procure sustainable, ethical and responsibly sourced products and services. We support the local economies where we operate by focusing on local suppliers.

As a distributor of a wide range of speciality chemicals and ingredients, IMCD has mainly outsourced logistics, filling stations and warehouses. In 2021, IMCD implemented a supplier code of conduct through the ESG Standards for IMCD Business Partners. Through this document, business partners of IMCD are informed about the (minimum) standards that IMCD expects them to adhere to and operate by. This set of standards applies to all business partners in our supply chain, whether a legal entity or individual person, that provides goods or services to IMCD or its affiliates. Furthermore, we expect that our business partners ensure that their own agents and sub-contractors also comply with the requirements set forth herein. The ESG Standards are included in the contractual relationship between IMCD and business partners either through signature by the business partner or a contractual clause in a further contract. The ESG Standards for IMCD Business Partners are available on IMCD's website.

IMCD is working in 2022 to expand its cooperation with EcoVadis and use it to monitor the sustainability

performance of our business partners, both up- and downstream.

On Group level we have sustainable procurement policies and global procedures related to sourcing of products or logistic services in place. Our local Supply Chain and HSEQR Managers engage respectively with the third-party logistics service providers and suppliers of products in their regions, conduct audits as a first step to drive continuous improvement.

In order to evaluate compliance, IMCD assesses its third-party service providers prior to engagement. The frequency of repeated assessments is based on the types and quantities of products stored or transported by that third-party service provider. As of 2021, all new third-party logistics service suppliers are screened on social and environmental criteria, prior to contract. We assess the sustainability agenda, targets and progress of the third-party service providers and consider these in our appointment process.

In regard to the social criteria, service providers must have the right health and safety measures in place, covered by reputable certification bodies. We have implemented a check on human rights and fair labour practices during 2021, which applies to both new and existing service providers. As a result of this screening, a potential service provider can be approved with or without minor improvements, put on hold for approval until the required improvements have been implemented, or denied approval.

IMCD requests quality management certifications (ISO 9001 and Responsible Care, amongst others) from its third-party service providers, as well as disclosures on how they manage relevant environmental impacts as required by local regulations. In addition, IMCD has established procedures in order to confirm with third-party service providers that they comply

with applicable health, safety and environmental and legal requirements. Every year, we run several projects to reduce their impact of our products upstream and downstream within the supply chain, as a part of the sustainability collaboration with our partners. The service level agreements and standard operating procedures are closely monitored via our non-conformance reporting process complemented by quarterly on-site business reviews .

In 2021 we also introduced a sustainability self-assessment for product suppliers covering environmental or social practices. Every new supplier is assessed and approved by the local HSEQ Manager. Multi-territory and Group suppliers also require approval by the Global Supply Chain and HSEQR & Sustainability Director.

Due to the nature of IMCD's business, engaging with leading international suppliers of speciality chemicals and ingredients, a substantial part of the products are purchased from foreign suppliers by IMCD companies. Nevertheless, IMCD has a strong preference to operate with mid-sized local business partners for logistic and other services. IMCD values balanced partnerships with locals service providers, whereby IMCD is of importance to the local service provider and vice versa. Local suppliers are organisations that provide a product or service to an IMCD company, and that is based in the same geographic market as the IMCD entity. In 2021, approximately 85% of the services and non tradeable goods were purchased locally. All companies were considered significant locations of operation for this purpose.

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Safe Handling & Distribution

IMCD ensures safe and reliable handling of chemicals, compliance of warehouse operations and transport with all relevant standards, and application of the highest standards in waste handling and disposal to avoid spills or adverse environmental impact. Additionally, this topic covers IMCD supporting its suppliers to ensure the quality and safety of its product portfolio and its compliance with environmental, health and safety standards and regulations. While closely related to OHS & Well-Being, Safe Handling and Distribution of the product portfolio is essential for IMCD given the company's role as a speciality chemical distributor, stakeholder expectations and its important inside-out impact, and stakeholder expectations.

Being a chemical distributor, IMCD's daily activities are based on the handling, storage and transport of potentially impactful and sometimes hazardous substances. Therefore, it is our highest priority to protect our employees, communities, and ecosystems by handling chemicals safely and responsibly. Our goal is to have zero spills and chemical mishandling within our operations.

Our global HSEQR Policy and global procedures, as set out by the global HSEQR function at our Headquarters, define the principles of chemical handling within our operations. The policy sets the guidelines for local procedures and processes drawn up and implemented by the respective local IMCD operating companies.

Required by our global HSEQR Policy and global procedures, from which local processes and procedures

are derived, is a continuous reporting from our country organisations to the Group Headquarters. Based on those continuous reports, an analysis is performed to identify possible needs for action or revision of the policy, processes, or procedures. The IMCD Internal Audit team carries out random checks during their audits at the local operating companies.

To give an example, a global crisis communication procedure has been implemented at Group level, and the local emergency management procedures are aligned with this. Within these local emergency management procedures, every IMCD operating company defines communication channels, roles, and responsibilities for a possible emergency situation.

Part of the procedure is the assignment of a first point of contact for crisis and emergency situations, who must be fully trained and capable of coordinating the communication with all relevant stakeholders. In addition, IMCD's 24h emergency response number is available on IMCD's corporate website and available for communication on any crisis. Should an emergency occur, it will be supported locally and reported to our Headquarters for analysis.

As IMCD is committed to providing its customers with products and services that meet all their requirements and with no compromises, IMCD's product quality and safety procedures and processes are focused on the assessment of our suppliers' products and compliance with applicable laws and regulations on safety, quality, and labelling.

Given the increasing number of products in our portfolio as the result of our growth (more than 43,000 in 2021), we implemented a strict item creation process to ensure safe and responsible handling of our products. Within this process we capture and validate mandatory information that is required before the sales process

of a product can start. For example, for each product distributed by IMCD, a Safety Data Sheet (SDS), if deemed necessary, must be available in the relevant language. The majority of our SDS are provided by our principal suppliers and are checked and approved by our local HSEQR Managers, prior to storage in our global database.

A SDS includes information such as the properties of each chemical; the physical, and environmental health hazards, protective measures, and safety precautions for handling, storing, and transporting the chemical. Our third-party logistics service providers use the SDS information to prepare labels, create transport documentation and plan their workplace safety and storage according to the information provided in the SDS. IMCD's ongoing target is to achieve zero missing SDSs for hazardous materials.

As another part of the safe and responsible distribution of our products, our local HSEQR Managers ensure that labelling for all products distributed by us, complies with local labelling standards; this includes information on content, sourcing of the components and their environmental or social impact. For hazardous products, established labelling procedures are applied to inform the user about the hazard(s), as well as the risk when handling the material.

Every order and product that leaves our warehouses is accompanied with a certificate of analyses (COA), the SDS and a Dangerous Goods Declaration (DGD), if applicable. This information is exchanged digitally to avoid errors. All labels contain a 24/7 helpline number. Carechem 24, our multilingual 24/7 emergency response helpline, is staffed by highly trained chemists providing a reliable and robust service in line with industry regulations. These experts provide unparalleled support in dealing with incidents safely, helping the caller to respond quickly and effectively,

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minimising wider impacts and risk to people, the environment, assets, and reputation.

As stated in our Sustainability Report 2020, we changed our Non-Conformance Reporting (NCR) tool in 2020 and rolled it out to all IMCD operating entities, enabling IMCD to use NCR's on a global scale and report and drive continuous improvement. From 2021, this tool has enabled us to accurately report internal and external cases of non-compliance due to incorrect labelling, markings, or paperwork. These cases include the incidents of non-compliance with IMCD's own procedures concerning labelling and the assurance of health and safety impact of products and services.

In 2021, one incident concerning a spill of 0.4 cubic metres (400 litres) of a hazardous substance was reported. This significant spill occurred in a warehouse in South Africa and was professionally cleaned and handled by an ISO accredited, external company that is specialised in hazardous waste management. Due to the professional handling of the situation, the spill did not cause a negative impact on soil or humans, as the chemical did not get into contact with them.

IMCD has engaged a reputable innovative and independent, technical, quality & safety services organisation, dedicated to providing future-proof solutions through technological excellence with the highest level of integrity to audit new external suppliers. The independent role of this external auditor is important for objectively reinforcing the effectiveness and credibility of the audits. This is in addition to the policies issued by IMCD's Global HSEQR Department.

The approach towards our quality management system (QMS) is to make use of systems and certifications provided by internationally accredited bodies. This way we ensure that our business processes are focused on consistently meeting customer requirements and

enhancing customer satisfaction. Based on legal and market requirements, IMCD operating companies have implemented reputable management systems such as: Responsible Care or Responsible Distribution for quality management, ISO 14001 for environmental management (end of 2021: 45% of total workforce works at ISO 14001 certified sites), ISO 22000/ HACCP/BRC for food safety management, GMP+ for good manufacturing practices for food, pharmaceutical and cosmetic products, GDP for good distribution practices for pharmaceutical products and ECO concerning organic products.

All IMCD operating companies are required to implement quality management systems based on the internationally recognised ISO 9001:2015 standard. Our goal was to extend the implementation of this standard to the whole Group by 2021 through the introduction of a global Corporate Quality Management System certified according to ISO 9001:2015. With the progress made in 2021 and the first half of 2022, 88% of our total workforce works at operating sites that have implemented quality management systems that are certified according to ISO 9001:2015. We will continue the transfer of all existing ISO 9001:2015 and ISO 14001 certificates under the single Certification Body, and work towards full ISO coverage of our operations. Through local associations, most of IMCD's operating companies participate in the "Responsible Care" or "Responsible Distribution" programmes of the International Council of Chemical Associations (ICCA), committing to sustained development and observance of the guidelines outlined in the global programme. The commitment to these guidelines and policies is assessed by independent third-party experts in accordance with the relevant regional assessment systems. Independent experts also review and document the relevant operating company's environmental performance and safe handling of chemicals.



“Our highest priority is to protect our employees, communities, and ecosystems through handling chemicals safely and responsibly.”

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Digitalisation

IMCD is digitalising its business processes further to optimise its omnichannel business model and best connect customer needs to suppliers' expertise in an efficient and value-creating manner. Digitalisation can be regarded as a sustainability enabler to address the core focus areas of Sustainable Solutions and Supply Chain Decarbonisation.

Digital transformation enables sustainability across three areas, which are the main pillars of the programme:

Core systems and Integrations

IMCD continues to optimise its global processes for pre-sales and sales, the supply chain, health, safety, quality, sustainability and finance & control in order to assure operational excellence and an ongoing high level of service to our business partners. Operational improvements are facilitated through the use of sophisticated, modern, integrated IT solutions, supported by external specialists. The following digitalisation efforts have been taken to further enhance our sustainability management programme.

- Continuing to work on a centralised roadmap for investment in digital capabilities to support transparent and integrated data-led efficiency improvements across Business Groups and territories internally and with partners externally
- Integrating sustainability into value propositions and customer experiences, enabled by data visibility for end-users
- Building capabilities needed to adapt to digital business models that improve promotion and sales of sustainable products and support customers in navigating the complexities of green solutions.

- Promoting sustainable solutions that help address societal challenges arising from increased climate-change awareness and the transition towards a more circular economy.
- Building cloud-based capabilities for making well-informed decisions to use resources and services more efficiently and this way enable sustainability initiatives
- Exchanging data insights within the organisation and with partners to optimise supply chain decarbonisation, and using data to support actions while ensuring data compliance, privacy, and security

Digital Marketing & MyIMCD Customer Portal

Digital marketing is a key element of our commercial activities supported by our digital tools. Through digital marketing, we reach prospects and customers looking for relevant products and services and we target prospective leads to promote our product portfolio and the technical services we offer. We closely monitor customer behaviour and interests by using marketing automation tools and data analytics on our IMCD and affiliate websites. This data is used to continuously improve our efforts and serve our prospects and customers in the best possible way, while providing the sales teams with actionable insights. The global and local digital marketing teams collaborate in IMCD's global marketing network, sharing best practises and learnings.

In 2021, we continued the roll-out and scale up of the MyIMCD portal, our B2B platform that provides access to product information and documentation and order information, while also offering facilities to request product samples, place orders, and collaborate with our technical sales teams on a 24/7 basis. Our MyIMCD portal plays an important role in providing our customers access to our sustainable solutions.



“Digital transformation enables the core sustainability focus areas of Supply Chain Decarbonisation and Sustainable Solutions.”

Data & Analytics

The IMCD digital transformation programme is a major Group strategic initiative, driven first and foremost in a consolidated manner across the regions and business groups by IMCD's Management Board.

Performance, adoption, and data-quality KPIs have been introduced and are visualised in standalone and application-embedded dashboard tools.

Current enterprise architecture supports coherent representation of data and numbers. From this single record of truth Managers can plan, execute and evaluate in a data-driven manner and through the systems.

Governance



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Our social licence to operate

Integrity is essential to the way IMCD does business. IMCD has strong values and clear policies and standards in place to ensure that its employees always act in an ethical manner. By asking our partners to do the same, we aim to have a positive influence across our value chain.

Ethics and Governance

Being a global company, subject to both international as well as many different local laws, strong ethics and governance is of particular importance to IMCD. Breaches of law, regulation, and even internal procedures or voluntary codes can have a major impact on IMCD's reputation as well as its financial results. With transparency on all aspects of our ethics and compliance framework, and performance, IMCD aims to build trust with our employees, our external business partners and other stakeholders and enable future regulatory compliance.

Compliance management

Ethical business conduct is a responsibility shared by all IMCD employees. In our company culture, we promote trust, confidence and respect. By giving people the freedom to act and empowering them to drive business forward, IMCD has established a dynamic and entrepreneurial culture that embeds integrity, transparency, and compliance as core business values. With a group wide compliance organisation, we aim

to reinforce this culture so that our people can work in stimulating working environments where working conditions are safe and respectful. We aim to ensure at all times an atmosphere where people feel confident to make decisions, raise concerns and seek advice when in doubt.

Having a strong reputation in business ethics is part of IMCD's social licence to operate. We require our employees to adhere to all applicable international and local laws and regulations and apply a zero-tolerance approach to unethical business conduct.

Compliance organisation

IMCD's compliance programme is supported by a compliance function throughout the Group organisation. This function is headed by the Group Compliance Officer, supported by regional compliance officers as well as country compliance representatives, either in stand-alone roles or combined with a senior management position. In line with best practices for good corporate governance, the Group Compliance Officer reports to the CEO, and has access to the chair of IMCD's Supervisory Board.

In day-to-day management, there is close collaboration between the compliance function and IMCD's legal Department, as well as with dedicated roles within other Group Departments for specific topics. Examples of this are collaboration with the HSEQR Department in respect of trade sanctions and export control, with the HR Department on on-boarding and training efforts, and with the Internal Audit and Corporate Control functions on actions for topics such as anti-bribery, anti-corruption, fraud prevention, and internal investigations.

IMCD's internal control and risk management systems are used to assess risks relating to ethics and compliance and is used by the Management Board and Supervisory Board, as well as local management to continuously monitor performance.

Code of Conduct and Business Principles

IMCD's Code of Conduct summarises IMCD's group policies and business principles that set out the framework for ethical decision-making when representing IMCD in dealings with business partners and other stakeholders.

The Code of Conduct and IMCD Business Principles, which contain a clear set of values and shared standards, are intended to guide our employees in their behaviour and interactions, and support the desired ethical conduct within our organisation. Clear prohibitions are included as well. For questions that the Code of Conduct and IMCD Business Principles do not answer directly, our employees are encouraged

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to consult with local management and/or the Group Compliance Officer.

The Code of Conduct and IMCD Business Principles apply to all employees of IMCD globally. They are kept up to date regularly, so that they maintain their relevance as guidance and as a true reflection of IMCD's culture. The latest version of the Code of Conduct was published in March 2021. It is available in 9 languages in addition to English, reaching 75% of IMCD's employees (end of year) in an official language of their country of residence, and 92% in one or more common languages.

The Code of Conduct is publicly available to all stakeholders on IMCD's corporate website. IMCD employees receive the latest version of the Code of Conduct and IMCD Business Principles while following their global compliance training programme and have access to all group policies via a dedicated Compliance section on IMCD's intranet, through which they are also informed of any changes.

Combatting corruption, bribery and fraud

Prevention of corruption, bribery and fraud is a core element of IMCD's compliance framework. All IMCD employees must strictly adhere to all anti-bribery and anti-corruption laws in force nationally and internationally. IMCD employees are prohibited from making, offering or authorising bribes or facilitation payments. Potential breaches of the policies in place to prevent corruption, bribery or fraud can damage IMCD's reputation and present a financial risk. IMCD therefore applies a 'zero-tolerance' approach, which is detailed in our Code of Conduct.

IMCD has group-wide policies and guidelines in place to support and guide employees on these topics. These policies include clear examples of behaviour that must be avoided and cover instructions on gifts, hospitality, donations and political involvement,

and avoiding conflicts of interest. The anti-corruption guidance applies to all employees equally. Our employees always have access to the latest versions of company policies via a dedicated Compliance section in IMCD's intranet. Training on anti-corruption-, bribery- and fraud-prevention is a mandatory part of IMCD's online e-learning programme, which supports the compliance framework.

In 2021, IMCD strengthened its third party due diligence process by implementing its ESG Standards for IMCD Business Partners, the latest version of which is available on IMCD's website. The ESG Standards for IMCD Business Partners applies to all business partners in IMCD's supply chain and sets minimum requirements for ethical business conduct, including clear instructions and prohibitions in the field of corruption, bribery and fraud.

Our legal entities are periodically reviewed by the Internal Audit Department. Part of these reviews is determining compliance with these policies and guidelines. In 2021, the Internal Audit Department reviewed 63 (2020: 48) entities, together representing 72% (2020: 82%) of our revenue. Based on these reviews, along with detailed policies and guidelines and ongoing training, we estimate the likelihood of corruption-related risks to be low.

As a further means to ensure compliance by all IMCD subsidiaries, employees can report suspected irregularities or behaviour that may indicate a breach of IMCD's policies or national and international corruption legislation through IMCD's Internal Alert Procedure and IMCD Ethics and Compliance Hotline.

In 2021, no violations of IMCD's anti-corruption, anti-bribery or anti-trust policies were reported, signifying that there were no incidents, nor were there any pending or completed legal proceedings.

Preventing anti-competitive behaviour

IMCD supports the principle of free market competition and aims to ensure that all IMCD employees comply with competition and antitrust laws. Given the potentially significant financial and reputation damage of a breach, a zero-tolerance approach applies. IMCD expects its business partners to embrace a framework where the standards of fair business and competition are upheld, similar to that at IMCD, as formalised in 2021 with the implementation of the ESG Standards for IMCD Business Partners.

To guide employees in their behaviour, IMCD Group policies includes a Competition Law Code of Conduct. This Code includes examples of behaviour that may pose a risk and must be avoided. In cases of any doubt, IMCD encourages employees to consult management and/or IMCD's Group Compliance Officer for further advice.

Training on antitrust law is a mandatory part of IMCD's online e-learning programme, which supports the compliance framework. As a further means to ensure compliance by all IMCD subsidiaries, employees can report suspected irregularities or behaviour that may indicate a breach of IMCD's antitrust policies through IMCD's Internal Alert Procedure and IMCD Ethics and Compliance Hotline.

In 2021, no violations of IMCD's Competition Law Code of Conduct were reported, signifying that there were no incidents, nor were there any pending or completed legal proceedings.

Regulatory compliance, trade sanctions and export control

As a globally operating distributor of speciality chemicals and ingredients, IMCD encounters many chemical- and market- specific regulatory requirements (relating to pharmaceutical, food and personal care

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products for example) that it needs to comply with. To ensure compliance, IMCD has a team of global regulatory affairs and quality specialists in place as part of its HSEQR (Health Safety, Environment, Quality and Regulatory) organisation, both in Rotterdam at its head quarters, and in each region and in individual countries.

This team continuously works to advance procedures and trainings so that awareness and up-to-date knowledge of regulatory compliance and export control is maintained within its global organisation. In addition to the principles, instructions and prohibitions covered in the Code of Conduct and IMCD Business Principles discussed above, a more detailed HSEQR Policy and further screening procedures are in place to ensure regulatory compliance. IMCD's global trade sanction policy and guideline on restrictive measures and export control are updated on a regular basis, after which training of key employees takes place in respect of the revisions.

A revision and renewed training on trade sanctions and export control took place in the first half of 2021. In addition, training material on trade sanctions and export control, developed by external experts, is available in multiple languages in the courses offered on IMCD's e-learning platform. The procedures described are used in combination with software that enables sanctions screening of business partners.

In 2021, IMCD was not charged with any significant¹ fines or non-monetary sanctions for non-compliance with laws and regulations in the socio-economic area, or with environmental laws and regulations. Nor was the Group in breach of, and did not receive significant fines or warnings in relation to, regulations regarding

product and service information and labelling and marketing communications.

Ethics & compliance training

In 2020, IMCD introduced a library of more than 1,500 compliance-related courses in approximately 60 local languages on its global e-learning platform, available to all employees worldwide (supporting local compliance efforts and ensuring a better understanding of the material). The implementation of an online training curriculum started at the same time, covering the essential pillars of IMCD's compliance programme, including anti-bribery, anti-fraud, export control and antitrust training material.

In 2021, the roll-out of this training programme continued and was completed for the Middle-East, North-America, Latin-America and the APAC region. Roll-out in EMEA is scheduled for 2022.. It is IMCD's target to achieve and sustain full coverage in compliance training for all relevant employees by the end of the year.

Internal alerts and whistleblower system

Our employees have a channel to seek advice and report their concerns about unethical and unlawful behaviour through IMCD's Internal Alert Procedure. This procedure enables IMCD employees worldwide to report any irregularities or deviations in IMCD's operations regarding the IMCD Business Principles as described in our Code of Conduct. The Internal Alert Procedure was updated in 2021 to, among other things, incorporate the IMCD Ethics and Compliance Hotline as an additional tool for internal reporting.

IMCD maintains this global hotline to further support its Internal Alert Procedure. The Ethics and Compliance Hotline, which went live in the fourth quarter of 2020,

with roll-out completed in January 2021, offers a web portal in 15 languages as well as local staffed telephone hotlines in multiple countries. The hotline is available 24/7 to report any ethics concerns or breaches (or potential breaches) of IMCD's Code of Conduct, Business Principles or other group policies in a confidential and, if desired, anonymous manner.

The introduction of the hotline was used to create more awareness for IMCD's Code of Conduct and ethical business behaviour in general, through additional training. Poster material was distributed to all IMCD locations, introducing the new tool and providing examples of situations that are appropriate to report. As from September 2021, the hotline is also included in the ESG Standards for IMCD Business Partners and open to reports by third party stakeholders.

In 2021, the first full year that the hotline was operational, two reports were made through the hotline IMCD (2020: one report).

The reports received are examined and, if a compliance infringement has taken place, appropriate action is taken. The incoming reports in 2021 concerned cases of suspected violation of the IMCD Code of Conduct and/or Business Principles.

¹ Significant penalties/fines are those in excess of €100,000.

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Cybersecurity

Connectivity and digitisation will play a crucial role in our services, now and in the future. With an extensive product portfolio of more than 43,000 products, and servicing more than 56,000 customers and 2,600 suppliers in 2021, IMCD's business relies on the availability of large amounts of data. The responsible handling and protection of that data and our IT systems against cybersecurity failure, is a top priority at IMCD.

Information security management

A safe and secure IT environment is an essential resource for the global IMCD organisation to achieve its business goals. IMCD's IT and cybersecurity approach is aimed at delivering reliable, secure and fit for use applications, that support IMCDs entrepreneurial spirit and growth as leading distributor of speciality chemicals and ingredients.

In 2019, IMCD established the role of Group Information Security Officer (reporting to the CFO), for leading the continuous process of keeping data collected by IMCD safe. The Information Security Officer oversees the implementation of IMCD's Information Security Policy, which provides all group entities with clear guidance on how to gather, store, share and protect data. Implementation on a local level is the responsibility of local management and supported by dedicated IT staff. Self-assessments are continuously used and renewed on regular basis by all group entities to, where needed, initiate improvement plans that meet the Group's minimum requirements. On Group level, considerable resources are dedicated to the maintenance and monitoring of the IT environment for the purpose of protection against cyber threats.

Organisational measures including an ongoing training programme, awareness campaigns, phishing tests, identity access management and more are in place. In addition, multiple layers of technical safeguards and measures are in place, designed to protect against cyber attacks and ensure business continuity; these include measures like network segmentation, multi-factor authentication and backups. Pentests are performed on a regular basis to monitor the level of security. The Internal Audit Department is involved as well to monitor progress at the level of IMCD's local entities.

IT and cybersecurity are discussed annually with the Supervisory Board's Audit Committee. In 2021, cybersecurity was discussed with the full Supervisory Board and included in the Management Boards' non-financial bonus KPIs. A cybersecurity review took place in June 2021, during which the Information Security Officer reported in detail on the actions taken and focus areas for further improvements.

Customer data protection

IMCD acknowledges the fundamental rights and freedoms of its employees, suppliers, customers and other third parties. This includes the rights that concern protection of privacy and personal information. IMCD respects local privacy laws and regulations and will ask permission to use any personal information if so required. We offer transparency on the data we process, through our Privacy Statement published on our website.

As part of the Information Security Policy, IMCD implemented a Data Breach Notification Procedure, enabling early discovery of any incidents and a thorough process to quickly respond to security breaches in an adequate manner. IMCD has established the role of Group Privacy Officer, overseeing any investigation (together with a quick response team).

The Privacy Officer is also the first point of contact in the case of any concerns or complaints, from either internal or external stakeholders.

IMCD's employees follow a mandatory training programme available in IMCD's e-learning tool. This training is followed by a test to ensure awareness and understanding when it comes to phishing and security breaches.

In 2021, IMCD experienced four security incidents. In two cases, both consisting of a hacked email account, a data breach was established involving customer data/contact details. For the two incidents in which a breach was identified, the relevant data privacy authorities were notified.

Other than these incidents, no substantiated complaints concerning breaches of customer privacy or loss of customer data were received, nor did IMCD identify any other leak, theft or loss of customer data during internal screening.

Tax strategy

Taxation is a subject of growing interest in the global society of which IMCD is part. IMCD pursues a principled and transparent tax strategy that is aligned with organisational values and aims to support the overall business strategy and objectives. IMCD sees tax as part of its corporate social responsibility.

IMCD's tax strategy is based on the key values and principles as described in its Code of Conduct which provides a framework for a business culture that stimulates integrity, honesty, transparency, sustainability, compliance, expertise and cultural diversity. These values promote a climate of trust and respectful relationships with IMCD's

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business partners, investors and the tax authorities. The principles of IMCD's Code of Conduct are further embodied in IMCD's Management Instructions.

IMCD's tax principles require compliance with applicable tax rules and regulations in the jurisdictions in which IMCD operates. This means that IMCD strives to comply with the letter and spirit of the applicable tax laws. Where tax laws do not give clear guidance, prudence and transparency are the guiding principles while adhering to IMCD's Code. Transfer pricing-related issues are dealt with on an arm's-length basis in accordance with IMCD's transfer pricing policy, which is consistent with the internationally accepted standards of the OECD guidelines for multinational companies.

The company's genuine commercial activities are leading when setting up international structures. Profits are declared and taxes are paid where the economic activity occurs. Acquisitions are a significant part of IMCD's business strategy to achieve growth. The various acquisition structures and tax consequences of such transactions are considered and evaluated before carrying out an acquisition in order to minimise the potential tax risks and tax cost. IMCD does not make use of tax havens or non-cooperative jurisdictions for the avoidance of tax. In accordance with its tax strategy, IMCD takes a conservative approach to tax risk, as it does to other risks in the business. Tax risks can arise from unclear laws and regulations as well as differences in interpretation. There is always some level of risk on taxation because of the complexity of taxes (including frequent changes in laws), variety and volume of different taxes that affect the company's business and differences in the interpretation of regulations or at arm's-length concepts meaning tax authorities may take a different view. Tax risks IMCD is exposed to include, among others, acquisition and integration risk, non-compliance risk, legislative risk, operational risk, financial risk and reputation risk.

To manage its tax risks, the Corporate Tax Department cooperates with all internal and external stakeholders to ensure it complies with these regulations with the general objective of mitigating these risks while at the same time aiming to be tax-efficient and, by this means, cost-effective. IMCD has a tax control framework in place describing the tax risks and controls in detail ensuring that the tax risks are known and controlled. Potential tax-related risks are assessed by IMCD's Management Board and discussed with the Audit Committee of the Supervisory Board to ensure a sustainable and viable tax strategy that is compliant with IMCD's business principles and enhances long-term profitability.

IMCD seeks to maintain an open, honest and constructive dialogue with tax authorities based on transparency, respect and trust. Where appropriate IMCD may enter into agreements with the tax authorities to ensure upfront clarity and eliminate uncertainty about tax implications of certain positions. As part of the OECD country-by-country regulations, IMCD annually files a country-by-country report with the Dutch tax authorities in which it provides on a per country basis information on matters like profit before income tax, accrued corporate income tax, taxes paid, accumulated earnings and number of FTE's.

IMCD has a tax policy in place that describes IMCD's view on taxation and its strategy and provides guidance for all tax-related activities that are carried out by IMCD's Corporate Tax team and local finance teams of the group companies. The tax policy provides a framework for delineating the Corporate Tax teams' and local finance teams' responsibilities in order to efficiently manage and control tax risks. For example, tax compliance and reporting is managed locally with support and guidance from the Corporate Tax Department and external tax counsel and is periodically monitored through IMCD's Corporate

Control Department. The tax policy has been discussed with internal stakeholders and signed off by the IMCD's Management Board. The tax policy has also been shared with IMCD's external stakeholders such as tax advisors and the Dutch tax authorities.

In response to new legislation and tax authorities with enhanced capabilities, IMCD's tax function is designing digital tools. In line with the tax strategy, this will improve efficiency, quality and the compliance process. For more details on IMCD's tax policy and approach, we refer the reader to the Annual Report 2021.

Risk management

In achieving its objectives, IMCD faces risks and uncertainties, including such relating due to macroeconomic conditions, regional and local market developments and internal factors. IMCD strives to identify and control these risks and uncertainties as early as possible. Risk management is an essential element of IMCD's governance and is embedded in the company's business processes.

Although the company recognises the risks and uncertainties associated with its business activities, IMCD believes that the broad diversity of its business in terms of product portfolio, geographies, suppliers, end market sectors and customers can lessen the impact of local and regional economic changes. However, if adverse circumstances are pronounced and/or long lasting, they can have a significant impact on the company's business and the results of its operations. IMCD is affected by demand fluctuations and other developments in the broader economy and weak economic conditions may have a material adverse effect on the Group.

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The IMCD risk management policy is aimed at striking the best balance between maximisation of business opportunities within the framework of the company's strategy, and managing the risks involved.

Although IMCD benefits from its geographical, market, client and product portfolio spread, IMCD's well structured risk management process is designed to manage the residual risks in a transparent and controlled manner. IMCD's comprehensive internal control and risk management systems, including supporting tools, are continuously monitored by the Supervisory Board, Management Board, Corporate Control, Internal Audit and by regional and local management, improved when required and modified in line with changes in internal and external conditions.

In 2021 Corporate Control, in cooperation with Internal Audit, completely reworked the IMCD risk and control framework using a bottom-up approach. Meetings were held with all Department leaders to identify all potential risks applicable to each Department. This included identifying climate change related risks and the impact of current and future regulations with regards to climate change. This risk overview was shared with a group of key internal stakeholders to rate these risks on the potential likelihood of the risk of occurring and the potential impact on various levels. Furthermore, the risks were allocated to the respective categories (strategic, operational, compliance and financial). The key risks resulting from this assessment were added to the framework and appropriate control measures were allocated or redefined for risk mitigation purposes. The resulting revised IMCD risk and control framework was put in place at the end of 2021.

IMCD's risk management and control systems are designed to identify and analyse the risks faced by the Group at various levels, to determine and implement appropriate risk controls, and to monitor risks and the

way the risks are controlled. The identification and management of climate change risks follow the same risk-management process. Key activities within IMCD's risk management and control systems are:

- identifying key business risks, based on likelihood of occurrence and their potential impact
- setting and maintaining key controls for managing and preventing the key risks

The Management Board, under supervision of the Supervisory Board, has overall responsibility for the IMCD risk management and control systems. Management of regional holding and operating companies is responsible for operational performance and compliance and for managing the associated local risks.

EU Taxonomy eligibility disclosure

Introduction and objective

The EU Taxonomy Regulation (EU 2020/852) that entered into force on 12 July 2020 is a classification system establishing a list of environmentally sustainable economic activities. The aim is to scale up sustainable investments by providing a common European definition of what can be deemed as a 'sustainable' activity.

The EU Taxonomy consists of the following six annexes, each covering an objective that makes a substantial contribution to the environmental sustainability:

- climate change mitigation,
- climate change adaptation,
- sustainable use and protection of water and marine resources,
- transition to a circular economy,
- pollution prevention, and control, and
- protection and restoration of biodiversity and ecosystems.

For 2021, companies falling under the scope of the EU NFRD (Directive 2014/95/EU), which also applies to IMCD, shall report the share of activities 'eligible' to the EU Taxonomy in their annual or sustainability report against the parts of the Taxonomy which have been finalised at this stage: Annex 1 (Climate Change Mitigation) and Annex 2 (Climate Change Adaptation). For 2022, companies will have to report on all six of the environmental objectives. They will also have to move beyond just disclosing the 'eligibility' of their activities and start reporting on their share of 'aligned' activities. An activity is 'Taxonomy-aligned' when it meets the technical screening criteria, the do no significant harm principle, and complies with the minimum social safeguards associated with the economic activity in the EU Taxonomy.

An assessment of Annexes 1 and 2 of the EU Taxonomy

IMCD distinguishes six main economic activities. This list of our activities was cross-checked with the list of eligible economic activities in Annex 1 (Climate Change Mitigation) and Annex 2 (Climate Change Adaptation) of the EU Taxonomy to examine whether IMCD's economic activities were included.

Three of IMCD's economic activities are currently not included in Annex 1 or Annex 2 of the EU Taxonomy. These are:

- sales & marketing of speciality chemicals and ingredients,
- customer, supplier and employee development services, and
- supply chain added value services.

The economic activity of 'Product manufacturing' is included in the EU Taxonomy, however, entails only a certain set of chemical products, none of which IMCD produces. Additionally, this activity is financially immaterial (less than 0.1% of total revenue). This

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means that all the revenue, CapEx, and OpEx linked to these four activities is non-eligible for the EU Taxonomy.

IMCD's two remaining activities, 'Distribution of speciality chemicals and ingredients', and 'Product analysis and development', could be paired with activities in the EU Taxonomy, however, IMCD's specific execution of these activities does not allow this.

With regard to 'Distribution of speciality chemicals and ingredients', the transport element of this activity could be eligible under the EU Taxonomy. However, IMCD outsources almost all of the transport activities to third parties. Hence, IMCD has no operational control over the transport, rendering the activities non-eligible for the EU Taxonomy¹.

For the few instances where IMCD has operational control over the transport, the cost of transport is also included in the product price, leaving no room for separating the revenue. Additionally, these instances are not financially material (compile to less than 1% of our revenue).

With regard to the 'Product analysis and development' activity, we analysed a link with our Sustainable Solutions Programme. This is a R&D programme that has the potential to be covered by all six of the environmental objectives of the EU Taxonomy. At this time, however, it does not generate a separate revenue stream, nor can CapEx or OpEx be linked to the 'Product analysis and development' activity, or the Sustainable Solutions programme to any of the activities in the EU Taxonomy. IMCD will, going forward, work towards setting up a registration system to attribute the different aspects of the

Sustainable Solutions Programme to each of the different environmental objectives.

This means that also for the economic activities of 'Distribution of speciality chemicals and ingredients', and 'Product analysis and development' all the revenue, CapEx, and OpEx linked to these activities are non-eligible for the EU Taxonomy.

For the reasons stated above none of IMCD's activities are currently eligible for inclusion under Annex 1 and/or Annex 2. This means that Taxonomy eligibility of IMCD's revenue, CapEx and OpEx is currently 0%.

We have decided not to include voluntary CapEx disclosures for 2021, given that IMCD has not made any material financial investments in activities 7.3 to 7.6² of Annex 1 to the Climate Delegated Act in 2021. In the coming years, IMCD will take these into consideration as well.

Qualitative information referred to in the EU Taxonomy Article 8 Delegated Act (Section 1.2 of Annex I)

IMCD intends to be fully transparent on its approach with regard to the EU Taxonomy, in the qualitative information accompanying its disclosures on revenue, CapEx, and OpEx.

Accounting policy

For the revenue, the numerator of each of the above-mentioned activities was compiled by taking the total eligible revenue for that activity for the reporting year 2021. The total denominator was equal to the combined total revenue of the six activities mentioned above. Please refer to pages 143 and 159 of the Annual Report for further disclosure on revenue.

For the CapEx, the numerator was compiled by taking the total eligible CapEx for the reporting year 2021. This is the CapEx that is:

- related to assets or processes that are associated with Taxonomy-eligible economic activities
- part of a 'CapEx-plan' to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned
- related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months

For the CapEx, the total denominator was equal to the total CapEx combined for all of the six activities of IMCD.

For the OpEx, the numerator of each of the activities was compiled by taking the total eligible OpEx for the reporting year 2021. This is the OpEx that is:

- related to assets or processes associated with Taxonomy-eligible economic activities
- part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined time frame
- related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become

¹ As described in Annexes 1 & 2 to the commission delegated Regulation supplementing Regulation (EU) 2020/852.
² We refer you to question 15 of the FAQ by the EU on economic activities performed by a subcontractor and IFRS rules for more information on this matter.

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low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

For the OpEx, the total denominator includes costs relating to R&D, renovation, shortterm leases, maintenance, renovation, and any other direct expenditures relating to the day- to- day servicing of assets of property, plant and equipment both by the undertaking itself or any third party linked to the operations.

Assessment of compliance with Regulation (EU) 2020/852

In our assessment of the eligibility of our business activities, we used the definitions included in the Delegated Acts published by the European Commission on 6 July 2021 and applicable to all companies falling under the NFRD as of 1 January 2022.

Per activity included in the EU Taxonomy, a precise definition is provided, describing the economic activities that fall within the scope of this precise EU Taxonomy eligible activity. We have acted in good conscience and have rigorously followed the scope provided by the definitions. We have also considered further guidance of the EU via FAQs and other official policy documents to come to our conclusions.

We have not included any activities as eligible if they were not deemed to fall within scope of these definitions. If in the future doubts should arise, or new insights should teach us that any of our activities were eligible, we will include these activities in our Taxonomy disclosures in the following reporting years.



“Risk management is an essential element of IMCD's governance and is embedded in the Company's business processes.”

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Assurance report of the independent auditor

To the Shareholders and the Supervisory Board of IMCD N.V.,

Our conclusion

We have reviewed the Sustainability Information in the accompanying Sustainability Report (“the Report”) for the year 2021 of IMCD N.V. (“the Company” or “IMCD”) at Rotterdam. A review is aimed at obtaining a limited level of assurance.

Based on our procedures performed nothing has come to our attention that causes us to believe that the sustainability information does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to the Sustainability Information presented; and
- the thereto related events and achievements for the year 2021 in accordance with the reporting criteria as included in the Sustainability Report.

The Sustainability information consists of performance information in the sections:

- ‘Highlights’ (page 6-7)
- ‘About IMCD’ (page 8-11)
- ‘Approach to sustainability’ (page 14-21)
- ‘Environment’ (page 23-34)
- ‘People’ (page 36-47)
- ‘Product’ (page 49-58)
- ‘Governance’ (page 60-65)

We did not perform review procedures on the ‘EU Taxonomy eligibility disclosure’ on page 65-67. This

information is therefore excluded from the limited assurance scope.

Basis for our conclusion

We have performed our review of the sustainability information in accordance with Dutch law, including Dutch Standard 3810N ‘Assurance-opdrachten inzake maatschappelijke verslagen’ (Assurance engagements relating to sustainability reports) which is a specified Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’. Our responsibilities under this standard are further described in the section ‘Our responsibilities for the review of the sustainability information’ of our report.

We are independent of IMCD N.V. in accordance with the ‘Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten’ (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in The Netherlands. Furthermore we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria

The Sustainability Information in the Report needs to be read and understood together with the reporting criteria. IMCD N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the sustainability information are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria as disclosed in the chapter ‘Methodology Note’ (page 72-76) of the Sustainability Report.

The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Key review matters

Key review matters are those matters that, in our professional judgement, were of most significance in our review of the Sustainability Information. We have communicated the key review matters to the Supervisory Board. The key review matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our review of the sustainability information as a whole and in forming our conclusion thereon, and we do not provide a separate conclusion on these matters.

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Key review matter

Scope 3 GHG emissions – Refer to page 6, 24, 32-34 and 74-75 of the Sustainability Report

IMCD as a global sales, marketing and distribution company outsourced the majority of its transport activities to third party distributors. The emissions of these third party distributors account for IMCD’s Scope 3 GHG emissions. Further, supply chain decarbonization is one of the core focus areas under the key pillar ‘Environment’, derived from IMCD’s materiality assessment. The Scope 3 GHG emission figures are based on a combination of detailed transactional data on volumes while simultaneously relying on estimates for emission factors and assumptions of IMCD’s logistics department.

We identified Scope 3 GHG emissions as a key review matter because of the importance of Supply chain decarbonization in IMCD’s materiality assessment and the significance of the assumptions used in determining Scope 3 GHG emissions. The Scope 3 GHG emissions as disclosed by IMCD represent only the emissions originated in transport activities by contracted third-party logistics service providers.

According to the GRI Standards and the GHG Protocol Scope 3, GHG emissions can consist of various other aspects including the processing and use of sold products. IMCD acknowledges that the products distributed have the most significant impact upstream and downstream in the supply chain.

IMCD discloses the scope of countries subject to Scope 3 GHG emissions, the relevant emission factors and assumptions used in determining the Scope 3 GHG emissions in the Methodology Note on page 72-76 (under the header ‘Other indirect (Scope 3) GHG emissions’ and ‘Energy intensity and GHG emissions intensity’) of the Sustainability Report.

How the key review matter was addressed in our audit

With respect to the third party logistics emissions we have conducted review procedures which include obtaining an understanding of the methodology for gathering the necessary information of all third party logistic transactional data about the transportation assignments. Furthermore, we had inquiries with IMCD’s management to understand the methodology and assumptions used for the calculation of scope 3 GHG emissions based on the transactional data about the transportation assignments. For the key assumptions presented on page 74-75, we performed reconciliations and recalculations for key elements. Where IMCD used external advisors to set the emission factors and calculation models, we obtained an understanding of the competency and objectivity of those advisors. Furthermore we assessed the narrative disclosure of IMCD regarding the methodology used and the rationale to exclude certain parts (i.e. processing and use of sold products) of the scope 3 GHG emissions set out by GRI and the GHG Protocol.

Observations

Based on the review procedures performed, we obtained an adequate understanding of the methods and assumptions used by management, and have no findings to report.

Limitations to the scope of our review

The Sustainability Information includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the sustainability information.

The references to external sources or websites in the Sustainability Information are not part of the

Sustainability Information as reviewed by us. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities of the management board for the sustainability information

The Management Board is responsible for the preparation of reliable and adequate Sustainability Information in accordance with the reporting criteria as disclosed in the the section ‘About this report’, including the identification of stakeholders and the definition of material matters. The choices made by the management board regarding the scope of the Sustainability Information and the reporting policy are summarised in the section ‘About the report’ and ‘Other information’.

Furthermore, the Management Board is also responsible for such internal control as the Management Board determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the reporting process of IMCD N.V.

Our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance

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engagement. The level of assurance obtained in review is therefore substantially less than the assurance obtained in an audit.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our review included amongst others:

- Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the Sustainability Information. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the management board.
- Obtaining an understanding of the reporting processes for the Sustainability Information, including obtaining a general understanding of internal control relevant to our review;
- Identifying areas of the Sustainability Information with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or error.
- Designing and performing further assurance procedures aimed at determining the plausibility of the Sustainability Information responsive to this

risk analysis. These procedures consisted amongst others of:

- Interviewing management (and/or relevant staff) at corporate and local level responsible for the sustainability strategy, policy and results;
- Interviewing relevant staff responsible for providing the information and consolidating the data in the sustainability information;
- Determining the nature and extent of the review procedures for KPI's
- Obtaining assurance information that the sustainability information reconciles with underlying records of the company;
- Reviewing, on a limited test basis, relevant internal and external documentation;
- Performing an analytical review of the data and trends in the information available at corporate level.
- Evaluating the presentation, structure and content of the sustainability information;
- Considering whether the Sustainability Information as a whole, including the disclosures, reflects the purpose of the reporting criteria used;

We communicate with the Supervisory board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Amsterdam, June 28th, 2022

Deloitte Accountants B.V.

C. Binkhorst

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About this report

The sustainability report has been prepared as IMCD's comprehensive report on the topic as part of the Company's Sustainability Strategy.

Reporting is conducted annually, with the current report covering the full year of 2021. Restatements for the reporting years 2019 and 2020 are included in the annex 'Restatement of information'.

All entities included in the Company's consolidated financial statements or equivalent documents are covered by the report unless stated otherwise in the report and/or in the Methodology Note annex relevant for disclosure. The report's scope is global with the inclusion of all companies included in the Company's consolidated financial statements. Exceptions are relevant for some topics (please see Methodology Note for more information). A full list of the entities included in the Company's consolidated financial statements can be found in the Company's Annual Report 2021. The reported data is believed to be sufficiently accurate, balanced, clear, comparable, reliable, and timely.

The report's content is defined based on the materiality of the most relevant and impactful ESG topics for IMCD to manage. In line with GRI Standards, material topics reflect IMCD's significant economic, environmental and social impacts and substantively influence the assessments and decisions of stakeholders. All material topics are included in the report. In 2021, IMCD refreshed its materiality assessment to define key focus areas for sustainability reporting and to comply with the concept of double materiality in line with the GRI Standards. Therefore, the approach to material

topics definition was changed in 2021 (see 'Key Areas for Sustainability').

This report has been prepared in accordance to the core option of the international standards for sustainability reporting – the Global Reporting Initiative (GRI). The GRI framework was used to provide a structured presentation of this content. A GRI Content Index contrasts the GRI disclosures with the corresponding passages in the report.

With the support of the Management Board, it is the Company's policy to seek review of its sustainability reporting by external independent parties. This report has therefore completed the external assurance procedure implemented by Deloitte Accountants B.V. at limited assurance level.

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Methodology Note

This annex presents estimations, extrapolations and assumptions for all reported indicators, in cases when primary data was not available, as well as comments on the methodology used for calculations. Indicators not considered in this section were reported based on the primary data collected by IMCD.

Estimations, extrapolations and assumptions necessary for reporting the indicators considered in this section are connected with:

- data gaps in primary data reported from the sites (local/regional managers)
- impossibility of performing direct accounting (e.g. direct accounting of volumes of emitted GHG)

Company-specific data used in the calculations is of two quality and assurance levels:

1. data reported by the site with a proof document
2. data estimated by the sites with no proof document following the Sustainability Reporting Manual of the company

Energy consumption within the organisation and direct (Scope 1) emissions.

Energy consumption within the organisation and emissions associated with it arise from two main source activities: energy use in facilities (space heating and electricity generation – stationary combustion), and own transport (mobile combustion).

Stationary combustion energy consumption data was collected from the sites for 2019-2021 for the volume or mass of the fuels consumed. Some assumptions and estimations were performed to fill the data gaps and derive direct emissions associated with stationary consumption. We have performed the following estimations:

- For one reporting location, natural gas consumption was possible to estimate in 2021, while no estimations were possible in previous year. As the location has been occupying the same office, the consumption of 2021 was then taken for 2019 and 2020 estimations. The respective estimations have been added to the information restatement.
- Conversion between volumes/massed of fuels and consumed energy was implemented based on the energy density of the respective fuels, sourced from the materials of University of California Berkeley
- GHG emissions associated with the stationary combustion were calculated based on the emission factors extracted from the Ecoinvent 3.6 database balanced using the IPCC (2013) GWP 100a method (global warming potential over 100 years). In order to include direct emissions only, the Ecoinvent datasets were modified by removing upstream processes from consideration.

Energy use and emissions in mobile combustion includes use of our own transport fleet. Two lines of assessments were used depending on the available data:

1. For the sites that the reported volume of fuel used, emissions from transport were estimated based on

the reported volumes, standard conversion rates, and emission factors established for different transport modes means when relevant. For locations that have different modes of transport, the estimated fuel use was allocated between the vehicles according to the use specified by the reporting locations, or when not available - calculated as assumed for other sites (see page 2) for each of the modes of transport. The reported fuel use was allocated proportionally to estimated values, and emissions were calculated based on that allocation. Emissions were calculated based on the emission factors extracted from the Ecoinvent 3.6 database.

2. Estimations reported by the sites based on the total number of vehicles by type and average distance driven or hours operated. The following estimations have been made for these cases:

- For passenger cars, fuel use was calculated based on the average passenger car (EURO 4) from the Ecoinvent 3.6 database, modified according to the specified fuel used (petrol, diesel, LPG or natural gas), or, when not available, in a respective mix of petrol, diesel and natural gas. In order to include Scope 1 emissions only, the upstream processes were excluded from consideration. The same dataset was used to extract the GHG emissions factor balanced using the IPCC (2013) GWP 100a method. For hybrid passenger cars, petrol was assumed as the fuel used.
- For diesel-, petrol or LPG-fuelled inhouse transport vehicles (warehouse transport), energy use was estimated based on the reported number of vehicles (primary data), average hours of operation per day (estimation) and fuel use per hour of operation

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(based on Ecoinvent 3.6 data set for diesel machine operation, 18.64-74.57 kW in high load – corresponding to average warehouse diesel loader). The same data set was used to extract the GHG emissions factor of combustion of a kg of diesel used in the activity balanced using the IPCC (2013) GWP 100a method.

- For petrol and LPG fuelled warehouse transport, energy consumption per year was estimated to be equal to that of diesel (in MJ/hour), and the associated emissions per kg of fuel were calculated based on the emissions factor for fuel consumption of a passenger car (Scope 1 only, excluding upstream processes).
- For the logistics with trucks, the energy consumption was estimated based on the reported number of trucks (primary data), driven distance per year (estimation), and average load of a truck by type (small or articulated lorry). Where primary data is available, a distinction is made between trucks fuelled by petrol or diesel. When not available, all transport was assumed to be performed by diesel trucks, Energy consumption was extracted from an Ecoinvent 3.6 data set in respect to tkm transport services (Scope 1 only, excluding upstream processes). The same dataset was used to extract GHG emissions factors per tkm of transport (Scope 1 only). For petrol fuelled trucks, the energy consumption per year was estimated to be equal to that of diesel (in MJ/tkm), and the associated emissions per kg of fuel were calculated based on the emissions factor for fuel consumption of a passenger car (Scope 1 only, excluding upstream processes).
- Conversion between volumes/masses of fuels and consumed energy was implemented based on the heating value of the respective fuels.

Additionally to energy consumption associated GHG emissions, the reporting includes fugitive emissions associated with space cooling (air conditioning) in

facilities. These Scope 1 fugitive emissions were estimated based on the reported floor area with air conditioning, with assumed split-air AC capacity 60m² per 1.7kg of charge (R410A as a conservative assumption), and leakage rate according to the IPCC guidance 2006 (3%). Fugitive emissions of refrigerant from small refrigeration units in own warehouses were assessed to be neglectable.

Estimated GHG gases include CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, and others. The financial control consolidation approach was consistently applied in reporting. Following the approach, fuels consumption for space heating was included into the scope for all own and leased facilities of the companies of the Group according to IFRS16. According to the Company's set targets, 2019 is the base year for further reporting for assessments.

Energy consumption inside the organisation: energy indirect (Scope 2) GHG emissions.

Relevant energy consumption inside the organisation and the associated emissions have two main source activities: energy usage in facilities (space heating, space cooling and electricity usage), and own transport (passenger cars and warehouse).

Data on consumption of supplied heating and cooling was provided by the sites in GJ.

- Emissions associated with supplied heat consumption were estimated flat for all locations. Given that no consistent reliable source was found to provide easily accessible information on district heating emission factors for the whole range of countries, one uniform set of factors was selected instead. The choice for the Dutch emission factor was made due to the location of the Company's Headquarters. Following the precautionary principle, the conservative assumption of CHP district heating was assumed. The emission

factor is consistent with the IPCC (2013) GWP 100a method.

- Emissions associated with supplied cooling were calculated based on the data for consumed energy and the respective emission factors. Where possible, emission factors were calculated with a primary data-based modelling of cooling production. When this was not possible, the flat emissions factor based on the Ecoinvent 3.6 data set for the global market for cooling energy was used. The emission factors are consistent with the IPCC (2013) GWP 100a method.

Data on electricity consumption was obtained from the sites in MWh.

- Emissions associated with electricity consumption were estimated using the location-based approach. Emission factors were extracted from the Ecoinvent 3.6 datasets for the respective regional electricity mixes, balanced using the IPCC (2013) GWP 100a method. Emission factors include a minor share of the upstream emissions (i.e. emissions occurring in the life cycle of electricity production prior to the electricity generation per se), and thus additionally account for Scope 3 (Category 3) emissions.
- For one reporting location that relocated during the reporting year 2021, it was possible to report the electricity consumption on a factual basis for 9 months (at the new location), and on an extrapolated basis for 3 months (to reflect the consumption at the old location).
- Electricity consumption and Scope 2 emissions associated with transport refer to use of electricity for electric passenger cars, and electric loaders at own warehouses.
- Electricity consumption for transport is estimated based on the number of in-house electric vehicles (primary data), estimated hours of work per year and electricity use per hour of operation assuming a 15% loading time use (based on specifications of a commonly used articulated loader¹). When available,

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primary data on the number of electric passenger cars is used, assuming per-km driven electricity consumption according to the respective Ecoinvent 3.6 dataset for electric passenger car. When not available (years 2019-2020), the share of passenger car transport using electric cars is calculated based on the estimated shares in the Ecoinvent 3.6 datasets, in Europe and the rest of the world separately. The values for electricity consumption for transport are only indicative and used to estimate distribution of electricity usage between transport and facilities.

- Electricity usage for facilities and associated emissions are calculated as the difference between the total electricity usage and electricity usage for transport.

Estimated GHG gases include CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, and others. GHG trades are excluded from the calculation of gross energy indirect (Scope 2) GHG emissions. The financial control consolidation approach was consistently applied in reporting. Following the approach, energy consumption was included in the scope for all own and leased facilities of the companies of the Group according to IFRS 16. According to the Company's set targets, 2019 is the base year for further reporting for assessments.

Other indirect (Scope 3) GHG emissions

Scope 3 transport emissions volume was modelled based on the available data for delivery distance, mass and general mode of transport.

Logistics database extracts were used, containing the primary data on the net mass of a product delivered, country and postal code of starting point and country and postal code of the destination point. For the

emissions calculations, the following assumptions and estimations were made:

- Mass of packaging for all of the products was estimated as 3% of the net mass of the delivered products, i.e. the pessimistic estimate provided by the Supply Chain Department and harmonised with the active logistics software.
- Of the products transported, 2% of the products (w/w) is estimated to be transported using refrigerated transport (based on an assumption of the Supply Chain Department).
- Three modes of transport are applied in the calculation, depending on the geography of the points of origin and destination. All intra-continental transactions are assumed to be performed by road transport (articulated lorry, based on the estimation provided by the Logistics Department). That also applies to all transport in Europe with the island countries (Ireland, UK, Faroe Islands, Malta and Cyprus). This is based on the fact that the actual transport routes used are unknown, the traditionally preferred maximum of road transport and the negligible share of such transactions. While a presumably non-material leg of the route could be covered by ferry transport, impacts of road transport per tkm of service are higher and thus the assumption is based on a somewhat pessimistic approach and does not, in any case, underestimate the total emissions. An exception is made for Iceland in 2019, for which for 97%w/w of transaction mode of transport was identified specifically as air or sea (for the remaining 3% the default ratio of 10% by air and 90% by sea was applied).
- Inter-continental transport includes road and air/sea transport. It is assumed that the following transport is performed 100% by road between: Europe and North Africa; Europe and Central Asia; Asia and Central Asia;

Middle East and Central Asia; North Africa and Central Asia. Other intercontinental transport is assumed to be performed 10% by air (air freight for high-importance transactions, a pessimistic assumption by the Supply Chain Department), and 90% by sea (transoceanic ship).

- Distances for the road transport are calculated as distance by roads (including roads with tolls) from postal code of starting point to postal code of destination, using Google Maps GIS. A single postal code territory is commonly small enough to reasonably approximate the location. When one of the postal codes is unknown or not identifiable by Google GIS, the regional postal code is used, or in absence of the latter, the country postal code. Total contribution of such transactions in total emissions is estimated to be below 8% for 2019, below 7% for 2020, and below 15% for 2021.
- Air freight transport distance is identified as a straight line between the locations in question in Google GIS.
- Sea freight distance is calculated as a straight-line distance adjusted on the coefficient of 2.1516. The coefficient is extracted based on the analysis of the relation between straight-line distance in Google GIS and marine navigation distance¹ for a sample of locations that contained short-, medium-, and long-distance freight. The differences are assumed to be coming from the water routes available for navigation; manoeuvring; and navigation dispatching.
- Transport services are calculated by multiplying the mass of the delivered product with packaging by the transport distance. The sum of transportation services volumes in tkm is adjusted, by adding a percentage equal to the percentage of "mass lost", i.e. mass of products for which no distance calculation was possible. The values extrapolated in this manner

¹ <https://www.wackerneuson.eu/en/products/wheel-loaders/articulated-wheel-loaders/model/wl20e/type/TechnicalData/>

¹ Tools used: <https://sea-distances.org/>

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contribute less than 1% of the total emissions for the indicators for 2019, 2020 and 2021.

- For each of the types of freight, two generic modes of transport were identified: with refrigeration and without refrigeration. Respective datasets are chosen from Ecoinvent 3.6 and approved as an approximation by the Supply Chain Department. The datasets are used to extract the GHG emissions factors per tkm of transport services, balanced using the IPCC (2013) GWP 100a method.
- Final GHG emissions are calculated as a product of transport services for each mode of transport and respective emission factor.

In view of gradual expansion of the geographical scope of reporting of Scope 3, the following geographical scopes are presented in the report:

- for 2019: EMEA without Middle East and Africa (South Africa included); Malaysia, Indonesia, India; the USA without Puerto Rico, and transactions of acquired assets of US Food and ET Horn.
- for 2020: scope of 2019 with the addition of Bahrein, Samoa, Hong Kong, Taiwan, Philippines, Singapore, Thailand; added US assets of Puerto Rico, US Food and E.T. Horn.
- for 2021: scope of 2020 with the addition of Canada, Mexico, Kenya, Latvia, Bosnia and Herzegovina, Burundi and Uganda.

Note for the calculations of specific emissions:

- for the companies acquired during each reporting cycle, the FTE count is included as at end of the year, while transport transactions and EBITDA are only included as from the acquisition date. This should be taken into account when looking at the intensity KPI's per FTE, as it could lead to too high FTE when not applying a pro rata (or average) contribution of FTEs to the total.
- for the companies merged during each reporting cycle, the FTE, EBITDA, and tons of product

purchased indicators can no longer be separated as from the date of the merger. At the same time, the transport transactions for these cannot be included in the calculations, leading to possible higher FTE and EBITDA values than those actually associated with the included logistics transactions.

Organisational scope for the consideration (revenue) is defined by types of transactions, and is defined by the financial account of the sale. Such, the logistical transaction is included in the organisational scope if it is financially set on the considered region (scoped-in company). The transactions include intra-regional and inter-regional sales of a scoped-in IMCD company with delivery from the stock to a customer, intra-regional and inter-regional sales of a scoped-in IMCD company with direct delivery from supplier to the customer, and intra-regional and inter-regional purchases of a scoped-in IMCD company with delivery from a supplier to the stock.

For sales with delivery directly from the supplier to the customer, logistics transactions are logged twice (as a sale and as a purchase). The detected discrepancies constituted 0,04% of the volumes considered for 2019, and 0.03% for 2021. No discrepancies are detected in 2020.

Sales volumes calculated through Logistics data are compared for validation with sales volumes registered financially. Discrepancies can be explained by the scoping of merged companies, specifics of invoicing, and corrections. Discrepancies for 2019, constituted -3.3% of the considered volumes), and for 2020 0.5%. To present a fair estimation of KPI for respective specific emissions, the volumes defined by the Logistics data are used in calculations. Due to systems unification, reconciliation was neither possible nor necessary in 2021.

Estimated GHG gases include CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, and others. The financial control consolidation approach was consistently applied in reporting. According to the Company's set targets, 2019 is the base year for further reporting for assessments.

Energy intensity and GHG emissions intensity

Energy and GHG emissions intensity is calculated by dividing the respective energy consumption or amount of total energy consumption within the organisation, or total emissions (Scope 1 and 2, or Scope 1, 2, and 3) by the intensity base. Three intensity bases are used throughout the report:

- FTE: based on the primary data supplied by the HR Department
- Mass of product purchased: based on the primary data, supplied by the Controlling Department
- Operating EBITDA:
 - Total Operating EBITDA is taken based on primary data on the Group level
 - Operating EBITDA per region is calculated as Operating EBITDA generated by the companies of the region plus proportionally allocated Operating EBITDA of the holding companies.

Water withdrawal

Water withdrawal data is obtained from the sites in m³ (1000 litres) when possible. All sites use fresh water supplied by third parties (municipal water) apart from the own surface water withdrawal relating to rain water harvesting (126m³ in 2021).

- For the sites that could not report water withdrawal (three companies in 2021), water withdrawal was estimated based on floor area of the facility (primary data), function of the facility (office – primary data), and average water withdrawal per floor area by the reported sites based on their function.
- Water stress areas are identified as areas with baseline water stress level high (40-80%) or

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extremely high (over 80%), based on the data from the World Resources Institute, Aqueduct Water Risk Atlas. accessed on May 3rd, 2022 for the levels in the reporting year 2021.

Water discharge

Water discharge data is obtained from the sites in m³ (1000 litres) when possible. The majority of the sites use water for near-to-domestic use purposes or for production (consumed in the process and is not discharged), and pass it on the third parties for treatment (assumed not fresh water at the moment of discharge) via the municipal sewage system. Two sites do not discharge the wastewater to third parties for treatment via the sewage system, either due to absence of a sewage system or due to specific substances of concern. Two sites carry out non-hazardous waste water treatment themselves in accordance with the governmental standards before discharging the treated water to the surface water; no additional internal water quality standards or guidelines were developed.

- For sites that could not report water discharge (three companies in 2021), water discharge was estimated based on the floor area of the facility (primary data), function of the facility (office – primary data), and average water withdrawal per floor area by the reported sites based on their function. This water is discharged via the sewage pipeline.
- For two sites in Indonesia, the total own water discharge could not be estimated in 2020 and so a conservative assumption has been used in calculating the water consumption. This concerns an insignificant amount of water passed on to third parties for treatment, and non-hazardous waste water treated on-site and discharged to surface water. This uncertainty has been eliminated for 2021 reporting though.
- Water stress areas are identified as areas with baseline water stress level high (40-80%) or extremely high (over 80%), based on the data from

the World Resources Institute, Aqueduct Water Risk Atlas. accessed on May 3rd, 2022 for the levels in the reporting year 2021.

Water consumption

Water consumption is based on local water withdrawal minus discharge. Water withdrawal reporting based on estimations accounts for 33% of the total in 2021. Water discharge reporting based on estimations accounts for 69% of the total in 2021.

No water storage was identified as relevant for the companies of the group.

Waste generation by type

Data on hazardous and non-hazardous waste generation is obtained from the sites in metric tonnes (1000kg). Based on the information provided by the sites, all sites pass on waste to third parties for treatment.

- Two sites are excluded from the reported values for generation of WEEE, with no possible high-certainty estimation of significance.
- Two sites are excluded from the reported valued of other non-hazardous waste, due to absence of the data. The sites have an office designation, with one of them having closed on July 2021. The contribution of these sites is not expected to be of significance.

Waste generation was included into the scope for all owned and leased facilities of the companies of the Group.

Occupational health and safety

The rate of recordable work-related injuries, and the rate of high-consequence work-related injuries are calculated on a base of 200,000 worked hours. A full-time equivalent is assumed to equal 2,080 hours of work annually.

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Restatement of Information

A few factors relevant for the 2019-2020 reporting resulted in the current restatement of information, including error in fuel reporting of one company of the group, higher quality or new data on water and energy use becoming available for several reporting locations, and one editorial error. Next to the restatements of the sustainability data, we were required to restate the operating EBITDA for 2020 as a result of a change in accounting policies. For further information please refer to the Annual report 2021.

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p. 24, table, Direct energy carriers use (Scope 1) - Global, 2020	5,574	5,751
p. 24, table, Provided energy (Scope 2) - Global, 2020	6,090	6,062
p. 24, table, Total estimated emissions, tCO ₂ eq, 2019	168,487	168,663
p. 24, table, Total estimated emissions, tCO ₂ eq, 2020	270,743	270,892
p. 24, table, Emissions intensity per mln euro of operating EBITDA, 2020	970	1,007
p. 26, table, Direct energy carriers use (Scope 1), Energy consumption, 2019	111,890	112,644
p. 26, table, Direct energy carriers use (Scope 1), Energy consumption, 2020	86,874	87,600
p. 26, table, Direct energy carriers use (Scope 1), Energy related emissions, 2019	7,237	7,384
p. 26, table, Direct energy carriers use (Scope 1), Energy related emissions, 2020	5,574	5,751
p. 26, table, natural gas, Energy consumption, 2019	39,493	40,199
p. 26, table, natural gas, Energy consumption, 2020	32,531	33,237
p. 26, table, natural gas, Energy related emissions, 2019	2,222	2,261
p. 26, table, natural gas, Energy related emissions, 2020	1,830	1,870
p. 26, table, diesel, Energy consumption, 2019	47,052	45,425
p. 26, table, diesel, Energy consumption, 2020	38,693	37,996
p. 26, table, diesel, Energy related emissions, 2019	3,266	3,153
p. 26, table, diesel, Energy related emissions, 2020	2,689	2,639
p. 26, table, fuel oil, Energy consumption, 2019	NA	1,674
p. 26, table, fuel oil, Energy consumption, 2020	NA	717
p. 26, table, fuel oil, Energy related emissions, 2019	NA	124
p. 26, table, fuel oil, Energy related emissions, 2020	NA	53
p. 26, table, other fugitive emissions, Scope 1, 2019	29	NA
p. 26, table, Provided energy (Scope 2), Energy consumption, 2020	44,061	43,880
p. 26, table, Provided energy (Scope 2), Energy related emissions, 2020	6,223	6,062
p. 26, table, electricity, Energy consumption, 2020	39,180	38,999
p. 26, table, electricity, Energy related emissions, 2020	5,848	5,820
p. 26, table, other fugitive emissions, Scope 2, 2019	97	NA
p. 26, table, other fugitive emissions, Scope 2, 2020	133	NA
p. 26, table, Total energy consumption / emission from own organisation (Scope 1 and 2), Energy consumption, 2019	155,956	156,710
p. 26, table, Total energy consumption / emission from own organisation (Scope 1 and 2), Energy consumption, 2020	130,935	131,480

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	p. 26, table, Total energy consumption / emission from own organisation (Scope 1 and 2), Energy related emissions, 2020	11,797	11,813
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	p. 26, table, Intensity per mln euro of operating EBITDA, Energy consumption, 2020	469	489
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	p.26, chart, Total GHG emissions intensity within the organisation by region, tCO2eq per mln euro operating EBITDA, EMEA, 2020	30.0	31.3
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	p.26, chart, Total GHG emissions intensity within the organisation by region, tCO2eq per mln euro operating EBITDA, Asia-Pacific, 2020	43.6	46.1
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	p. 26, chart, Total energy consumption within the organisation by region of operation, GJ, Asia Pacific, 2020	12,953	12,866
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	p. 26, chart, Total energy consumption within the organisation by region of operation, GJ, Total, 2020	130,935	131,480
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	p. 26, chart, Total GHG emissions within the organisation (Scope 1 and 2) by region of operation, tCO2eq, EMEA, 2020	4,050	4,077
ABOUT THIS REPORT	p. 26, chart, Total GHG emissions within the organisation (Scope 1 and 2) by region of operation, tCO2eq, Asia Pacific, 2020	2,425	2,414
	p. 26, chart, Total GHG emissions within the organisation (Scope 1 and 2) by region of operation, tCO2eq, Total, 2019	13,213	13,263
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	p. 27, chart, Energy consumption by activity, GJ, Facilities, 2019	80,086	80,838
	p. 27, chart, Energy consumption by activity, GJ, Facilities, 2020	72,732	73,277
	p. 27, chart, Energy consumption by activity, GJ, Total, 2019	155,956	156,708
	p. 27, chart, Energy consumption by activity, GJ, Total, 2020	130,935	131,480
	p. 27, chart, GHG emissions by activity, tCO2eq, Facilities, 2019	7,686	7,736
	p. 27, chart, GHG emissions by activity, tCO2eq, Facilities, 2020	7,535	7,551
	p. 27, chart, GHG emissions by activity, tCO2eq, Total, 2019	13,213	13,263
	p. 27, chart, GHG emissions by activity, tCO2eq, Total, 2020	11,798	11,814
	p. 27, share of confirmed primary data reporting for energy consumption in 2020	64%	66%

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			GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and emissions management (see page 25)	
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			GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and emissions management (see page 25)	
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				103-2 The management approach and its components	Occupational Health, Safety and Well-Being (see page 41)	
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Colophon and disclaimer

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