IMCD

Integrated Report 2024

Evolving stronger, growing together

www.imcdgroup.com

Creating a world of opportunity

European single electronic reporting format (ESEF) and PDF version

This copy of the Integrated Report is the PDF printed version of the 2024 Integrated Report of IMCD N.V. This version has been prepared for ease of use and does not contain ESEF information as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815) The official ESEF reporting package is available via IMCD's website at www.imcdgroup.com.

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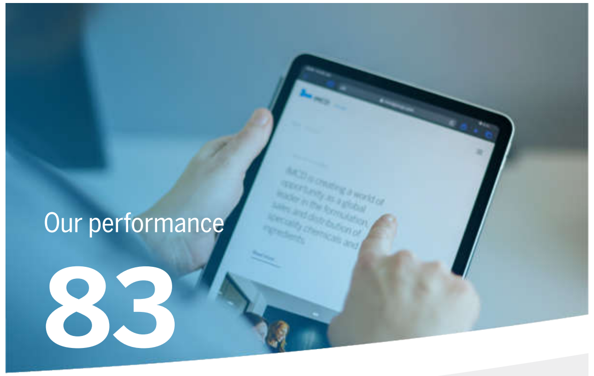

At a glance

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1 Message from the CEO

Dear shareholders, colleagues, customers, and partners,

I am proud to present you with our Integrated Report for 2024, marking another year of continued expansion and evolution for IMCD. In an ever-changing global landscape, we have once again demonstrated the agility and strengths that underpin our success, supporting our customers and suppliers while delivering strong results.

Evolving stronger, growing together

Revenue increased by 6% to EUR 4,728 million (8% on a constant currency basis), while operating EBITA grew by 3% to EUR 531 million (5% on a constant currency basis). All segments contributed to organic gross profit growth, reflecting our ability to provide innovative and market-relevant solutions. This success highlights the depth of our technical expertise and expanding footprint, with new or upgraded laboratories and technical centres opening across all regions.

In parallel, we issued a EUR 500 million rated corporate bond loan, EUR 300 million in shares, and hosted our first-ever investor day in Milan in September, fostering deeper connections with our shareholders.

Continued strategic drive

Our strategy remains anchored in six key pillars: people, portfolio, commercial excellence, operational excellence, digital excellence, and sustainability. Over the year, we translated these pillars into action, strengthening our capabilities and competitive edge. We made significant strides in our digital evolution, leveraging our unified global IT platform, integrated ERP and CRM systems, AI-enabled tools, and the online MyIMCD customer platform, to enhance efficiency and customer experience.

Our acquisition strategy also remained strong, with 12 businesses joining IMCD to reinforce our presence across all segments.

At the same time, we strengthened our commitment to sustainability through our 'Sustainable Solutions' programme, developing inspirational formulations that address critical challenges such as climate change, circularity, and resource efficiency, while our inaugural Sustainability Summit in September brought together stakeholders to drive meaningful conversations and action.

Behind every success are our people

This year, we welcomed 1,346 new employees worldwide, both through hiring and acquisitions. I want to take this opportunity to express my deep appreciation to all our colleagues, both new and long-standing, for their dedication and hard work. Their expertise, passion, and entrepreneurial spirit are the driving force behind IMCD's success.

We further cemented this spirit by integrating "*Continuous Improvement*" as a new core value - reinforcing our commitment to always striving for better. To support this, we increased investment in training and development, leading to a 49% increase in training hours per employees compared to 2023.

As we look ahead, our focus remains on creating long-term value for our customers, suppliers, employees, and investors. Our ability to thrive in a complex and dynamic global environment is a testament to our enduring strength and vision. I invite you to explore this report to see how IMCD is helping to shape a brighter, more sustainable future, and I thank you for your continued trust and support.

Rotterdam,
4 March 2025
Valerie Diele-Braun
Chief Executive Officer

2 Highlights 2024

Celebrating a growth story

Celebrating ten years listing on Euronext

July 2024 marked ten years since IMCD's first listing on Euronext, a testament to the collaborative spirit and enduring partnerships that have defined our success.

CEO Valerie Diele-Braun struck the gong to celebrate this moment at the Amsterdam stock exchange, and commented: "*It would not have been possible without our nearly 5000 colleagues, and there is so much excellence and commitment – thank you!*"

Celebrating ten years listing on Euronext

Bond issuance and capital raise

In September 2024, IMCD successfully issued a new EUR 500 million rated corporate bond loan with institutional investors, and in November 2024, IMCD raised EUR 300 million through an accelerated bookbuild offering of new shares.

Both operations provide IMCD with increased financial flexibility as well as further strengthen its balance sheet.

Continuing a growth story with acquisitions

Over the past year, new acquisitions have enhanced our portfolio, diversified our offering and strengthened our overall market leadership. We have acquired the remaining 30% of Signet Excipients in India and successfully completed the acquisition of 12 valuable additions to the IMCD family in 2024.

For instance, we acquired Valuetree (beauty and personal care) in India, EuroChem Pharma (food, pharmaceutical and personal care) in Malaysia and ResChem in Australia and New Zealand, Gova Ingredients (beauty and personal care) in Benelux, Cobapharma (pharmaceuticals) in Spain, Selechimica (pharmaceuticals) in Italy, Bretano (food and nutrition) and Blumos (life science) in Latin America.

IMCD's first Investor Day and Lab Experience in Milan

IMCD's First Investor Day and Lab Experience in Milan

On 24 September, we welcomed our investors and analysts to our first Investor Day and Lab Experience event in Milan, Italy.

This unique event combined strategic insights with immersive laboratory experiences, offering attendees a first-hand look at how we strive to create long-term sustainable value and growth for all our stakeholders.

Industry awards

Laura Marshall Award for Technology and Disruption to IMCD UK

IMCD Beauty & Personal Care won the prestigious Laura Marshall Award for Technology and Disruption at SCS Formulate 2024, for our innovative Boost My Cycle concept developed in our Milton Keynes applications laboratory.
Focusing on how hormonal changes throughout the menstrual cycle can have a profound effect on skin health, our solution was designed to empower people with products that work with their skin's natural cycles.

Laura Marshall Award for Technology and Disruption to IMCD UK Beauty & Personal Care

IMCD India won the BYK Partner of the Year 2023 Award

IMCD India was distinguished by BYK for their overall performance across multiple categories recognising our performance in sales, transparent communication, reporting system and business excellence.

IMCD Brazil awarded as TOP Distributor in the Brazilian market

IMCD Food & Nutrition was distinguished among the TOP Distributors in the Best Ingredients Suppliers 2023 Awards in Brazil.
The awards took place in the presence of the country's main leaders in the food and beverage ingredients industry, and is the outcome of a survey with 12,392 votes from professionals working in the food and beverage ingredients industry.

IMCD Sanrise in China received Value Partner Award from BASF

IMCD Sanrise was honoured with the Value Partner Award from BASF in recognition of its outstanding performance, further highlighting the strong and fruitful partnership between the two companies.

IMCD named Best Performing Distributor in ASEAN for 2023 by BASF

Our Malaysia & Singapore team achieved remarkable growth and pipeline success, reflecting our pursuit of commercial excellence, strong customer relationships, and consistent collaboration with BASF to meet customer needs promptly.

IMCD India recognised as a Value-Added Distribution Service

IMCD India has been recognised as a 'Value Added Distribution Service' by the Governing Council of the Institute of Supply Chain Management (ISCM) at the 6th India Logistics Strategy Summit & Awards in May 2024.

IMCD receives two Quality Awards for pharmaceuticals in Brazil

IMCD was distinguished at the 28th edition of the Sindusfarma Quality Awards: Best Raw Material Supplier of Active Pharmaceutical Ingredients, and second Best Supplier in Excipients, reinforcing our positioning and how seriously we take our ambition to adding sustainable value to the supply chain.

Sustainability Summit 2024

IMCD Sustainability Summit

IMCD Coatings & Construction and Industrial Solutions teamed up to host the first-ever IMCD Sustainability Summit.

Participants had the opportunity to gather current insights on sustainability, hear fresh perspectives from industry leaders, and walk away with practical steps on the adoption of Sustainable Solutions.

Growing talents with the IMCD Rising Leaders programme

The IMCD Rising Leaders development programme kicked off in November with an inspiring event in The Hague, The Netherlands. This marks the beginning of an eight-month journey for 25 exceptional talents from across the globe.

The programme is an evolution from the IMCD's Women in Leadership one which came to an end in March 2024 due to the progress we have made in achieving our gender diversity goals.

The new programme is designed to foster the growth of our future commercial leaders by combining professional coaching, personalised goal-setting, and hands-on projects that bring tangible value to our organisation.

Participants will identify and develop specific leadership competencies, supported by individual coaching sessions, group workshops, and mentorship opportunities with IMCD senior leaders.

IMCD Rising Leaders programme

IMCD Americas Olympics fostering diversity, team spirit and positive local impact

In 2024, IMCD Americas hosted the IMCD Olympics, an employee engagement initiative uniting 11 countries. Employees shared cultural heritage, engaged in community service, and embraced wellness through physical activities. With gold, silver, and bronze medals awarded for participation and creativity, the event underscored IMCD's support to unity, well-being, and social responsibility, while strengthening bonds across regions and showcasing the values that drive our success.

IMCD Americas Olympics

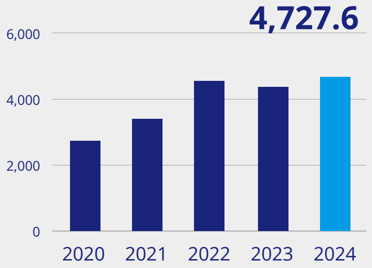
Facts & figures - Financial highlights[1]

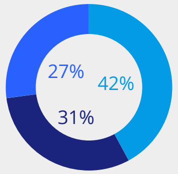
Financial highlights (EUR million unless stated otherwise)

Revenue

6%

8% on a constant currency basis



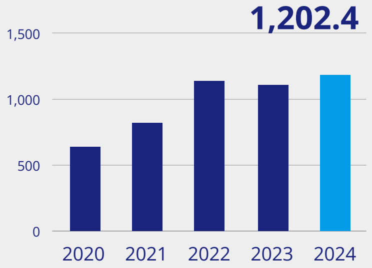


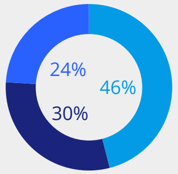
by region	
EMEA	1,990.1
Americas	1,457.7
Asia-Pacific	1,279.8

Gross profit

7%

9% on a constant currency basis



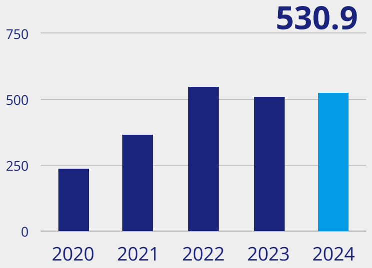


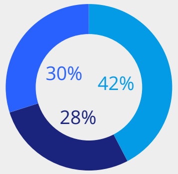
by region	
EMEA	553.1
Americas	360.7
Asia-Pacific	288.6

Operating EBITA

3%

5% on a constant currency basis



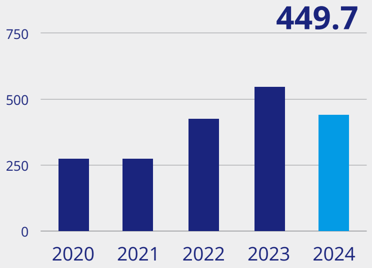


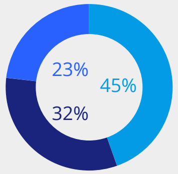
by region *	
EMEA	241.3
Americas	158.3
Asia-Pacific	170.3

Free cash flow

(19%)

EUR (105) million
2023: EUR 554.2 million





by region *	
EMEA	258.9
Americas	187.2
Asia-Pacific	134.6

Net result

(5%)

EUR 278.2
2023: EUR 292.2

Cash earnings per share

(1%)

EUR 6.34
2023: EUR 6.41

Adjusted leverage ratio

2.2

2023: 2.3

Dividend proposal in EUR cash per share

2.15

2023: 2.24

*exluding Holdings

1 For the definitions of the APMs see appendix 2

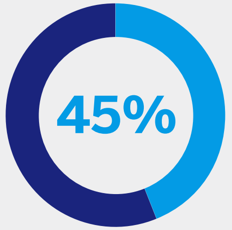
Facts & figures - Non-financial highlights

Non-financial highlights

People & Culture

21 hrs

Training hours
2023: 14 hrs



Women in sub-top management
2023: 44%

32%

Women in sub-top management - in Commercial/P&L roles
2023: 31%

Environment

+12%

Scope 3 GHG emission intensity vs. 2023
(5%) vs. 2019 - baseline

+17%

Scope 1-2 GHG emission intensity vs. 2023
(48%) vs. 2019 - baseline

Governance

91%

Screening of upstream suppliers via EcoVadis
2023: 91%

89%

Screening of downstream suppliers via EcoVadis
2023: 88%

96%

Downstream suppliers who have signed ESG Standards
2023: 95%

Sustainability Ratings

GOLD | Top 5% ecovadis Sustainability Rating FEB 2024

EcoVadis
Gold

CDP Discloser 2024

CDP Climate change
B

Corporate ESG Performance Prime RATED BY ISS ESG

ISS-ESG
C+ (Prime)

Rated MORNINGSTAR | SUSTAINALYTICS

Morningstar Sustainalytics
Low-risk score: 12.6

3 History

1995

Under the management of Piet van der Slikke, a group of companies within Internatio-Müller form a separate division to become **a new player in the field of speciality chemicals** distribution.

2001-2004

Internatio-Müller Chemical Distribution becomes a stand-alone business and formally changes its name to **IMCD**.

The company transitions to a **single IT platform** in 2001.

2005-2013

Three rounds of private equity investments facilitate IMCD's accelerated growth based on both organic growth and acquisitions.

IMCD strengthens its activities across EMEA and **enters new regions** in Türkiye, India, Africa, Latin America and Asia Pacific.

2014

IMCD is successfully listed on the **Euronext Stock Exchange** in Amsterdam.

2015-2018

IMCD establishes a footprint in North America, and strengthens its operations in Latin America and Asia.

The company develops its laboratories into **a global network of technical centres** supporting its partners with high-quality technical advice and formulation expertise.

2019

IMCD is included in the **Dutch blue-chip AEX index**.

IMCD launches its B2B online platform, "MyIMCD", first in EMEA and followed with a global roll out.

2021

IMCD accelerates its growth through **acquisitions in Asia Pacific** in the personal care market, life sciences, home care, water treatment and waterborne coatings solutions, and its industrial market presence in Central America, Peru, the Caribbean and Colombia.

The company is awarded its **Gold Rating from EcoVadis**.

2022

IMCD formalises its commitment to the **UN Global Compact Principles** and joins **Together for Sustainability (TfS)**, a member-driven initiative that aims to raise CSR standards throughout the chemical industry.

The company is included in the 25 companies of the newly launched **Dutch ESG AEX index**, and is recognised by Sustainalytics as 2022 **ESG Industry Top Performer**.

2023

IMCD completes **13 acquisitions**, adding complementary business to all regions and in various market segments.

The Beauty & Personal Care business group opens its **first "Beauty Studio" in Paris**, aiming to showcase technical and innovation services to its partners.

2024

In January 2024, **Valerie Diele-Braun** succeeds founder CEO **Piet van der Slikke** as Chief Executive Officer.

IMCD celebrates its 10-year listing anniversary. The share price value has grown more than 700% since its listing in 2014.

The company completes 12 acquisitions in 2024, over 100 since 1995, and signs 2 share or asset purchase agreements to be closed in 2025.

4 Global presence

IMCD is present in over 60 countries on six continents

Worldwide revenue
EUR million

4,728

International HQ	Regional HQs	Offices	Warehouse locations	Laboratories	FTE	Female	Male
1	2	118	153	82	5,126	54%	46%

Americas revenue
EUR million

1,458

1	21	44	21	1,486	53%	47%

EMEA revenue
EUR million

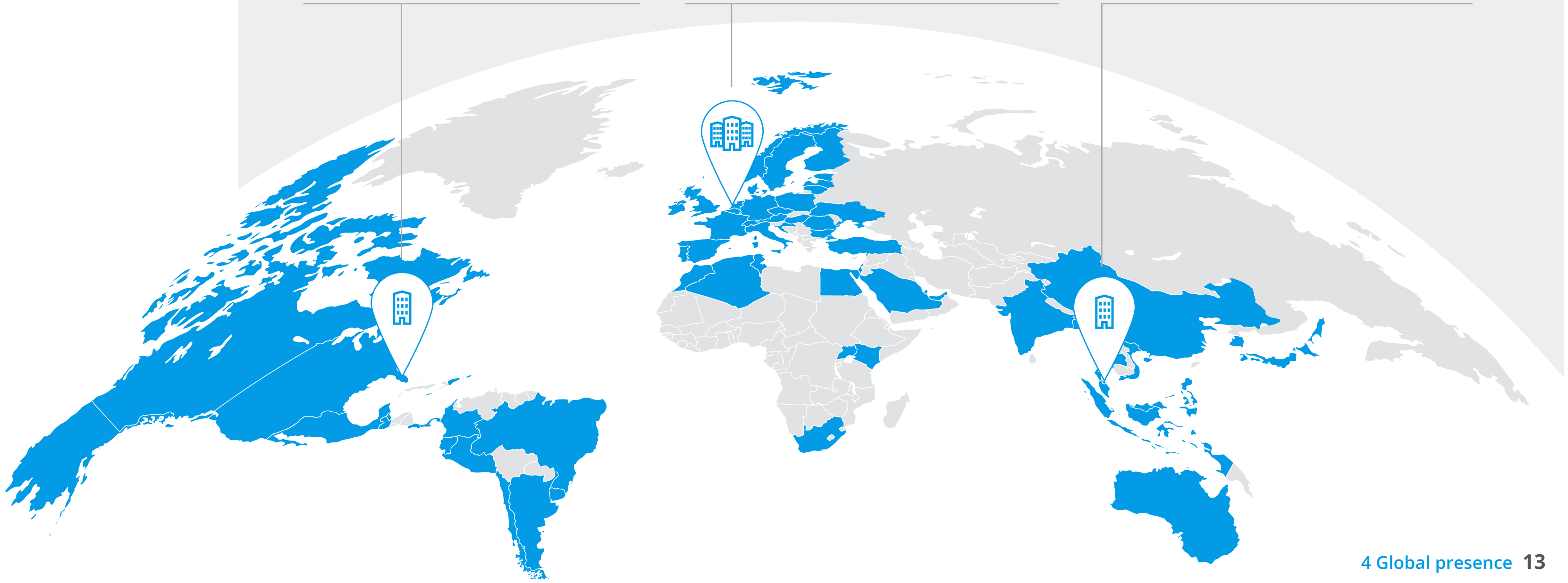
1,990

1	60	55	29	2,160	56%	44%

Asia-Pacific revenue
EUR million

1,280

1	37	54	32	1,480	51%	49%



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About IMCD

5 Who we are

IMCD N.V. ("the Company" or "the Group") is a leading global partner for the distribution and formulation of speciality chemicals and ingredients. We began in 1995 as a small group of companies with a shared ambition and a harmonised business model. We have since expanded our footprint to over 60 countries on six continents. In 2024, our 5,126 employees, of which 54% women generated revenues of over EUR 4.7 billion.

By partnering with leading manufacturers of speciality chemicals and ingredients, our broad and innovative portfolio of over 52,000 products spans eight Business Groups covering the consumer, industrial and durable goods sectors. Mindful of the role we play in creating a better planet, we help our customers to formulate with consciousness and execute with care to address tomorrow's business challenges proactively and sustainably. Our integral position in the value chain, local presence, and wide access to global knowledge via a cloud-based digital infrastructure, enable us to accelerate innovation processes and shorten our customers' product development lead times.

As a leading speciality chemicals and ingredients distributor, we believe IMCD has an important role to play in creating a world of opportunity. We help our suppliers to market, sell and distribute their products, and work with our customers to formulate products that create a more sustainable future for all. We strive to be the global sales partner of choice – trusted for first-class technical expertise and solutions that help them innovate and to achieve their goals.

Curiosity and continuous improvement is naturally at the heart of everything we do. It motivates us to stay ahead and curious of global industry trends, invest in new capabilities for our evolving markets and a sustainable product portfolio, and to embrace new technologies to be the partner of choice for our suppliers and customers.

5.1 Our purpose, mission and vision

IMCD is committed to delivering value and acting responsibly, which is driving our mission and vision. We are mindful of the role we play in creating a better planet and address business challenges of tomorrow in partnership and transparency. We add sustainable value to the supply chain of speciality chemicals and ingredients. Every day our people focus on providing the best service through commercial and operational excellence.

We formulate with consciousness and execute with care.

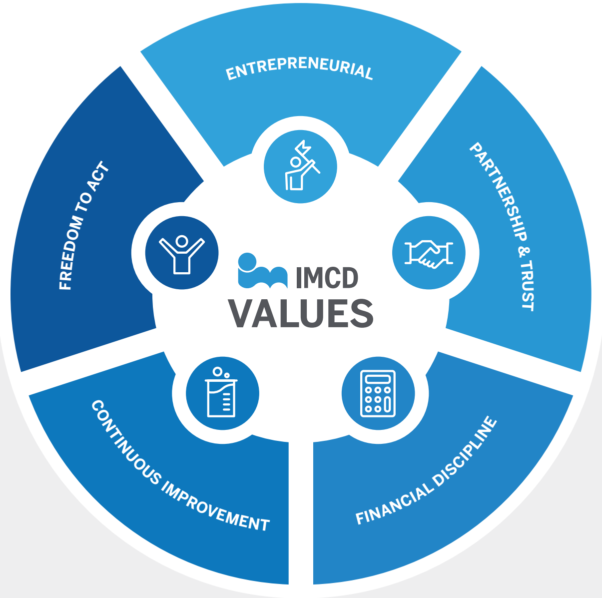
5.2 Our culture, values, and ethics

Governed by strong principles and driven by our company values we create an environment that allows all employees to excel.

The IMCD values

In an entrepreneurial business like IMCD, we promote collaborative employee behaviour and open communication so that we can effectively and swiftly grasp opportunities. Our values cut across borders, languages and cultures.

Across our operations, we are driven by five strong values: '*Entrepreneurial*', '*Partnership & Trust*', '*Financial Discipline*', '*Continuous Improvement*', and '*Freedom to Act*'.



Being *Entrepreneurial* is one of our core values. We think like owners by creating value, taking initiative, identifying and generating new business opportunities, and driving the business forward with self-motivation.

The value of *Partnership & Trust* with our suppliers, customers, and each other is paramount to achieve shared success. We build lasting relationships based on humility, respect, trust, integrity, transparency, and collaboration, acknowledging local culture and markets all over the world. Our skilled employees are trained to listen and identify opportunities when they arise, co-creating solutions to answer specific suppliers' and customers' needs. Throughout it all, we remain committed to conducting business in an ethical manner, in line with the principles set out in our Business Principles and Code of Conduct.

IMCD fully supports a culture where *Freedom to Act* is encouraged, so we can move fast, be efficient and capitalise on business opportunities. Our commercial, innovative mindset is nurtured by it, whilst clear business principles and an excellent cloud-based digital infrastructure foster sound decision-making.

We are guided by strict *Financial Discipline*, so that we can keep investing in our future. We strive to meet or exceed our financial goals, keeping the Company strong and agile. IMCD pursues accurate transparent financial reporting using a global integrated business information system, in which we rapidly integrate our newly acquired companies. We are aware of the financial impact of all our business decisions.

Through *Continuous Improvement*, we strive for excellence in all that we do, delivering exceptional and competitive value to our suppliers and customers. In a fast-changing environment, we strive to always improve, aiming to stay ahead and agile and to continuously excel, individually and as a team. We embrace an innovative, forward-thinking mindset, refining processes, and advancing service levels and solutions.

Ethics

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

Together with our partners we rigorously enforce ethical business practices and create a healthy diverse and safe work environment for all. Our global Code of Conduct ensures that we operate at the highest standards, always and everywhere.

5.3 Our business environment

IMCD focuses on speciality chemicals and ingredients. Our technical and formulatory expertise in this field differentiate us from our competitors. With our in-depth understanding of consumer trends, our highly skilled and results-driven professionals innovate with our comprehensive product portfolios to provide market-focused solutions that meet the needs of customers across eight market sectors in industrial and life-science applications.

By partnering with IMCD, suppliers benefit from our business simplification model, our market intelligence and accelerated growth through direct access to markets across the world.

Market position

The products in the IMCD portfolio are used in almost every aspect of daily life, ranging from products used in home care, industrial & institutional care, beauty & personal care, food & nutrition, and pharmaceuticals, to applications in lubricants & energy, coatings & construction, advanced materials, and synthesis markets.

The constant demand for product improvement, sustainability, and better performance drives the need for innovative speciality chemicals and ingredients. Diverse, complex and international markets require suppliers with first-class knowledge and support. For this reason, we continuously invest in technical expertise and application know-how, as well as in sales and marketing excellence, increasing the value of our services to suppliers and customers that partner with us.

But we go further still. Both our suppliers and our customers benefit from IMCD's ability to simplify their business, by providing a comprehensive speciality product portfolio from a number of partners.

Our unique position in the value chain allows us to connect and simplify distribution, but also drive innovation with our technical and formulatory expertise and provide valuable insights through knowledge sharing.

Market trends

The rationalisation of the global speciality chemicals distribution industry is shaped by the trends of consolidation, selective outsourcing, preferred partnership and increased regulation.

Consolidation

The speciality chemicals distribution market consists of few large global or pan-regional companies and a large number of, often family-owned, local players. Many major suppliers prefer to work with pan-regional distributors

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who can streamline business operations and offer value added services, which creates a clear opportunity for IMCD to grow its business organically.

Selective outsourcing
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. The outsourcing of sales, marketing and distribution to a more limited number of third-party distributors, thus remains an important part of the channel strategy of suppliers.

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

Increased regulation
In complex markets, increasing regulation requires chemical distributors to be of a certain minimum size in order for them to be able to fully comply with the requirements at an affordable cost. It can be difficult for smaller, locally-oriented distributors to make the investments required to comply with new regulations.

Opportunities and challenges for IMCD

In a dynamic business environment, both internal and external developments create opportunities as well as challenges. Below we explain our approach to the topics that we believe can influence IMCD's business the most.

Customer demand development
IMCD's business depends on its customers' demand for chemicals and ingredients used in the manufacture of a wide array of products, which in turn is driven by demand from consumers and other end-users for the products made by IMCD's customers. Demand levels vary with macroeconomic conditions at a global level. Improvements or deteriorations in the level of economic activity and consumer demand impact the level of production and consumption of chemicals. With our asset-light model and agile operations and process, IMCD has the set-up needed to continuously adapt to changes in demand.

Availability of and dependency on key personnel
IMCD relies to a significant extent on the skills and experience of its managerial staff and technical and sales personnel in its local or regional organisations. Loss of such individuals or unavailability of key personnel could adversely impact the performance of such local operations, and hence, the Group as a whole. IMCD mitigates these risks by providing an inspiring and entrepreneurial working environment, offering international career opportunities, performance-based incentive schemes and long-term succession planning.

Sustainability
IMCD recognises the evolving landscape of demand, shaped by societal shifts and supported by regulators worldwide toward sustainability and innovative solutions. We support and embrace the move to more efficiency, a lower environmental impact and more sustainable products and formulations, and try to use our position in the middle of the value chain to support our suppliers and customers in their sustainability journey.

To do so, we work with existing high-quality speciality chemicals and ingredients to develop sustainable and innovative formulations, and address market needs across both conventional and emerging sectors, such as bio-based and renewable ingredients. This dual approach allows IMCD to support a wide range of market needs, ensuring adaptability and growth in a changing world.

Digitalisation
In recent years, the trend to digitalise business processes has also accelerated in the speciality chemicals and ingredients industry and many players are implementing tools to create online platforms or increase digital connectivity. For IMCD, digitalisation is an important backbone of its business model, as it drives connectivity, customer centricity, communication, efficiency, safety, innovation, and sustainability. Innovation requires information, which is securely provided by our globally unified digital infrastructure.

We welcome digitalisation as an accelerator for business efficiency, effectiveness, achieving operational excellence and strengthening of relationships with suppliers and customers alike. By investing in our digital transformation, we believe our business model will ultimately gain value and drive further consolidation in our industry.

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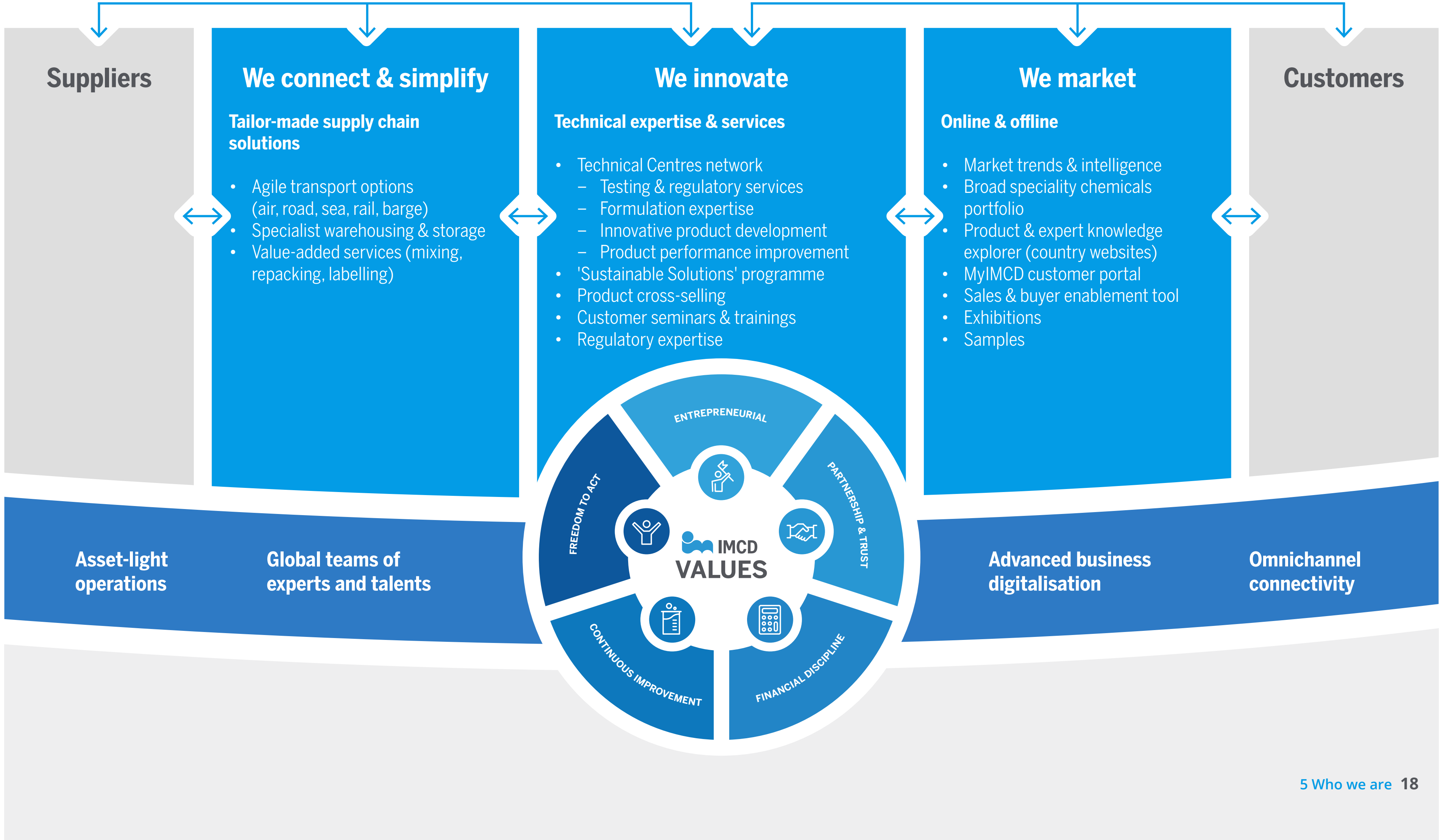
5.4 Our business model

As a distributor of speciality chemicals and ingredients, IMCD is able to connect a wide range of business partners to simplify the supply chain, using its resources, expertise and IT platforms.

Via our extensive global network and product portfolio, we offer our principal suppliers (or principals, i.e. suppliers of speciality chemicals and ingredients) access to all types and sizes of customers and market intelligence, while offering our customers a one-stop-shop for high quality and more sustainable products. We apply an innovative approach to our expert formulation advice, and to the way we pursue commercial and operational excellence.

With the overarching principles of product stewardship, customer centricity and fostering open relationships with its partners, IMCD aims to create sustainable long-term value across the value chain.



Strategic role in the value chain

IMCD operates at the centre of its value chain. Upstream, our key suppliers include global and regional speciality chemical manufacturers, who rely on IMCD's extensive distribution network, market intelligence, and technical expertise to reach diverse markets efficiently. By providing a single point of contact, we simplify their go-to-market strategy through coordinated inventory management, regulatory compliance support, and digital integration. Downstream, we serve a broad customer base, from multinational corporations to small and medium-sized enterprises (SMEs), across various industries. Our distribution channels leverage a combination of direct sales, online platforms, and strategic third-party logistics providers, ensuring seamless and efficient supply chain operations. End-users ultimately benefit from solutions that enhance product performance and meet evolving market demands.

We connect & simplify. We innovate. We market.

We connect & simplify.

We simplify and improve our suppliers' business operations by our extensive local networks, market intelligence and technical expertise. In addition to its technical sales and marketing activities, IMCD provides distribution and other ancillary services. A single point of contact, coordinated inventory management, business process integration and the digitalisation of transactions are all examples of the benefits that IMCD brings to its suppliers, which supports their growth.

Throughout IMCD's business, long-lasting partnerships play a vital role. Not only in relation to principal suppliers and customers, but also in our own operations. Pursuing an asset-light business model, IMCD, wherever possible, outsources its physical distribution and other ancillary activities, such as warehousing, bulk breaking, mixing, blending, packaging and labelling to professional carefully selected third-party logistics service providers.

We innovate.

IMCD strives to make a positive impact for both its business partners and society as a whole. Our technical experts in close collaboration with the regulatory experts, analyse new technologies and proactively offer innovative solutions for the constantly developing and demanding markets in which IMCD operates. Together with our business partners, we turn market trends into Sustainable Solutions that benefit the lives of consumers worldwide and help reduce the environmental impact.

We market.

At the other end of the value chain, IMCD focuses on its customers: manufacturers that need speciality chemicals or ingredients for the production of intermediate goods or end products. By marketing a large and diverse speciality product portfolio, we offer our customers access to a broad range of solutions that meet specific technical, quality or sustainability requirements. We add value being the one-stop shop for customers and providing quality assurance and highly specialised product knowledge, alongside technical advice and formulation support.

We add value

We focus on the following areas in close cooperation with our key stakeholders:

We support innovation

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.

We promote more sustainable solutions

IMCD systematically identifies sustainable trends, optimises formulations through laboratory assessments, and collaborates with customers to validate and experience improved formulations and solutions in our laboratories.

We offer expert seminars and laboratory experiences

Across our global network, our commercial and technical teams organise seminars and webinars for our suppliers and customers, introducing new applications, offering formulatory advice, and sharing insights on the latest market trends with digital and data driven analyses.

In our technical centres and application laboratories, and with the support of our scientific and technical experts, our customers can seek formulatory advice, test product performance, run stability and application tests, and experience the finished products and end result. Consequently, we allow our suppliers to gain an understanding as to how their products interact and function as part of a finished formulation. This understanding and market trend awareness means we are able to assist them with the development of new product concepts.

We improve customer experience via our omnichannel approach

Customer centricity shapes the foundation for our omnichannel set-up, connecting with our customers when and where they choose to and ensure their needs are met online and offline.

We carefully integrate and manage data

Our robust and centralised digital infrastructure allows for efficient data integration with suppliers, customers, and third parties, ensuring smooth and accurate data exchanges that eliminate the reliance on manual intervention and drive efficiencies along the value chain.

We continuously train our people

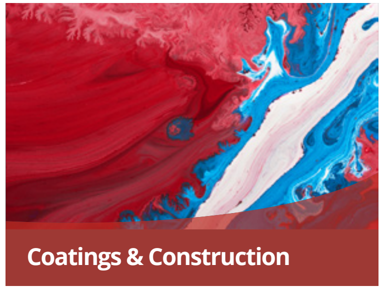
We continuously invest in our people, by means of in-house and external training, in order to stay abreast with the latest market developments, gain deep knowledge of our product portfolio so that we provide better services and support to our customers.

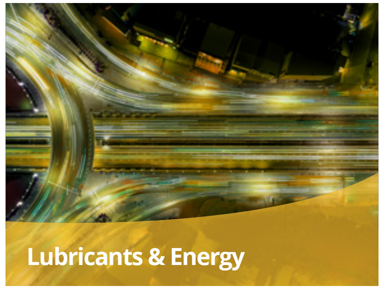
5.5 Our Business Groups and organisation

IMCD's business is organised into strategic market sectors with eight 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. In this way, 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 Business Group management to ensure the same high-level performance across the IMCD organisation. In turn, IMCD's country management is responsible for the optimisation of our operations and service provision locally, throughout the various market segments.

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





Our Business Groups

The IMCD Beauty & Personal Care Business Group offers an extensive portfolio of functional and active ingredients along with technical and marketing support to inspire and accelerate the creation of cutting-edge cosmetic products.

We serve eight market segments: skin care, sun care, hair care, toiletries, colour cosmetics, fragrances, oral care, and active ingredients.

We offer a wide range of specialities, with products to cover all your functional and active needs in the personal care space: actives, UV sunscreens, rheology modifiers, thickeners, surfactants, emulsifiers, emollients, film formers, humectants, waxes, conditioners, hair styling polymers, elastomers, solvent, solubilizers, pigments, pearls, powders and colorants, opacifiers, pearlizers, preservatives, additives, antioxidants, fragrances, and essential oils.

IMCD Food & Nutrition provides insightful application support, enabling producers to generate on-trend food and beverage solutions.

To make this a reality, our specialists bring to the table in-depth analysis of local market data, as well as extensive knowledge of recipes, applications and processes.

IMCD offers solutions for the following market segments: animal nutrition, bakery and snacks, beverages, confectionary & chocolate, dairy & dairy alternatives, nutrition, savoury & meat alternatives.
We offer an extensive range of top quality functional and speciality ingredients and flavours, sourced from world's leading manufacturers, aiming to optimise taste, texture, nutrition, and function.

At Home Care and I&I (Industrial & Institutional Care), our speciality raw materials and comprehensive range of high-performance ingredients deliver solutions for the cleaning and care of homes, businesses, and institutions.

From a healthy home to professional cleaning, we cover the full range of homecare and industrial & institutional care market segments: laundry, dish, vehicle, air and surface.

We offer a comprehensive range of materials for cleaning, conditioning, polishing and protection applications, including: abrasives, acids, alkalines, anti-soil redeposition systems, bio-actives, biocides, bittering agents, bleaching agents, chelating agents, builders, capsules, concentrates, ready-to-use, corrosion inhibitors, disintegrants, and dispersants.

The Pharmaceuticals Business Group offers high quality active ingredients and excipients, technical expertise in excipient performance and functionality, regulatory and quality support, providing added value every step of the way.

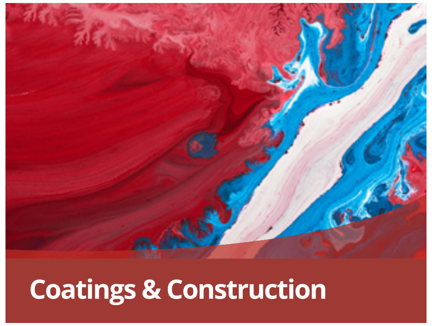
IMCD Pharmaceuticals offers solutions for the following market segments: active pharmaceutical ingredients, agrochemicals, biopharma, excipients & formulation, nutraceuticals, and synthesis.

Our portfolio includes high-quality actives, including: active pharmaceutical ingredients (apis), agrochemical active ingredients (ais), natural extracts for active nutraceutical ingredients (anis), peptides, biosimilars, cultures, process chemicals, and solvents.

Our Business Groups

IMCD Advanced Materials partners with world-class producers in the converting, compounding and composites industries to develop innovative and sustainable solutions for a safer and healthier life.

We serve 23 market segments: packaging, medical & healthcare, automotive, industrial, home appliances, furniture, film, electronics, electrical, consumer goods, building & construction, agriculture, aerospace, 3D printing, wires & cables, tyre & retreads, transportation, textiles, telecommunication, sports & leisure, renewable energy, mining, and marine.



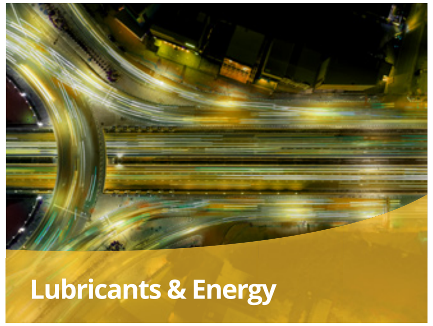
The Coatings & Construction Business Group delivers expertise and speciality raw materials to drive innovation and sustainability of paints, coatings, construction, adhesives, inks, textile, leather and paper.

We serve seven segments: textile & leather, printing inks, industrial coatings, paper, decorative paints, construction, and adhesives & sealants, with a portfolio that enables effective formulation development: speciality solvents, pigments, functional fillers, additives, and resins.

IMCD Industrial Solutions brings industry-leading speciality solutions that reflect quality, sustainability, and simplified processes.

The Business Group serves 19 market segments: wastewater treatment, processing aids, surface modification, mining, machinery, filtration & purification separation, recycling & waste management, treatment, ceramics, foundry, abrasives, friction, refractories, battery, laboratory chemicals, toll manufacturing, performance chemicals, electronics, resins & polymers.

Our product and technical solutions span four areas: chemical intermediates, materials technologies, environmental technologies, and processing technologies.



The Lubricants & Energy Business Group combines our knowhow in lubricants, fuels, oil & gas & energy.

We offer base oils, additives components and packages used in automotive applications as well as in industrial lubricants. In energy, we offer a range of speciality chemicals designed to serve established markets, such as oil & gas, and emerging areas including biogas, biofuels and hydrogen fuel.

Our portfolio covers the broad range applications for our customers' formulations and processing needs, such as solvents, degreasers, fuel compounds, lubricant additives, fuel additives, base oils, and lubricant finished fluids.

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6 How we create value

As a leading global distribution partner and formulator of speciality chemicals and ingredients we take our responsibility in shaping a more sustainable future for all seriously. IMCD creates value for stakeholders through consistent delivery of long-term growth of its revenues and results, driven by organic growth and strategic acquisitions. **We create intuitive experiences for customers and suppliers, seamlessly integrating digital innovation and sustainability as key drivers to accelerate value creation.**

6.1 Our strategy

Our long-term strategy is in line with market trends including the ongoing consolidation in the distribution market of speciality chemicals and ingredients, the growing shift towards outsourcing to third-party distributors, the rising demand from our principal suppliers for value-adding services, and the increasing emphasis on sustainability. We capitalise on these trends leveraging our core strengths: adding value to both sides of the value chain through simplification, innovation and excellence, while operating with a true asset-light model that enables us to be both adaptive and resilient.

We use our market intelligence and technical expertise to identify opportunities to grow our business across different business sectors. On the one hand, we strive to increase market share for the reputable suppliers we already represent. On the other, we aim to provide excellent service and exhaustive offering to our customers with our laboratories, highly skilled technical managers and top-tier portfolio. Additionally, by building new relationships with manufacturers of high-quality speciality chemicals and ingredients, we enhance our ability to meet our customers' evolving needs.

Our strategy to create more sustainable long-term value is built on our people, our innovation capabilities, digitalisation of our business, and our continuous pursuit of commercial and operational excellence. We attract and employ highly qualified and entrepreneurial individuals. Our **people** maintain long-standing relationships with speciality chemical and ingredients suppliers. These partnerships are paramount to our business and enable our highly skilled entrepreneurial teams to create opportunities.

By working closely together with our customers and suppliers, combining intelligent market data with targeted product knowledge, we can innovate and offer '**Sustainable Solutions**'. Our Sustainable Solutions programme focuses on creating cleaner, safer, and cost-effective inspirational formulations, addressing critical challenges like climate change, circularity, and resource efficiency. By evaluating sourcing and production and optimising transformation processes, we integrate local insights and technical expertise to enable our customers to create products which are better for our planet and society.

IMCD's contributions to the environment and society begin with its own operations and people, and expands throughout the value chain. We want to grow our business, while reducing our environmental footprint through clear and measurable metrics. With the products and solutions offered in our portfolio we strive to have a positive impact on health and well-being of consumers, the environment and society. We have assessed that through our business activities, we contribute to at least seven of the United Nations Sustainable Development Goals (SDGs), while also influencing two and supporting one of them.

To deliver resilient and adaptive operations whilst ensuring optimal financial discipline, IMCD operates with an asset-light model, relying on an outsourced supply chain infrastructure, with carefully selected specialised service providers based on quality, environmental, social & governance (ESG), and financial criteria.

Furthermore, IMCD uses an omnichannel approach to serve its customers in partnerships and in person, in addition to providing 24/7 online access to its customer portal. We use **digitalisation** as an accelerator for business effectiveness as well as for achieving **commercial and operational excellence**.

Our asset-light and digital powered operating model gives us the flexibility and resilience to respond and adapt to changing circumstances and demands from both the market and society.

Growth strategy execution

IMCD pursues sustainable long-term growth of its revenues and results, by driving organic growth and strategic acquisitions. Our key competitive advantages include:

- Diversified and resilient business model and portfolio;
- Commercial and operational excellence;
- Skilled professional team of technical experts;
- Technical centres and application laboratories;
- Entrepreneurial value;
- Committed management team;
- Cloud-based central digital infrastructure;
- Omnichannel product and service offerings;
- Superior margin and cash conversion;
- Proven ability to deliver organic and acquisition-led growth.

Organic growth

IMCD's organic growth strategy has five main drivers:

- Increasing market share by outperforming competitors through commercial and operational excellence;
- Investing in product and formulation know-how including Sustainable Solutions;
- Expanding with existing suppliers into additional geographies and adding new suppliers and products to the portfolio;
- Leveraging our omnichannel and digital approach and expanding our service offering and reach;
- GDP growth in the different geographies where IMCD operates.

Acquisition growth

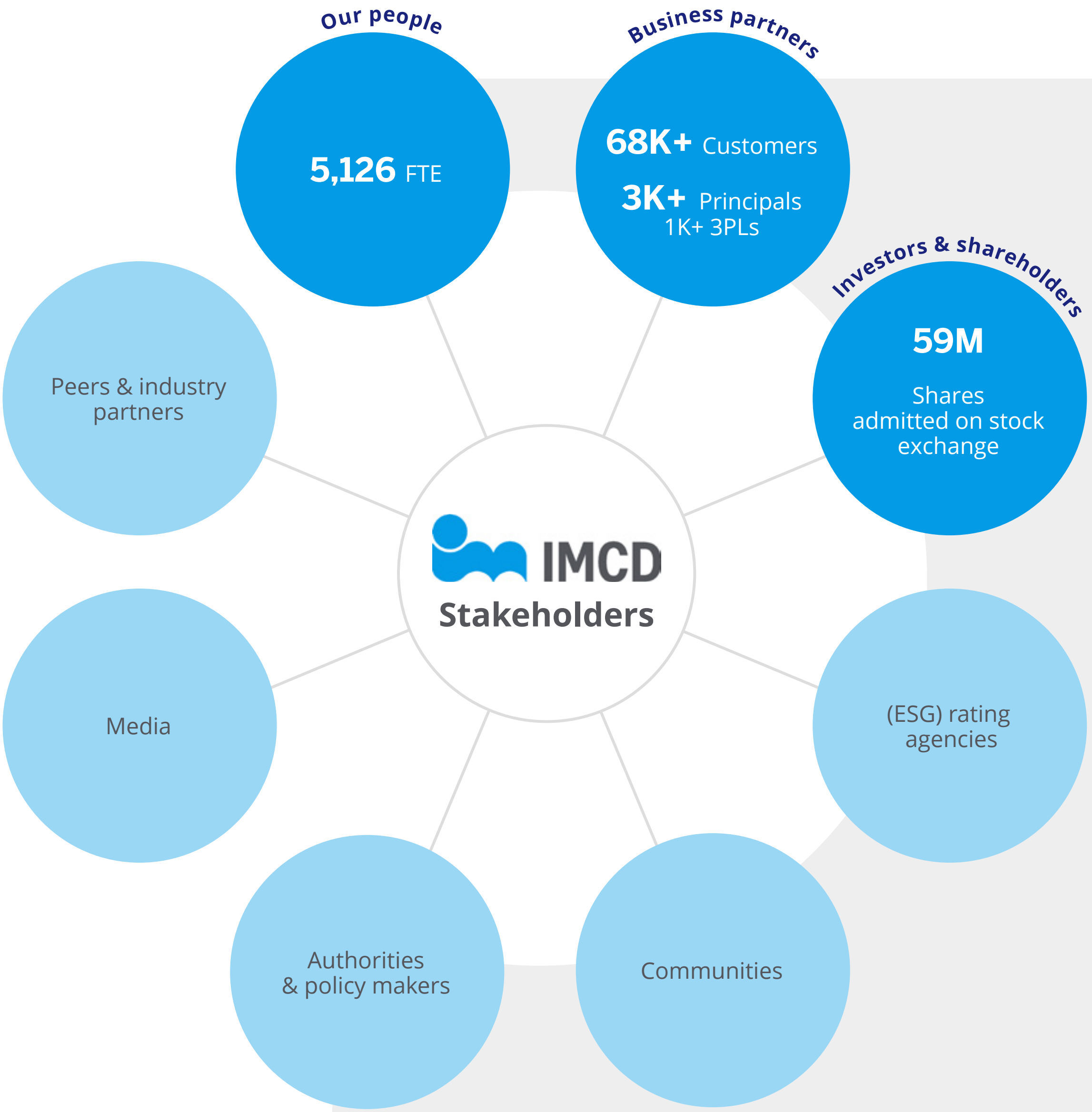
IMCD benefits from a highly fragmented distribution market and continuing consolidation trend, largely driven by suppliers looking to optimise their sales channels. Since its formation, IMCD has followed a focused merger & acquisition (M&A) strategy with strict criteria, acquiring more than 100 companies globally. As a result, these acquisitions thrived under IMCD's operations, contributing to a broad global footprint. Finding suitable acquisition targets is an ongoing process that involves ensuring the right cultural and business alignment. IMCD's strict acquisition criteria are based first and foremost on identifying a strategic fit that aligns with our core strengths, providing a platform for natural accelerated growth both geographical and in terms of complementary product portfolios and markets. Acquisitions are always subject to sufficient management attention being available, and to IMCD’s requirements for maintaining a strong balance sheet and an asset-light model, while limiting financial and operational risks.

Barring exceptional circumstances, an acquired company should be able to sustainably contribute to IMCD's cash earnings per share from the date of acquisition. Most of our acquisitions are financed by our own strong cash flow and flexible loan facilities. Newly acquired companies are integrated using a highly structured and agile integration programme that provides a swift transition to IMCD's global data, reporting, control and compliance systems and ensures optimal realisation of operational and business synergies.

6.2 Our stakeholders

The image right shows the stakeholders we have identified. Our main upstream value chain partners are our **principal suppliers**, i.e. suppliers of speciality chemicals and ingredients, our **employees** and **service providers,** including IT, cloud and logistic service providers. Our main downstream value chain partners are our **customers** and the **communities** in which we operate.

In the General information to the sustainability statements we describe each group of stakeholders, the topics of interest on which we engage and the venue in which engagement takes place.



6.3 Our material topics

In 2024 we conducted a complete Double Materiality Assessment (DMA) to identify the most relevant and material ESG topics for IMCD to manage, in preparation for CSRD-compliant reporting.

For our DMA we have engaged with our key internal and external stakeholders and applied the double materiality principles considering both impact and financial materiality. In this forward-looking process, we assessed the identified material topics in relation to the IMCD's operations, our value chain, and their significance to key stakeholders—including customers, principal suppliers, senior management, employees, investors, public organisations, and peers.

The outcome of the materiality assessment was shared with, and received approval from IMCD's Management Board and Supervisory Board.

In line with global and European regulations, the material topics reflect IMCD's significant economic, environmental, and social impacts, opportunities and risks. The five topics displayed in the visual represent the final outcome of the DMA and are material to IMCD. For more details on the process to identify material impacts, risks and opportunities that resulted in the defined material topics for IMCD, please refer to section "Materiality Assessment" in the General information in the Notes to the sustainability statements.

6.4 Our value creation model

Input

Human
- **5,126** own workforce
- **157** non-employees

Social
- **3K+** principal suppliers

Natural
- Own energy consumption **146K GJ**

Product
- **52K+** speciality chemicals and ingredients

Infrastructure
- Offices
- Laboratories
- Warehouses
- IT eco system

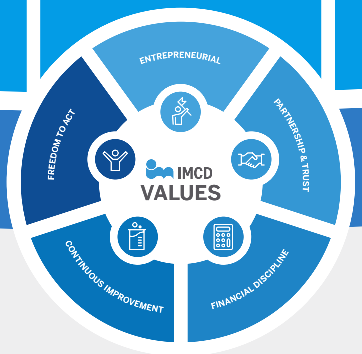
Financial
- **EUR 8.5bn** market capitalisation

Our business model

We connect & simplify
Tailor-made supply chain solutions

We innovate
Technical expertise & services

We market
Online & offline



Trends, governance & risks

Creating a world of opportunity

Output

Human
21 average training hrs per employee
45% women in sub-top management
69% employee engagement score

Social
Long-term partnerships
68K+ customer relationships
85% local sourcing of services

Natural
+17% CO_2 Scope 1 and 2 emission intensity
+12% CO_2 Scope 3 emission intensity

Product
91% upstream suppliers EcoVadis rated or in process
Sustainable formulations

Infrastructure
1.2 mln tonnes of distributed merchandise
96% ESG compliance of Business Partners (downstream)
89% downstream suppliers Ecovadis rated or in process

Financial
17% EBITA CAGR (5 year)
EUR 128m dividend paid
EUR 61m interest paid

Outcome

Improved attraction and development of well-balanced human capital
Talent attraction, retention and development
OHS & well-being
Diversity, equity & inclusion
Labour practices & human rights

Responsible product promotion through loyal long-term partnership
Partnership
Responsible production and consumption

Efficient use of natural resources
Decarbonised supply chain
Climate strategy
Responsible operations

Sustainable product promotion with care
Sustainable solutions
Safe handling & distribution
Sustainable procurement
Omni-channel approach

Sustainable procurement-distribution throughout the vast majority of business partners in supply chain
Safe handling & distribution
Sustainable procurement
Digitalisation

Financial resilience

Impact

In the spotlight

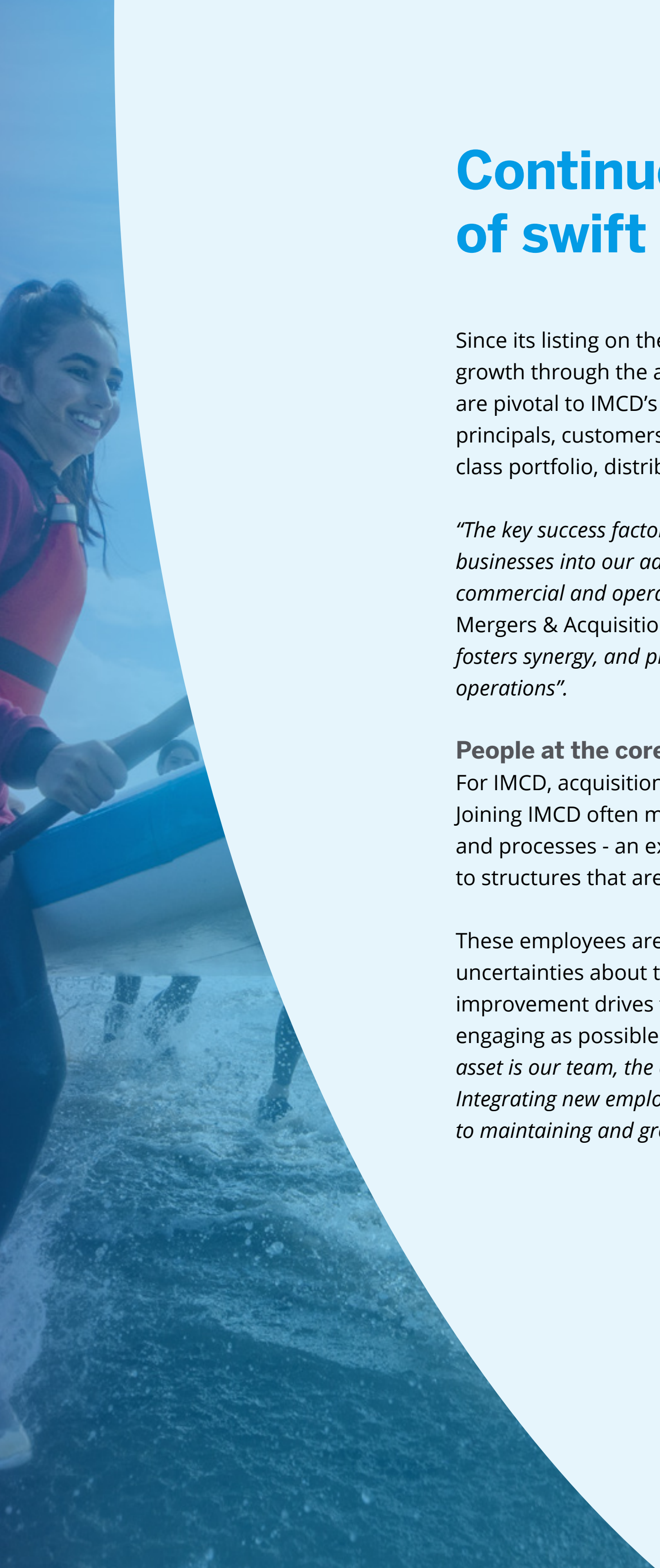
At IMCD, **continuous improvement** is at the core of everything we do. It means delivering exceptional value to our suppliers and customers while staying agile, innovative, and ahead of change. By refining processes, advancing solutions, and fostering teamwork, we continuously aim for **excellence**.

The following features showcase how we live this value – integrating people and businesses, driving sustainability through technical expertise and in supply chain and operations, embracing digital transformation, developing new business opportunities, and empowering communities through 'IMCD Cares'.

This is how we are **evolving stronger, growing together,** and helping our stakeholders grow with us.

People & integrations
in the spotlight

Continuous improvement: **People** at the core of swift and seamless business **integration**



Continuous improvement: People at the core of swift and seamless business integration

Since its listing on the stock exchange a decade ago, IMCD has achieved remarkable growth through the acquisition of around 70 companies worldwide. These acquisitions are pivotal to IMCD's strategy of creating a robust global network supporting our principals, customers and the many industries served by IMCD worldwide, with best-in-class portfolio, distribution, marketing, technical, and formulation services.

"The key success factor of this strategy is our decisiveness in swiftly integrating acquired businesses into our advanced digital platforms and aligning them with our financial, commercial and operational processes", comments Fenna van Zanten, Group Director, Mergers & Acquisitions (M&A) at IMCD. *"This disciplined approach ensures transparency, fosters synergy, and provides complete visibility into performance across our global operations".*

People at the core: the heart of IMCD's integration success

For IMCD, acquisitions are more about people than systems and processes. Joining IMCD often means stepping into a new world of global and local ambitions and processes - an exciting but challenging transition for employees accustomed to structures that are usually local and family-run.

These employees are not only adapting to new tools and processes but also navigating uncertainties about their roles, responsibilities, and futures. IMCD's focus on continuous improvement drives the company to make this journey as smooth, inspiring, and engaging as possible. *"As a distribution and service company"*, Fenna adds, *"our greatest asset is our team, the experts who enable us to deliver unmatched value to our partners. Integrating new employees into our culture, values, and ways of working is equally critical to maintaining and growing the success of these acquired businesses".*

Fenna van Zanten
Group Director, Mergers & Acquisitions (M&A)

Insights from our integration champions: a roundtable discussion

Paul Hanbury
Managing Director of
IMCD UK & Ireland

To better understand how IMCD excels at integrating employees post-acquisition, we brought together three leaders who successfully managed integrations in 2024 working in close collaboration with the IMCD Group M&A team: **Paul Hanbury**, Managing Director of IMCD UK & Ireland; **Pilar Castellanos**, Managing Director of IMCD Colombia, Ecuador, and Peru; and **Serene Cheng**, Managing Director of IMCD Singapore & Malaysia. Their collective insights showcase best practices from welcoming and integrating new teams into the IMCD culture and systems.

On making the first impression count

Paul: *"The first days are pivotal. I personally visit the new team to introduce myself and talk openly about the acquisition. Transparency is key - acknowledging their concerns about job security while emphasising that we value their expertise and contribution in the future. I also explain how their roles will evolve with new systems and processes, encouraging patience and a collaborative spirit."*

Pilar: *"The welcome presentation sets the tone. It must be clear, engaging, and full of energy. When we meet the new team, we show them where they fit into our broader organisation, using charts with names and faces. We reinforce our values, illustrating what they mean in real life. For instance, entrepreneurial thinking means more autonomy and responsibility – qualities we admire in our people."*
Serene: *"As soon as possible, we hold a townhall with refreshments for all, followed by a dinner with key leaders from both sides. This creates a welcoming atmosphere and provides an opportunity to address concerns about job security, integration, and timelines. Being upfront about how things will unfold helps ease their anxieties."*

Balancing systems integration with personal connection

Pilar: *" We introduce our matrix structure early on - it's a big cultural shift for many teams - and assign 'coaches' to guide new employees through this transition. These coaches are critical in helping them navigate our systems and culture while making personal connections."*
Serene: *"We conduct team buildings with key commercial teams, and create taskforces with experts in areas such as IT, finance, Salesforce and HSEQR to provide regular training and encourage cross-learning by having the new employees to be in IMCD premises for close collaboration. Involving and engaging with the new team regularly are important for the transition."*

Paul: *"Our systems can feel overwhelming, so we take time to explain not just the 'how' but the 'why' behind our processes. We schedule training sessions and pair employees with colleagues who can provide hands-on support. Flexibility and patience are crucial for long-term success."*

Overcoming challenges and building trust

Serene: *"Integrating new leaders is critical. We identify key employees early and involve them in decision-making. This not only reassures them but also strengthens the bridge between the acquired and existing teams."*
Paul: *"Employees in smaller businesses often have generalist roles, whereas IMCD operates with clearly defined responsibilities. By understanding their previous roles and aspirations, we help them adapt to new structures without feeling like they've lost autonomy. Regular updates and one-on-one check-ins help build trust and address concerns."*
Pilar: *"Uncertainty is natural for both new and existing teams. It's essential to communicate openly with everyone, emphasising that IMCD offers opportunities for growth but also requires flexibility and an embrace of change. Defining roles as quickly as possible can alleviate much of the anxiety."*

As these leaders emphasise, IMCD's integration success relies on a careful balance of systems and people. Combining transparency, empathy, and a structured approach, IMCD aims to create an environment where new employees feel welcomed, supported, and empowered to thrive, united by the company's values and commitment to excellence.

Serene Cheng
Managing Director of
IMCD Singapore & Malaysia

Pilar Castellanos
Managing Director of
IMCD Colombia , Ecuador, and Peru

Technical expertise in the spotlight

Continuous improvement: Expanding our **technical footprint** to grow **sustainable solutions**

Continuous improvement: Expanding our technical footprint to grow sustainable solutions

At IMCD, we **believe** that innovation and sustainability go hand in hand. By developing a robust global network of technical centres, laboratories, and industry experts, we empower our customers to create groundbreaking formulations and solutions. Our commitment to advancing 'Sustainable Solutions' is at the heart of this journey, driving positive change across the industries and markets we serve.

Expanding our global technical network

Our continuous efforts to expand IMCD's technical footprint are supported by strategic acquisitions and the establishment of new state-of-the-art facilities. Recent milestones include:

- 30th laboratory for Food & Nutrition, in Vienna, Austria, exploring formulations in many market segments, including bakery, savoury, dairy and nutrition, with a focus on formulating innovatively and more sustainably.
- Microbiology laboratory in Jakarta, Indonesia. The state-of-the-art facility offers microbiology expertise across a wide range of industries, including life sciences and industrial applications, and serving customers in Asia Pacific, Europe, and the Americas.
- Expanded Pharmaceuticals Technical Centre in Jakarta, Indonesia, serving as the hub for pharmaceutical development and innovation across Southeast Asia, Australia and New Zealand.
- New Milan office and laboratory facilities designed with focus on creativity and solution innovation. The space includes a dedicated Beauty Studio for personal care applications and a Bistro Innovation space for food & nutrition developments.
- New Centre of Excellence for hair care & toiletries, serving EMEA customers, and Beauty Studio for skincare, serving UK markets, launched to bolster growing global network of technical support for beauty and personal care innovation.

"At IMCD, fostering sustainable innovation means more than delivering speciality chemicals and ingredients – it's about being a reliable co-creation partner for our customers worldwide," says **Alen Guy**, Global Technical Excellence Director at IMCD. *"By enhancing our global footprint with cutting-edge facilities, we empower customers to develop groundbreaking formulations that prioritise health, environmental care, and economic feasibility."*

Our 'Sustainable Solutions' programme focuses on creating cleaner, safer, and cost-effective inspirational formulations, addressing critical challenges like climate change, circularity, and resource efficiency. From evaluating sourcing and production to optimising transformation processes, we integrate local insights and technical expertise to deliver impactful results.

"We aspire to be a force of influence, helping grow a world of opportunities into a sustainable future", **Olivier Champault**, Global Sustainability Director at IMCD, comments. *"In practical terms, whether it's reducing emissions, enhancing productivity, or promoting health and safety, our solutions are designed to make a measurable difference."*

The objective for 2025, and going forward, is to continuously assess our product portfolio against sustainability trends, future regulations and societal developments (e.g., consumer pressure), and ensure we manage our portfolio with a long-term view.

The further success of our 'Sustainable Solutions' programme is measured through our laboratory activities and marketing campaigns that aim to promote these 'Sustainable Solutions'.

Alen Guy
Global Technical Excellence Director

Olivier Champault
Group Sustainability Director
until January 2025

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Plant-based drinks with less carbon emissions

In the beginning of 2023, IMCD conducted a series of wide-ranging interviews and survey with suppliers and customers to gain a better understanding of their formulation needs, with a particular focus on how we could help them to address environmental issues and promote a more sustainable production process. One of the main interests we observed was the increased demand for plant-based applications.

A booming market

Plant-based drinks – or dairy-alternative beverages, drinkable yogurts, and shakes – is a flourishing segment. As consumers are more aware than ever of the environmental impact of the products they consume, the demand for plant-based foods and beverages (F&B) has boomed over the past few years.

The plant-based dairy market is growing by 12% per year on average, and product launches within this segment increased by 21% between 2020 and 2023 in response to more consumers looking for beverage products that are both lactose-free and vegan. *(Source: Innova)*

A refreshing challenge

IMCD experts teamed up with a principal partner for enzyme solutions to innovate and create more sustainable and efficient plant-based formulations for a local beverage producer. Our IMCD researchers' main challenge was to develop a formulation that is not only dairy-free but that tastes equally delicious as dairy equivalents, is nutritious, and has a minimal environmental impact.

Our IMCD technical team in Germany developed beverage solutions that are not only lactose-free and vegan, but reduced production time by between 10% and 25%, while in turn vastly minimising carbon foodprint due to production process simplification. The result is further cost and energy savings for the manufacturer.

"The results of the project have been startling, and for good reasons. Our technical team was able to develop a high-quality product that lowers energy consumption and production costs, allowing us to create a product that meets our customer's and market expectations for products that inspire, offer superior taste and do better," explains **Michel Faes**, Global technical Director for Food & Nutrition at IMCD.

Michel Faes
Global technical Director for Food & Nutrition

Plant-based drinks can be made with a lower carbon footprint

IMCD and Enkei collaborate to create a lamp that redefines circular design

André Wiinberg
Market Manager, Coatings & Construction, IMCD Nordics

Alena Simunic with **Fredrik Wintring**, Laboratory Technician

The Reminder (001) table lamp is more than a lighting fixture – it's a powerful symbol of what's possible when design and material innovation meet sustainability. Created by Swedish startup Enkei with support from IMCD, the lamp is crafted from repurposed waste, including ceramic debris, fossil-free steel, and deadstock textiles. At its core is ReCeramix™, a material formulation developed at IMCD's Coatings & Construction laboratory in Malmö, which transforms construction waste into a durable and beautiful alternative to mortar.

The innovative formulation reduces cement content by 80%, significantly lowering its carbon footprint. By incorporating ceramic waste from construction sites, it helps alleviate two major environmental challenges: the depletion of natural sand resources and the ecological harm caused by improper waste disposal.

"We approached this project knowing it would be a challenge, but that's what made it so exciting," said **Alena Simunic**, Technical Manager Coatings & Construction at IMCD Nordics and Baltics. *"Seeing the Reminder (001) lamp come to life with a material we helped create has been incredibly rewarding. It's proof that even waste can be transformed into something meaningful."*

André Wiinberg, Market Manager, Coatings & Construction, IMCD Nordics, adds: *"Enkei wanted to show that sustainability can be both functional and beautiful, inspiring consumers to make more conscious choices. With our focus on material innovation, we were able to help transform waste into an object of value."*

Launched during Stockholm Design Week, the Reminder (001) lamp has already captured international attention for its sustainable innovation and striking design with features in Vogue and Elle magazines.

Creating a more sustainable dissolvable skin care system with emerging brands

Priya Malhotra
Brand Account Manager for Beauty Studio US

Tua Rubiano
Applications Scientist

At the 2024 New York Suppliers' Day, IMCD's **Priya Malhotra**, Brand Account Manager for Beauty Studio US, connected with a rising star at the Indie Brand Pavilion.

This emerging beauty brand sought guidance to transform their vision into reality. Recognising their potential, Priya Malhotra introduced them to our Applications Scientist, **Tua Rubiano**, showcasing the cutting-edge formulations from our 2021 Biotech Beauty prototypes. The prototypes, rooted in science and sustainability, aim to minimise environmental impact without compromising on efficacy or innovation.

"Supporting emerging brands is one of the most rewarding aspects of what we do," said Priya Malhotra. *"It's incredible to help our customers bring their ideas to life while aligning with sustainable practices that are better for the environment and future generations. By staying at the forefront of industry trends, we ensure our partners have access to the most innovative and eco-friendly solutions available."*

Through months of collaboration, our team helped develop a dissolvable skin care system - a revolutionary product that minimises water usage, reduces packaging waste, and delivers effective skincare. This partnership culminated in the successful market launch of the product, earning the brand significant acclaim.

"Our technical expertise allows us to push boundaries and rethink traditional product development," said Tua Rubiano. *"By leveraging our advanced formulations and deep understanding of sustainable innovation, we created a product that's not only effective but also addresses critical environmental concerns. It's exciting to see our work help customers stand out in such a competitive market."*

The crowning achievement came when the brand received a prestigious beauty award that recognised them as the most innovative emerging brand. This story is a testament to IMCD's dedication to staying ahead of market trends and supporting our customers in developing sustainable, trailblazing solutions. By combining global expertise with local market insights, we continue to deliver value and drive the industry toward a more sustainable future.

Flax fibres replace glass fibres for greener gardening

Jonathan Venougobalou
Sales Manager, Composites

How can you make gardening greener? We worked with a customer, a manufacturer of planters for terraces and gardens, to develop a flax fibre composite as a substitute for glass fibres and bring down the carbon footprint of their outdoor planters.

Why flax fibre composites?

Compared to glass fibres, flax fibres are a relatively new material in composite manufacturing. The primary advantage in terms of sustainability is flax's ability to absorb carbon dioxide. In fact, flax fibre has a negative CO_2 footprint and has been recognised as one of the strongest natural fibres. It also has excellent physical and mechanical properties with outstanding durability.

Flax fibre composites also contribute to the circular economy because they are made using flax waste from the textile industry. Primarily produced in Europe, flax fibres have a shorter supply chain for European manufacturers than more exotic alternatives, like bamboo and coco. Hemp can also be an option, but flax has a more mature supply chain.

The challenge was to find a natural-origin material that could provide the mechanical performance needed for use outdoors. Thermoplastics weren't suitable to withstand the demands of sub-zero temperatures and wet conditions. Based on the needs of our customer, we identified flax fibres as the ideal solution to bring down their environmental impact and produce a better product.

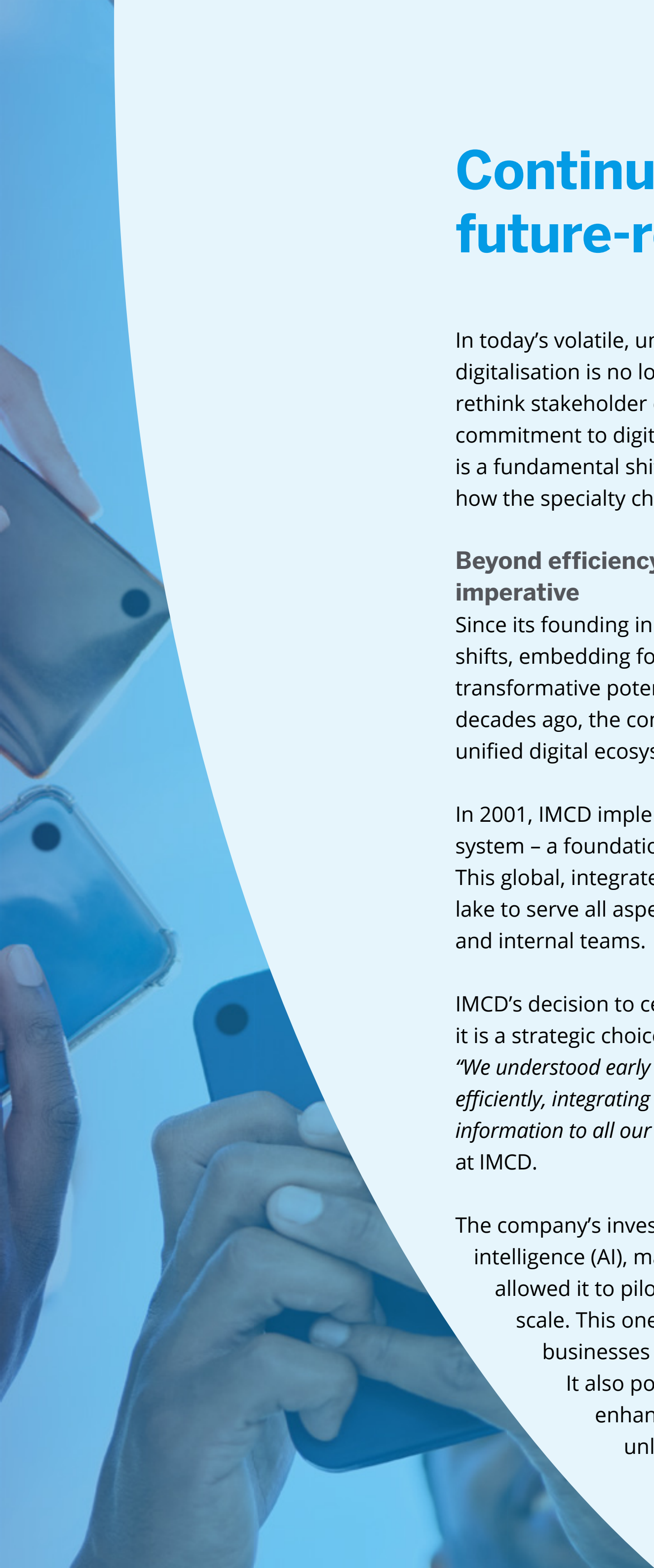
A bio-based solution

Working together with their product development team, we found the right solution for their product development: a 100% bio-based non-woven reinforcement made from short-flax fibre.

"Every step counts on the journey to a more sustainable future," says **Jonathan Venougobalou**, Sales Manager, Composites at IMCD Advanced Materials. *"Flax fibres have great mechanical properties, making them a suitable replacement for glass fibres in many applications. With their bio-based nature, they have the potential to reduce the CO_2 footprint significantly compared to the same amount of glass fibres."*

Digital transformation
in the spotlight

Continuous improvement: From front-runner to future-ready through **digital transformation**



Continuous improvement: From front-runner to future-ready through digital transformation

In today's volatile, uncertain, complex, and ambiguous (VUCA) world, digitalisation is no longer optional. For IMCD, it represents a pathway to rethink stakeholder engagement and unlock entirely new possibilities. This commitment to digital transformation goes beyond adopting new tools; it is a fundamental shift in mindset and culture, driven by a vision to reshape how the specialty chemicals and ingredients industry operates.

Beyond efficiency: digital transformation as a strategic imperative

Since its founding in 1995, IMCD has consistently anticipated industry shifts, embedding foresight and adaptability into its DNA. Recognising the transformative potential of digitisation and digitalisation more than two decades ago, the company embarked on an ambitious journey to create a unified digital ecosystem.

In 2001, IMCD implemented a single enterprise resource planning (ERP) system – a foundational step in building what is now known as "One IMCD." This global, integrated ecosystem unites ERP, CRM, and a centralised data lake to serve all aspects of the business, including customers, suppliers, and internal teams.

IMCD's decision to centralise operations is not just about technology – it is a strategic choice.
"We understood early on that clarity and consistency would be critical to scaling efficiently, integrating acquisitions seamlessly, and delivering reliable, real-time information to all our stakeholders," explains **Jelle Schot**, Group IT Director at IMCD.

The company's investments in cutting-edge technologies – such as artificial intelligence (AI), machine learning, and advanced data analytics – have allowed it to pilot solutions that drive value at an unprecedented scale. This one platform enables IMCD to integrate newly acquired businesses rapidly while maintaining agility and financial discipline. It also powers an ambitious suite of advanced digital tools that enhance customer experiences, streamline processes, and unlock new growth opportunities.

Tools that redefine relationships

In particular, IMCD's digital ecosystem empowers its teams and business partners alike. From enhancing supplier collaboration to improving customer interactions, IMCD's digital tools deliver both speed and precision.

For example, the MyIMCD customer platform provides a unified space for customers to access technical documentation, manage orders in real time, and explore IMCD's product and knowledge portfolio.

Similarly, tools are being developed to enhance the company's ability to support customer needs with for instance AI-powered guided product search and product recommendation, in just a few clicks.

Continuous improvement: the next stage

These platforms are more than technological innovations – they are integral to IMCD's vision of a responsive and agile business.

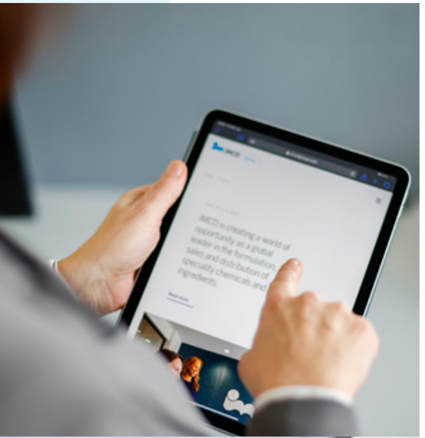
"We believe the real power of digital transformation lies in its ability to keep evolving," notes **Vincent van der Leer**, Group Director, Digital Commerce at IMCD. *"This requires a mindset of innovation and a commitment to leveraging the best technology partnerships to stay ahead."*

Jelle Schot
Group IT Director

Vincent van der Leer
Group Director, Digital Commerce

IMCD therefore collaborates with leading providers in ERP, CRM, and AI technologies, ensuring its digital tools remain cutting-edge while being tailored to its unique needs. By staying at the forefront of digital transformation, IMCD not only sets the standard for its industry but also reinforces its commitment to serving customers, suppliers, and markets with unmatched speed, reliability, and precision.

MyIMCD: The hub of customer centric digitalisation



MyIMCD is a transformative platform designed to simplify customer engagement through offering omnichannel access to IMCD's product and knowledge portfolio, technical expertise and customer support. By integrating technical documentation, sample requests, order tracking, and more into a single, globally accessible, personalised interface, the platform enables customers to work smarter, faster, and more efficiently.

The platform also includes "knowledge" publication pages where customers can find articles and reports from IMCD's expert community, solutions and formulations on various topics like applications, trends and regulatory requirements.

"MyIMCD is a perfect example of how digital tools can redefine customer interactions," says **Vincent van der Leer**. *"It's not just a platform; it's a dynamic space where we aim to offer our customers everything they need in one place, whenever they need it. This kind of streamlined engagement wouldn't be possible without the robust infrastructure of our unified platform."*

The results speak volumes. By the end of 2023, the number of users had more than doubled, reaching over 19,000. And by September 2024, MyIMCD had achieved a milestone with more than 28,000 activated users across 35 countries – a three-digit growth rate in just a few years.

"These numbers aren't just metrics; they reflect how MyIMCD has become a critical part of our customers' day-to-day operations," adds **Vincent van der Leer**. *"Our unified platform allows us to keep refining MyIMCD to meet evolving needs, ensuring it remains a valuable tool in helping our customers achieve their goals."*

AI at IMCD: Unlocking potential through technology and data

Jip Koning
Group Product Owner, Data, Analytics & AI

At IMCD, artificial intelligence (AI) is a cornerstone of our digital transformation, powered by the vast potential of our centralised data lake and digital infrastructure. AI is used in the "input" stage, aiming to bring data in from many sources, and structuring it into "output" that will feed and power the many platforms and tools developed as part of IMCD's digital transformation.

This solid foundation enables us to swiftly implement AI solutions that deliver real benefits to our employees, customers, and principals. Through strategic partnerships with leading technology providers, we harness AI to optimise workflows, drive innovation, and support sales growth.

"At IMCD, we have a long-term strategic vision for leveraging AI, but we also begin by addressing day-to-day challenges that yield immediate improvements in our operations," says **Jip Koning**, Group Product Owner, Data, Analytics & AI at IMCD. *"By automating the standardisation and enrichment of master data, we've seen immediate results that significantly improve data quality and consistency."*

He continues, *"Notably, we reached a major milestone by using generative AI to create over 60,000 business group-specific product descriptions, each meticulously optimised for search engines."* AI's influence goes beyond automation. By integrating advanced analytics and predictive capabilities, IMCD uses AI to make faster, more accurate data-driven decisions. *"Our centralised cloud data platform serves as the backbone for all AI initiatives,"* Koning explains. *"It ensures we're working with clean, structured, and real-time data—essential for generating actionable insights. Whether optimising search capabilities or delivering personalised recommendations, AI enables us to stay ahead of market demands."*

Looking forward, IMCD is committed to expanding AI's role across the organisation. With robust governance frameworks in place to ensure ethical and secure use, we are dedicated to leveraging AI responsibly and sustainably to create lasting value.

"AI is more than just a technology—it's a transformative approach to how we operate and innovate," concludes Koning. *"We're continuously exploring new ways AI can enhance our services, improve efficiency, and ultimately provide a better experience for our customers and suppliers. The possibilities are endless when you combine AI with a unified digital infrastructure like ours."*

Supply chains & operations
in the spotlight

Continuous improvement: Driving **sustainable change** in **supply chains and operations**

Continuous improvement: Driving sustainable change in supply chains and operations

At IMCD, sustainability is a critical aspect of our operations, shaping how we do business every day, everywhere. As a global leader in the distribution of speciality chemicals and ingredients, our commitment to sustainability addresses critical global challenges for our planet and society. Guided by our motto, “We aspire to be a force of influence, helping grow a world of opportunities into a sustainable future”, we work tirelessly to ensure our supply chain, transportation, and warehouse operations align with sustainable practices.

From safeguarding ethical and sustainable sourcing to partnering with logistics providers that share our vision, IMCD is taking resolute steps to reduce environmental impact and promote responsible governance. Supply chain management plays a pivotal role in our mission, integrating sustainability principles to minimise environmental harm, enhance social responsibility, and maintain ethical governance across every stage of our value chain.

As part of this commitment, IMCD has strengthened data governance and regulatory compliance by expanding its Global Regulatory Questionnaire Centre and establishing a Centre of Excellence for Master Data Management and Central Item Creation. By centralising data governance, we ensure uniform data entry, reduce errors, and enhance efficiency across operations. A dedicated team of 25 specialists streamlines product data management, enabling faster, more accurate updates while supporting compliance with global and local regulations. This initiative not only reinforces operational excellence but also strengthens our ability to adapt to evolving business needs, such as mergers, acquisitions, and new product lines.

At IMCD, sustainability initiatives go beyond compliance - they reflect our vision of driving meaningful change across our operations and the industries we serve. By striving to embed sustainability into every facet of our supply chain and embracing innovative partnerships, we are aiming to prove that a global distribution leader can be a force for good, shaping a better, more sustainable world.

Driving supply chain transparency with Together for Sustainability

Stan Bijsterveld
Director Global Supply Chain & Health, Safety, Environment, Quality and Regulatory (HSEQR)

As part of our commitment to sustainable supply chain practices, IMCD is proud to be a member of Together for Sustainability (TfS), a global initiative focused on sustainability in the chemical supply chain and fostering shared standards and transparency among suppliers. TfS collaborates with EcoVadis as a platform to assess and monitor the sustainability performance of their suppliers. EcoVadis provides sustainability ratings across four themes: environment, labor and human rights, ethics, and sustainable procurement, and is integrated into TfS's efforts to improve supply chain sustainability. This partnership allows TfS members like IMCD to share supplier sustainability assessments through a single, standardised evaluation process.

"Incorporating sustainability into our supply chain is no longer optional — it's a strategic imperative," says **Stan Bijsterveld**, Director Global Supply Chain & Health, Safety, Environment, Quality and Regulatory (HSEQR) at IMCD. *"This year, we've achieved 100% screening of our logistics service providers through EcoVadis. 95% of our suppliers (spend-based) have signed our ESG standards, and 90% hold, or are in the process of holding, EcoVadis ratings no older than three years. These numbers reflect not just our progress but our commitment to leading by example."*

The initiative has seen remarkable global success, with countries like India achieving 91% coverage, Australia at 83%, and New Zealand at 97%. Stan Bijsterveld highlights, "By consolidating our warehousing footprint and transitioning to EcoVadis-rated suppliers, we are enhancing efficiency while maintaining our sustainability goals. For example, in Mexico, we combined 19 non-rated suppliers into one EcoVadis-rated partner. Similar transitions are underway across Colombia, Canada, Korea, and other regions."

Looking ahead, IMCD plans to deepen its focus on supplier engagement. "For 2025, our goal is not just maintaining these standards but driving continuous improvement in EcoVadis scores. Every step forward strengthens our supply chain, creating a more resilient and sustainable network," adds Stan Bijsterveld.

From waste to resource - IMCD UK's more sustainable disposal initiative

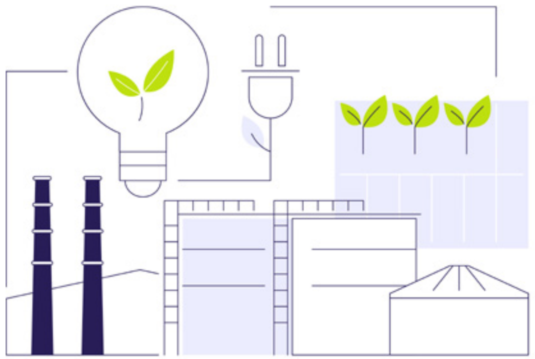
In the UK, IMCD reimagined its waste disposal practices for damaged, expired, or non-specification products, transforming an environmental challenge into a source of renewable energy. Traditionally destined for landfills, these products now fuel a renewable energy revolution through our partnership with partner Codford Biogas.

Alex Weisflog
Senior Supply Chain Coordinator at IMCD UK

"This initiative began with a simple question: How can we manage waste better?" says **Alex Weisflog** Senior Supply Chain Coordinator at IMCD UK. *"We realised that food-grade waste could have a second life, thanks to Anaerobic Digestion (AD) technology. By converting waste into methane and carbon dioxide, Codford Biogas generates 3.4MW of electricity daily - enough to power thousands of homes."*

The benefits don't stop at energy generation. *"The by-products from this process are used as fertilisers for local farms, and packaging waste is recycled into Refuse Derived Fuel (RDF). It's a complete circular economy approach,"* Alex Weisflog explains.

In 2023, this partnership diverted 19 metric tonnes of waste from landfills, and, in 2024, 30 metric tonnes with Codford Biogas, and an additional 25 with another facility. *"This isn't just about numbers,"* reflects Alex Weisflog. *"It's about demonstrating what's possible when we think beyond traditional methods. It's incredibly rewarding to see waste that would have gone to a landfill instead contribute to renewable energy, sustainable farming, and reduced environmental impact."*



Business development
in the spotlight

Continuous improvement: **Fuelling growth** with an **entrepreneurial** spirit

Continuous improvement: Fuelling growth with an entrepreneurial spirit

IMCD is dedicated to building strong partnerships that create value for both principals and customers. By leveraging market insights and focusing on sustainable solutions, we strive to meet emerging needs in ways that drive mutual growth. Our collaborative approach aims to simplify the supply chain, connecting partners effectively and offering solutions that align with evolving market demands.

Our global network and extensive portfolio provide principals with access to key markets and valuable intelligence, while customers benefit from a comprehensive range of products and ingredients. IMCD also offers expert formulation advice and prioritises operational excellence to ensure reliable and efficient service. These efforts are underpinned by our commitment to developing innovative and sustainable solutions that address local challenges while maintaining global standards.

At IMCD, entrepreneurship is integral to how we operate. As **Marcus Jordan**, Group Chief Operations Officer of IMCD, explains: *"Being entrepreneurial means taking initiative, identifying new opportunities, and driving progress with a clear focus on value creation. This mindset supports our commitment to continuous improvement, enabling us to adapt to market changes and deliver better outcomes for our partners."*

On the next page are two recent examples, from India and Türkiye, where this approach has helped IMCD, our principals, and our customers achieve meaningful progress together.

These examples demonstrate how IMCD's entrepreneurial and collaborative approach, combined with a focus on sustainable solutions, enables us to adapt to market needs and deliver results that benefit all stakeholders. While challenges remain, we are committed to continuous improvement and shared success as we move forward.

Marcus Jordan
Group Chief Operations Officer

Pharmaceuticals in India: Expanding into new segments

Palak Vij
Director, Pharmaceuticals

Abhishek Shukla, Hematlal Dangar, Palak Vij, Pratik Save

IMCD India, established in 2008 and headquartered in Mumbai, has a strong record of supporting customers with technical expertise and market knowledge. In 2019, we launched a Pharmaceutical Technical Centre in Mumbai, enabling us to develop advanced formulations and provide comprehensive formulation support for oral solids, oral liquids, topicals and injectables with Active Pharmaceutical Ingredients (APIs). This foundation has allowed us to explore new opportunities and deliver value across the pharmaceutical sector.

In 2023, IMCD India expanded its focus beyond pharmaceutical excipients to include nutraceuticals, APIs, regulated synthesis, and agrochemicals. While these segments were part of IMCD's global operations, they were new areas of focus in India. The initiative sought to leverage our expertise in excipients to create synergies in these segments, particularly in nutraceuticals, APIs and regulated synthesis.

This strategic shift has resulted in broader portfolio offerings and the establishment of new supplier partnerships. The initiative also brought new customers on board, contributing to measurable growth in revenue and market presence in 2024.

Palak Vij, Director, Pharmaceuticals, India, reflects on the impact of this initiative: "*Expanding into new verticals has strengthened our ability to support existing customers as they diversify their portfolios while also broadening our reach to new customers.*"

Enzyme-based cleaning solutions in Türkiye: A collaborative success

Ercan Duygulu
Market Manager for Home Care and Industrial & Institutional Care

IMCD Home Care and Industrial & Institutional Care team in Türkiye keeps a close eye on the market and helps businesses in this industry stay ahead of the curve by sharing global trends, offering technical support, and promoting new products. In response to changing customer needs and shifting market dynamics, Türkiye is boosting innovation in cleaning products and increasing enzyme usage.

In Türkiye, IMCD works closely with customers to anticipate market changes and offer practical solutions. Recognising a growing interest in enzyme-based cleaning products, IMCD partnered with a major supplier in January 2024 to distribute their powder and liquid enzymes in the Turkish market. Türkiye's strategic location and rising demand for high-quality goods made this collaboration a key opportunity for both companies.

This partnership laid the groundwork for a collaborative project with Etap Kimya, a leading customer in Türkiye, to develop the country's first locally manufactured automatic dishwashing (ADW) liquid capsule. IMCD's Technical Centre in Cologne, Germany, provided essential support during the development process, ensuring the final product met both quality and performance standards.

As a result of this collaboration, Etap Kimya is now one of IMCD Türkiye's top 10 accounts, and IMCD has established itself as a credible partner in the enzyme segment.

"The project's success highlights the value of local manufacturing in addressing economic and competitive pressures. Our principal secured a leading position in Türkiye's enzyme market, while Etap Kimya gained a competitive edge with its innovative product", comments **Ercan Duygulu**, Market Manager for Home Care and Industrial & Institutional Care, Türkiye. *"This collaboration has helped us address key challenges for our customers and brought new momentum to the enzyme-based cleaning sector in Türkiye".*

IMCD Cares
in the spotlight

Continuous improvement: Empowering **communities** with **‘IMCD Cares’**

Continuous improvement: Empowering communities with 'IMCD Cares'

Through our IMCD Cares programme, we channel our corporate social responsibility (CSR) efforts into initiatives that make a difference. The programme is set up to support projects that are near the hearts of our employees to improve the daily lives of those around us and contribute to a brighter future for the communities we live and work in. We focus on projects in three areas, that are most aligned with our business activities and employee base:

Environment - We aim to improve local communities' environment and living circumstances. We want to contribute to projects that support resilience and adaptive capacity in local communities to deal with the impact of climate change.

Education & diversity - We support education projects with a focus on underprivileged children and/or women, and the promotion of science, technology, engineering, and mathematics (STEM) education to all.

Health & well-being - We promote the broader availability of healthcare, medicine and food to all. Through CSR, we can use our expertise to contribute to research and innovations that help achieve this goal.

These projects exemplify our support for the UN's agenda for sustainable development. In our selection process, each project must be linked to one or more of the UN Sustainable Development Goals and offer an opportunity for IMCD to use its expertise and operational organisation to make an impact. The programme reflects our belief in continuous improvement as the engine to grow - helping our stakeholders grow with us every step of the way.

"Selected projects are typically managed by independent, non-profit organisations or charities, and allow IMCD employees to engage in educational and/or social activities that make a difference for their local communities. All projects are brought in by an IMCD employee as ambassador", says **Cecile Westerhuis**, Company Secretary & Corporate Affairs, Group Sustainability Director, who heads the IMCD Cares programme. *"Our aim is to use this programme as a catalyst for developing new, innovative ideas that contribute to environmental resilience, promote education and diversity, or advance health and well-being."*

Cecile Westerhuis
Company Secretary & Corporate Affairs, Group Sustainability Director

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Science Room added to Firefly Science Truck project in Türkiye

Science Room Firefly Science Truck project in Türkiye

IMCD launched our first permanent Science Room, an inspiring milestone achieved as an extension of the Firefly Science Truck project. This initiative reinforces our mission to introduce science to children across Türkiye, particularly those in underprivileged schools.

So far, our Firefly Science Truck has travelled to schools in four regions, reaching thousands of children who have never experienced the thrill of hands-on experiments.

Building on the success of our Firefly Science Truck, our new project expands on this initiative by transforming an unused room in a public school into a permanent Science Room, strengthening our commitment to educational equality.

Watch on YouTube
https://www.youtube.com/watch?v=0L6-7HRy-kk

Empowering communities through sustainable initiatives in Ghana

In 2024, IMCD Benelux continued its commitment to sustainable development and community empowerment through transformative initiatives in the Star Shea Butter communities of northern Ghana. Partnering with women-led cooperatives in Tong, Nyong, Karaga, Sung, and Tamalgu, we enhanced shea butter production by installing modern equipment and constructing warehouses. These upgrades streamline production, improve efficiency, and ensure higher quality output. Most importantly, the initiative eliminates intermediaries, enabling rural women to receive fair trade prices for their work, directly enhancing their livelihoods and fostering economic independence.

This project aligns with the IMCD Cares' focus on environmental protection, education, diversity, and health and well-being. Beyond infrastructure improvements, IMCD allocated resources for critical health interventions, offering medical screenings for 250 women across the five communities. These screenings, targeting cervical cancer, HIV, and HBV, address significant health challenges and provide vital care to those with limited access to medical facilities. By prioritising health and well-being, IMCD ensures that these communities thrive holistically.

Shea butter is a cornerstone ingredient in the portfolio of Jan Dekker, a private label of IMCD, since 2011. It symbolises the synergy of ethical sourcing and sustainable development. By directly supporting the women who produce this essential ingredient, IMCD creates a positive impact on both the communities and their ecosystems.

‘Sea, Safe & Sun’ in France to educate and inspire the next generation


Sea, Safe & Sun programme

In 2024, IMCD France launched the inaugural “Sea, Safe & Sun” programme, blending education and innovation to inspire the next generation on the importance of health and environmental stewardship. This initiative brought together eighth-grade students from Paris for an engaging day of discovery, hosted by IMCD’s Beauty and Personal Care experts.

The programme introduced students to the science of sun care, emphasising the risks of UV exposure and the vital role of effective sun protection. In IMCD’s Skin & Sun Care Excellence Centre, students explored the cosmetic formulation process, gaining hands-on insights into creating sustainable and high-performing sun care solutions.

The experience extended beyond science, fostering environmental awareness through a collaborative “Ocean Collage” workshop that highlighted the impact of human actions on marine biodiversity. This unique blend of education and creativity bridged the gap between classroom learning and real-world challenges, empowering students to make responsible choices.

“Sea, Safe & Sun” reflects IMCD’s commitment to sustainability and innovation, nurturing a responsible future for both the cosmetics industry and the planet.

IMCD Brazil awards three university scholarships

According to the Brazilian Institute of Geography and Statistics, only 19% of the Brazilian population had a university degree in 2022.

To address the disparity and to reinforce its commitment to the country’s future in science, IMCD is awarding three young students from the state of São Paulo with university scholarships as part of its partnership with Futuras Cientistas (Future Female Scientists), an IMCD Cares Fund initiative.

The 2024 scholarship recipients were selected as the top three performers out of six students who participated in the second edition of IMCD’s partnership with Futuras Cientistas.

The program included a 32-hour scientific immersion curriculum, developed by IMCD employees, for the six students to partake in a unique in-lab learning experience in IMCD laboratories led by our experts. In addition to the scientific immersion, the students were also monitored by IMCD throughout 2024 to measure their school performance and offer mentorship in reaching their goals.

On March 25, 2024, IMCD hosted the 2024 Immersion Conclusion Ceremony for the participants and awarded this year’s three scholarship to Fernanda Soares da Silva (Pharmaceuticals studies at UNESP Araraquara), Maria Beatriz (Chemical Engineering at the São Judas University), and Juliana Nikaeli Soares de Souza (Chemistry studies at the UFABC Federal University in São Paulo).

Through this initiative, IMCD not only empowers young talent but also strengthens its role in advancing education and science in Brazil.

The 3 laureates of the 2024 IMCD Scholarship


The participants to the 2024 Immersion Conclusion Ceremony

Smart farm project IMCD Malaysia

Smart farm Malaysia

IMCD Malaysia, in collaboration with Urban Farm Tech, has embarked on an inspiring journey towards sustainability and entrepreneurship education through the launch of the "Smart Farm Project" at Jalan Empat Primary School (JEPS). IMCD's strategic collaboration ensures the seamless execution of this initiative, providing essential resources and support.

Through the establishment of an IoT-integrated hydroponics urban farm spanning 2,000 square feet, students at JEPS are immersed in cutting-edge agricultural techniques, IoT technology, and environmental sustainability principles. The project, which includes diverse range of crops, not only generates revenue for the school but also provides visitors with firsthand experiences through farmer's markets and interactive sessions.

By embracing diversity and fostering well-rounded learning experiences, IMCD prepares students from all walks of life to take on roles as responsible citizens and future leaders.

IMCD Asia awards scholarship in plant biology

With the objective of building and nurturing future talents to play an active role in contributing to a sustainable food industry, our Food & Nutrition team in Asia-Pacific made a gift to Nanyang Technological University (NTU Singapore) to launch the "IMCD Asia Scholarship", a two-year postgraduate scholarship in MSc (Research) in Plant Biology, under the Green Food Contest targeting South East Asian countries.

Andreas Igerl, Prof. Kanaga Sabapathy, Eden Vina Grate

The Green Food Contest, conducted in collaboration with Nuffic Southeast Asia and NTU, Singapore, is a competition for talented students from six Southeast Asian countries (Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam).

Participants were to submit a research proposal focusing on one of the key sustainability issues facing the food industry: finding plant-based alternatives in relation to mitigating the impact of the current (animal-based) food system.

At the award ceremony, Andreas Igerl, President at IMCD APAC, and Professor Kanaga Sabapathy, Chair of the School of Biological Sciences at NTU Singapore, presented the IMCD Asia Scholarship to the winner, Eden Vina Grate, from the Philippines.

Performance 2024

8 Financial value

Gross profit (EUR m)

1,202.4

2023: 1,122.6

Operating EBITA (EUR m)

530.9

2023: 514.5

Cash conversion margin

82.7%

2023: 105.3%

2024 was a challenging but successful year for IMCD. While the global economy continues to grow at a modest pace, geopolitical tensions and economic shifts—including falling inflation and increasing protectionism—have influenced customer and investor behaviour. As a result, businesses faced challenges in navigating these uncertainties and respond to the shifting market dynamics.

We delivered solid results and generated healthy cash flows in 2024. We realised organic gross profit growth in all of our regions and reported 3% operating EBITA growth, driven by acquisitions completed in 2023 and 2024. We have achieved successes in the further execution of our growth strategy by acquisitions in The Netherlands, UK, Italy, Spain, Colombia, Mexico, Chile, Peru, Argentina, Guatemala, El Salvador, Costa Rica, Australia, New Zealand, India, Malaysia and China.

8.1 Developments 2024

Despite the continuing global geopolitical tensions and the challenging economic market conditions, we realised solid results in 2024. A relatively soft first quarter of 2024 was followed by three quarters of organic revenue and operating EBITA growth. In 2024 we recorded revenues of EUR 4.7 billion (+6%) and operating EBITA of EUR 530.9 million (+3%).

In 2024, we successfully completed acquisitions in all of our regions. We will continue to focus on expanding and optimising existing businesses, integrating acquired companies, developing interesting supplier projects and selective acquisition opportunities.

Notwithstanding the continuing challenging market circumstances, the financial resilience provided by IMCD's multi-market and geographical coverage, combined with its diversified supplier and product portfolio, have enabled IMCD to deliver strong results in 2024. Our teams demonstrated collaboration and entrepreneurship with a relentless drive for continuous improvement. By further building on our long-standing partnerships with our suppliers, customers and logistics partners, we have improved our performance and enhanced our resilience.

Commercial and organisational

IMCD aims to create value for its stakeholders through the pursuit of sustainable growth of its revenues and results, driven by organic growth alongside selective acquisitions.

IMCD's strategy focuses on strengthening and deepening relationships with key suppliers and customers, leveraging its network to secure distributorships and provide pan-regional services. This approach is supported by well-trained professionals in every country where we operate, complemented by application laboratories and a harmonised, integrated IT landscape with modern digital tools.

IMCD operates as a professional services business where highly qualified people collaborate in a flat organisational structure. We will continue to attract, hire, train and develop and retain talent. Trainings are organised via our e-learning platform and by means of Business Group specific and professional development trainings. Furthermore, employee engagements and taking actions that improves performance and retention, remain high on our agenda.

We have further strengthened our market groups and technical capabilities to cater for our increasing business and to exploit group synergies. The number of full-time equivalents (FTE) increased from 4,736 at year-end 2023 to 5,126 as at the end of 2024 (+8%). This increase (+390 FTE), is the result of a combination of acquisitions completed in 2024 (+10%) and organisational adjustments made to align with changing business requirements (-2%).

We are tracking our staff turnover and retention figures closely, especially in this economic challenging period. With regard to our workforce, we remain looking for talents, and diversity on all dimensions across the world. We remain focused on retaining people in critical functions such as commercial, technical or digitalisation roles.

Acquisitions

In the execution of our strategy to create sustainable growth for our stakeholders, we have completed 12 acquisitions in 2024. In addition to these closed transactions, IMCD signed 2 agreements which will be closed in 2025.

On 9 January 2024, IMCD acquired 70% of the shares of Valuetree Ingredients Private Limited ("Valuetree") to expand its beauty and personal care footprint in India. Valuetree employs a team of 44 employees and generated revenues of approximately EUR 48 million in the financial year that ended on 31 March 2023. The remaining 30% will be acquired in 2025.

On 14 February 2024, IMCD acquired the distribution business of Joli Foods S.A.S. ("Joli Foods") to expand its food and nutrition business and product portfolio in Colombia. Joli Foods is based in Bogota and generated revenues of approximately USD 14 million (EUR 13 million) in 2023 and added 11 employees to the IMCD Colombian team.

On 27 February 2024, IMCD acquired two business lines from CJ Shah & Company ("CJ Shah") with chemicals primarily for paints, coatings, adhesives and life science applications in India. With 20 employees, the two business lines generated revenues of approximately EUR 27 million in 2023.

On 29 February 2024, IMCD acquired 100% of the shares of speciality distribution company Euro Chemo-Pharma Sdn Bhd ("Euro Chemo-Pharma") and its wholly owned subsidiary, Biofresh Green Sdn Bhd ("Biofresh") in Malaysia. With 124 employees, Euro Chemo-Pharma and Biofresh are offering a wide range of products, mainly for food, pharmaceutical and personal care applications, and generated revenues of approximately EUR 58 million in the financial year ended on June 30, 2023.

On 1 May 2024, IMCD acquired 100% of the shares of speciality distribution company ResChem Technologies Pty Ltd and ResChem Trust in Australia and New Zealand ("ResChem"). ResChem specialises in products for use in inks, coatings, adhesives and construction applications. ResChem headquartered in Sydney, Australia, generated revenues of approximately EUR 15 million in 2023 with 15 employees.

On 13 May 2024, IMCD acquired 100% of the shares of Bretano Costa Rica, S.A., Bretano El Salvador, S.A de C.V., Bretano Guatemala, S.A., and Grupo Bretano México, S. de R.L. de C.V. (jointly: “Bretano”). Bretano is a speciality ingredients distributor for the food industry and supplies chemicals to construction and other industrial markets in Latin America. With 101 employees, Bretano generated revenues of approximately USD 48 million (EUR 44 million) in 2023.

On 18 July 2024, IMCD acquired 100% of the shares of Cobapharma, S.L.U (“Cobapharma”), a Spanish distributor in the pharmaceutical and nutraceutical industry. With 20 employees, Cobapharma generated revenues of approximately EUR 19 million in 2023.

On 6 November 2024, IMCD acquired 100% of the shares of Importadora y Distribuidora Blumos SpA, Transportes Blumos SpA, Comercial e Industrial Solutec SpA, all in Chile, Sonutra Blumos SAC in Peru and Blumos S.A. in Argentina (jointly: “Blumos Group”). Blumos Group distributes a comprehensive portfolio of speciality ingredients and chemicals for the food, pharmaceutical, and industrial markets across Latin America. With approximately 160 employees, Blumos Group generated revenues of approximately USD 54 million (EUR 50 million) in 2023.

Besides the aforementioned transactions, IMCD also completed the acquisition of four smaller companies and business asset deals during 2024: Gova in the Benelux, RBD in China, Selechimica in Italy and Arena in the UK. Together, these four acquisitions generated revenues of approximately EUR 27 million in 2023.

In addition to the transactions closed in 2024, IMCD signed 2 acquisition agreements.

On 13 December 2024, IMCD signed an agreement to acquire the business of food and nutraceutical ingredient distributor Daoqin Biological Technology (Shanghai) Co., Ltd., Longyu International Trade (Shanghai) Co., Ltd. and Long'en Biotechnology (Guangzhou) Co., Ltd. in China (jointly: "Daoqin"). With 21 employees, Daoqin generated revenues of approximately EUR 16 million in 2023.

On 17 December 2024, IMCD signed an agreement to acquire the personal care and pharmaceutical business of YCAM Corporation, a distributor based in South Korea ("YCAM"). With 8 employees, YCAM generated revenues of approximately EUR 17 million in 2023.

The closing of both transactions is subject to customary closing conditions and is expected to take place in the second quarter of 2025.

8.2 Financial performance 2024

All financial information in this section is presented in millions of euros. Rounding differences may occur because the underlying figures retrieved from the consolidated financial statements are rounded to the nearest thousand.

Key performance indicators

In 2024, revenue increased by 6% to EUR 4,727.6 million (+8% on a constant currency basis). On a constant currency basis, gross profit increased by 9% to EUR 1,202.4 million. Operating EBITA increased by 3% from EUR 514.5 million in 2023 to EUR 530.9 million in 2024 (+5% on a constant currency basis). The operating EBITA margin was 11.2%, compared with 11.6% in 2023.

The cash conversion margin was 82.7% in 2024, compared with 105.3% in 2023. The cash earnings per share decreased by EUR 0.07 from EUR 6.41 in 2023 to EUR 6.34 in 2024.

Key performance indicators for 2024[1]

EUR MILLION	2024	2023	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	4,727.6	4,442.6	285.0	6%	8%
Gross profit	1,202.4	1,122.6	79.8	7%	9%
Gross profit as a % of revenue	25.4%	25.3%	0.1%		
Operating EBITA	530.9	514.5	16.4	3%	5%
Operating EBITA as a % of revenue	11.2%	11.6%	(0.4%)		
Conversion margin	44.2%	45.8%	(1.6%)		
Net result	278.2	292.2	(14.0)	(5%)	(4%)
Adjusted leverage ratio	2.2	2.3	(0.1)		
Earnings per share	4.86	5.13	(0.27)	(5%)	(4%)
Free cash flow	449.7	554.2	(104.5)	(19%)	
Cash conversion margin	82.7%	105.3%	(22.6%)		
Cash earnings per share (EUR)	6.34	6.41	(0.07)	(1%)	0%
(Proposed) dividend per share (EUR)	2.15	2.24	(0.09)	(4%)	
Number of full time employees end of period	5,126	4,736	390	8%	

1 For definitions, reference is made to section 2 Alternative performance measures (APMs) of the appendices.

Constant currencies

Constant currencies are used to exclude the impact of movements in foreign currency exchange rates from the comparison with last year results. Constant currency results (or FX adjusted results) are calculated by translating last year's results at current year's foreign currency exchange rates.

Organic and acquisition growth

Organic growth is used as a key measure of business performance and excludes the effect of acquisitions on the operating results. Acquisition growth consists of the results attributable to acquired businesses from the date of closing the acquisition to the first anniversary of the acquisition. Organic growth is defined as the remaining change in the results as compared to the prior period, after changes in results attributable to acquired businesses and the effect of fluctuations in foreign exchange rates.

Revenue

Compared with 2023, revenue increased by EUR 285.0 million to EUR 4,727.6 million in 2024. The revenue increase is the result of an organic decline (-1%), the impact of first-time inclusion of acquisitions (+8%) and the negative impact of foreign currency exchange developments (-1%).

The overall organic revenue development was shaped by the balance of local macroeconomic circumstances, further strengthening of the product portfolio by adding new suppliers, expanding relationships with existing suppliers and increasing customer penetration by adding new products and selling more products to existing and new customers.

Revenue was positively impacted by acquisitions completed in 2024 (Valuetree, Joli Foods, RBD, CJ Shah, Euro Chemo-Pharma, Gova, ResChem, Bretano, Selechimica, Arena, Cobapharma and Blumos Group) and acquisitions completed in 2023 (Orange Chemicals, Sanrise, ACM, Tradeimpex, Tagra, Allianz, KOI Products Solutions, CPS Oil-Tech, O&3, Sachs, MAPRIN, Needfill and Brylchem). The total positive impact of the acquisitions on revenue in 2024 was 8%.

Gross profit

Gross profit, defined as revenue less cost of materials and inbound logistics, increased by EUR 79.8 million from EUR 1,122.6 million in 2023 to EUR 1,202.4 million in 2024. The increase in gross profit was the result of an organic increase (+1%), the impact of the first-time inclusion of acquisitions (+7%) and the negative impact of foreign currency exchange rate developments (-1%). All regions contributed to the organic gross profit growth in 2024.

Gross profit as a % of revenue increased by 0.1%-point from 25.3% in 2023 to 25.4% in 2024. The EMEA and Americas regions contributed to the improved gross profit margin in 2024. The gross profit development in Asia-Pacific is mainly driven by the lower than IMCD's average gross profit margins of acquisitions completed in 2023 and 2024. Gross profit margins showed the usual level of differences in margins per region, margins per product and margins per product market combination. Differences between and within the regions are caused by local market circumstances, product mix variances, product availability, foreign currency fluctuations and the impact of newly acquired businesses.

Revenue

	EUR MILLION				GROWTH			
	2024	IN % TOTAL	2023	IN % TOTAL	ORGANIC	ACQUISITION	FOREIGN EXCHANGE	TOTAL
EMEA	1,990.1	42.1%	1,942.6	43.7%	- %	3%	(1%)	**2%**
Americas	1,457.7	30.8%	1,413.2	31.8%	(2%)	6%	(1%)	**2%**
Asia-Pacific	1,279.8	27.1%	1,086.9	24.5%	1%	19%	(2%)	**18%**
Total	**4,727.6**	**100.0%**	**4,442.6**	**100.0%**	**(1%)**	**8%**	**(1%)**	**6%**

Gross profit

	EUR MILLION				GROWTH			
	2024	IN % REVENUE	2023	IN % REVENUE	ORGANIC	ACQUISITION	FOREIGN EXCHANGE	TOTAL
EMEA	553.1	27.8%	529.7	27.3%	2%	3%	(1%)	**4%**
Americas	360.7	24.7%	340.4	24.1%	- %	7%	(1%)	**6%**
Asia-Pacific	288.6	22.5%	252.5	23.2%	2%	14%	(2%)	**14%**
Total	**1,202.4**	**25.4%**	**1,122.6**	**25.3%**	**1%**	**7%**	**(1%)**	**7%**

Operating EBITA

Operating EBITA is defined as result from operating activities before amortisation of intangible assets, and before acquisition costs and results related to one-off adjustments to the organisation. On segment level operating EBITA is excluding central cost allocation charges. Operating EBITA is one of the key performance indicators IMCD uses for monitoring the performance of its operating activities.

The bridge between result from operating activities and operating EBITA is as shown in the table 'Bridge operating EBITA'.

Over the year, we experienced positive EBITA development following a relatively slow start. After a 21% organic EBITA decline in the first quarter, we achieved a 1% organic EBITA growth in the second quarter, followed by a 5% organic EBITA growth in the second half of 2024.

Operating EBITA increased by EUR 16.4 million (+3%) from EUR 514.5 million in 2023 to EUR 530.9 million in 2024. On a constant currency basis, the increase was 5%.

The increase in operating EBITA of 3% was the result of organic developments (-3%), the impact of the first-time inclusion of acquisitions completed in 2023 and 2024 (+8%) and the impact of foreign currency exchange differences (-2%).

The operating EBITA as a % of revenue declined by 0.4%-point from 11.6% in 2023 to 11.2% in 2024. The EBITA margin of EMEA declined by 0.4%-point, from 12.5% in 2023 to 12.1% in 2024. The America segment showed a decline in EBITA margin of 0.1%-point from 11.0% in 2023 to 10.9% in 2024. In Asia-Pacific the EBITA margin moved from 13.9% in 2023 to 13.3% in 2024.

The conversion margin, defined as operating EBITA as a % of gross profit, declined by 1.6%-point from 45.8% in 2023 to 44.2% in 2024. The decline in conversion margin is the result of higher gross profit being offset by inflation-driven own cost growth.

Operating EBITA by operating segment

IMCD distinguishes the following operating segments:

- EMEA: all operating companies in Europe, Türkiye, Israel, Egypt, United Arab Emirates, Saudi Arabia and Africa
- America: all operating companies in the United States of America, Canada, Brazil, Puerto Rico, Chile, Argentina, Uruguay, Colombia, Mexico, Peru, Costa Rica, Dominican Republic, Ecuador, Guatemala and El Salvador
- Asia-Pacific: all operating companies in Australia, New Zealand, India, Bangladesh, China, Taiwan, Malaysia, Indonesia, Philippines, Thailand, Singapore, Vietnam, Japan and South Korea
- Holding companies: all non-operating companies, including the head office in Rotterdam and the regional offices in Singapore and in the USA

The developments in the operating segments are described in the following sections.

EMEA

In 2024, the revenue in the EMEA region increased by 2% compared with 2023. On a constant currency basis, the revenue increased by 3%. The impact of the first-time inclusion of acquisitions completed in 2023 and 2024 was 3% and the impact of foreign currency rate developments was -1%. The acquisition impact of 3% relates to Orange Chemicals, ACM, Tagra Distribution Division, KOI Products Solutions, CPS Oil-Tech, O&3 in 2023, and Gova, Selechimica, Arena and Cobapharma in 2024. The unfavourable developments of foreign currency exchange rates in the EMEA region mainly relates to Türkiye.

Gross profit increased by 4% to EUR 553.1 million in 2024, and is the balance of organic growth of 2%, acquisition growth of 3% and a currency exchange impact of -1%. Despite the challenging market conditions, including the macroeconomic and geopolitical concerns, IMCD successfully gained new suppliers relationships and

Bridge operating EBITA

EUR MILLION	2024	2023	CHANGE
Result from operating activities	**425.1**	**428.5**	**(3.4)**
Amortisation of intangible assets	95.2	80.9	14.3
Acquisition costs and results related to one-off adjustments to the organisation	10.6	5.1	5.5
Operating EBITA	**530.9**	**514.5**	**16.4**

Operating EBITA

EUR MILLION	2024	IN % REVENUE	2023	IN % REVENUE	ORGANIC	ACQUISITION	FOREIGN EXCHANGE	TOTAL
EMEA	241.3	12.1%	242.0	12.5%	(2%)	4%	(2%)	**(0%)**
Americas	158.3	10.9%	155.0	11.0%	(4%)	7%	(1%)	**2%**
Asia-Pacific	170.3	13.3%	150.6	13.9%	- %	15%	(2%)	**13%**
Holding companies	(39.1)	0.8%	(33.0)	0.7%	18%	0%	- %	**18%**
Total	**530.9**	**11.2%**	**514.5**	**11.6%**	**(3%)**	**8%**	**(2%)**	**3%**

further expanded its relationships with existing suppliers in new territories and with additional business lines. Organic gross profit development further included the usual variations in the product and customer mix.

Gross profit margin increased by 0.5%-points, from 27.3% in 2023 to 27.8% in 2024. The gross profit margin improvement is predominantly the result of margin improvement initiatives, changes in the product mix and the negative impact of acquisitions completed in 2023 and 2024 with on average lower gross profit margins.

EMEA

EUR MILLION	2024	2023	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	1,990.1	1,942.6	47.5	2%	3%
Gross profit	553.1	529.7	23.4	4%	6%
Gross profit as a % of revenue	27.8%	27.3%	0.5%		
Operating EBITA	241.3	242.0	(0.6)	(0%)	2%
Operating EBITA as a % of revenue	12.1%	12.5%	(0.4%)		
Conversion margin	43.6%	45.7%	(2.1%)		
FTE	2,058	2,006	52	3%	

In 2024, IMCD successfully completed four acquisitions n the EMEA region: Gova (Benelux), Selechimica (Italy), Arena (UK) and Cobapharma (Spain), adding new supplier relationships, complementary product portfolios and expertise to the Group.

IMCD continued to optimise its supply chain network in 2024, in order to enhance customer service levels and to reduce operating costs in the supply chain.

IMCD operates 29 application laboratories in EMEA. These laboratories are instrumental in exploring local markets and developing product applications for IMCD's business partners. In addition, laboratories are used for exchanging market and product expertise between IMCD, suppliers and customers on a local, regional and global level.

Operating EBITA remained stable at EUR 241.3 million in 2024, which is the result of a combination of organic developments of (-2%), the impact of the first-time inclusion of acquisitions completed in 2023 and 2024 (+4%) and the impact of foreign currency exchange differences (-2%). Operating EBITA as a % of revenue declined by 0.4%-point, from 12.5% in 2023 to 12.1% in 2024.

The conversion margin declined by 2.1%-points, from 45.7% in 2023 to 43.6% in 2024. The development of the conversion margin is the result of higher gross profit margins being more than offset by inflation driven higher own costs increase. IMCD continues to focus on revenue and gross profit growth, combined with ensuring resource efficiency.

As at the end of 2024, the number of FTE in EMEA was 2,058 compared with 2,006 as at the end of 2023. The increase in the number of FTE is due to additional staff being hired to fill vacancies and to strengthen the technical expertise, and to the impact of acquisitions completed in 2024 (32 FTE).

Americas

In the Americas segment, revenue was EUR 1,457.7 million in 2024 compared with EUR 1,413.2 million in 2023 (+3%). In 2024, organic revenue decline was -2% and growth as a result of acquisitions completed in 2023, Allianz (Colombia), Sachs (Puerto Rico) and MAPRIN (Chile) and 2024, Joli Foods, Bretano and Blumos Group was 6%. The unfavourable developments of foreign currency exchange rates in the America region, resulted in a foreign currency exchange impact (-1%) on revenues in 2024.

In 2024, the Americas segment reported a gross profit increase of EUR 20.3 million (+6%) to EUR 360.7 million, compared with EUR 340.4 million in 2023. The increase in gross profit was the result of the impact of the first-time inclusion of acquired companies (+7%) and foreign currency exchange results (-1%).

Gross profit margin increased by 0.6%-points, from 24.1% in 2023 to 24.7% in 2024. The gross profit margin improvements are predominantly the result of margin improvement initiatives, changes in the product mix and the impact of acquisitions completed in 2023 and 2024.

In 2024, IMCD successfully closed three acquisitions in the America region: Joli Foods (Colombia), Bretano (Costa Rica, El Salvador, Mexico and Guatemala) and Blumos Group (Chile, Peru and Argentina).

Americas

EUR MILLION	2024	2023	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	1,457.7	1,413.2	44.6	3%	5%
Gross profit	360.7	340.4	20.3	6%	7%
Gross profit as a % of revenue	24.7%	24.1%	0.6%		
Operating EBITA	158.3	155.0	3.3	2%	3%
Operating EBITA as a % of revenue	10.9%	11.0%	(0.1%)		
Conversion margin	43.9%	45.5%	(1.6%)		
FTE	1,476	1,301	175	13%	

Operating EBITA increased by EUR 3.3 million (+2%) from EUR 155.0 million in 2023 to EUR 158.3 million in 2024. The increase of operating EBITA was the result of organic developments (-4%), the impact of the first-time inclusion of acquisitions completed in 2023 and 2024 (+7%) and the negative impact of foreign currency exchange differences (-1%).

Operating EBITA margin declined by 0.1%-point from 11.0% in 2023 to 10.9% in 2024. The conversion margin was 43.9% in 2024 compared with 45.5% in 2023. The development of the conversion margin is the result of a combination of higher gross profit, offset by slightly higher own costs growth.

The number of FTE in the Americas increased from 1,301 as at the end of 2023 to 1,476 as at the end of 2024. This increase is the result of 260 additional FTE from acquisitions completed in 2024 and operational efficiency measures to align with changing business requirements.

Asia-Pacific

The Asia-Pacific region delivered strong growth numbers in 2024. Revenue increased by 18% from EUR 1,086.9 million in 2023 to EUR 1,279.8 million in 2024. Revenue growth in 2024, consists of organic growth of 1%, growth as a result of acquisitions completed in 2023: Sanrise, Tradeimpex, Needfill, and Brylchem Group, and in 2024: Valuetree , CJ Shah, Euro-Chemo-Pharma, RBD and Reschem of 19%, and foreign currency exchange rate developments of -2%.

In 2024, gross profit increased by 14%, of which 2% relates to organic growth and 14% is the result of the first time inclusion of businesses acquired in 2023 and 2024. The unfavourable developments of foreign currency exchange rates in Asia-Pacific resulted in a foreign currency exchange impact of -2% on gross profit in 2024. The gross profit margin declined by 0.7%-points from 23.2% in 2023 to 22.5% in 2024. The gross profit margin decline is mainly the result of the impact of the first time inclusion of acquired businesses with gross margins lower than IMCD's average, combined with changes in the product mix and gross margin improvement initiatives.

Asia-Pacific

EUR MILLION	2024	2023	CHANGE	CHANGE	FX ADJ. CHANGE
Revenue	1,279.8	1,086.9	192.9	18%	20%
Gross profit	288.6	252.5	36.1	14%	16%
Gross profit as a % of revenue	22.5%	23.2%	(0.7%)		
Operating EBITA	170.3	150.6	19.7	13%	15%
Operating EBITA as a % of revenue	13.3%	13.9%	(0.6%)		
Conversion margin	59.0%	59.6%	(0.6%)		
FTE	1,455	1,306	149	11%	

In 2024, IMCD continued with the execution of its selective acquisition strategy, which led to seven acquisitions in the Asia-Pacific region, of which five transactions were closed in 2024. In 2024, IMCD signed agreements to acquire the business of Daoqin (China) and YCAM (South Korea).

Compared with 2023, operating EBITA in Asia-Pacific increased by EUR 19.7 million (+13%) to EUR 170.3 million in 2024. The increase in operating EBITA is driven by the impact of the first time inclusion of acquisitions of 15% and foreign currency exchange rate developments of -2%.

Operating EBITA as a % of revenue decreased by 0.6%-points from 13.9% in 2023 to 13.3% in 2024. The conversion margin declined by 0.6%-points to 59.0% in 2024. Compared with 2023, the development of the conversion margin is the result of a combination of higher gross profit, offset by slightly higher own costs (including depreciation) growth.

The number of FTE in the Asia-Pacific region increased by 11%, from 1,306 at the end of 2023 to 1,455 at the end of 2024. Considering the impact of the acquisitions completed in 2024 (201 FTE), the number of FTE decreased by 52.

Holding Companies

EUR MILLION	2024	2023	CHANGE	CHANGE	FX ADJ. CHANGE
Operating EBITA	(39.1)	(33.0)	(6.1)	(18%)	(18%)
Operating EBITA in % of total revenue	(0.8%)	(0.7%)	(0.1%)		
FTE	137	123	14	12%	

Holding Companies

Operating EBITA of Holding Companies represents costs relating to the central head office in Rotterdam and the regional head offices in Singapore and the USA.

Operating costs increased by EUR 6.1 million (+18%) from EUR 33.0 million in 2023 to EUR 39.1 million in 2024 (+18% on a constant currency basis). The cost increase reflects the growth of IMCD and the corresponding need to strengthen the support functions in both Rotterdam and the regional head offices. Operating costs of the Holding Companies in percentage of consolidated revenue was 0.8% in 2024 (0.7% in 2023).

As at the end of 2024, the number of FTE of the Holding Companies was 137 compared with 123 at year-end 2023.

Result for the year

The bridge between operating EBITA, one of IMCD's key performance indicators used for monitoring the performance of the operating activities, the result from operating activities (based on IFRS) and result for the year (based on IFRS) is as shown in table 'Result for the year'.

Result for the year

EUR MILLION	2024	2023	CHANGE	CHANGE
Operating EBITA	**530.9**	**514.5**	**16.4**	**3%**
Amortisation of intangible assets	(95.2)	(80.9)	(14.3)	18%
Acquisition costs and results related to one-off adjustments to the organisation	(10.6)	(5.1)	(5.5)	108%
Result from operating activities	**425.1**	**428.5**	**(3.4)**	**(1%)**
Net finance costs	(45.1)	(25.4)	(19.7)	77%
Share of profit of equity-accounted investees, net of tax	0.0	0.0	0.0	(96%)
Result before income tax	**380.0**	**403.0**	**(23.1)**	**(6%)**
Recurring income tax expenses	(104.1)	(110.6)	6.5	(6%)
Net tax income on acquisition costs and results related to one-off adjustments to the organisation	2.3	(0.3)	2.6	(880%)
Result for the year	**278.2**	**292.2**	**(14.0)**	**(5%)**

Amortisation of intangible assets

Amortisation of intangible assets relates to the amortisation of capitalised supplier relationships, distribution rights and other intangible assets.

The amortisation of intangible assets increased from EUR 80.9 million in 2023 to EUR 95.2 million in 2024, which is the result of increased amortisation costs due to acquisitions completed in 2023 and 2024, and less amortisation costs as a result of fully amortised assets.

Acquisition costs and results related to one-off adjustments to the organisation

In 2024, acquisition costs and results related to one-off adjustments to the organisation amounted to EUR -10.6 million compared with EUR -5.1 million in 2023. The acquisition costs and results related to one-off adjustments to the organisation expenses in 2024 relate to the costs of realised and non-realised acquisitions and costs of other one-off adjustments to the organisation. The acquisition costs and results related to one-off adjustments to the organisation of 2023 include a positive impact of EUR 5.2 million from the net results on the sale of a warehouse in the USA.

Net finance costs

The net finance costs consist of the following items.

Net finance costs

EUR MILLION	2024	2023	CHANGE
Interest income on loans and receivables	5.7	3.8	1.9
Interest expenses on financial liabilities	(65.7)	(44.7)	(21.0)
Changes in deferred considerations	35.8	29.3	6.5
Amortisation of finance costs	(1.8)	(1.8)	(0.0)
Interest costs re employee benefits	(0.4)	(0.4)	0.0
Interest expenses on lease liabilities	(4.7)	(3.1)	(1.6)
Foreign currency exchange results	(14.0)	(8.5)	(5.5)
Net finance costs	**(45.1)**	**(25.4)**	**(19.7)**

Net finance costs were EUR -45.1 million in 2024 compared with EUR -25.4 million in 2023. The main drivers of the increase in net finance costs of EUR -19.7 million are increased interest expenses on financial liabilities (EUR -21.0 million), higher results from changes in the fair value of deferred considerations (EUR 6.5 million) and higher negative foreign currency exchange results (EUR -5.5 million).

The increased interest expenses on financial liabilities are mainly driven by on average higher debt levels at increased interest rates, and include the full year impact of the EUR 500 million bond issued in 2023 and the EUR 500 million bond issued in September 2024.

The positive results from changes in the deferred considerations mainly relate to Megasetia, Sanrise and Valuetree. Less favourable result developments of the three entities compared with the assumptions used in the calculation of the initial value of the deferred consideration, have led to a decrease in the fair value of the deferred considerations.

Income tax

In 2024, corporate income tax expenses decreased by EUR 9.1 million, from EUR 110.9 million in 2023 to EUR 101.8 million in 2024.

Income tax expenses

EUR MILLION	2024	2023	CHANGE
Regular income tax expenses	(115.2)	(119.7)	4.5
Adjustments for prior years	0.9	(1.4)	2.3
(De-)recognition of previously (un)recognised tax losses	0.2	1.9	(1.8)
Tax credits related to amortisation of intangible assets	10.5	8.6	2.0
Changes in tax rates	(0.5)	(0.0)	(0.5)
Net tax income on acquisition costs and results related to one-off adjustments to the organisation	2.3	(0.3)	2.6
Income tax expenses	**(101.8)**	**(110.9)**	**9.1**

Regular corporate income tax expenses decreased by EUR 4.5 million from EUR 119.7 million in 2023 to EUR 115.2 million in 2024. Regular tax as a percentage of result before income tax, amortisation of intangibles and acquisition costs and results related to one-off adjustments to the organisation (EUR 475.2 million in 2024 and EUR 483.9 million in 2023) was 24.2% compared with 24.7% in 2023.

The decrease in income tax expenses in 2024 is mainly due to the lower results of the Group. The acquisition costs together with the results related to one-off adjustments to the organisation, led to a tax income of of EUR 2.3 million in 2024 (EUR -0.3 million income in 2023).

Earnings per share and cash earnings per share

Earnings per share declined by EUR 0.27 (-5%) from EUR 5.13 in 2023 to EUR 4.86 in 2024. Cash earnings per share, calculated as earnings per share before amortisation of intangible assets, net of tax, divided by the weighted average number of outstanding shares, declined by EUR 0.07 (-1%) from EUR 6.41 in 2023 to EUR 6.34 in 2024.

Cash earnings per share

EUR MILLION	2024	2023	CHANGE
Result for the year	278.2	292.2	(14.0)
Amortisation of intangible assets	95.2	80.9	14.3
Tax credits related to amortisation of intangible assets	(10.5)	(8.6)	(1.9)
Result for the year before amortisation (net of tax)	**362.9**	**364.5**	**(1.6)**
Weighted average number of shares (x million)	57.2	56.9	0.3
Earnings per share	**4.86**	**5.13**	**(0.27)**
Cash earnings per share	**6.34**	**6.41**	**(0.07)**

Dividend

The Company has a dividend policy with the intention to pay an annual dividend in the range of 25% to 35% of the adjusted net income to be paid out in cash or in shares. Adjusted net income is defined as the reported result for the year plus non-cash amortisation charges (net of tax). The outcome may be adjusted for material non-recurring items.

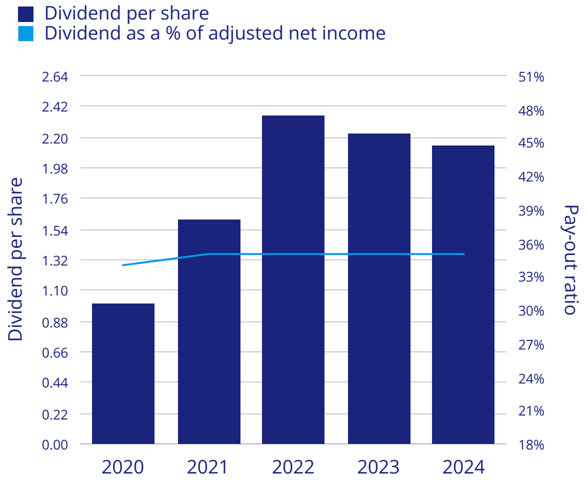
In 2024, IMCD realised adjusted net income of EUR 362.9 million (EUR 6.34 per share), compared with EUR 364.5 million (EUR 6.41 per share) in 2023.

The dividend proposal of IMCD is based on a combination of maintaining room for further acquisition growth combined with assuring reasonable leverage levels, facilitating IMCD's long-term growth strategy. For the financial year 2024 a dividend of EUR 2.15 in cash per share will be proposed to the Annual General Meeting. Compared with EUR 2.24 per share for the financial year 2023, this means a decrease of EUR 0.09 per share (-4%).

Approval of the dividend proposal by the Annual General Meeting will lead to a dividend distribution of EUR 127.2 million in cash (2023: EUR 127.7 million), which is 35% of the net result for 2024 adjusted for non-cash amortisation charges, net of tax (2023: 35%).

The development of the dividend per share and the dividend as a percentage of the adjusted net income for the last five years is shown in the following graph.

Development dividend per share



Cash flow[1]

EUR MILLION	2024	2023	CHANGE
Operating EBITA	**530.9**	**514.5**	**16.4**
Depreciation	41.4	33.3	8.1
Operating EBITDA	**572.3**	**547.8**	**24.5**
Lease payments	(32.3)	(26.4)	(5.9)
Share based payments	3.6	4.8	(1.2)
Adjusted Operating EBITDA	**543.6**	**526.2**	**17.4**
Change in:			
Inventories	(100.4)	68.3	(168.7)
Trade and other receivables	(12.6)	1.2	(13.8)
Trade and other payables	29.6	(31.9)	61.5
Change operational working capital	**(83.4)**	**37.6**	**(121.0)**
Acquisition of property, plant and equipment	(14.2)	(21.2)	7.0
Proceeds from disposals of (in)tangible assets	3.7	11.6	(7.9)
Free cash flow	**449.7**	**554.2**	**(104.5)**
Cash conversion margin	**82.7%**	**105.3%**	**(22.6%)**

Free cash flow is defined as operating EBITDA excluding non-cash share-based payment expenses, less lease payments, plus or less changes in operational working capital, less capital expenditures. Free cash flow decreased by EUR 104.5 million from EUR 554.2 million in 2023 to EUR 449.7 million in 2024. The cash conversion margin is defined as free cash flow as a percentage of adjusted operating EBITDA; adjusted operating EBITDA is the operating EBITDA adjusted for non-cash share-based payments and lease premiums. The cash conversion margin decreased by 22.6%-points from 105.3% in 2023 to 82.7% in 2024.

The decrease in the cash conversion margin in 2024 is the result of a combination of higher adjusted operating EBITDA (EUR 17.4 million), higher net capital expenditures (EUR -0.9 million) and higher working capital investments (EUR -121.0 million) compared with 2023. The investment in operational working capital in 2024, which excludes additional working capital as a result of acquisitions completed in 2024, amounts to EUR -83.4 million (2023: divestment of EUR 37.6 million). The consolidated change in operational working capital is the accumulated total of the monthly operational working capital changes in local currencies translated into EUR, using the monthly average exchange rates.

The increased investment in operational working capital in 2024 is the result of the relatively higher level of business activities in 2024 and the strong order book for the start of 2025. IMCD continues to maintain diligent net working capital management.

Net capital expenditure, reflecting acquisitions and disposals of property, plant and equipment and intangible assets, primarily relates to ICT infrastructure, office furniture, technical and warehouse equipment, totalling EUR 10.5 million in 2024 (2023: EUR 9.7 million). IMCD continues to maintain an asset-light business model.

Balance sheet

EUR MILLION	2024	2023	CHANGE
Property, plant and equipment	145.4	136.3	9.1
Intangible assets	2,608.7	2,260.4	348.3
Financial assets	55.4	50.0	5.5
Non-current assets	**2,809.5**	**2,446.6**	**362.9**
Net working capital	**907.5**	**764.4**	**143.1**
Provisions and deferred tax liabilities	**(220.3)**	**(199.3)**	**(21.0)**
Total capital employed	**3,496.7**	**3,011.7**	**485.0**
Equity	**2,215.1**	**1,726.2**	**488.9**
Net debt	**1,281.6**	**1,285.6**	**(4.0)**
Total financing	**3,496.7**	**3,011.7**	**485.0**

Non-current assets

The total non-current assets, consisting of property, plant and equipment, intangible assets and financial assets increased by EUR 362.9 million in 2024.

The net increase in property, plant and equipment of EUR 9.1 million relates to ICT infrastructure, office furniture and technical, warehouse and office equipment (EUR 6.0 million) and right-of-use assets as a result of new and renewed office, warehouse and car lease contracts (EUR 3.1 million).

The net increase in intangible assets (EUR 348.3 million) is the result of new distribution rights and other intangible assets (EUR 12.4 million), additional goodwill, supplier relationships and order books acquired

[1] For definitions, reference is made to section 2 Alternative performance measures (APMs) of the appendices.

as a result of acquisitions completed in 2024 (EUR 385.9 million), the regular amortisation of intangible assets (EUR -95.2 million) and positive foreign currency impacts (EUR 45.3 million).

Net working capital

Net working capital is defined as inventories, trade and other receivables less trade payables and other payables. Net working capital increased by EUR 143.1 million (19%) from EUR 764.4 million as at the end of 2023 to EUR 907.5 million as at 31 December 2024. The increase in net working capital is the result of the higher level of business activities in 2024 compared with last year, the impact of exchange rate differences on year-end balance sheet positions of EUR 1.9 million (2023: EUR -18.8 million) and the impact of acquisitions completed in 2024 (EUR 41.4 million).

Net working capital development

EUR MILLION	2024	2023	CHANGE
Inventories	**722.1**	**581.5**	**140.7**
Inventories in days of revenue[1]	55	46	9
Trade and other receivables	**821.2**	**732.0**	**89.2**
Trade and other receivables in days of revenue[1]	61	58	3
Trade payables	**(477.7)**	**(391.2)**	**(86.5)**
Trade payables in days of revenue[1]	36	31	5
Other payables	**(158.2)**	**(157.9)**	**(0.3)**
Other payables in days of revenue[1]	10	12	(2)
Total working capital	**907.5**	**764.4**	**143.1**
Total working capital in days of revenue[1]	69	61	8

1 Revenue normalised for full year impact acquisitions

Year-end working capital days increased by 8 days to 69, compared with the end of 2023 (61 days). The increase in net working capital days as at year end 2024 is partly driven by the impact of the acquisition of companies with higher than IMCD's average working capital days, in particular in the Asia-Pacific and in Latin America, as well as by the strong order book for the start of 2025.

Monitoring working capital positions is a permanent focus of management and IMCD has various processes, procedures and tools in place to optimise working capital.

Financing

IMCD aims to maintain a capital structure that offers flexibility and enables IMCD to cover its potential financial requirements and to execute its organic growth and acquisition strategy. The corporate treasury team at the head office in Rotterdam manages liquidity and interest risks.

On 5 September 2024, IMCD N.V. issued EUR 500 million of fixed-rate notes in the form of a publicly listed, rated bond. This long five-year senior unsecured bond loan matures on 30 April 2030 and has a fixed coupon of 3.625%. The bond loan is traded on the EURO MTF market of the Luxembourg Stock Exchange. The proceeds of the bond loan issue are used for general corporate purposes, including the refinancing of existing indebtedness.

On 15 November 2024, IMCD N.V. successfully raised EUR 300 million through an accelerated bookbuild offering (the “Offering”) of 2,120,141 newly issued ordinary shares at an offer price of EUR 141.50 per ordinary share. The net proceeds of the Offering provides IMCD increased financial flexibility as well as a further strengthening of its balance sheet. The newly issued shares represent 3.7% of IMCD’s issued share capital before the capital increase. After the settlement the total number of issued ordinary shares of IMCD amounts to 59,107,999.

As at the end of 2024, net debt, defined as the total of current and non-current loans and borrowings, short term financial liabilities minus cash and cash equivalents, was EUR 1,281.6 million compared with EUR 1,285.6 million as at 31 December 2023. The decrease in net debt is predominantly the balance of positive and healthy cash flows from operating activities (EUR 279.2 million), net proceeds from the issue of share capital (EUR 296.0 million), acquisition-related payments of EUR 364.9 million and a dividend payment of EUR 127.7 million in 2024. Net debt includes EUR 98.6 million (31 December 2023: EUR 346.7 million) deferred and contingent considerations (see note 29 to the financial statements) and short term financial liabilities related to acquisitions completed in 2024 and prior years.

As at 31 December 2024, the adjusted leverage ratio (net debt/operating EBITDA ratio including full-year impact of acquisitions) was 2.2 times EBITDA (31 December 2023: 2.3). Actual leverage, calculated on the basis of the definitions used in the IMCD loan documents as at 31 December 2024, was 2.1 times EBITDA (31 December 2023: 1.7).

As per 31 December 2024 a leverage covenant is applicable to the Group's revolving credit facilities. For the revolving credit facility of EUR 600 million, a maximum leverage of 3.75 times EBITDA is applicable (with a spike period maximum of 4.25), tested semi-annually. As at 31 December 2024, the actual leverage of 2.1 times EBITDA is well below the applicable maximum leverages.

Equity

Total equity increased by EUR 488.9 million from EUR 1,726.2 million as at 31 December 2023 to EUR 2,215.1 million as at 31 December 2024. The increase in total equity is the balance of the addition of the net profit for the year of EUR 278.2 million, other comprehensive income of EUR 42.8 million, net proceeds from the issuance of new share capital of EUR 296.0, dividend payments in cash of EUR -127.7 million and transactions related to the Group's share-based payment programme of EUR -0.4 million.

During 2024, the Group transferred 29,121 shares to fulfil its annual obligation from the employee long-term incentive plan. No treasury shares were repurchased during 2024.

The increase in equity resulted in a solid ratio at year-end with total equity covering 45.4% of the balance sheet total (31 December 2023: 41.5%).

8.3 Information on the IMCD share

IMCD N.V. shares are listed and traded on the Amsterdam Euronext Stock Exchange. Since 2019, IMCD shares are included in the Euronext Amsterdam AEX Index. Since March 2022, IMCD was also included in a newly launched Dutch ESG AEX index, as one of 25 companies demonstrating best ESG practices.

8.3.1 Issued and outstanding shares

In November 2024, IMCD issued 2,120,141 shares at an offer price of EUR 141.50 per ordinary share, after which the total number of issued shares amounted to 59,107,999 compared to 56,987,858 shares at end of year 2023. The proceeds of the offering provide IMCD increased financial flexibility and further strengthening of its balance sheet. The new shares were admitted to listing and trading on the Euronext Amsterdam stock exchange on 15 November 2024.

As at 31 December 2024, IMCD held 38,653 treasury shares (31 December 2023: 67,774). In 2024 IMCD transferred 29,121 shares from own shares to settle its annual obligation under its employee long-term incentive plan (2023: 33.501). No shares were purchased during 2024 (2023: 38,025).

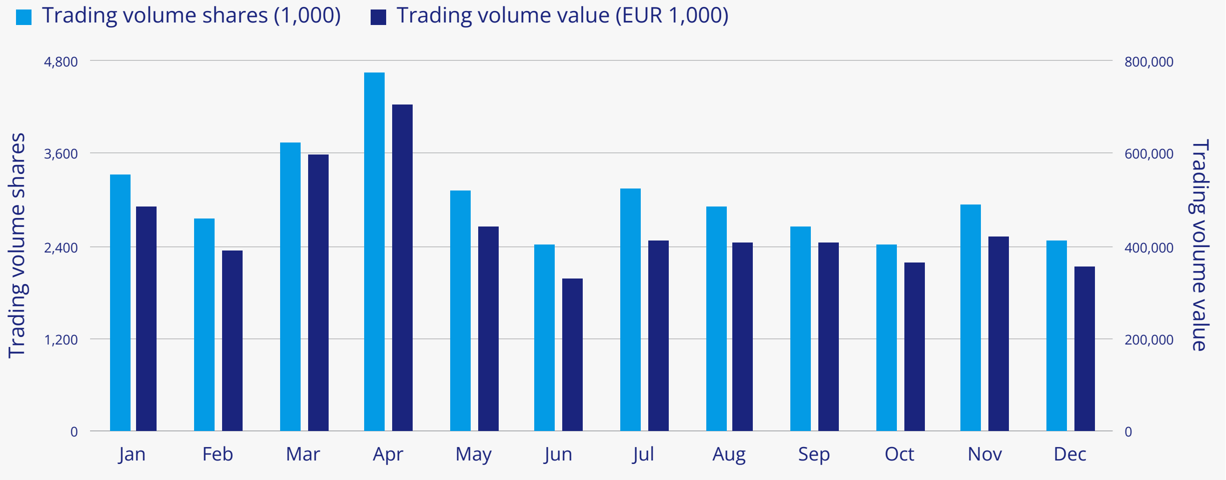
8.3.2 Share price performance in 2024

During 2024, 36.8 million IMCD shares were being traded, a decrease of 14% compared with 43.0 million shares traded in 2023. This number of shares represents the total lit consolidated market volume (European Composite All Lit, Bloomberg equity exchange code "EZ", encapsulating all trading venues that operate a lit order book), which includes Euronext Amsterdam (24.8 million in 2024 vs. 29.4 million in 2023). The average daily lit consolidated trading volume was 141 thousand shares in 2024 versus 166 thousand in 2023. The total value of traded IMCD shares was EUR 5.4 billion, compared with EUR 5.8 billion in 2023.

IMCD SHARE	2024	2023
Highest price	169.05	157.55
Lowest price	126.65	110.25
Year-end price	143.50	157.55
Earnings per share	4.86	5.13
Cash earnings per share[1]	6.34	6.41
Proposed dividend per share	2.15	2.24
Number of shares at year-end (x 1,000)	59,069	56,988
Weighted average number of shares (x 1,000)	57,214	56,918

1 Result for the year before amortisation (net of tax) divided by the weighted average number of outstanding shares

Trading volumes 2024



For Euronext Amsterdam the average daily trading volume was 95 thousand in 2024, versus 114 thousand in 2023. The average daily value of the shares traded on the Euronext Amsterdam was EUR 13.9 million in 2024 (EUR 15.4 million in 2023).

In 2024, the share price decreased by 8,92% (-7,51% total return if dividends would be reinvested) from EUR 157.6 to a closing price at 31 December 2024 of EUR 143.5. As at the end of 2024, IMCD's market capitalisation was EUR 8.5 billion (EUR 9.0 billion at year-end 2023).

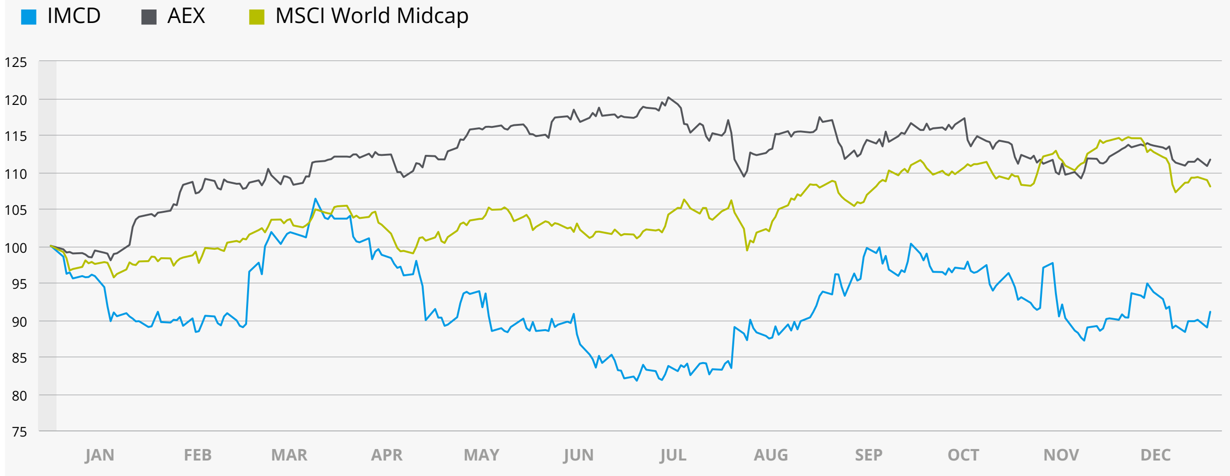
8.3.3 Shareholder engagement

IMCD values maintaining an active dialogue with its financial stakeholders, like its current and potential shareholders, brokers and financial and other media. IMCD considers it very important to explain the IMCD business model and implementation so that stakeholders have the information they need to form an opinion on the Company. IMCD releases financial results and/or an intermediate trading update four times a year. Upon each release, the CEO and CFO host an analyst conference call and webcast for research analysts and institutional investors to discuss the results. Audio and webcast replays of these analyst calls and webcasts can be accessed and replayed from IMCD's website (Investors section).

The Management Board members from time to time receive feedback from institutional shareholders and investors as well as equity analysts, giving them a clear understanding of shareholders' views and/or concerns. Analyst reports are also shared with IMCD's Supervisory Board to provide insight on financial stakeholders' views. IMCD is currently covered by 17 international analysts.

In 2024, IMCD's investor relation activities included participation in various physical and virtual roadshows and investor conferences, in which management of IMCD engaged with investors from across all regions. Also a considerable number of meetings with (potential) investors took place by means of video conferencing and visits at IMCD headquarters.

Share price performance 2024



In addition, IMCD hosted its first Investor Day & Lab Experience in Milan, in September 2024. This event was visited by around 50 investors and analysts and provided insights into IMCD's stock market journey, its digital innovations, and sustainability strategy. After lunch, investors and analysts had the opportunity to explore the latest developments in IMCD's Food & Nutrition and Beauty & Personal Care laboratories.

Engagement meetings were also held with organisations representing the interests of institutional investors, such as Eumedion and ISS.

8.3.4 Dividend policy

Barring exceptional circumstances, under IMCD's dividend policy the intention is to pay an annual dividend in the range of 25% to 35% of the adjusted net income (reported result for the year plus amortisation charges, net of tax) to be paid out either in cash or in shares. A proposal will be submitted to the Annual General Meeting of Shareholders to pay a cash dividend of EUR 2.15 per ordinary share (2023: EUR 2.24), a decrease of 4% compared with previous year. This dividend represents a pay-out ratio of 35% of adjusted net income (2023: 35% of adjusted net income).

8.3.5 Major shareholders

The register maintained by the Dutch Authority for the Financial Markets (AFM) in connection with the disclosure of major holdings of (potential) capital and/or voting interest exceeding 3% or more in IMCD, contains details of the following investors as at 31 December 2024. There are no known holdings of short positions visible in the AFM register.

(IN % OF ISSUED CAPITAL)	TOTAL HOLDING POSITION	VOTING RIGHTS
BlackRock Inc.	9.21	10.55
FMR, LLC	10.00	9.98
Capital Research & Management Comp.	0.00	9.96
Smallcap World Fund Inc.	4.97	4.97
UBS Group AG	3.04	3.04
Baillie Gifford & Co	0.00	4.87

Ticker symbols

Euronext Amsterdam	IMCD
Euronext Amsterdam derivatives market	IMD
Reuters	IMCD
Bloomberg	IMCD.NA

Investor relations

ir@imcdgroup.com
www.imcdgroup.com/en/investors/contact

8.3.6 Financial calendar 2025

FINANCIAL CALENDAR	
5 March 2025	Full year 2024 results
25 April 2025	First three months 2025 results
25 April 2025	Annual General Meeting of shareholders
25 April 2025	Dividend announcement
29 April 2025	Ex-dividend date
30 April 2025	Dividend record date
6 May 2025	Dividend payment date
30 July 2025	First half-year 2025 results
6 November 2025	First nine months 2025 results

8.4 Outlook 2025

IMCD operates in different, often fragmented market segments in multiple geographic regions, connecting many customers and suppliers across a very diverse product range. In general, results are impacted by macroeconomic conditions and developments in specific industries.

Results can be influenced from period to period by, among other things, the ability to maintain and expand commercial relationships, the ability to introduce new products and start new customer and supplier relationships and the timing, scope and impact of acquisitions.

IMCD's consistent strategy and resilient business model has led to successful expansion over the years and IMCD remains focused on achieving earnings growth by optimising its services and further strengthening its market positions.

Despite the challenging geopolitical and macroeconomic conditions, including increased volatility in the customer demand, IMCD delivered solid results and healthy cash flow in 2024. IMCD proofs to be a strong, resilient and well diversified business with a robust liquidity position and capital structure.

We remain confident that our strong commercial teams, digital and logistic infrastructure and the resilience of our business model, will continue to contribute value to our stakeholders and to sustain our growth trajectory.

Other than in the ordinary course of the business, IMCD does not foresee significant investments or changes to the organisation in 2025.

9 Environmental value

Scope 3 emission intensity

+12%

(5)% vs baseline in 2019

Scope 1 and 2 emission intensity

+17%

(48)% vs. baseline in 2019

Total energy consumption within the organisation

+14%

(7)% vs. baseline in 2019

IMCD takes climate action seriously and together with our customers, suppliers, and partners we actively respond to climate-related risks and opportunities. As part of optimising our own operations, we are continuously seeking ways to reduce our environmental impact, such as reducing greenhouse gas emissions from our activities. As a step beyond our own operations, we are seeking ways to reduce emissions in the value chain focusing on Logistics decarbonisation, aiming to reduce emissions from the products we buy through our Sustainable Solutions programme, as well as maintaining high standards when it comes to Safe handling and distribution of chemicals.

We care about our planet and how we create value for the environment

Due to our asset-light business model, our direct environmental footprint is limited. Looking at our broader value chain activities, our indirect impact is much larger. By focusing on partnerships, technology and sustainable practices throughout the value chain, IMCD aims to reduce its environmental footprint. When we perform well on this topic ourselves, we build credibility and trust with our upstream and downstream business partners, to engage with us on address our core focus areas. Embedding good environmental practices in our business also makes IMCD an attractive employer for talent.

IMCD recognises the impact of its activities on the environment, and we focus and report on 3 topics that surfaced during our double materiality assessment, namely:

- Logistics decarbonisation (greenhouse gas, or GHG, emissions);
- Sustainable solutions;
- Safe handling and distribution.

In 2019, IMCD set a target to deliver a 15% reduction on its GHG emissions intensity per operating EBITDA by 2024. This target is applicable for total emissions and consequently for our own emissions under Scope 1 and 2, as well as for our reported Scope 3 emissions. Despite that IMCD realised continuous growth, organically as well as by acquiring new companies around the globe, which affects its overall carbon footprint, IMCD achieved the following results over the five year period:

- Scope 1 and 2 GHG intensity decreased by 48% from 2019 - 2024;
- Scope 3 GHG emissions intensity decrease by 5% from 2019 - 2024.

During the 5-year time period, a focus on reducing energy consumption and transition to renewable energy, helped us to achieve a an intensity decrease in our own operations. In addition, we collaborated with our logistic service providers to optimise the routes and mode of transport for our logistic activities, which contributed to more efficiency and emissions reduction. We elaborate further on this under sub-section Key Developments in 2024 below.

The following table summarises our absolute GHG emission and emissions intensity (Scope 1, 2, and Scope 3) since the baseline year 2019 to date, based on the methodology applied to 2019-2024. For more information on the methodology, please see Appendix 6 Scope 1, 2 and 3 (methodology 2019-2024).

GHG Emissions (Scope 1, 2 and 3), tCO_2eq[1]

	2024	2023	2024/2023 CHANGE	2022	2021	2020	2019	2024/2019 CHANGE
Direct energy carriers use (Scope 1) - global	6,329	5,855	8%	5,589	4,762	5,751	7,384	(14%)
Provided energy (Scope 2) - global	8,659	6,501	33%	6,273	5,688	6,062	5,879	47%
Third parties logistics (Scope 3) - in available geographical scope	412,754	374,797	10%	337,744	339,430	259,079	155,400	166%
Total estimated emissions, tCO_2eq	**427,742**	**387,153**	**10%**	**349,606**	**349,880**	**270,892**	**168,663**	**154%**
Scope 1 and 2 emissions intensity per EUR m of operating EBITDA[2]	**28**	**24**	**17%**	**21**	**28**	**47**	**54**	**(48%)**
Scope 3 emissions intensity per EUR m of operating EBITDA[2]	**893**	**798**	**12%**	**777**	**1,302**	**1,483**	**938**	**(5%)**

1 The emission intensity results for Scope 1 and 2, and Scope 3 are reported separately. The intensity for Scope 1 and 2 is based on the group's consolidated operating EBITDA, whereas Scope 3 intensity is calculated using the emissions and operating EBITDA of only those entities integrated into IMCD's ERP system.
2 2020-2024 figures are adjusted for the impact of the implementation of IFRS16

For more details please refer to Note 2 Logistic decarbonisation to the Sustainability statements.

Key developments in 2024 for IMCD's impact on environment

Enhanced carbon footprint calculations Scope 1, 2, and 3

In 2024, with support of an external energy management consultant, we have conducted a full review of our environmental footprint covering all categories of the Greenhouse Gas protocol, providing the basis for our future footprint calculations, applying a new calculation methodology.

- **Scope 1 and 2 emissions:**
  - A health check was performed on our existing location-based calculations.
  - A market-based calculation method was developed.
- **Scope 3 emissions:**
  - A health check was performed on our existing Scope 3.4 (Upstream Transport and Logistics) calculations.
  - A calculation methodology was developed that captures all material Scope 3 categories of the GHG protocol.

More information on this methodology and approach is included in Note 2 Logistic decarbonisation to the Sustainability statements.

Below, we highlight the work completed and progress achieved in 2024.

- Scope 1 and 2 emissions (previously part of the topic 'Eco-Efficient Operations'):
  - In 2024, we introduced a car policy to support our goal of replacing 50% of petrol and diesel company cars with hybrid and electric vehicles by the end of 2025, compared to baseline year 2023.
  - The share of electric passenger cars in our fleet increased from 65 owned or leased in 2023 to 94 (8% of total passenger cars) in 2024.
  - At the end of 2024, we had 113 electric warehouse vehicles (72% of the total warehouse vehicles) versus 96 electric vehicles (68%) in 2023.
  - With these efforts, the portion of electric and hybrid vehicles grew to 20% out of total passenger and warehouse vehicles leased or owned.
  - In line with our aim to have all IMCD premises consume renewable energy by 2030, we initiated targeted energy efficiency projects in 2024, focusing on our highest energy-consuming offices. A notable example is IMCD Italy, where we obtained an ISO 50001 (on energy management) certification in November 2024.
  - We implemented energy-efficient technologies and emission reduction measures, including the installation of solar panels and changing lighting to LED, resulting in 5 of our sites having energy conservation and emissions reduction measures in place in 2024.
  - With these actions, we now operate 5 sites on a 100% renewable energy-mix: IMCD Spain, IMCD France, IMCD Nordics, IMCD Italy, and IMCD India (Mumbai).
  - 14% of the total electricity consumption stems from renewable sources.
- Scope 3 emissions: In 2024, we expanded the number of GHG Protocol categories included in our reporting. By including emissions from the product purchased from our suppliers, Scope 3 emissions represents the most substantial part of our total reported emissions (99.5%). The emissions from products purchased account for 87.5% of the total emissions. Upstream and downstream logistics activities make up 6.6% of our emissions, with the remaining emissions distributed across other Scope 3 categories, including capital goods, business travel, and employee commuting, among others. A detailed outline of the results are included in Note 2 Logistic decarbonisation to the Sustainability statements.

With a more in-depth understanding of our emissions profile, we could also better identify the decarbonisation levers for the future. Looking ahead, we will focus on multiple areas to reach further reductions. For Scope 1, we will leverage our recently launched global car policy to drive further reduction of emissions in our company fleet. For Scope 2, we will explore where we can increase use of renewable energy and electricity within our operations. Regarding Scope 3, our efforts will include an evaluation of the product mix in our portfolio - with focus on emission data -, as well as further engagement with our suppliers to increase the granularity and accuracy of available product carbon footprint data. We will also continue the work on further optimisations in the transport and logistics activities across our value chain.

The actions described here will guide the development of a more comprehensive decarbonisation roadmap for our global operations. Throughout, we aim to align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Logistics Decarbonisation

Road transport decarbonisation is vital, because it reduces greenhouse gas emissions, which are a major driver of climate change. All companies using our global ERP system utilise our emission dashboard, which offers detailed insights into the carbon footprint of all our shipments. In 2024 we brought the calculation in-house based on the EcoTransIT World (ETW) calculation method. This works by assessing the environmental impact of transporting goods using various modes of transport. It calculates energy consumption, GHG emissions, and air pollutants based on specific parameters. The method adheres to recognised standards like the Greenhouse Gas Protocol and EN 16258, ensuring accurate and comparable results.

Our calculation over 2024 has become more accurate as a result of more accurately tracking of transport modes, the use of geographic routing algorithms to calculate the most probable route for a shipment, the combining of standardised emission factors (e.g., CO_2, NO_x, SO_x) with data on vehicle operation and consideration of the average utilisation of vehicles (e.g., how full a truck or container is). In addition we continue our efforts to consolidate shipments.

We rely to a great extent on third-party logistics providers and ongoing industry developments to decarbonise our freight operations. By partnering with logistics experts committed to sustainable practices and leveraging innovations like alternative fuels, energy-efficient vehicles, and optimised routing technologies, we reduce the carbon footprint of our shipments. These collaborations ensure we stay aligned with the latest advancements and drive progress toward greener, more sustainable transportation solutions.

We have trained our logistics personnel on ESG principles and sustainable procurement practices to ensure a comprehensive understanding of sustainability in the value chain. This training empowers our teams to make informed decisions that prioritise environmental stewardship, ethical business practices, and resource efficiency. The benefits include potential reduction of carbon emissions, improved supplier accountability, potential cost savings through smarter procurement choices, and alignment with global sustainability goals. Ultimately, this initiative helps us creating more responsible, transparent, and sustainable logistics operations.

More details are included in Note 2 Logistic decarbonisation in the Notes to the Sustainability statements.

Sustainable Solutions

IMCD drives sustainable solutions in the market when it champions the journey of its suppliers and simplifies the business and the sustainability landscape for its customers. Our Sustainable Solutions programme aims to help customers navigate sustainability by making it easier to:

- Explore a range of materials with a sustainability characteristics, educational content, regulations, and opportunities,
- Evaluate the suitability of materials for their specific needs, and
- Choose alternative solutions for their production processes.

A core component of our Sustainable Solutions programme is the technical expertise present in our laboratories. In 2024, we, together with representatives from our Business Groups, defined criteria to better log and monitor laboratory activities that contribute to sustainable formulations. This includes both internal laboratory work and research, driven by IMCD's technical teams, and Technical Requests from our customers.

In addition to activities in our laboratories, our marketing initiatives play a vital role to bring commercial success to our Sustainable Solutions programme. Consistent with the approach for laboratory activities, we worked with the marketing teams from each Business Group to define criteria to log and monitor marketing campaigns that contribute to the UN Sustainable Development Goals (SDGs) and established a first baseline that can be used for target setting starting next year. Marketing campaign that promote sustainability characteristics of products or sustainable formulations are included in the tracking. Looking ahead to 2025, we will further develop internal control procedures to improve data collection and enhance data quality.

Refer to Note 4 Sustainable solutions to read more about our methodology for the Sustainable Solutions programme.

Safe Handling & Distribution

The safe handling and distribution of chemicals is a fundamental focus for IMCD, as it ensures the protection of people, the environment, and our license to operate within a highly regulated industry. Given the nature of our business, strict compliance with environmental, health, and safety standards is essential. We maintain robust procedures to manage the risks associated with the handling, storage, and transportation of chemicals.

In our approach to safe handling & distribution, we differentiate between two types of value chain workers: employees working in logistics for third-party business partners and employees operating in our own warehouses. While we do not have direct influence over working conditions or human rights enforcement in third-party operations, we require adherence to our ESG Standards for Business Partners and contractual agreements.

Our focus on safe handling and distribution also responds to increasingly strict regulatory requirements, rising environmental awareness, and growing stakeholder expectations for safety and sustainability. By upholding high standards in chemical management, we protect our employees, mitigate risks, and promote responsible practices across all regions where we operate.

To strengthen safety standards and operational efficiency, we have enhanced our incident reporting and investigation processes. This includes capturing incidents, injuries, and illnesses to identify trends, implement corrective actions, and prevent future occurrences. Moreover, we have made significant progress in optimising system controls related to shipping items, implementing technical safeguards to minimise the risk of accidental shipments. These safeguards include using technical blocks to prevent the delivery of products to incorrect locations or accounts.

To ensure our customers receive the necessary safety information, we have expanded the distribution of English Safety Data Sheets (SDS) to countries where they are not legally required. By offering both the legally required local language SDS and the supplementary English SDS, we aim to empower our customers with comprehensive safety information, regardless of their primary language.

In 2024, we had only one environmental incident that was connected to a spill in South Africa. The incident was managed appropriately, with the spill disposed of by an authorised company, and no harm was caused to people or the environment. For further details and additional metrics, please refer to Note 3 Safe handling & distribution to the sustainability statements.

Environmental targets

Building on our ongoing efforts to reduce emissions and reflecting the progress made during the 2019-2024 period,we have formulated new targets for Scope 1 and 2 emissions reduction and furthermore decided to commit to set an overall science-based near-term target aligned with the SBTi criteria (visible as of March 6th 2025). As part of its decarbonisation agenda, IMCD will aim for a 60% reduction in absolute Scope 1 and 2 GHG emissions by 2034, based on a 2024 baseline.

10 People & culture value

Training hours per employee

21

vs. 14 hrs average in full year 2023 (+ 49%)

Women in sub-top management

45%

vs. 44% in full year 2023

New FTE hired (including joiners due to acquisitions)

1,346

vs. 1,236 in 2023

IMCD is a diverse group of 5,126 men and women who live and work in more than 60 countries in EMEA, the Americas and in the Asia-Pacific region. IMCD is very proud of its people and culture and considers them to be its most important asset by far. It is easy to explain why: the value of the Company lies in the commercial partnerships with principal suppliers and customers and, in the quality and the technical expertise of the people who manage those relationships, plus in the people who lead and support them in various functional areas.

In the 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 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, hire and retain very capable and highly educated individuals, but also train and develop them to get the very best out of everybody. Our Business Groups span various industries, from industrial sectors like Coatings & Construction and Lubricants to life sciences such as Beauty & Personal Care. We are committed to offering career opportunities for both men and women alike. For IMCD, diversity is important to be successful. All this in a business environment where we continue to acquire new companies and integrate them quickly. In 2024, we completed 12 acquisitions, these companies came with 493 new employees. Including these acquired employees we hired 1,346 new employees. 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.

Our IMCD culture and values explained

At IMCD, we offer our customers and principal suppliers long-term value through dedicated commercial teams with expertise of chemicals and ingredients. As a global leader in the industry, we operate in over 60 countries across the world and we strive to do that in a consistent, recognisable way that reflects what we stand for and set us apart so that all our stakeholders be it investors, employees, principal suppliers or customers know what they can expect from us. Our culture is the same across the IMCD world to ensure the long-term value for all stakeholders. Our values are non-negotiable promises we make to the world – the principles we stick to no matter what.

We have five values that we apply to decisions and actions we take.

Across our operations, we are driven by the values: '*Entrepreneurial*', '*Partnership & Trust*', '*Financial Discipline*', '*Continuous Improvement*' and '*Freedom to Act*'.

Being *Entrepreneurial* stands out. We think like owners by creating value, taking initiative, identifying and generating new business opportunities, and driving the business forward with self-motivation.

The value of *Partnership & Trust* with our suppliers, customers, and each other is paramount to achieve shared success. We build lasting relationships based on humility, respect, trust, integrity, transparency, and collaboration, acknowledging local culture and markets all over the world. Our skilled employees are trained to listen and identify opportunities when they arise, co-creating solutions to answer specific suppliers' and consumers' needs. Throughout it all, we remain committed to conducting business in an ethical manner, in line with the principles set out in our Business Principles and Code of Conduct.

We are guided by strict *Financial Discipline*, so that we can keep investing in our future. We strive to meet or exceed our financial goals, keeping the Company strong and agile. IMCD pursues accurate transparent financial reporting using a global integrated business information system, in which we rapidly integrate our newly acquired companies. We are aware of the financial impact of all our business decisions.

Through *Continuous Improvement*, we strive for excellence in all that we do, delivering exceptional and competitive value to our suppliers and customers. In a fast-changing environment, we strive to always improve, aiming to stay ahead and agile and to continuously excel, individually and as a team. We embrace an innovative, forward-thinking mindset, refining processes, and advancing service levels and solutions.

IMCD fully supports a culture where *Freedom to Act* is encouraged, so we can move fast, be efficient and capitalise on business opportunities. Our commercial, innovative mindset is nurtured by it, whilst clear business principles and an excellent cloud-based digital infrastructure foster sound decision-making.

Although company values are mainly an internal matter, we expect that our customers and principal suppliers will see IMCD employees who enjoy what they do and, who act commonly and in line with these values, irrespective of borders and background. We apply the values in multiple ways. Firstly, they serve as a good starting point to explain to employees in newly acquired businesses how things are done at 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 other employees when they have to take difficult decisions about customers, contracts, recruitment, internal promotions and more.

At least once per year the topic of IMCD's culture and values is discussed with the Management and Supervisory Board members. The Management Board, and the CEO in particular, and the Global HR Director are responsible for the maintenance of these values in all existing and newly acquired businesses. Management behaviours that are not aligned with our values will be corrected to ensure that the values come alive. There is the ability to discuss and report actual or suspected misconduct or irregularities, either via regular management channels which is the preferred option or via our ethical hotline -the latter also anonymously.

Values are mostly constant but in a recent evaluation of the IMCD values we decided that the importance of **continuous improvement** merits an enhancement of our value set. We believe that continuous improvement is an additional descriptor of success and included it in the enhanced IMCD Values.

We operate in a changing environment and aspire to be the best global chemical distributor, therefore we strengthen what is working well and improve what is not working. Fast best practice sharing and effective training programmes, such as commercial excellence, are tools we have already implemented to make the concept of **continuous improvement** come to live and become an additional part of our culture and company values.

People goals and targets achieved in 2024

The overall People-related goals for IMCD were, firstly, to attract the necessary quantity and quality of new staff to enable business growth in all regions. In 2024, we added 1,346 new starters to the Company, including acquisitions. Our business growth has a positive impact on high quality employment; we create jobs in which highly skilled employees can further develop themselves; and through our businesses processes we implement good international business practices. People like to work for a growing company.

Secondly, to ensure a gender balance in the IMCD sub-top management. This has been defined as the total number of positions of the country management teams and functional leaders in our regional head offices. This group consists of 460 managers of which 205 (45%) women. Furthermore, during 2024 IMCD had 128 openings in this group of which 57 (45%) were filled by women. IMCD is already in the desired zone of more than 40% women in these management roles. Our goal was to appoint at least 40% of women in sub-top open positions but we overachieved with 45% female appointments made in 2024. IMCD has no specific diversity targets or policy goals for other vulnerable groups, our focus is on improving female representation and it shows.

Thirdly, a talent management goal. The above mentioned IMCD management sub-top consists of **two distinct groups**. The first one is the group of **commercial/**

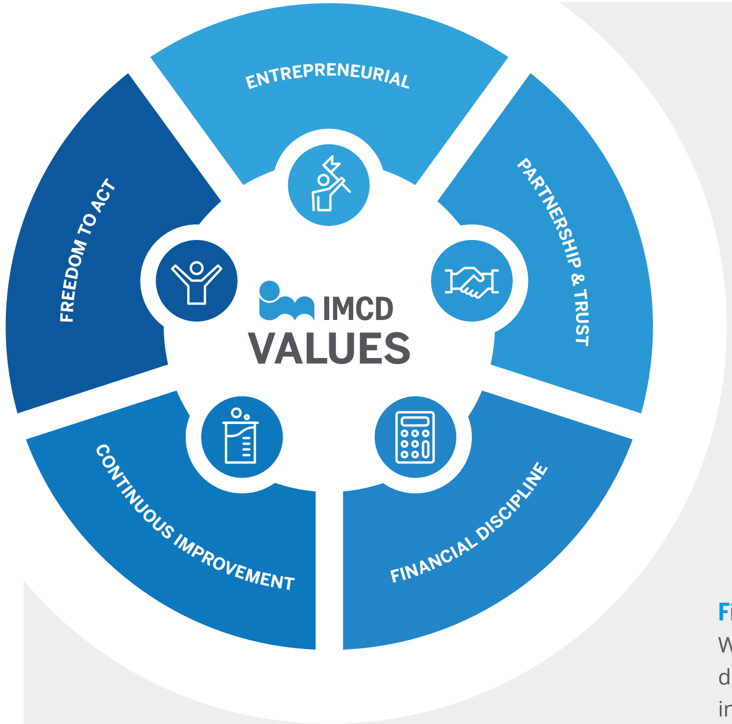
customer facing managers with a commercial, sales, digital, profit & loss (P&L) responsibility. This group comprises of 267 individuals of which 32% women. We recruit these managers mainly from large, international chemical and ingredients companies. The second group contains of **functional staff** and support managers such as finance, communications, legal and HR. However, companies in general and IMCD as well, need well filled talent pipelines to effectively source and promote talent from within. The commercial/customer facing roles are important feeder positions for more senior jobs such as country managing director. Therefore we had a goal to fill more than 35% of open positions in the group of commercial managers by women. In 2024 IMCD appointed women in 45% of these open positions, which was an overachievement of the goal of 35%.

Goal four was to measure employee engagement and we have set a target to achieve at least 85% participation rate and 70% favourable overall employee engagement. In the survey, that was held in the fourth quarter of 2024 we were pleased with a very high 88% participation rate and 69% overall favourable engagement. At the same time, the questions regarding our company values came out on top: 92% of our staff know our values and only 1% replied that they did not. This is an encouraging outcome, especially given the fact that we onboarded almost 2,000 new employees in the two years 2023 and 2024 together.

Regarding training and development, we continued the drive for more training of our employees. In order to monitor our collective training efforts we developed with our IT and HR colleagues a new global training dashboard which includes all training delivered in IMCD's global Learning Management System (LMS) plus the proprietary technical training created and delivered by our Business Groups. In 2023 we achieved 14 average hours of training per employee, and in 2024 we increased that to 21 hours of training, a plus of 49%, which means we are on track

Our cultural values

We live by five core values that guide every decision and action we take. To bring these values to life, here are the behaviours we all strive to embody every day at IMCD.



Entrepreneurial
We think like owners by creating value, taking initiative, generating new business opportunities, and driving the business forward with self-motivation.

Partnership & trust
We build lasting relationships based on trust, integrity, and collaboration with our suppliers, customers, and each other to achieve shared success.

Financial discipline
We are guided by strict financial discipline, so that we can keep investing in our future.

Freedom to act
We have the appropriate freedom to act with a 'can do' attitude.

Continuous Improvement
We are committed to excellence in all that we do, delivering exceptional and competitive value to our suppliers and customers.

to achieve our goal of 30 hours average training per employee by 2030.

All of the above goals can only be achieved if IMCD provides a safe and secure working environment where engaged employees know that the Company strives for zero workplace incidents with work-related injuries. We aim to reduce the negative impact from incidents on our workforce by setting a goal of achieving less than 0.3 injuries per 200.000 hours worked. In 2024 we achieved a Total Recordable Injuries Rate (TRIR) of 0.27 compared to 0.22 last year and 0.31 the year before, still below our target.

All of the above people goals were specific for year 2024, we do not use a baseline value or base line year to track performance, instead we have decided to realise the specific and defined goals year over year. In order to keep track of the progress in the People & Culture dimension of the business we defined the following key performance indicators for 2024 and onwards.

More details on People can be found in People and culture notes to the Sustainability Statements.

People & Culture Key performance indicators

	2024	2023	CHANGE	TARGET
Average number of training hrs	21	14	49%	6
Women appointed in sub-top management positions, %	45%	48%	(3%)	>40%
Women appointed in senior Commercial/P&L roles, %	36%	34%	2%	>33%
Executive Committee positions held by women and/or non-Europeans, %	25%	14%	11%	>33%[1]

1 by the end of 2030

Risks and opportunities associated with our human capital

In achieving its objectives, IMCD faces risks and uncertainties, including People & Culture related risks. IMCD strives to identify and control those risks and uncertainties as early as possible. Risk management is an essential element in IMCD's corporate governance and is embedded in the Company's business process. IMCD believes that the broad geographic diversity of its business, active in more than 60 countries and no country is more than 10% of the total headcount, reduces these risks.

On top of that, IMCD's well-structured risk management process, continuously monitored by the Supervisory Board, Management Board, Corporate Control, Internal Audit and by regional and local management, is designed to manage the residual risks in a transparent and controlled manner.

The main People & Culture related risks and the way IMCD manages these risks are further described in 15 Risk factors and risk management.

Gender diversity

2,744 2023: 2,536

2,382 2023: 2,200

Diversity achievements

Women in sub-top management	Women appointed in sub-top management	Women in sub-top management – Commercial/ P&L roles	Women appointed in sub-top management – Commercial/ P&L roles
45%	45%	32%	36%
2023: 44%	2023: 48%	2023: 31%	2023: 34%

Governance & risk handling

11 Supervisory Board report

The Supervisory Board supervises the policies pursued by the Management Board and its performance, and the general course of affairs within the Company.

The Supervisory Board also advises the Management Board and supervises the dynamics and relationship between the Management Board and the other members of the Executive Committee.

This report provides information on the activities of the Supervisory Board during 2024.

11.1 Introduction by the Chair

At the start of 2024, IMCD welcomed Valerie Diele-Braun as its new CEO. On behalf of the Supervisory Board, I would like to express our appreciation for the way she has taken on her role, ensuring continuity and consistency - alongside the other members of the Management Board, while also bringing fresh perspectives to the Company.

A focus for the Management Board in its new composition was the review and update of IMCD's corporate strategy. The Supervisory Board was closely involved throughout this process, ensuring a thorough review of financial performance, market opportunities, and growth drivers, including sustainability and digitalisation. We are confident that the refined strategy, which builds on IMCD's strong foundations, provides a solid framework for continued success.

Financially, IMCD maintained a strong position. Despite ongoing global geopolitical tensions and the challenging economic market conditions, IMCD realised solid results in 2024. A relatively soft first quarter was followed by three consecutive quarters of organic revenue and operating EBITA growth. With 12 acquisitions in 2024, IMCD's proven M&A strategy remained a key driver of expansion, while the successful bond and share issuance further strengthened IMCD's financial flexibility, ensuring it remains well-positioned for future growth while maintaining a healthy balance sheet.

Beyond financials, IMCD also made meaningful progress in other strategic areas. As mentioned, an important first topic was the review and refinement of the strategy. The continued development of digital tools, such as IMCD's online sales assistant, was another promising step toward improving efficiency and commercial effectiveness. IMCD also further improved its ESG ratings, evidencing that it continues to improve on and demonstrate best-in-class practices in ESG.

After extensive work on emission calculations and transparency, the Company formalised its Science Based Targets initiative (SBTi) commitment to set a further near-term target in line with SBTi criteria, and formulated new reductions targets for Scope 1 and 2. The successful completion of its first CSRD-compliant report also underscores IMCD's efforts to meet market expectations on transparency and accountability. Finally, during its first-ever Investor Day, IMCD celebrated another milestone - 10 years as a publicly listed entity. This event provided valuable insights into IMCD's business strategy and innovation efforts, underscoring the Company's strong market position.

Through the reappointments confirmed at the 2024 Annual General Meeting (AGM), the Supervisory Board ensured continuity in its composition, as well as its accumulated knowledge and expertise. With this foundation, the Board is well positioned to continue supporting IMCD's long-term vision, uphold strong governance, and foster a culture of sustainable value creation for all stakeholders.

Janus Smalbraak
Chair of the Supervisory Board

11.2 Composition, diversity and independence

During 2024, the Supervisory Board consisted of five members. The details of the five members by year end 2024, are provided in this Integrated Report in section Supervisory Board members. The tables hereafter provide an overview of the composition, attributes and skills of the Supervisory Board members.

Annually, in its performance assessment, the Supervisory Board members review and determine, among other things, whether the appropriate skills and expertise to oversee the Company's affairs, including sustainability matters, are available within its composition. As follows from the skills matrix and confirmed in the 2024 evaluation (see hereafter under **MB and SB performance assessment**) the skills and expertise present in the Supervisory Board in 2024 remained diversified and complemented each other.

Within its composition of five members, the skills and expertise sufficiently covered the material topics relevant to IMCD, whereby on all topics, including sustainability matters, always multiple member have appropriate experience or expertise. An overview is provided in the skills matrix included herein.

Changes in 2024

In a press release published on 1 March 2024, the Supervisory Board announced the nominations of Janus Smalbraak and Amy Hebert for re-appointment after the regular expiration of their terms. Both were reappointed by the 2024 AGM, with respectively 99.2% and 98.7% support. Hence, no changes took place in the composition of the Supervisory Board during the year 2024.

Composition Supervisory Board

NAME + POSITION (AT END OF YEAR 2024)	NATIONALITY	GENDER	YEAR OF BIRTH	INITIAL APPOINTMENT	TERM EXPIRES IN	NUMBER OF TERMS	INDEPENDENT (DCGC)
Janus Smalbraak - Chair of the SB - Chair of the NAC - Member of the RC	Dutch	male	1967	2016	2026	third	yes
Stephan Nanninga - Vice-Chair of the SB - Chair of the RC - member of the NAC	Dutch	male	1957	2018	2026	second	yes
Amy Hebert - Member of the SB - Member of the AC - Member of the NAC	American	female	1972	2020	2028	second	yes
Willem Eelman - Member of the SB - Chair of the AC	Dutch	male	1964	2022	2026	first	yes
Dorthe Mikkelsen - Member of the SB - Member of the RC	Danish	female	1967	2023	2028	first	yes

No changes foreseen in 2025

All members of the Supervisory Board are appointed for terms ending in 2026 or later. Hence, no changes are foreseen in the composition of the Supervisory Board in 2025.

Diversity on the Supervisory Board

The approach to, and targets for diversity of the Supervisory Board are discussed hereafter in paragraph 15.2. The Supervisory Board strives to have a diverse composition to ensure that the knowledge, skills and experience present are complementary, enabling each member to make a valuable contribution to the duties of the board or committee.

In addition, the Supervisory Board strives for diversity in the scheduled retirements of its members. When considering vacancies, achieving and/or maintaining an appropriate balance in gender, age and geographic background are important aspects that will be taken into account.

In 2024, the Supervisory Board profile and diversity policy were taken into account when considering the nominations for reappointment of Janus Smalbraak and Amy Hebert. In its current composition, the set target for a diverse composition of the Supervisory Board is met.

Independence/Conflicts of interest

Throughout 2024, all Supervisory Board members qualified as independent within the meaning of best-practice provision 2.1.8 of the Dutch Corporate Governance Code (the "Code"). IMCD has not granted any loans, advances, guarantees, shares or options to its Supervisory Board members. Their remuneration is not dependent on the Company's results.

At the end of 2024, one Supervisory Board member, Janus Smalbraak, owned shares in IMCD. In line with the Code, these shares are held as a long-term investment.

In carrying out their duties all Supervisory Board members are fully aware of, and abide by, the conflict-of-interest provisions of the Supervisory Board Rules and their personal statutory and fiduciary duties to act independently and in the interest of the Company and its stakeholders.

No Supervisory Board members entered into transactions in 2024 where there was an actual or potential conflict of interest.

Dorthe Mikkelsen Willem Eelman Janus Smalbraak Amy Hebert Stephan Nanninga

Skills & attributes of IMCD Supervisory Board members

	JANUS SMALBRAAK	STEPHAN NANNINGA	AMY HEBERT	WILLEM EELMAN	DORTHE MIKKELSEN
Skills					
Managing large organisations	x	x	x	x	x
International business experience	x	x	x	x	x
Industry knowledge: chemicals (speciality, or other) and/or ingredients		x	x		x
Market knowledge: distribution	x	x	x		
M&A experience	x	x	x	x	
Finance, audit & risk			x	x	x
Governance, regulatory compliance & legal	x	x	x	x	x
People, culture and HR expertise	x	x	x		x
Sustainability & CSR	x		x		x
Investor relations	x	x	x	x	
IT and cybersecurity				x	x
Other attributes					
Currently active in an executive position at another company	x		x		
Mainly non-executive role		x		x	x

11.3 Supervision in 2024

In performing their duties, the members of the Supervisory Board are guided by the interests of IMCD and all its stakeholders. The activities the Supervisory Board engaged in as well as the material matters on which its supervision was focused in 2024 are described in the following sections.

Meetings and attendance

In 2024, the Supervisory Board met regularly, both face-to-face and in virtual meetings or update calls. Also, some members attended committee meetings as observer, which helped to build and maintain a close cooperation and improved knowledge sharing. The combination of physical and virtual meetings has worked well and will be continued.

The Supervisory Board met face-to-face in its full composition in February, April, May, November and December. Other regular meetings were held with some of the members attending in person in Rotterdam and other members attending via videoconferencing. In addition to the regular scheduled meetings, the Supervisory Board held two meetings with the Management Board (MB) to discuss the topic of strategy (in April and September), including sustainability, and one deep dive session on the topic of sustainability reporting (May).

In total, eight meetings took place with the full Supervisory Board and Management Board present. Three Supervisory Board meetings consisted of or included a closed session without the Management Board members attending.

Between meetings, the members of the Supervisory Board were in regular contact with each other, by telephone and e-mail. To prepare for meetings and to discuss the current state of affairs, the Chair regularly spoke with the CEO and other members of the Management Board. The full Executive Committee was present during the Supervisory Board work visit to Miami in April and in the Supervisory Board meeting in December 2024. Through these meetings the Supervisory Board had opportunity to interact in an informal way and gained good insight in the dynamics and the relationship between the Management Board and the Executive Committee members.

The following table shows the attendance record of the individual Supervisory Board members. Attendance is expressed as the number of meetings attended out of the number the member was eligible to attend.

Attendance record for Supervisory Board (SB) and committee meetings

MEMBER	SB	AC	RC	NAC
Janus Smalbraak (Chair)	8/8	-	-	2/2
Stephan Nanninga	8/8	-	3/3	2/2
Amy Hebert	8/8	4/4	-	2/2
Willem Eelman	8/8	4/4	-	1/2[1]
Dorthe Mikkelsen	8/8	2/4[2]	3/3	1/2[3]

1 Willem Eelman attended 1 NAC meeting as observer.
2 Dorthe Mikkelsen attended 2 AC meetings as observer.
3 Dorthe Mikkelsen attended 1 NAC meeting as observer.

Supervisory Board working visit

In April, the Supervisory Board travelled to Miami for a work visit covering the full Americas region. Next to senior management from various countries in North America and Latin America, the full Management Board and Executive Committee joined, offering opportunity to engage on business topics, and during the informal parts of the programme.

In the work sessions during the visit, the Supervisory Board discussed the strategy, risks and opportunities for IMCD in general (in a separate session with the Management Board), and with special attention for sustainability element and M&A (for which the Executive Committee members responsible for such topics joined). With the senior management team from the region, the Supervisory Board discussed the strategy, risks and opportunities for the individual countries, including growth paths per country, Business Group strategies, and was presented several ongoing projects, for example related to digital developments, customer centricity and operational topics.

In addition, the Supervisory Board Chair and vice-Chair joined the CEO and CFO on a work visit to IMCD India.

11.4 Topics of discussion and advice

Regular items on the Supervisory Board agenda in 2024 remained the development of results, the financial position of the Group, acquisition projects and evaluations, and reports on any matters relating to material risks, claims and compliance issues.

To provide more insight, some matters of material significance relating to the supervision in 2024 by the Supervisory Board are discussed in more detail in the following sections.

Strategy and sustainability matters

In 2024, the Management Board worked on an update of the IMCD strategy and roadmap with tangible goals for the short and mid-term. This led to more frequent discussions between the Management Board and the Supervisory Board on the Company's strategy for long-term value creation and its implementation.The Supervisory Board was involved early in the process, during the work visit in April, and the sustainability deep-dive session in May. Outcomes were thereafter discussed in a separate strategy update session organised in September, and elements such as Business Group strategies and sustainability targets were thereafter part of the Supervisory Board meetings in November and December.

The discussions with the Management Board in its new composition confirmed that IMCD's strategy and growth orientated business model remain valid and resilient, and will form the basis for future growth. The core of the model is pursuit of organic growth, supported by targeted M&A. In the strategy update, the Management Board formulated the drivers for future continued growth, whereby the importance of IMCD's people was reinforced and digital and sustainability were presented as levers to accelerate and to continue to exceed market growth on the long-term. Time was also spent on the market expectations and strategies for each of IMCD's Business Groups. In these discussions, the Supervisory Board and Management Board discussed potential acquisitions and/or other business opportunities to grow strategic business segments.

During the year, impacts, risks and opportunities in ESG/sustainability matters have been identified through a thorough double materiality assessment (DMA) process. In April, IMCD's director for sustainability presented an updated strategy and focus areas to the full Supervisory Board. Thereafter, the Supervisory Board was kept informed of the phases of the DMA process and attended a deep dive by IMCD's external auditor focussed on ESG regulation and reporting requirements. The Audit Committee, functioning as sustainability committee, reviewed the full DMA outcomes and provided its input. The final DMA report was shared and discussed with the chair of the Audit Committee and, thereafter, the full Supervisory Board. The strategy elements and target setting were discussed with the Supervisory Board and Management Board in November and, in more detail and in the presence of the Executive Committee, in December.

The SB is positive about the integration of sustainability and digitalisation in the over-all strategy for the Group, and approved of the strategy, including the ESG targets, as presented by the Management Board in this report.

2024 was also the final year of the performance period for IMCD's first set of emission reductions targets. In short, IMCD targeted an intensity-reduction of 15%, for Scope 1, 2 and 3, by end of 2024, against baseline year 2019. Monitoring progress has proven challenging, with emission calculation methodology being improved regularly, to meet enhanced regulations, and often revised standards and protocols that became available over time. For example, just looking at 2024, IMCD has made a large step in transparency of its Scope 3 emissions, with a new methodology that increased the coverage of (Scope 3) GHG protocol emission-categories.

Despite these difficulties and uncertainties, on a like-for-like basis, IMCD achieved an intensity reduction of 51% on Scope 1 and 2. On Scope 3 emissions, however, no decrease in intensity was achieved. The new, more mature methodology will now form the basis for the future emission reduction agenda. As part thereof, new reduction targets were set for Scope 1 and 2 emissions (60% reduction by 2034, as discussed in chapter 9 Environmental value), and the Management Board committed to set a science-based target in line with SBTi criteria. The Supervisory Board has decided to include the emission reduction agenda in the long term incentive (LTI) opportunity for 2025.

Acquisitions

In addition to pursuing organic growth, acquisitions provide IMCD with strategic advantages, including economies of scale, a strengthened presence in key business segments, and the ability to address portfolio gaps. Following an active 2023, IMCD again successfully completed 12 acquisitions in 2024 and signed two acquisition agreements, which will be finalised in Q2 2025.

The Supervisory Board was regularly updated on M&A activities and the project pipeline during all scheduled meetings with the Management Board, and gave due consideration and approval to the opportunities presented. Additionally, during the 2024 strategy meeting, the Company's M&A strategy received further attention and review.

The acquisitions approved in 2024 spanned multiple regions, with a particular focus on high-growth markets in Latin America and Asia. Further details on these acquisitions can be found in section 8.1 Developments 2024 in this Integrated Report.

With these newly integrated businesses, the Supervisory Board is confident that IMCD is well-positioned to accelerate future growth as economic conditions improve, creating sustainable, long-term value for its stakeholders.

Naturally, not all acquisition opportunities come to fruition. As in previous years, the Supervisory Board and Management Board regularly assessed projects where, for instance, strategic alignment was ultimately insufficient, or where material conflicts prevented completion of the deal.

Operational performance and budget planning

During all meetings, the Company's recent operational performance and financial results were reviewed in detail —both at a global level and, when relevant, by region or country. The Management Board regularly updated the Supervisory Board on significant market developments and any changes in economic conditions affecting IMCD.

In 2024, the primary focus was on enhancing organisational efficiency. The Management Board provided more frequent updates on initiatives aimed at cost savings and operational excellence. Additionally, key organisational changes by region, as well as significant developments in IMCD's relationships with major suppliers and customers, were reported. The potential opportunities and risks arising from these developments were thoroughly discussed.

During the Supervisory Board's meeting in December 2024, the budget for 2025 was presented, critically assessed, and approved. This budget resulted from an extensive internal process involving local and regional budget discussions. The presentation, attended by the full Executive Committee, provided the Supervisory Board with the opportunity to engage in an in-depth discussion on market conditions, competitive dynamics, opportunities, risks, and developments across IMCD's Business Groups and key regions.

Global developments

Geopolitical and macroeconomic conditions remained volatile in 2024, presenting various commercial challenges. Despite these headwinds, IMCD delivered a successful year. While certain business segments experienced weaker demand and the effects of destocking — most notably in the first quarter — IMCD achieved three consecutive quarters of organic revenue and operating EBITA growth following the relatively soft start to the year. The Supervisory Board regularly reviewed these challenges, discussing their impact on the organisation, IMCD's employees, and financial performance.

Succession planning

At the start of 2024, IMCD welcomed Valerie Diele-Braun as CEO, bringing extensive experience in the chemical industry and ensuring strong leadership continuity alongside IMCD's CFO and COO. With the CEO transition successfully completed, succession planning efforts have shifted toward the development of IMCD's next generation of leadership, succession planning for key positions, and preparing for the expiration of the relevant Management Board and Supervisory Board terms in 2026 and beyond.

Employee engagement & diversity

As IMCD continues to grow, talent development, diversity, and inclusion remain important topics for the Supervisory Board. The execution of IMCD's HR strategy was discussed in more detail, with the Management Board and the Global HR Director. In 2024, the focus was on developing programmes aimed at talent development and retention.

Gender diversity continued to improve, including at the senior management level, with 45% of leadership positions now held by women and 32% of commercial roles with P&L responsibility filled by female leaders. This progress responds to IMCD's ambition to build a strong and diverse leadership pipeline for the future. To maintain this momentum, a diversity target has once again been included in the 2025 bonus criteria.

In 2022, IMCD conducted its first global employee engagement survey, which was followed by a repeat survey in 2024. Participation increased overall, and the Supervisory Board received a live demonstration of the results. Regularly repeating the survey is encouraged to track progress, identify areas for improvement, and ensure that employee feedback continues to shape IMCD's workplace culture and initiatives.

IT infrastructure and controls

The operation and management of IMCD's IT infrastructure remains a key focus. IMCD's business relies on sophisticated, modern IT solutions that not only support day-to-day operations but also drive the ongoing digitalisation of its business model.

In July 2024, the annual IT review and strategy update was held with the Audit Committee, with both the Group IT Director and Group Information Security Officer in attendance. It was established that good progress has been made on all strategic objectives of IMCD's IT strategy.

The discussions also covered digital advancements and their potential impact on IMCD's business model, identifying both risks and opportunities. Additionally, in December 2024, the Supervisory Board engaged with IMCD's Director Digital Commerce to gain deeper insights into the Company's digital initiatives and the value they add to the business.

Performance assessment

For the performance evaluation of the Management Board, the Chair conducted individual interviews with each member. In the absence of the Management Board members, the Supervisory Board assessed their individual performance and discussed related remuneration.

Additionally, in closed sessions, the Supervisory Board reviewed its own functioning, composition, the Supervisory Board profile, Supervisory Board Rules, need for education, and its remuneration. A discussion also took place regarding the other positions held by Supervisory Board members.

In two sessions in November and December, the Supervisory Board members conducted a self-assessment of their functioning, as well as that of the Board's committees, covering topics such as the interaction between the Supervisory Board and the Management Board and the quality of information provided to the Supervisory Board. The process also included individual feedback meetings between the Chair and Supervisory Board members, along with a round-table discussion.

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Findings and conclusions
The most important findings and conclusions were:

The Supervisory Board expressed satisfaction with its composition, noting the broad knowledge and expertise within its ranks. The current composition of five members was deemed well-balanced, allowing for appropriate task allocation. The Supervisory Board functioned effectively throughout 2024, with high attendance reflecting strong commitment and a collaborative, open atmosphere. This culture of openness fostered meaningful debates, both within the Supervisory Board and during sessions with the Management Board.

In terms of knowledge and expertise, the Supervisory Board was positive about the deep-dive session on sustainability and the more in-depth discussions on digital transformation. Looking ahead to 2025, the Supervisory Board will assess whether training on information security is needed to align with the standards of NIS2.

The Supervisory Board reaffirmed the value of interaction with the IMCD sub-top land agreed to incorporate visits to IMCD operations and regional/local teams into their (individual) travel schedules, where possible.

Actions upon evaluation
The findings and conclusions were shared with the Management Board. To follow up on the focus areas for 2025, the Company Secretary is tasked with planning additional time for deep-dive meetings and further interaction with IMCD's senior management throughout the year.

In accordance with the new Code, the Supervisory Board decided to have the evaluation take place with guidance of an external expert once every four years.

Knowledge and education
As part of the ongoing Supervisory Board training programme, members were updated on developments in relevant legislation, with a focus this year on sustainability and reporting legislation, standards, and requirements. In collaboration with the Audit Committee members, specific topics such as NIS2 (cybersecurity) and Pillar II (tax) were discussed in greater detail. It is expected that management training on NIS2 will take place in 2025, with potential extension to the Supervisory Board. Another topic was the anticipated introduction of the VOR-statement (*verklaring omtrent risicobeheersing*, risk management statement) and the Company's preparations in this regard.

Additionally, Supervisory Board members have access to market reports covering IMCD and its competitors, allowing them to stay informed and deepen their knowledge of market conditions, opportunities, and the challenges IMCD faces.

11.5 Supervisory Board committees

In 2024, the Supervisory Board operated with three committees: the Audit Committee (AC), the Remuneration Committee (RC), and the Nomination and Appointment Committee (NAC). The division of tasks and responsibilities, as well as the working methods of the Supervisory Board and its committees, are described in more detail in the Corporate Governance chapter.

Audit Committee (AC)
The Audit Committee held four regular meetings in 2024, all of which were attended by IMCD's CFO, the Director of Corporate Control, the Director Internal Audit and representatives of the external auditor, Deloitte Accountants B.V. (Deloitte). Beginning in the summer meeting in July, IMCD's incoming auditor for the 2025-2027 period, EY, also participated as an observer to facilitate a smooth transition. Minutes from these meetings were submitted to the Supervisory Board, and the Chair of the Audit Committee provided regular updates on the discussions.The Audit Committee members throughout the year were Willem Eelman (Chair) and Amy Hebert.

The Audit Committee reviewed IMCD's accounting policies and valuation methods used in preparing the Company's quarterly, semi-annual, and annual financial reports for the full Supervisory Board. Other key topics included post-acquisition reviews of recent acquisitions, IMCD's IT infrastructure and strategy, as well as internal control, governance, and related risks.

In its February meeting, the Audit Committee discussed the 2023 annual report and financial statements in detail with the external auditor. Other topics included the dividend proposal and IMCD's refinancing activities.

In May, the Director Internal Audit presented findings for the period up to and including March 2024, the annual post-acquisition review, and the evaluation of the external audit. The external audit plan for 2024 was discussed and subsequently recommended for approval to the Supervisory Board. Additionally, the AC members discussed the DMA process and participated in a knowledge-building session on sustainability regulations and reporting requirements.

In July, the Audit Committee reviewed the design and operation of IMCD's internal control and risk management systems, as well as the risk assessment cycle, with the Director Corporate Control. The Director Internal Audit presented topics for internal audit reporting and highlighted the positive results of the external quality assessment of the Internal Audit department. The Internal Audit Charter was also discussed and approved.

During this summer meeting, the annual deep-dive on IT and cybersecurity took place. IMCD’s Group IT Director provided an update on the IT landscape and strategic developments, while IMCD’s Information Security Officer covered cybersecurity topics, focusing on internal communication and training, security assessments, and action plans for the integration of acquisitions.

Sustainability reporting was again added to the agenda, with a review of the actions taken and progress made to comply with European sustainability reporting legislation (CSRD) as of 2024.

Following this meeting, the Audit Committee reported its findings to the Supervisory Board, which concluded that all necessary internal audit team elements were effectively incorporated into the agenda, programme, and tasks of the internal auditor and the corporate control team.

In November, the internal audit plan for 2025 was presented to the Audit Committee and approved by the full Supervisory Board. The Audit Committee also discussed internal audit findings up to and including September 2024. In a tax and treasury update, the Audit Committee reviewed IMCD’s tax strategy and developments affecting the Company. An update on these discussions was provided to the Supervisory Board in line with the principles outlined in the Dutch Corporate Governance Code.

External auditor

The Supervisory Board is responsible for engaging and supervising the performance of the external auditor. In 2023, the General Meeting reappointed Deloitte Accountants B.V. (Deloitte) as the external auditor of the Company for the financial year 2024. The Audit Committee and the Management Board reported to the Supervisory Board on Deloitte’s envisaged audit plan for 2024, the relationship with and functioning of Deloitte as external auditor, as well as on other audit and non-audit services provided to IMCD by Deloitte.

Deloitte attended the meetings of the Supervisory Board in February and December 2024, in which discussions were held on the financial statements and the key audit points, and observations and recommendations as presented in the auditor's management letter.

Deloitte confirmed its independence from IMCD in accordance with the professional standards applicable to statutory auditors of public-interest entities.

Remuneration Committee (RC)

The Remuneration Committee convened two times in 2024 (in February and December), with IMCD's Global HR Director attending all meetings. In addition, the Remuneration Committee held a call in March, to review the final proposals for revision of the remuneraruon policies. The Remuneration Committee members throughout the year were Stephan Nanninga (Chair) and Dorthe Mikkelsen.

The Remuneration Committee focused on completion of the stakeholder engagement process and revision of remuneration policies ahead of the 2024 AGM. No specific other topics came up, besides the regular agenda topics. The Chair of the Remuneration Committee provided regular updates to the Supervisory Board of the discussions that took place.

The Remuneration Committee furthermore prepared the Supervisory Board’s Remuneration Report for 2024.

Board remuneration

The remuneration policies for the Management Board and Supervisory Board were evaluated and subject to a stakeholder engagement process in the course of 2023 and the first quarter of 2024. The revised policies were thereafter adopted by shareholders in the 2024 AGM with 98.47% and 99.44% votes cast in favour.

The 2024 Remuneration Report contains further details on how the remuneration policies were implemented in 2024. Detailed information on the compensation of the Management Board and Supervisory Board in 2024 is set forth in note 53 to the financial statements.

The format of the Remuneration Report follows the recommendations included in the Revised Shareholders' Rights Directive, of 2020. In 2024, the 2023 Remuneration report was submitted to the AGM for an advisory vote. It received a slightly less positive vote than previous years with 77.65% of votes cast in favour (2023: 89.30%). Stakeholder engagement was again sought after the AGM to discuss to what extent and in what ways the report could be improved. More information on this topic is available in the Remuneration Report for 2024.

Nomination and Appointment Committee (NAC)

In 2024, the Nomination and Appointment Committee was chaired by the Supervisory Board's Chair, Janus Smalbraak, with Stephan Nanninga and Amy Hebert as the other two members in its composition.

After a busy year in 2023, the NAC had less work to prepare in 2024. The committee met twice, in February and December to discuss succession planning for the Management Board, Supervisory Board and key senior positions within the Company. With no foreseen changes in 2025, the committee focussed on longer term planning.

In between meetings, calls and informal contact and consultations took place between the Chair of the NAC and other member of the Supervisory Board, IMCD management and IMCD's Global HR Director.

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11.6 Integrated report 2024 and profit appropriation

The Supervisory Board reviewed and discussed the annual integrated report for 2024 with all parties involved in the preparations. Based on these discussions the Supervisory Board concludes that the annual integrated report provides a solid basis for the Supervisory Board's accountability for its supervision in 2024.

The financial statements and the sustainability statements for the year 2024, as included in this integrated report, were prepared by the Management Board and audited by Deloitte Accountants B.V. The integrated report and the external auditor's reports were discussed with the Supervisory Board and Management Board in the presence of the external auditor in March 2025.

The financial statements and sustainability statements 2024 were endorsed by all Management Board and Supervisory Board members. Deloitte's auditor's reports in respect thereof are included under Other information. The Management Board will present the 2024 integrated report for discussion at the 2025 AGM.

The Supervisory Board recommends that the AGM adopt the 2024 financial statements, including a proposed dividend of EUR 2.15 in cash per share. In addition, the Supervisory Board recommends that the members of the Management Board and Supervisory Board will be discharged from liability in respect of their respective management and supervisory activities performed in 2024.

Rotterdam, 4 March 2025

Supervisory Board
Janus Smalbraak
Stephan Nanninga
Amy Hebert
Willem Eelman
Dorthe Mikkelsen

12 Remuneration report

The Remuneration Committee of the Supervisory Board is responsible for assessing and preparing the remuneration policy and remuneration proposals concerning the members of the Management Board and the Supervisory Board. The Supervisory Board assesses the proposals and, in the event of proposed policy changes, submits the remuneration policy to the General Meeting for adoption. This remuneration report provides an overview of the remuneration policy for IMCD's Management Board and its implementation in 2024.

12.1 Introduction by the Chair

Following an active 2023, the Remuneration Committee began 2024 by concluding on the stakeholder engagement process that was initiated previous year in preparation for the renewal of shareholder approval on the Company's remuneration policies. The proposals were finalised and presented to shareholders at the 2024 AGM, where they received strong and broad shareholder support (98.47% approval for the proposed revisions for the Management Board and 99.44% for the Supervisory Board policy revisions). The Remuneration Committee believes that these newly adopted policies provide a robust and well-balanced framework for board remuneration in the years ahead.

Key highlights – 2024 performance

In terms of performance, 2024 was a successful year for IMCD despite a challenging business environment. While the first quarter was relatively soft, the Company delivered overall solid financial results, with three consecutive quarters of organic revenue and operating EBITA growth.

Beyond financial performance, the Supervisory Board prioritised organisational stability and leadership continuity under IMCD's evolving management composition. We were pleased to see that the Management Board effectively maintained a low regretted attrition rate of 4% among senior management. Additionally, focus efforts on gender diversity within IMCD's commercial leadership resulted in a higher number of female leaders with P&L responsibility, strengthening the talent pipeline for future leadership roles.

The Management Board also engaged the Supervisory Board early and frequently in the process of updating IMCD's corporate strategy. The comprehensive review covered all key aspects, from financial performance and growth levers - including Sustainability and Digitalisation - to Business Group specific market analyses, portfolio developments, risks and opportunity assessments, and new business areas. The board fully supports the refined strategy, which CEO Valerie Diele-Braun aptly described as an "evolution, not a revolution." This approach is the right formula for IMCD to leverage its resilient business model and sustain long-term value creation for its stakeholders.

Additional achievements

Beyond the core performance and remuneration-linked objectives, IMCD marked several significant milestones in 2024. The Company celebrated its 10th anniversary as a publicly listed entity and successfully hosted its first-ever Investor Day, which drew strong attendance and provided valuable insights through the management's presentations and a laboratory tour at IMCD's Milan location.

In the ESG domain, IMCD continued to demonstrate its drive for continuous improvement. The Company enhanced its sustainability ratings, achieving Prime-level recognition (C+) from ISS ESG and reducing its ESG risk score from Sustainalytics. Additionally, the effort put into achieving IMCD's first CSRD-compliant report deserves recognition. Given the complexity of the reporting obligations, this was no small achievement.

Furthermore, considerable effort was dedicated to developing and implementing more transparent emissions calculations, expanding the coverage of Scope 3 emissions under the Greenhouse Gas Protocol. This foundational work supported the Company's decision to establish new targets, including a commitment to setting near-term science-based targets in alignment with the Science Based Targets initiative (SBTi). Reflecting shareholder input, the Remuneration Committee has incorporated a related ESG criterion for the first time in the 2025 LTI package.

Looking ahead, the Remuneration Committee will remain focused on ensuring that IMCD's remuneration policies support the Company's strategic ambitions while staying aligned with the interests of shareholders, employees, and broader stakeholders.

Stephan Nanninga
Chair of the Remuneration Committee

12.2 Summarised overview of policy and application

	POLICY SUMMARY	APPLICATION IN 2024[1]
Base salary	• A fixed annual cash compensation, paid in 12 equal monthly instalments • Aim for the median level of the labour market peer group • Reviewed annually, against external market developments and internal relativity to other employees	• Base salary paid as follows: - Valerie Diele-Braun: EUR 858,075 - Hans Kooijmans: EUR 679,764 - Marcus Jordan: EUR 580,908 • The 2024 base salaries include an adjustment for inflation at the start of the year.
Short-term incentive	• A variable pay-out in cash based on annual performance conditions set by the SB • 'At target' level: 50% of base salary • Maximum opportunity: 100% of base salary[2] • No pay-out in case performance is below pre-determined minimum thresholds	• Applicable criteria and their weight: - non-financial targets: 30% - organic growth (operating EBITA): 60% - M&A growth (acquired EBITA): 10% • Actual pay-out was 114% of the 'at target' opportunity, resulting in a cash pay-out equalling 57% of base salary for all management board members.
Long-term incentive	• Annual grant of conditional shares that vest after three years • 'At target' level: 100% of base salary • Maximum opportunity: 150% of base salary • Performance targets and their weight:[3] - cash earnings per share (EPS): 50% - relative total shareholder return (TSR): 50%	• In 2024, the SB decided on unconditional share vesting for the 2021 LTI Plan. The 3-year performance period under this plan included book years 2021, 2022 and 2023. Participating board members were Piet van der Slikke and Hans Kooijmans. • Due to strong performance, in particular in the first two years of the performance period, the targets (Cash EPS and relative TSR) were met above the maximum pay-out threshold. Hence, shares vested as follows: - Piet van der Slikke: 9,698 shares - Hans Kooijmans: 7,554 shares representing a realised LTI bonus of 150% of base salary applicable at the time of the conditional grant. • The SB did not use its discretionary powers to deviate from the results calculated on the bases of the performance criteria.
Pension	• Management Board members may, at discretion participate in the general IMCD pension scheme applicable to employees in the Netherlands. • In addition, Management Board members will receive a gross contribution. • The total pension contribution is capped at 20% of a MB member's base salary, or 30% in case of the CEO position. • For any Management Board member, the amount of the gross annual contribution will not exceed EUR 250.000.	• Pension contributions were paid as follows: - Valerie Diele-Braun: EUR 250,000 - Hans Kooijmans: EUR 138,033 - Marcus Jordan: EUR 116,182

1 Details of the actual costs pertaining to the remuneration of the members of the Management Board and the Supervisory Board in the financial year 2024 are also included in note 53 of the financial statements to the Integrated Report 2024.
2 In 2024, a revision was adopted in the remuneration policy for the Management Board by the 2024 AGM with effect as of 1 January 2024 . The maximum STI bonus opportunity increased to 100% of base salary.
3 Under the revised remuneration policy for the Management Board, an ESG performance target can be included in the LTIP for Management Board members, with weight up to 15%. The SB applied this new element for the first time in the 2025 LTIP grant.

12.3 Remuneration policies

As part of the evaluation of the remuneration policies in anticipation of the regular required re-approval (once every four years) by shareholders, a stakeholder engagement process was initiated by the Remuneration Committee in 2023, to gather insights in the input and expectations of shareholders for the update of the policies. In line with Dutch law requirements, the remuneration policies for the Management Board and Supervisory Board were thereafter resubmitted to the shareholders for approval during the 2024 AGM.

The revised Remuneration Policy for the Management Board was approved by the AGM with 98.47% of the votes cast in favour (2020: 94.85%).

The revised Remuneration Policy for the Supervisory Board was approved by the AGM with 99.44% of the votes cast in favour (2020: 99.49%).

Objective and principles

The objective of the remuneration policies is to attract, motivate and retain highly qualified executives by providing them with a balanced and competitive remuneration package that is focused on sustainable results and is aligned with IMCD's long-term strategy. This remuneration philosophy does not apply only to executives in IMCD. For all its employees, IMCD wants to be an attractive employer, with competitive remuneration levels in the relevant labour markets, whilst maintaining flexibility to reflect differences in size and complexity of individual responsibilities in the compensation offering.

For the remuneration of the Supervisory Board the guiding principle is that the (amount and) level should reflect the time spent by, and the responsibilities of the Supervisory Board members.

Given the nature of responsibilities of the Supervisory Board, the remuneration is not dependent on the results of IMCD; it consists of a fixed compensation only.

Although the Company's strategy is primarily set by the Management Board, the remuneration policy is designed in such a way that the Supervisory Board can ensure, by defining the performance criteria and (operational and financial) targets under the remuneration policy, that the remuneration of the Management Board is linked to and supports the Company's strategic priorities. It enables the Supervisory Board to encourage actions focused on long-term value creation and a sustainable contribution to all stakeholders.

Market positioning / peer review

The remuneration of the members of the Management Board is set around the median of remuneration levels payable within a peer group of comparable Dutch stock exchange listed companies, relevant to IMCD from a labour market perspective.

The Supervisory Board takes into account the internal ratio to the positions below the Management Board as well. All components of the remuneration packages are reviewed annually. On the initiative of the Remuneration Committee this review may include an external benchmark evaluation. The peer group taken into account for a remuneration benchmark consists of AEX and AMX companies in the Netherlands with similar revenues and similar market capitalisation. Substantially smaller or larger companies, financial institutions and real estate companies are excluded from the peer group, as well as companies with poor disclosure in respect of remuneration details.

The benchmark study was most recently updated by EY at the beginning 2023. The peer group comprised 15 companies, as listed in the following table.

REMUNERATION PEER GROUP COMPANIES BENCHMARK STUDY 2023	INDEX
Koninklijke DSM	AEX
JDE Peet's	AEX
AkzoNobel	AEX
Koninklijke KPN	AEX
ASM International	AEX
BE Semiconductor Industries	AEX
Signify	AEX
Just Eat Takeaway.com	AMX
Konklijke Vopak	AMX
Aalberts Industries	AMX
OCI	AMX
Corbion	AMX
SBM Offshore	AMX
Arcadis	AMX
PostNL	AMX

In comparison to 2021, Grandvision and Boskalis were removed due their delisting from the stock exchange. Koninklijke BAM Groep was excluded because it is now traded as a AScX (small-cap) fund. Taking market capitalisation and revenue criteria into account, JDE Peet's and BE Semiconductor Industries were added to the reference group.

12.4 Application of the policies in 2024

Hereafter the application of the policies for the different elements in the compensation packages is discussed.

Base salary

The base salary for the members of the Management Board is determined by the Supervisory Board. At the start of 2024, the base salaries of all board members were adjusted for inflation on the basis of the Dutch Consumer Price Index (CPI) determined by Statistics Netherlands (*Centraal Bureau voor de Statistiek*). The adjustment is applied on the 2023 December base salaries paid. For Hans Kooijmans and Marcus Jordan a 3.8% correction was applied. The adjustment for Valerie Diele-Braun was applied pro rata, for the period of her appointment from October 2023 till end of year, leading to a correction of 0.95%.

EUR	2024	2023
Valerie Diele-Braun	858,075	212,500[1]
Hans Kooijmans	679,764	610,228
Marcus Jordan	580,908	521,484
Piet van der Slikke	-	764,245

1 Valerie Diele-Braun joined the Management board as per October 2023. The remuneration included herein for 2023 is the pro rata remuneration for the last 3 months of the year.

Short term incentive (STI)

The objective of the Management Board's short-term incentive plan, is to ensure that the members of the Management Board prioritise defined short-term objectives often operational, that support sustainable value creation on the longer term.

STI structure and value

The short-term incentive consists of a (potential) cash bonus payment, depending on the level of achievements of pre-set targets. This applies equally to all members of the Management Board. In 2024, a revision was approved to increase the cap of the maximum opportunity to 100% of base salary. In line with the date of effectiveness of the revised policy, this new cap was applied for the first time on the 2024 STI plan.

The short-term incentive structure remained straight forward and set up is as follows:

STI VARIABLE PAY STRUCTURE (% OF BASE SALARY)

Under performance (below set threshold)	0%
At target performance	50%
Maximum opportunity (capped)	100%

STI performance criteria 2024

Each year, the Supervisory Board selects financial and non-financial targets for the Management Board's short-term incentive plan and determines their weight. The following table shows the selected criteria, their weight and the performance ranges (minimum, at target and maximum pay-out levels) that applied to the 2024 short-term bonus.

CRITERIA	PERFORMANCE THRESHOLDS	AWARD	WEIGHT
Non-financial criteria	Performance and pay-out is assessed by the Supervisory Board per individual criteria		30%
Organic growth (operating EBITA)	• 10% ≤ budget • at target level • 5% ≥ budget	- no award - 1/2 of max bonus opportunity - full award	60%
M&A growth (acquired EBITA)	• no added EBITA • target level • 50% ≥ target	- no award - 1/2 of max bonus opportunity - full award	10%

For the organic growth component, the budget as approved by the Supervisory Board is used to define the target for 'at target performance'. The threshold for underperformance, leading to no pay-out, is reached at 10% below the target performance. In between these targets, performance is measured and awarded in the basis of a linear scale.

The Supervisory Board is of the opinion that in its regular annual discussion with the Management Board, the budget is set at a sufficiently ambitious level, in support of IMCD's sustainable long-term growth strategy and long-term guidance to the market. Only strong performance, being a significant 5% accelerated organic growth in any year can deliver the maximum bonus pay-out. A 10% cut-off is used to set the thresholf for minimum pay-out.

For commercial and strategic reasons, the actual operating EBITA target number is not disclosed ex ante. However, as started last year and embedded in the revised remuneration policy, insight in performance relative to the set target levels is provided ex-post, in the form of visuals combining the criteria thresholds and actual performance.

Non-financial STI criteria 2024

For 2024, non-financial criteria were set in respect of two topics; (i) Organisation & Diversity, and (ii) Strategy & Sustainability. Each category had a weight of 50%, hence each represented 15% of the total bonus opportunity. The metrics and performance review by the Supervisory Board for the two topics selected for 2024 are explained in more detail below.

(i) Organisation & diversity

In line with prior years, the Supervisory Board decided to maintain a target focusing on the appointment of female leaders in senior management positions. The target for 2024 was to appoint women in at least 35% of the vacancies for commercial and digital roles in senior management positions (roles with P&L responsibility).

The reasoning for this is that the internal candidates for the end-responsible position in country and regional management within IMCD (Managing Directors, Business Group Leaders, etc.) often have a commercial background. By increasing the share of female talent with this experience in the talent pool, it will become easier for IMCD to promote internal female candidates for these roles. In 2024, 45% of open senior management positions were filled with female candidates, with 36% appointments on senior commercial/ P&L roles. See paragraph 10 People & culture value for more information.

Secondly, a target was set to keep voluntary attrition (regretted resignations) in the senior management pool below 6%. Voluntary attrition end of year arrived at 4%.

The Supervisory Board is positive about the continued attention for, and progress achieved in building a diverse talent pool for senior leadership positions. The low attrition number for the IMCD sub-top demonstrates stability in senior leadership during the first year under new CEO Valerie Diele-Braun. Based on these results, management was awarded the maximum bonus opportunity, equalling 1.8 months of base salary.

(ii) Strategy & sustainability

The Supervisory Board found it important for the management team in its new composition to review and update the Company's strategy for long-term value creation and develop a roadmap with mid to long term goals. This target for 2024 was given 50% weight in short term bonus plan.

In April, the Management Board presented a first update of the strategy framework and pillars to the Supervisory Board. The Supervisory Board thanks the Management Board for this early involvement and opportunity to discuss and advice.

In September, a separate strategy meeting session was scheduled in which the Management Board presented a more elaborate strategy update in depth, including roadmap for the short & mid term (2025-2028). In the Supervisory Board meetings in November and December further time was spent on sub-strategies of the Business Groups, and targets, including for sustainability elements such as emission reduction, as further reported on in chapter 9 Environmental value. The Supervisory Board is of the opinion that also this set target was met above target level and awarded for maximum performance 1.8 months.

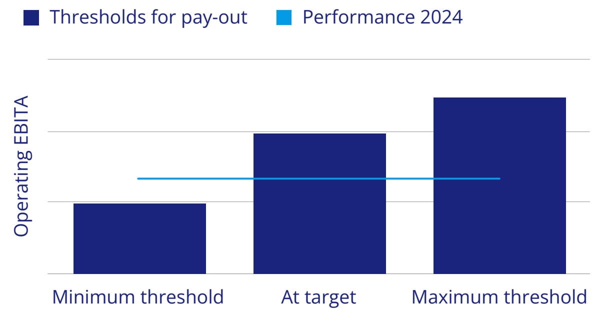
In total, the Supervisory Board has granted 3.6 months of base salary as a cash bonus for the non-financial KPIs of 2024.

Financial STI criteria

As reported on in paragraph 8.1 Developments 2024 and 11.4 Topics of discussion and advice IMCD was again very active on the M&A market in 2024. Hence, the M&A growth exceeded the target's threshold for maximum pay-out, leading to a bonus pay-out equalling 1.2 months of base salary.

After a year of consolidation in 2023, the Company returned to organic growth in 2024. However, the impact of a relatively soft first quarter, and lower than expected demand and continuing destocking effect in, primarily, the pharmaceutical market, resulted in the Company's ambitious growth target not being met fully. On a linear scale performance was appr. 60 % above the minimum threshold, leading to a bonus pay-out equalling 2.04 months.

Below visual provides more insight in the relative performance compared to the applicable thresholds.



Bonus amounts

Hence, the total STI bonus for 2024 granted to each of Valerie Diele-Braun, Hans Kooijmans and Marcus Jordan equalled 6.84 months, or 57% of the available maximum opportunity. This resulted in a gross cash bonus payment of EUR 489,103 to the CEO, EUR 387,464 to the CFO and EUR 331,118 to the COO.

Long-term incentive (LTI)

The members of the Management Board receive a share based bonus, for which the conditions are defined in the long-term incentive plan for the Management Board. The purpose of the LTI plan is to drive long-term performance, support retention and to further strengthen alignment with shareholders’ interests.

LTI structure and value

The LTI plan is structured in such a way as to contribute to the simplicity and transparency of IMCD's overall remuneration policy. Under the LTI plan the Management Board members are eligible for annual awards of conditional performance shares, that vest after a three-year performance period. Vesting depends on achievement levels of pre-set targets and is subject to continued employment. An additional two-year holding period applies to vested shares so that shared are held for a minimum period of 5 years from the grant date.

The long-term incentive structure applies equally to all Management Board Members as follows:

LTI VARIABLE PAY STRUCTURE (% OF BASE SALARY)

Under performance (below set threshold)	0%
At target performance	100%
Maximum opportunity (capped)	150%

The conditional shares are awarded at the beginning of the first year of the performance period (usually in the first quarter). The number of shares is calculated by dividing the value of the maximum (150% of base salary) by the average IMCD share price in the month of December of the preceding year.

The Supervisory Board annually sets the targets for the Management Board's long-term incentive plan and determines their weight. The long-term incentive plan for the Management Board members does not include an award in the form of (share) options. Further details on the conditional shares awarded are presented below in paragraph 12.5 Costs of remuneration in 2024.

LTI performance criteria for 2024

The following table shows the selected criteria and their weight, together with the performance ranges and pay-out levels that were set for the 2024 LTI plan.

CRITERIA	PERFORMANCE THRESHOLDS	PERCENT	WEIGHT
Cash EPS growth[1]	• 10% below target • 5-10% below target • > 5% range of target • 5% above target	- 0% - 50% - 100% - 150%	50%
Relative TSR in peer group[2]	• No vesting at below median performance or negative TSR • Second quartile • First quartile	- 0% - 100% - 150%	50%

1 EPS: Earnings per share
2 TSR: Total Shareholder Return

The performance parameters for the 2024 LTI Plan are measured over a three year performance period (financial years 2024-2026).

To set a realistic but ambitious Cash EPS target, the actual Cash EPS published over the last year before the award is taken as a baseline and increased with a compound annual growth rate for the 3 year performance period, in line with IMCD's long term growth ambition. Realisation of 10% lower Cash EPS, still requires consistent and significant growth over a three year period and is therefore deemed a fair and appropriate minimum threshold for vesting. As of 2023, the target is corrected for impact of deferred considerations.

For 2025, the Supervisory Board will for the first time make use of the option included in the revised Remuneration Policy for the Management Board to set an ESG target in the long-term incentives. For the performance period 2025-2027, 5% of the LTI opportunity is linked to the development of science-based targets for emission reduction aligned with the SBTi criteria and submitting such target to the SBTi for validation, as well as building an emissions reduction roadmap that supports the long-term achievement of such emission reduction targets.

TSR peer group

The peer group used for the calculation of the outcome of the TSR component under any LTI plan comprises 11 companies, and IMCD itself. The TSR peer group is reviewed and updated annually, if necessary. For the 2024 LTI plan, the following companies were included in the TSR peer group. Due to its delisting, Univar Inc. was replaced with Travis Perkins Plc (London Stock Exchange).

COMPANY	STOCK EXCHANGE
Aalberts Industries NV	Euronext Amsterdam
Azelis Group N.V.	Euronext Brussels
Brenntag AG	Frankfurt Stock Exchange
B&S Group S.A.	Amsterdam Stock Exchange
Bunzl Plc	London Stock Exchange
DKSH Holding AG	SIX Swiss Exchange
Electrocomponents Plc	London Stock Exchange
Essentra Plc	London Stock Exchange
Ferguson Plc	London Stock Exchange
Rexel SA	Euronext Paris
Travis Perkins Plc	London Stock Exchange

Pensions

In 2024, all management board members received a gross cash allowance equalling 20% of base salary for Marcus Jordan and Hans Kooijmans and 30% of base salary for Valerie Diele-Braun, with a cap for the CEO at EUR 250,000.

Part of the allowance for Hans Kooijmans was paid as pension premium in relation to his participation in the "IMCD pension scheme", the collective benefit plan for employees in the Netherlands, insured by AEGON Levensverzekering N.V. In accordance with Dutch pension legislation, the pensionable salary is capped. In 2024, the cap was EUR 137,800. Pension rights are accrued for in the financial statements in accordance with IFRS/IAS 19.

Other benefits

Pursuant to their service agreements, the Management Board members receive customary fringe benefits including a fixed expense allowance, fixed contribution to healthcare insurance and a company car. In addition, Marcus Jordan and Valerie Diele-Braun receive allowances to cover (international) schooling and housing, due to their expatriations.

12.5 Costs of remuneration in 2024

The table below summarises the costs for the remuneration of the Management Board members charged to IMCD and its group companies in the financial year 2024.

REMUNERATION COSTS MB MEMBERS		FIXED RENUMERATION			VARIABLE REMUNERATION			
(EUR 1,000)	Year	Salary	Pension	Other[1]	STI Bonus	Share based payment	Total[2]	Proportion of fixed and variable remuneration[3]
Valerie Diele-Braun, CEO[4]	**2024**	**858**	**250**	**251**	**489**	**355**	**2,203**	**62%/38%**
	2023	213	63	1,157[5]	159	28	1,620	88%/12%[6]
Hans Kooijmans, CFO	**2024**	**680**	**138**	**53**	**387**	**566**	**1,824**	**48%/52%**
	2023	610	64	51	211	476	1,412	51%/49%
Marcus Jordan, COO	**2024**	**581**	**116**	**197**	**331**	**313**	**1,538**	**58%/42%**
	2023	521	66	198	180	543	1,508	52%/48%
Piet van der Slikke	**2024**	**-**	**-**	**-**	**-**	**(274)[7]**	**(274)**	**-**
	2023	764	45	45	264	806	1,924	44%/56%
Total	**2024**	**2,119**	**504**	**501**	**1,207**	**960**	**5,291**	**56%/44%**
	2023	2,108	238	1,451	814	1,853	6,464	59%/41%

1 Reported 'Other' include items as health insurance premiums, business expense allowances, social security premiums, housing and schooling allowances, company car expenses. The category 'other' fully classifies as short-term employee benefits as defined in IAS 19 – Employee Benefits
2 The amounts presented in this table are included in Note 53 of the financial statements to the Integrated Report 2024.
3 The relative proportion of fixed / variable remuneration is calculated by dividing the sum of the fixed / variable components by the amount of total remuneration, multiplied by 100.
4 Valerie Diele-Braun joined the Management board as per October 2023. The remuneration included herein for 2023 is the pro rata remuneration for the last 3 months of the year.
5 In 2023, this amount included the contractually agreed compensation payment of EUR 1,000,000 to Valerie Diele-Braun for the loss on her personal investment in CABB upon leaving the company.
6 This ratio was impacted because of the compensation amount paid to Valerie Diele-Braun in 2023, which has since been fully invested in IMCD shares.
7 Piet van der Slikke retired from the Management Board as of January 2024. The early settlement of the share based payment entitlements of Piet van der Slikke resulted in a release of EUR 274 thousand in remuneration costs.

5-year comparison with company performance

The table below presents the annual change of Management Board remuneration, company performance and the average remuneration of IMCD's employees in a comparative manner. As the COO position was created only in May 2022, no comparative year-on-year data is available for a five year period.

The remuneration of a Management Board member used for this comparison includes the fixed remuneration elements paid in each of the years 2019 up to and including 2024, as reported on an IFRS basis in the Integrated report. The STI pay-out is included in the year that also comprises the performance period (year 1). The value of vested LTI shares is included in the year in which the performance period ended (year 3).

5 YEAR COMPARISON OF MB AND EMPLOYEE REMUNERATION AND COMPANY PERFORMANCE

	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	CAGR
MB remuneration[1]						
CEO	4%	(8%)	5%	6%	45%	9%
CFO	(3%)	(5%)	5%	7%	46%	9%
COO[2]	2%	(15%)	-	-	-	-
IMCD Performance indicators						
Gross profit	7%	(2%)	37%	29%	8%	15%
Cash EPS (weighted)	(1%)	(5%)	46%	44%	13%	17%
Net Result	(5%)	(7%)	51%	73%	11%	21%
Number of customers	8%	7%	7%	12%	2%	7%
Average number of employees	9%	13%	16%	13%	9%	12%
Employee remuneration[3]						
Average wages and salaries IMCD employees[4]	1%	(8%)	5%	4%	0.4%	0.3%

1 For Management Board members the remuneration includes the base salary, pension and other benefits paid in each of the years included in the comparison, as provided in Note 53 of the financial statements included in this Integrated report. The STI pay-out is included in the year that also comprises the performance period (year 1). The value of vested shared under the LTI is included in the year in which the performance period ended (year 3).
2 In 2022, the position of COO was newly added to the Management Board. Information is therefore included to the extend available.
3 The average total compensation for IMCD employees was calculated with the numbers as reported in Note 10 (Personnel expenses) of the financial statements included in this Integrated report (wages and salaries / total average number of employees, excluding the members of the Management Board).
4 Acquisitions and recruitment activities in different regions, including emerging markets, have a significant effect on the annual fluctuation of the average total compensation for IMCD employees.

Movements in share positions

The following table depicts the movements in the Management Board's share position due to the share-based remuneration awarded to the Management Board members in the past five years. Both Marcus Jordan and Valerie Diele-Braun participated in the Management Board's LTI Plan for the first time as of 2023, hence, no prior share positions are included in the overview.

2024 / 2025 long-term incentive award

Under the 2024 LTI Plan the members of the Management Board were granted 8,541 (CEO), 6,766 (CFO) and 5,782 (COO) conditional performance shares respectively. This number represents the maximum opportunity for each member. The outcome of performance for this LTI Plan will be reviewed at the beginning of 2027.

As the decision on the 2025 LTI Plan conditional grants had already been made ahead of the publication of this Integrated Report, the information on the grants can be included herein.

Under the 2025 LTI Plan the members of the Management Board are granted (as of today's date) 9,240 (CEO), 7,320(CFO) and 6,256 (COO) conditional performance shares respectively. This number represents the maximum opportunity for each member. The outcome of performance for this LTI Plan will be reviewed at the beginning of 2028.

Vesting of 2021 long-term incentive

Vesting of the 2021 long term-incentive package was already disclosed in the prior Annual Report. It is noted that only Piet van der Slikke (former CEO) and Hans Kooijmans participated in the 2021 LTI Plan for the Management Board.

With two very strong years of growth (2021 and 2022) still included in the three-year performance period for

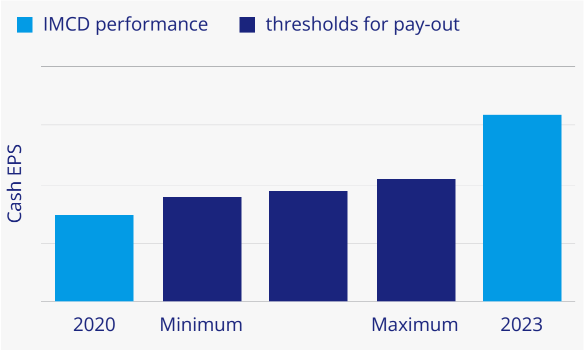
Movements in share positions (five year overview)

	MAIN CONDITIONS OF LTI PLANS					INFORMATION REGARDING THE REPORTED FINANCIAL YEAR		
	plan year	3 year performance period[1]	Date of conditional award	(scheduled) Vesting date[2]	End of holding period[3]	Gross # of conditional shares awarded[4]	Gross # of shares vested[5]	Shares subject to a holding period
Valerie Diele-Braun, CEO	**2024**	**2024-2026**	**29 Feb 2024**	**Q1 2027**	**29 Feb 2029**	**8,541**	**-**	**8,541**
	2023	2023-2025	5 Oct 2023	Q1 2026	5 Oct 2028	2,263	-	2,263
Total								**10,804**
Hans Kooijmans, CFO	**2024**	**2024-2026**	**29 Feb 2024**	**Q1 2027**	**29 Feb 2029**	**6,766**	**-**	**6,766**
	2023	2023-2025	24 Feb 2023	Q1 2026	24 Feb 2028	6,341	-	6,341
	2022	2022-2024	2 May 2022	5 March 2025	2 May 2027	4,242	2,121	1,127
	2021	2021-2023	25 Feb 2021	29 Feb 2024	25 Feb 2026	7,554	7,554	4,013
	2020	2020-2022	26 Feb 2020	24 Feb 2023	26 Feb 2025	9,889	9,889	-
Total							**19,564**	**18,247**
Marcus Jordan, COO	**2024**	**2024-2026**	**29 Feb 2024**	**Q1 2027**	**29 Feb 2029**	**5,782**	**-**	**5,782**
	2023	2023-2025	24 Feb 2023	Q1 2026	24 Feb 2028	5,418	-	5,418
Total							-	**11,200**

1 The LTI performance period spans the period from 1 January in the first performance year up to and including 31 December of the third year thereafter.
2 The vesting date under any LTI plan is equal to the date of the Supervisory Board's decision that establishes the number of performance shares that make up the unconditional award. This decision is usually taken during the first or second Supervisory Board meeting in the year that follows the expiration of the performance period.
3 Management Board members are allowed to sell shares that vested after such shares have been retained for a five-year period from the date of the conditional award.
4 The number of shares provided in this column represents the maximum opportunity.
5 The number of shares provided in this column represents the gross number of shares vested under the respective LTI plan for the listed year, before deduction of personal income taxes.

this LTI Plan, both performance targets were met above maximum level. Cash EPS increased with 111% over the performance period 2021-2023. In respect of TSR performance, IMCD ranked third in the overall TSR group, leading to maximum vesting for this component as well. Hence 9,698 shares vested for Piet van der Slikke (former CEO) and 7,554 shares vested for the CFO, at a corresponding value of 150% of their applicable annual base salary at the time of granting in 2021.

Below visual provides more insight in the relative performance compared to the applicable thresholds applied in the 2021 LTI Plan.



Vesting of 2022 / 2023 long-term incentive

For Piet van der Slikke, who retired as IMCD's CEO as of January 2024, two LTIP packages remained outstanding at his retirement date. Both packages (for the years 2022 and 2023) were settled, in accordance with the LTI plan rules, in the second quarter of 2024, on pro rata basis, by payment of a gross amount in cash in Euros. In both packages, the 'at-target' opportunity under the LTI Plan equalled 100% of the Management Board members' annual base salary. The maximum opportunity was capped at 150%.

2022 pro rata performance review

Performance was assessed on a pro rata basis, taking into account the results up to and including March 2024, hence covering 27 months. For the 2022 LTIP package, this resulted in a negative TSR, whereby the applicable policy determined that no vesting takes place. Cash EPS at the end of the pro rata performance period fell within 5% of the pro rata target, resulting in vesting at 'at-target' level for this component.

2023 pro rata performance review

Performance was assessed on a pro rata basis, taking into account the results up to and including March 2024, hence covering 15 months. Over this period, IMCD ranked fifth in TSR performance compared to the TSR peer group, resulting in vesting at 'at-target' level for this component. Cash EPS development was below the minimum threshold for vesting, hence no vesting took place.

In total, for both packages, the Supervisory Board determined vesting of 2,491 shared to be appropriate. Using the closing price of the last trading day in March 2024, this resulted in a gross cash payment to Piet van der Slikke of EUR 406,905.

2022 full performance period and vesting

For Hans Kooijmans, the outcomes of the 2022 long-term incentive were assessed in the first quarter of 2025, taking the full performance period into account. Cash EPS increased with over 32% over the performance period 2022-2024, leading to vesting at maximum level. In respect of TSR performance , IMCD ranked 6th in the TSR group, with a negative TSR, leading to no vesting for this component. Hence 2,121 shares vested (as of today's date) for Hans Kooijmans.

12.6 Other remuneration information

Compliance with the remuneration policy

In 2024, the application of the remuneration policy for the Management Board was consistent with the policies included therein at the start of the year. No deviation or derogation took place, other than that the adjustment of pension arrangements as approved by the 2024 AGM were already in place as of January 2024 (as was further disclosed and explained in the 2023 remuneration report).

The Supervisory Board did not use its discretionary power to deviate from the mathematical outcomes based on the pre-set metrics and targets for the 2024 compensation.

Long-term value creation

Both the structure for the Management Board's remuneration as well as the targets set by the Supervisory Board for the 2024 remuneration contributed to a focus on long-term value creation. The packages for the CEO, CFO and COO ensure competitive compensation. A substantial part of the remuneration opportunity is made up of variable components, based on performance. In 2024, the percentage of variable remuneration amounted to 44% on average for the full Management Board, as shown in the table "Remuneration costs of MB members"' in section 12.5 Costs of remuneration in 2024).

60% of the 2024 STI bonus was made dependent on organic growth, ensuring a long-term mindset focused on sustainable growth. The non-financial KPIs set for the 2024 STI bonus were also geared to ensure progress on topics that benefit the Company's organisation in the long-term with, in 2024, a focus on strategy development, sustainability, senior management retention and diversity.

Finally, the LTI plan uses a three-year period and financial targets that contribute to a focus on long-term value growth for IMCD's shareholders. As of 2025, this plan also includes an ESG focussed performance criteria.

Internal pay ratio

As per the guidance issued by the monitoring committee for the Dutch Corporate Governance Code, the pay-ratio used by IMCD reflects the annual remuneration of all IMCD employees worldwide relative to the total remuneration for the CEO, including all elements (fixed and variable) as included in the financial statements on an IFRS basis. The calculation of the pay-ratio provided below follows the guidance provided by the Monitoring Committee for the Dutch Corporate Governance Code.

	YEAR	TOTAL CEO REMUNERATION (X EUR 1,000)[1]	AVERAGE TOTAL COMPENSATION (EUR, ALL EMPLOYEES)[2]	PAY RATIO[3]
CEO	**2024**	**2,203**	**80,504**	**27.4**
	2023	1,924	79,456	24.2
	2022	2,068	86,225	24.0
	2021	2,056	81,698	25.2
	2020	2,186	79,039	27.7

1 The total compensation for the CEO includes all fixed and variable elements as reported in Note 53 of the financial statements to the Integrated report 2024
2 The average employee remuneration is calculated with the numbers as reported in Note 10 (Personnel Expenses), as follows: total employee expenses minus the CEO expenses / total average FTE minus one (the CEO position).
3 In 2024, the calculation mechanism for the pay-ratio was slightly amended, taking out the CEO remuneration only, in stead of - in prior years - the full MB. To provide comparable data, the average total compensation for employees and the pay ratio for the years up to and including 2023 provided in this table have been restated.

IMCD monitors the development of the internal pay ratio over multiple years and, to the extent possible, compares the outcome with the published pay ratios of industry peers, as well as other companies included in the AEX and AMX indices. Compared to these companies, IMCD's internal pay ratio is at the lower end of the spectrum.

A long-term five overview above also indicated that the pay ratio remains relatively stable within a broad range of 20 to 30. The 5 year overview above shows as well that the pay ratio is quickly impacted by a variety of factors in a given year; not only the pay-out of bonuses - for both management and employees -, but also acquisition-effects in case of significant growth in regions that have an impact on the total employee remuneration mix.

Due to aforementioned reasons, the Supervisory Board does not deem it valuable to set a specific range for the pay ratio. The current pay ratio is assessed to be reasonable and the Supervisory Board will continue to review the ratio annually as one of the relevant factors for the assessment of the Management Board remuneration.

Information on shareholder advisory vote

At the 2024 AGM, the 2023 Remuneration Report was subject to an advisory vote. The report received 77.65% of votes cast in favour (2023: 89.3%). This is lower than the support in recent years (which hovered around 90%), which the Company believes may be due to a negative voting advise from ISS who deemed explanation supporting the compensation and pro rata bonus paid to Valerie Diele-Braun in 2023 insufficient. In the course of the year, engagement took place with shareholders, as well as stakeholder representatives such as Eumedion and ISS, to discuss the reasons for a negative vote.

Feedback received included support for the increased transparency, for example through the new visuals showing the relative performance compared against the set targets, allowing stakeholders to have a better understanding that targets were set to be sufficiently challenging and ambitious. In addition, shareholders supported the changes adopted in the remuneration policies, including the additional clarity on disclosures to be included in the remuneration report.

More transparency is again provided in this report. With no use of discretionary power or deviations in the 2024 remuneration, IMCD expects support for the report to return to the level of past years.

12.7 Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board is determined by the Annual General Meeting. It is not dependent on the Company's results and none of the members of the Supervisory Board receive shares, options for shares or similar rights to acquire shares as part of their remuneration.

Compliance with the policy

In 2024, the application of the remuneration policy for the Supervisory Board was consistent with the policies included therein. No deviation or derogation took place.

The revised remuneration policy for the Supervisory Board as adopted by the 2024 AGM included updated fees which applied for the full year 2024 (with approval of the AGM). Such fees are listed in the following table.

Supervisory Board fees

FUNCTION	ANNUAL FEE (EUR)
Supervisory Board - chair	95,000
Supervisory Board - member	62,500
Audit Committee - chair	17,000
Audit Committee - member	11,500
Remuneration Committee - chair	14,000
Remuneration Committee - member	8,500
App. and Nom. Committee - chair	14,000
App. and Nom. Committee - member	8,500

In line with the adopted policy, the fee rates will be adjusted for inflation on the basis of the Dutch Consumer Price Index (CPI) determined by Statistics Netherlands (*Centraal Bureau voor de Statistiek*) as of January 2025.

The costs for the remuneration of the Supervisory Board members charged to IMCD in the financial years 2020-2024 are set out in the table below.

Remuneration costs for SB members[1]

EUR 1,000	2024	2023	2022	2021	2020
Janus Smalbraak	109	105	105	75	54
Stephan Nanninga	85	75	75	68	58
Amy Hebert	83	72	65	65	31
Willem Eelman	80	70	47	-	-
Dorthe Mikkelsen	71	5	-	-	-
Valerie Diele-Braun[2]	-	14	70	63	30
Arjan Kaaks	-	-	23	70	60
Michel Plantevin	-	-	-	28	68
Julia van Nauta Lemke	-	-	-	-	24
Total SB remuneration	**428**	**341**	**385**	**369**	**325**

1 Fees included in this table for membership of the Supervisory Board and/or its committees in any year are calculated based on the date of appointment to and departure from the Supervsiory Board. This is applied as well for any changes in the composition of the Supervisory Board's committees.
2 With a view to her appointment to the Management Board, Valerie Diele-Braun did not invoice any Supervisory Board fees after the first quarter of 2023.

12.8 Other policy information

Scenario analysis

Scenarios concerning the possible outcomes of the variable components and their impact on the remuneration of the Management Board members are analysed annually and taken into consideration by the Remuneration Committee and the Supervisory Board. The scenarios reviewed include minimum (0%), at target (100%) and maximum (150%) variable pay-out achievement.

Views of Management Board members

The chair of the Remuneration Committee discusses the Management Board members' own views on their remuneration package annually and/or in case of any proposed changes to the remuneration packages. In 2024 this took place on multiple occasions during the year. The CEO joined part of the Remuneration Committee's meeting in December, to provide the Management Board's input on bonus targets for the 2025 STI and LTI plans.

Term of appointment

Management Board members are, in principle, appointed for a term of four years. The (total) term of employment of Management Board members is not limited in any way.

Valerie Diele-Braun is appointed for a first term as of her start as CEO in 2024, hence, expiring in 2028 (at the date of the AGM). Hans Kooijmans was re-appointed for another four-year term in 2022, expiring at the date of the 2026 AGM. At the same time, Marcus Jordan was appointed as new member to the Management Board in the role of COO, also for a (first) term of four years, expiring at the date of the 2026 AGM.

Revision and claw back of variable pay

The Supervisory Board may adjust the amount or value of an STI or LTI awarded to a Management Board member to a suitable level if payment or fulfilment of that award would be unacceptable under the standards of reasonableness and fairness.

There is also a claw-back provision in place which may be applied to payments made to members of the Management Board (in cash, in kind or in the form of securities) under an STI or LTI award. In 2024, no adjustment or claw-back occurred.

Severance compensation

In accordance with Dutch law and the Code, the service agreements with the Management Board members contain provisions related to severance arrangements with a maximum payment of the gross fixed annual salary, subject to a fairness review.

In case of retirement, any outstanding LTI plan for the respective Management Board member shall be settled within two months after termination of the management agreement, on a pro rata basis. The Supervisory Board will assess the pro rata fulfilment of the performance conditions for the performance period up to the date of termination, to determine the number of shares that vest.

Supervisory Board members are appointed or reappointed in accordance with applicable legal and regulatory requirements. Their engagement does not include any severance payment, claw-back or change in control provisions.

Notice period

The service agreements with the members of the Management Board can be terminated by both parties, subject to a six-month notice period.

No loans

IMCD nor any of its group companies has provided any loans, advances or guarantees for the benefit of the members of the Management Board or the members of the Supervisory Board.

12.9 Looking ahead 2025

In January 2025, the base salaries of the members of both the Management Board and the Supervisory Board were corrected for inflation. Based on the provisions of the management contracts, this correction is equal to the inflation rate in the Dutch Consumer Price Index (CPI) set by Statistics Netherlands (*Centraal Bureau voor de Statistiek*).

Following the newly adopted Remuneration Policies, some changes were incorporated in the 2025 variable pay packages for the Management Board. As of 2024, the STI maximum opportunity increased to 100% of base salary. In the 2025 LTI plan an ESG performance criteria with weight of 5% is included for the first time.

Other than these foreseen and approved changes, IMCD's management pay practices remain consistent. No other changes or amendments are now expected to take place in 2025. The Remuneration Committee however will consider again in 2025 the need for a new benchmark study on board remuneration, which may lead to changes or amendments which will than be reported on in 2026.

13 Corporate governance

IMCD N.V., a public company with limited liability (naamloze vennootschap) organised under Dutch law, is the parent company of the IMCD Group. IMCD N.V. has a two-tier board structure, consisting of a Management Board under the supervision of a Supervisory Board.

The two boards are independent of each other and are accountable to the Annual General Meeting of Shareholders (General Meeting) for the performance of their duties. The Management Board has chosen to work with an Executive Committee.

13.1 Governance structure

IMCD N.V.'s corporate governance framework is regulated by the Company's Articles of Association (available on the Company's website), the requirements of the Dutch Civil Code, the Dutch Corporate Governance Code (the 'Code'), the Dutch Financial Markets Supervision Act and any other applicable laws and regulations. The Dutch 'large company regime' (*structuurregime*) does not apply to IMCD.

IMCD is committed to a governance structure that best and most effectively supports its business, meets the needs of its stakeholders and complies with relevant rules and regulations.

IMCD's corporate governance structure was formalised and approved by the General Meeting at the time of IMCD's listing, on 26 June 2014. The key aspects of IMCD's corporate governance structure and compliance with the Code were presented and discussed with shareholders during the AGM in 2018, 2022 and in 2024.

In this section, the Company addresses the main elements of its corporate governance structure, reports on how it applies the principles and best practices of the Code and provides the information required by the Dutch government's decrees on Corporate Governance and Article 10 Takeover Directive. Deviations from aspects of the corporate governance structure of the Company, when deemed necessary in the interest of the Company, will be disclosed in this section as well.

13.2 Management Board

The Management Board manages the day-to-day operations of IMCD and is responsible for designing and achieving the Company's objectives and strategy. Whilst doing so, it focuses on long-term sustainable value creation for the Company and its business, and takes the relevant stakeholders' interests into account.

The Management Board represents the Company and acts in accordance with the Articles of Association and the Management Board Rules (available on the Company's website), which provide a detailed description of the Management Board's responsibilities and functioning. Certain important resolutions of the Management Board identified in the Articles of Association require the approval of the Supervisory Board and/or the General Meeting.

Appointment

Management Board members are appointed (and may be reappointed) for a term of up to four years by the General Meeting in accordance with a binding nomination by the Supervisory Board. The General Meeting can overrule the binding character of the nomination by an absolute majority of votes cast that represent at least one-third of the issued share capital.

The Management Board has been designated, most recently by the AGM in 2024, as the corporate body authorised to issue shares and/or grant rights to acquire shares up to 10% of the total number of issued shares, and to restrict or exclude pre-emptive rights pertaining to such issue of shares, subject to the prior approval of the Supervisory Board. The AGM also authorised the Management Board to purchase shares in the Company up to a maximum of 10% of the issued shares, subject to the prior approval of the Supervisory Board.

Both authorisations are given for a period of 18 months. No authorisation from the General Meeting is required for the acquisition of fully paid-up shares for the purpose of transferring these shares to employees of the Company or of an IMCD Group company under any employee share plan.

Composition

The Supervisory Board determines the number of members in the Management Board. In 2024, the Management Board consisted of three members holding joint responsibility.

Diversity

The Company's diversity objectives described in the section Diversity Supervisory Board, Management Board, Executive Committee apply to the Management Board. In 2024, the set gender diversity objective of at least 1/3rd men and at least 1/3rd women was met throughout the full year.

Remuneration

The remuneration of the individual members of the Management Board is determined by the Supervisory Board based on the remuneration policy adopted by the General Meeting. A revision of the Remuneration policy for the Management Board was adopted by the General Meeting in 2024, with 98.47% of votes cast in favour (prior version in 2020: 94.85%). It is available for download on the Company's website.

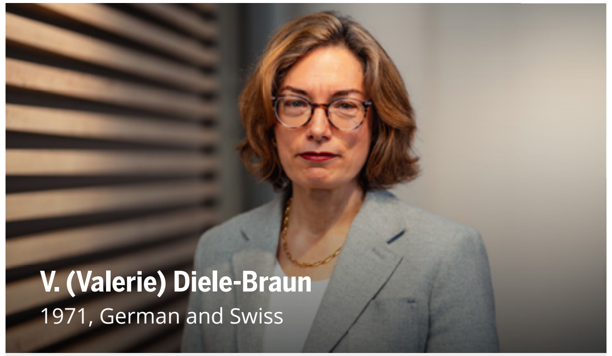
More information on the policy and Management Board remuneration in 2024, is available in the Remuneration report.

In compliance with the Code, the service agreements with Management Board members contain provisions on severance arrangements, a non-compete clause, claw-back and public offering consequences. An overview of the key terms of each Management Board member's contract was shared with the General Meeting prior to their appointment. These overviews are available on the Company's website.

Outside positions

Members of the Management Board must inform the Supervisory Board before accepting positions outside of the Company. Acceptance by a member of the Management Board of a position as supervisory director of a listed company requires the approval of the Supervisory Board.

Management Board members



Chief Executive Officer

- 2018 - 2023 Chief Executive Officer of Cabb Group GmbH.
- 2020 - 2023 Member of IMCD's Supervisory Board
- Joined IMCD's Management Board in October 2023
- As of 2024 - Chief Executive Officer IMCD.

Mrs. Diele-Braun has over 20 years of leadership experience in the speciality chemicals and ingredients industry.

Prior to joining IMCD, she was the CEO of CABB Group and held international management positions at Archroma, DSM and Givaudan/Quest. She studied in Italy and the US, and holds a science degree from the State University of New York.

Chief Financial Officer

- 1991 – 1996 Several positions at financial management of the Technical Division of Internatio-Müller.
- As of 1996 - Chief Financial Officer IMCD.

Mr. Kooijmans has had an extensive career at KPMG in the Netherlands before joining Internatio-Müller.

He holds a CPA degree from NIVRA Nijenrode, the Netherlands, with registration until June 2016.

Chief Operating Officer

- 2016 - 2022 President Americas IMCD.
- 2014 - 2022 Executive Committee IMCD.
- As of 2022 - Chief Operating Officer IMCD.

Mr. Jordan started his career as a formulation and application chemist in 1995 at Carrington Performance Fabrics and joined IMCD in 1998.

He holds a Chemistry degree from the University of East Anglia, UK.

13.3 Executive Committee

The Management Board is supported by an Executive Committee, which is responsible for, among other things, regional and/or Business Group operations and certain general group-level management activities.

The structure in which the Management Board is supported by an Executive Committee was formalised in 2011. At the time, this structure was chosen as a means of ensuring an efficient flow of - commercial and strategic - business information to the Management Board, while allowing the Management Board to remain small. In addition, the Executive Committee serves as a sounding board to the Management Board, making recommendations and providing guidance and support on strategy implementation.

Responsibilities

The responsibilities of the Executive Committee include group performance, realisation of operational and financial objectives, people strategy and identification and management of risks connected to the business activities. The non-Management Board members of the Executive Committee may take on certain management activities at group level in addition to their specific own roles in the Company. They support the Management Board in the implementation of the Company's group policies throughout the organisation, and take on an active role in shaping and maintaining the IMCD culture, and communicating and promoting the Company's culture and values across the organisation.

The Management Board remains accountable for the actions and decisions of the Executive Committee and has ultimate responsibility for the Company's external reporting and reporting to the Company's shareholders.

Appointment

The non-Management Board members of the Executive Committee are appointed by the Management Board.

Composition

After retirement of Piet van der Slikke, and appointment of two new members to the Executive Committee in January 2024, the Executive Committee consisted of five members next to the members of the Management Board, hence, consisted of eight members throughout the year 2024.

Diversity

The Company's diversity objectives also apply to the Executive Committee. By 2030, the Company aims for a composition including at least 1/3rd men and at least 1/3rd women. At the end of 2024, the Executive Committee held two female and six male members, increasing gender diversity to 25%. See below table for more information on the size and composition throughout the years.

Executive committee diversity

(END OF) YEAR	FEMALE MEMBERS	MALE MEMBERS	TOTAL MEMBERS OF WHICH (MB MEMBERS)	GENDER DIVERSITY RATIO (F/M)
2021	0	5	5 (2)	0% / 100%
2022	0	6	6 (3)	0% / 100%
2023	1	6	7 (4)	14% / 86%
2024	2	6	8 (3)	25% / 75%

The Executive Committee members are included in the IMCD sub-top as discussed in the chapter 10 People & culture value, which at the end of 2024, consisted of 460 positions (2023: 412), for which IMCD has defined a separate (gender) diversity target in line with applicable Dutch legislation. By end of year, the Sub-top included 205 women (2023: 182), i.e. 45% (2023: 44%).

Interaction

The Supervisory Board engages with the members of the Executive Committee during its Supervisory Board meetings and/or work visits, as well as in informal contact outside of such meetings. In April 2024, all members of the Executive Committee joined the Supervisory Board work visit in Miami. In addition, all participated in the Supervisory Board meeting in December, where, amongst other things, budget, strategy and risk management were discussed. Fenna van Zanten joined meetings from time to time to discuss the regular returning topic of M&A. Olivier Champault, leading IMCD's sustainability agenda in 2024, joined the Supervisory Board during a deep dive session on sustainability in May and reported to the Supervisory Board on the outcomes for the year and sustainability target setting in December.

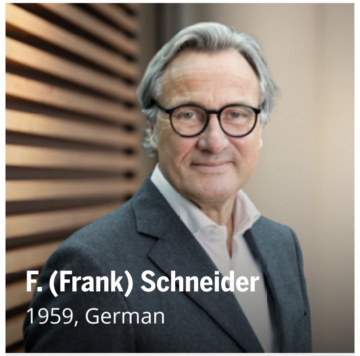
Executive Committee members (excluding MB)

J. (John) Robinson
1966, British

- **Business Group Director Pharmaceutical** since 2000
- **Executive Committee member** since 2011

Before joining IMCD, Mr. Robinson started his career with GSK, where he held a postdoctoral research position.

Mr. Robinson holds a PhD in Biochemistry.



F. (Frank) Schneider
1959, German

- **Business Group Director Coatings and Construction** since 2006
- **Executive Committee member** since 2011

Before joining IMCD, Mr. Schneider held senior positions in leading global industrial adhesives providers.

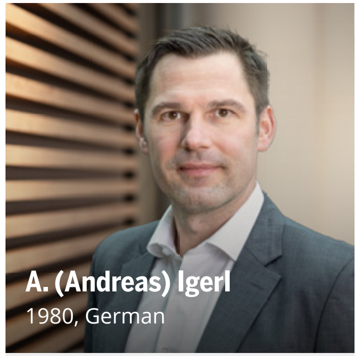
Mr. Schneider studied law at the University of Freiburg, Germany and Business Administration at the University of Ludwigshafen.

O. (Olivier) Champault
1967, French

- **Business Group Director Advanced Materials** since 2018
- **President IMCD France** 2018 - 2024
- **Executive Committee member** since 2018

Mr. Champault joined IMCD in 2018. Before joining IMCD, Mr. Champault held senior positions in several large speciality chemicals companies.

Mr. Champault graduated from EDHEC and holds an MBA from INSEAD.



A. (Andreas) Igerl
1980, German

- **President IMCD APAC** since 2022
- **Executive Committee member** since 2024

Mr. Igerl joined IMCD in 2019, and held positions as Business Unit Manager of Advanced Materials in Germany, and Managing Director of IMCD China.

Mr. Igerl holds a Master's Degree in business administration from the University of Applied Science for Economy and Management in Munich.

F. (Fenna) van Zanten
1990, Dutch

- **Group Director M&A** since 2023
- **Executive Committee member** since 2024

Ms. Van Zanten joined IMCD in 2020, after a career in law in NautaDutilh, focusing on M&A.

Ms. van Zanten holds a Master's Degree in law from Erasmus University in Rotterdam.

13.4 Supervisory Board

The Management Board is supported by an Executive Committee, which is responsible for, among other things, regional and/or Business Group operations and certain general group-level management activities. In performing their duties, the Supervisory Board members are guided by the interests of the Company and the business of the Group, taking into consideration the relevant interests of stakeholders.

The Supervisory Board, in the two-tier corporate structure under Dutch law, is a separate body that is independent of the Management Board. The members of the Supervisory Board are jointly responsible for the functioning of the Supervisory Board and assess its performance internally on a regular basis.

The Supervisory Board Rules are available on the Company's website. For details on the activities of the Supervisory Board in 2024 see the Supervisory Board report and the Remuneration report as included herein.

Appointment

The members of the Supervisory Board are appointed by the General Meeting in accordance with a binding nomination by the Supervisory Board. The General Meeting may overrule the binding character of the nomination by an absolute majority of the votes cast, representing at least one-third of the issued share capital.

Members of the Supervisory Board are appointed for a term of four years and may be reappointed for a second term of four years. Thereafter, two additional extensions are possible of two years each, bringing the total term of office to a maximum of 12 years.

Composition

The composition of the Supervisory Board is such that the combined experience, expertise and independence of its members enables the Supervisory Board to best carry out the full scope of the Supervisory Board's responsibilities. The profile for Supervisory Board members is available on the Company's website. The composition of the Supervisory Board shall also be in accordance with the best practice provisions on independence of the Code as well as Dutch statutory restrictions on the overall number of other positions that Supervisory Board members may hold.

During 2024, the Supervisory Board consisted of five members.

Supervisory Board committees

In 2024, the Supervisory Board was supported by three committees: the Audit Committee, the Remuneration Committee and the Nomination and Appointment Committee. Each of the committees has a preparatory and/or advisory role for the Supervisory Board. They report their findings to the full Supervisory Board, which is ultimately responsible for all decision-making. Information on the work and composition of the committees during 2024 is set out in the relevant section Supervisory Board committees of the Supervisory Board report of this Integrated Report. Each committee has established rules describing its role, responsibilities and functioning. These committee rules are published on the Company's website (as annex to the Supervisory Board Rules). Each committee is composed of at least two Supervisory Board members.

Diversity

The Company's diversity objectives described in this report also apply to the Supervisory Board. In line with the Company's gender diversity objectives, the Supervisory Board is currently comprised of two women and three men. With this composition, IMCD's Supervisory Board meets the binding quota for gender diversity in supervisory boards (at least 1/3 women and 1/3 men) imposed by Dutch legislation on gender diversity in boardrooms that entered into force on 1 January 2022.

Remuneration of the Supervisory Board

The General Meeting determines the remuneration of the members of the Supervisory Board. A written Remuneration Policy for the Supervisory Board was first adopted by the Annual General Meeting in 30 June 2020, with 99.94% of votes cast in favour, and a revision was adopted in 2024, with 99.44 % of votes cast in favour. The policy is available on the Company's website.

The guiding principle is that remuneration of the Supervisory Board may not be made dependent on the Company's results. No member of the Supervisory Board shall receive shares, share options or similar rights to acquire shares as part of their remuneration.

With the remuneration policy for the Supervisory Board, the Company aims to attract, motivate and retain highly skilled individuals with the right balance of qualities, capabilities, profile and experience, as may be needed from time to time to oversee the Company's strategy, strategy implementation and performance, as well as to act as advisors to the members of the Management Board in support of their focus on long-term growth and sustainable success of the Company and its business.

Supervisory Board members

A.B. (Janus) Smalbraak
1967, Dutch

- Chair of the Supervisory Board
- Chair of the Nomination and Appointment Committee

First appointed on 2 May 2016, current term expires in 2026.

Most important positions

- CEO of Pon Holdings B.V.
- Member of the board of RAI vereniging.
- Member of the advisory board of Gilde Buy Out Fund and CVC Capital.

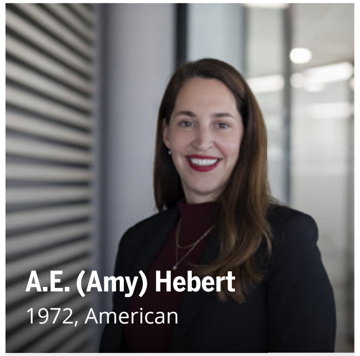
S.R. (Stephan) Nanninga
1957, Dutch

- Vice-chair of the Supervisory Board
- Chair of the Remuneration Committee
- Member of the Nomination and Appointment Committee

First appointed on 9 May 2018, current term expires in 2026.

Most important positions

- Member of the supervisory board of Cabka N.V. and CM.com N.V.
- Non-executive director of Bunzl Plc.
- Former CEO of SHV Holdings N.V. and director of Dutch Star Companies One N.V. and Dutch Star Companies Two N.V.



A.E. (Amy) Hebert
1972, American

- Supervisory Board member
- Member of the Audit Committee
- Member of the Nomination and Appointment Committee

First appointed on 30 June 2020, current term expires in 2028.

Most important positions

- CEO of Arcadia eFuels
- Former CCO of Haldor Topsoe A.S.
- Former board member of CEFIC (the European Chemical Industry Council).
- Held management positions at Celanese Corporation and Albemarle Corporation.

W. (Willem) Eelman
1964, Dutch

- Supervisory Board member
- Chair of the Audit Committee

First appointed on 2 May 2022, current term expires in 2026.

Most important positions

- Member of the supervisory board of Metro AG and chair of the AC.
- Non-executive director of Hunkemöller B.V.
- Held management positions at Grand Vision N.V., C&A Europe and Unilever N.V.

D. (Dorthe) Mikkelsen
1967, Danish

- Supervisory Board member
- Member of the Remuneration Committee

First appointed on 27 November 2023, current term expires in 2028.

Most important positions

- Non- executive director of Elsass Foundation.
- Non-executive director of Falck, member of the AC and RC.
- Non-executive director Theramex, chair of the RC.
- Held management positions at MSD (Merck, Sharp & Dohme).

13.5 Diversity Supervisory Board, Management Board, Executive Committee

IMCD recognises the importance of diversity throughout its organisation and believes that the Company's business activities benefit from a wide range of skills and a variety of backgrounds and nationalities. This principle also applies to the senior management of the Company. A diverse composition contributes to a well-balanced decision-making process and the proper functioning of the respective board or committee.

In respect of the Supervisory Board, Management Board and Executive Committee, IMCD aims for a diverse composition that ensures complementarity of knowledge, skills and experience, enabling each of the members to make a valuable contribution to achieving the Company's strategic and business objectives. When considering candidates for positions in these bodies, IMCD will take into account gender, age and geographic background or nationality, as well as complementary expertise and experience, and the (expected) team dynamics. These principles are included in IMCD's D&I Policy that is available on the Company's website.

In line with Dutch legislation on gender diversity in boards, IMCD has set appropriate and ambitious targets for gender diversity on its Management Board and among its senior management. For the Supervisory Board, Management Board and Executive Committee, IMCD aims for a composition including at least 1/3rd men and at least 1/3rd women.

For both the Management Board and Supervisory Board, the composition was in line with the set target for the full year 2024. In the Executive Committee, with two additional new members as of January 2024, gender diversity has increased to 25% female and 75% male. The aim is to further increase gender diversity, as well as representation of members with a non-European background, by 2030.

Of the senior management positions identified below the Management Board, consisting of a group of 460 employees at year-end 2024 (2023: 412), 45% were held by women (2023: 44%). Of the senior management roles with P&L responsibility, 32% were held by women (2023: 31%). The target is to improve this ratio to at least 40% by end of 2025.

13.6 Shareholders and their rights

Rights on shares

The authorised capital of the Company comprises a single class of registered shares. All shares are traded via the giro-based securities transfer system and are registered under the name and address of Euroclear. All issued shares are fully paid up and each share holds the right to cast a single vote in the General Meeting.

Shares held by IMCD are non-voting shares and do not count when calculating the amount to be distributed on shares or the attendance at a General Meeting. IMCD purchases shares to hedge its obligations arising from conditionally awarded performance shares under IMCD's long-term incentive plan.

General Meeting

IMCD shareholders may exercise their rights through annual and extraordinary general meetings of shareholders (the General Meeting). The AGM is held each year before July. In 2024, it took place on 14 May 2024.

Extraordinary General Meetings (EGM) are held as often as the Management Board and/or the Supervisory Board deem desirable. In addition, one or more shareholders, who solely or jointly represent at least one-tenth of the issued capital, may request that a General Meeting be convened. Notice of General Meetings is given no later than 42 days before the day of the meeting through the publication of a convocation notice on the IMCD website. In 2024, no EGM took place.

Shareholders representing, either solely or jointly with other shareholders, at least 3% of the issued share capital may request the Company to put an item on the agenda, provided that the Company has received the request no later than on the 60th day prior to the date of the General Meeting.

Each shareholder may attend General Meetings, address the General Meeting and exercise voting rights pro rata to their shareholding, either in person or by proxy. Shareholders may exercise these rights if they are the holders of shares on the record date, which is the 28th day before the date of the General Meeting, and provided they or their proxy have notified the Company of their intention to attend the General Meeting.

Subject to certain exceptions set forth by law or in the Articles of Association, resolutions of the General Meeting are passed by an absolute majority of votes cast.

The powers of the General Meeting are specified in the Articles of Association and include adoption of IMCD's financial statements, appointment and dismissal of Supervisory Board and Management Board members and the allocation of profit, insofar as it is at the disposal of the General Meeting. Resolutions to amend the Articles of Association or to dissolve the Company may only be taken by the General Meeting upon a proposal of the Management Board with the approval of the Supervisory Board.

Authorisations relating to share issuance and purchase

The Management Board has been designated, most recently by the 2024 AGM, as the corporate body authorised to issue shares and/or grant rights to acquire shares up to 10% of the total number of issued shares, and to restrict or exclude pre-emptive rights pertaining to such issue of shares, subject to the prior approval of the Supervisory Board.

The AGM also authorised the Management Board to purchase shares in the Company, up to a maximum of 10% of the issued shares, subject to the prior approval of the Supervisory Board. Both authorisations are given for a period of 18 months.

No authorisation from the General Meeting is required for the acquisition of fully paid up shares for the purpose of transferring these shares to employees of the Company or of an IMCD Group company under any employee share plan.

Anti-takeover mechanisms

IMCD respects the one-share/one-vote principle and did not have any anti-takeover or control mechanisms in place in 2024.

Shareholder dialogue

IMCD recognises and acknowledges the importance of having a meaningful dialogue with its stakeholders on their interests, concerns, and expectations for IMCD. In 2023, a stakeholder dialogue policy was formulated, which is available on IMCD's website. Shareholders and potential shareholders are identified as stakeholder in the category Investors & Financial Markets. More information on the main topics and fora for engagement is included in the IMCD Stakeholder Dialogue Policy.

In addition, in accordance with best practice provision 4.2.2 of the Code, IMCD also has a Policy on bilateral contacts with shareholders, which is also available on IMCD's website. The purpose of bilateral contacts with shareholders and potential shareholders is to explain the strategy and performance of IMCD, in support of correct and adequate information being disseminated about the Company.

13.7 Conflicts of interest

All legal transactions where a conflict of interest exists or could arise with regards to members of the Management Board must be handled on arm's-length terms and must be approved by the Supervisory Board. Each Management Board member or Supervisory Board member is required to immediately disclose any potential direct or indirect personal conflict of interest to the Chair of the Supervisory Board, providing all relevant information.

If the Chair of the Supervisory Board determines that there is a conflict of interest, the member of the Management Board or the Supervisory Board with the conflict of interest may not take part in any discussion or decision-making that involves a subject or transaction relating to the conflict of interest.

In 2024, no transactions with third parties were reported or identified involving actual or potential conflicts of interest involving a member of the Management Board or Supervisory Board, nor were there any transactions with shareholders owning more than 10% of the shares.

13.8 Insider trading - Share ownership

IMCD has implemented measures to comply with the provisions of the Financial Markets Supervision Act and the EU Market Abuse Regulation intended to prevent market abuse, such as insider trading, tipping and market manipulation. In addition, the Company maintains rules regarding the reporting and regulation of transactions in IMCD shares or other IMCD financial instruments. The IMCD insider trading rules are kept up to date to reflect legislative developments and apply to members of the Management Board, the Executive Committee, the Supervisory Board and other designated persons within IMCD. The IMCD insider trading rules are available on the Company's website.

IMCD has established a Disclosure Committee to manage the disclosure of inside information and to ensure compliance with regulatory requirements regarding all disclosures and filings to be made to the Dutch Authority for the Financial Markets, Euronext Amsterdam N.V. and any other relevant stock exchange or supervisory authority. The Disclosure Committee meets periodically, throughout the year.

More information on the share ownership by members of the Management Board is provided in the Remuneration report. Information on share-ownership by members of the Supervisory Board is disclosed in the Supervisory Board report.

13.9 External auditor

Under Dutch law, the external auditor of the Company is appointed by the General Meeting. In accordance with the Dutch Corporate Governance Code and Regulation (EU) 537/2014, the Supervisory Board selects and nominates an external auditor for appointment, upon advice from the Audit Committee. The Supervisory Board and the Audit Committee assess the functioning of the external auditor, taking the observations of the Management Board into account.

In 2023, the General Meeting reappointed Deloitte Accountants B.V. as the external auditor of the Company for the financial year 2024. After this year, an audit firm rotation takes place. Ernst & Young Accountants LLP was appointed as external auditor for a period of three years, covering the financial years 2025, 2026 and 2027.

In principle, the external auditor attends all meetings of the Audit Committee. The findings of the external auditor, the audit approach and the risk analysis are also discussed at these meetings. The external auditor attends the meeting of the Supervisory Board in which the report of the external auditor on the audit of the financial accounts is discussed, and in which the annual accounts are approved.

Auditor independence

The Audit Committee evaluates the external auditor's independence at least annually . The lead auditor of the IMCD account is changed at least every five years. Such a change took place with effect from the financial year 2021.

Furthermore, Dutch law requires a mandatory rotation of the external audit firm after it has performed the statutory audits of the Company for a period of 10 consecutive years. Such change was approved by the AGM in 2023 and will take place in 2025.

Prohibition on non-audit services

The Audit Committee reviews the proposed audit scope, approach and fees as well as the services that the external auditor provides to the Company. Dutch law requires the separation of audit and non-audit services, meaning that the Company's external auditor is not allowed to provide prohibited non-audit services.

13.10 Internal audit

IMCD's internal audit function aims to provide independent and objective assurance, as well as perform consulting activities, designed to add value to and improve IMCD's operations as well as its system of internal controls. The internal auditors perform audits for the financial and non-financial management systems, as well as additional reviews of staff functions.

Audits are scheduled in close cooperation with the CFO and the business. Each audit is followed by a written audit report, issued to the local management responsible, with copy to the management board. A summary of audit-related topics (findings, follow-up, and so on) are discussed every quarter with the Management Board and every 6 months with the Audit Committee and the external auditor. The audit planning, quality and professionalism of the audit team and the effectiveness and efficiency of the execution of the audits are supervised by the Management Board and approved by the Audit Committee. The Director Internal Audit reports to the Management Board, with open communication to the Audit Committee.

13.11 Accountability Code

As of 2023, the revised Dutch Corporate Governance Code as published in December 2022, applies to IMCD. Throughout 2024, IMCD complied with the principles and best practices of the Code with the exception of the following deviation.

Retirement rota (2.2.4 Code)

With the reappointment of Janus Smalbraak (for a two year term), three Supervisory Board members are up for simultaneous retirement in 2026. In its decision to nominate Mr. Smalbraak for reappointment, the Supervisory Board valued continuity in its composition over diversifying the retirement rota by using shorter appointment terms. In the succession planning for the Supervisory Board attention is , and future appointments, adjusted terms for new Supervisory Board appointments will be considered.

Internal Audit (1.3.5 Code)

The Internal Auditor reports to the full Management Board and in day-to-day operations to IMCD's CFO.

More information, including the corporate governance statement, is provided in the section of the Appendices to the Integrated Report.

13.12 Declarations

Corporate governance statement

The Dutch Corporate Governance Code was last updated on 20 December 2022. As of book year 2023, Dutch-listed companies are required to report on compliance with this code.

The full text of the Dutch Corporate Governance Code can be found on the website of the Monitoring Commission Corporate Governance Code.

IMCD complies with the Dutch Corporate Governance Code, as set out in this chapter, save for the deviations as set out in section 13.11 Accountability Code.

The information referred to in Article 3 to 3b of the Decree on the Content of the Directors' Report (*Besluit inhoud bestuursverslag)* can be found in the following sections of this Integrated Report 2024:

Information on:	***IR section reference / title***
• the most important characteristics of the risk management and control systems in connection with IMCD's financial reporting process	• Section 15 Risk factors and risk management
• the functioning of the IMCD's General Meeting of Shareholder and its main powers, the rights of IMCD's shareholders and how they can be exercised	• Section 12.6 Shareholders and their rights
• the composition and functioning of the Management Board	• Section 12.2 Management Board
• the composition and functioning of the Supervisory Board and its committees	• Section 12.4 Supervisory Board
	• Chapter 11 Supervisory Board report
• IMCD's D&I Policy, including goals for the composition of the Management Board, Supervisory Board, Executive Committee and IMCD sub-top, plans to achieve such goals and results of the policy in the past year	• Chapter 10 People & culture value
	• Section 13.5 Diversity Supervisory Board, Management Board, Executive Committee
	• Note 3 Diversity, equity and inclusion to the Sustainability Statements

Article 10 EU takeover directive decree

The Management Board states that, insofar as applicable, and to the extent relevant, the information referred to in the Decree implementing Article 10 of the Takeover Directive can be found in the following sections of this Integrated Report 2024:

Information on:	***IR section reference / title***
• the capital structure, the (non-)existence of different types of shares and the associated rights and obligations and the percentage of the issued capital represented by each type	• Section 8.3 Information on the IMCD share
	• Section 12.6 Shareholders and their rights
	• Note 46 (*Shareholders' equity*) to the financial statements
• any restriction on the transfer of shares or share certificates issued with the cooperation of the Company	• Section 12.6 Shareholders and their rights
• limitation on voting rights, terms for the exercise of voting rights and the issuance, with the cooperation of the Company, of depositary receipts for shares	• Section 12.6 Shareholders and their rights
• the rules for appointing and replacing members of the Management Board and Supervisory Board	• Section 12.2 Management Board
	• Section 12.4 Supervisory Board
• the rules for amending the Company's articles of association	• Section 12.6 Shareholders and their rights
• the powers of the management board to issue or repurchase shares in IMCD	• Section 12.6 Shareholders and their rights

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14 Ethics and compliance

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.

Being a global company, subject to both international as well as many different local laws, strong ethics and governance are of particular importance to IMCD. Breaches of laws, 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 the aspects of our ethics and compliance framework and performance, IMCD aims to build trust with our employees, our external business partners and other stakeholders to engage in long-term professional relationships with IMCD. By maintaining an up-to-date compliance programme, with group-wide training efforts, strict controls and risk management, and regular auditing, IMCD's efforts are directed on continuing a high level of ethical business conduct and compliance in the future.

14.1 Our compliance framework and policies

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 take a zero-tolerance approach to unethical business conduct.

Approach to ethics and compliance

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 in all aspects of its business values.

With a group-wide compliance organisation, we aim to reinforce this culture so that our people can work in stimulating working environments with safe and respectful working conditions. We aim to ensure at all times an atmosphere where people feel confident to make decisions, raise concerns and seek advice when in doubt.

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 proper 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 local legal counsels, the HSEQR Department in respect of trade sanctions and export control, with the HR Department on onboarding 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.

Policies and procedures

The IMCD Business Principles and Code of Conduct form the basis for IMCD's group compliance framework. These documents hold the summarised IMCD's group policies and business principles that guide our employees in ethical decision-making when representing IMCD in dealings with business partners and other stakeholders. The ESG Standards for IMCD Business Partners. contain the same minimum standards to be communicated to our business partners and vendors. Specifically for third-party logistic partners, IMCD has decided to request a signature in acknowledgement.

These policies 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 Business Principles do not answer directly, our employees are encouraged to consult with local management and/or the Group Compliance Officer.

The Code of Conduct and Business Principles apply to all IMCD employees worldwide, who receive the latest version of the Code of Conduct and IMCD Business Principles on their onboarding. Employees have access to all group policies via a dedicated compliance section on IMCD's intranet,where they are also informed of any changes.

Our policies are regularly reviewed and updated, 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 June 2022. It is publicly available to all stakeholders on IMCD's corporate website, in 10 languages in addition to English. The IMCD Business Principles received a full review by all relevant functions (legal, internal audit, group control, compliance and management) and were updated at the end of 2024.

Combatting corruption, bribery and fraud

Prevention of corruption, bribery and fraud is a core element in 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 giving, 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. Training on anti-corruption-, bribery- and fraud-prevention 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 policies or national and international corruption legislation through IMCD’s Internal Alert Procedure and IMCD Ethics and Compliance Hotline.

The below table provides transparency on the confirmed compliance incidents concerning corruption, bribery or (employee) fraud encountered in IMCD.

CORRUPTION, BRIBERY OR FRAUD INCIDENTS[1]	2024	2023	2022
Confirmed compliance incidents concerning corruption, bribery or (employee) fraud	1	2	3
Incidents in which employees were dismissed or disciplined	1	1	3
Incidents whereby business partner contracts were terminated or not renewed due to corruption violations	0	1	0
Public legal cases regarding corruption brought against the organisation or its employees	0	0	0

1 The definitions of corruption, bribery and fraud for inclusion in this overview are provided to IMCD's employees and reporting teams, in IMCD's group policies and reporting instructions.

In 2024, one case of employee fraud was discovered, which led to the employee's dismissal. The incident did not lead to significant costs or damages for IMCD.

The definitions used for **corruption**, **fraud** and **bribery** within IMCD follow international legislation and frameworks, to which IMCD committed itself, for example the United Nations Global Compact. Corruption is an umbrella term and can take many forms that vary in degree from the minor use of influence to institutionalised bribery. In IMCD's policies and (reporting) instructions, bribery is defined to include the (promise of) granting, accepting or promise of any kind of undue reward, being anything of value, including the provision of any service, gift or entertainment or otherwise, with the object of influencing or inducing the behaviour or business decisions of other parties. This also includes acts of illegal facilitation payments or money-laundering. For fraud, we ask our teams to report any encountered (alleged) intentional act by IMCD employees, including management, or by third parties, involving the use of deception to obtain an unjust or illegal advantage (negatively effecting IMCD). This includes acts of theft or misuse of company property, as well as other forms of employee fraud (for example with expense reimbursements, travelling costs or related to fake or undue payments).

Preventing anti-competitive behaviour

To guide employees in their behaviour, IMCD's 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 case of any doubt, IMCD encourages employees to consult management and/or ask IMCD's Group Compliance Officer for 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.

VIOLATIONS OF ANTI-COMPETITIVE LAWS OR REGULATIONS	2024	2023	2022
Confirmed compliance incidents concerning anti-competitive behaviour	0	0	0
Pending or completed legal proceedings concerning competition law breaches	0	0	0

In 2024, 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

The HSEQR teams in IMCD continuously work to advance procedures and trainings so that awareness and up-to-date knowledge of regulatory compliance and export control are maintained in 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 sanctions policy and guideline on restrictive measures and export control are updated regularly, with a latest update in 2024. Key employees received refresher training on the revisions. 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 2024 we made good progress with the implementation of the global risk and compliance screening tool that started in 2023. Through this system IMCD's contacts are screened automatically (on a daily basis), against multiple databases, including and adverse media reports, to ensure a check for (potential) environmental, corruption, and human rights related issues.

Communication and training are key

To achieve and maintain a robust compliance culture, in a fast-paced environment with strong growth, communication and training are important tools, for both new employees as for our existing employee base.

IMCD has, for several years now, invested in a digital e-learning platform, to increase our training reach and have better visibility of the progress. In 2024, IMCD's global e-learning platform held over 3,000 compliance-related courses in over 25 languages, available to all employees worldwide (supporting local compliance efforts and ensuring a better understanding of the material).

In a standardised global compliance training curriculum, the essential pillars of IMCD's compliance programme are covered by anti-corruption and bribery, fraud prevention, export control and antitrust training material. Local countries can add material on specific topics as they see fit.

After completing the roll out in all countries in the course of 2023, we made regular refresher training part of our programme. All employees should train and refresh once per two years. In 2024, we worked hard to achieve our goal of 100% training coverage for our (digital) Ethics and Compliance Group Training curriculum. At year end of 2024, we arrived at 4,871 of all our employees trained or refreshed, equalling 94% of total head count per 31 December 2024. Given the fact that over the course of the year, through 12 acquisitions and organic growth, IMCD's workforce was extended with 1,346 new employees, the progress made is deemed satisfactory, even though we did not arrive at 100% coverage (yet).

With refresher training and compliance week initiatives taking place again in 2025, we still strive to achieve full coverage by end of year 2025. However, not all employees have access to IMCD's digital training environment (this is for example the case in some of our operational sites) . Also, due to technical integration choices, new employees in acquisitions may not always be able to train in our digital platform directly upon onboarding. We will monitor the impact of these influences on overall training efforts and where needed adjust timelines and targets for completion.

In 2024, regular policy reviews and renewals took place. Amongst other, an update of the IMCD Business Principles, Code of Conduct, anti-bribery and corruption guidelines and export control rules were initiated. Roll-out and more tailored training and information sessions on specific policies will take place in 2025.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES	2024	2023
Number of employees that IMCD's anti-corruption policies and procedures have been communicated to.[1]	100%	100%
Number of business partners that IMCD's anti-corruption policies and procedures have been communicated to.[2]	100%	100%
Employees having completed the digital Group Compliance training module in the past 24 months[3]	90%	NoCD
Employees having completed training on anti-corruption.[4]	94%	NoCD

1 The IMCD Code of Conduct and Business Principles are communicated to every employee during their on boarding process, and the latest version is accessible always in a dedicated Compliance section on IMCD's intranet.
2 For third parties, these policies are included in the ESG Standards for IMCD Business Partners, which are accessible to all on IMCD's website.
3 Training data for 2023 was not limited to a 2 year time period and digital training only, hence is not comparable.
4 The 2024 number includes anti-corruption training in our e-learning platform only, included in, but also outside of the scope of the Group Compliance Training curriculum. In prior years, local (classroom) training was also included.

Monitoring through internal risk reviews

A second important pillar that helps us to monitor the effectiveness of the group compliance programme, is the work done by our Group Control and Internal Audit departments.

For each region, IMCD has a dedicated business controller who guides the countries in the implementation of measures and controls. In addition, all of IMCD's legal entities are periodically reviewed by the Internal Audit team. Part of these reviews is determining compliance with IMCD's policies and guidelines, including the anti-corruption, bribery and fraud guidance.

In 2024, the number of entities visited increased and the percentage of operations (based on revenue) assessed amounted to 98% (2023: 90%). This is again well above the aim to cover at lease 80% of operations, measured by revenue, in internal audit risk assessments, annually.

CORRUPTION RELATED RISK ASSESSMENTS	2024	2023
Entities reviewed by internal audit team	127	110
% of revenue covered by internal audit risk assessment	98%	90%

Based on these reviews, along with detailed policies and guidelines and ongoing training, we estimate the likelihood of corruption-related risks to be low.

Learn from incidents of non-compliance

A third element to increase the effectiveness of our compliance programme is to investigate and learn from situations encountered throughout the year(s),where our high standards were (potentially) not upheld.

We encourage our employees to report any potential misconduct that they may encounter. This can be done directly to their managers or, if so desired anonymously and directly to head office, through the IMCD Ethics and Compliance Hotline (see below for more information). All reports are investigated and, when confirmed, appropriate measures are taken to remedy and prevent repetition.

With a zero tolerance-approach, IMCD strives for zero substantiated compliance incidents in any year.

In the year 2024, 10 reports were received through the Ethics and Compliance Hotline (which is further discussed hereafter). However, these reports all related to two cases of suspected violation of the IMCD Code of Conduct and/or Business Principles, in the field of HR matters and a safe and respectful working environment. For purpose of reporting below, two investigations took place, combining all elements of the reports received.

ETHICS AND COMPLIANCE HOTLINE REPORTS	2024	2023
Reports received	10	7
Reports investigated	2	5
Incidents reported (partly) substantiated	2	1

Multiple reports were made in respect of the same incident. Some reports were repetitive or could not be further investigated because of anonymous reporting and/or a lack of specific, factual information indicating a breach to investigate.

Although no material ethical breaches were found, some of the complaints received were considered partly substantiated and hence, appropriate measures to educate on and prevent unacceptable behaviour were taken on the local level in two countries (Brazil and Morocco).

None of the incidents reported for 2024 led to significant costs or damages for IMCD. In all cases, internal controls and procedures were reviewed and updated to prevent similar incidents in the future. The cases are used in 'lessons learned' sessions with management and employees to create awareness for the situations that they can encounter.

Discrimination

For several years now, IMCD has reported the number of reported discrimination cases (in line with the GRI reporting requirements applied in previous years). As explained in this report, IMCD is an equal opportunity employer and has a zero-tolerance approach towards discrimination. This is included in IMCD's Code of Conduct, the IMCD Group Human Rights Policy, confirmed in the IMCD Diversity & Equal Opportunity Policy Statement, and requested from IMCD's business partners as well through the ESG Standards for IMCD Business Partners.

For the reporting of discrimination cases, the definition used includes (and prohibits) discrimination or harassment based on age, caste, citizenship status, colour, disability or medical conditions, ethnicity, family or marital status, genetic information, gender identity or expression, language, military service, national origin, social origin, physical and mental ability, political affiliation, pregnancy, childbirth and related medical conditions, race, religion or religious creed, sexual orientation, socio-economic status, veteran status, union membership or any other characteristics protected by law.

In 2024, one report received through the Ethics and Compliance Hotline held concerns that could be interpreted as discrimination. Although investigation, including of further reports with respect to the same location, led to appropriate measures to address the topic and prevent future repetition, the investigation did not lead to substantiation that in the individual case at hand discrimination had taken place.

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 from the IMCD Business Principles as described in our Code of Conduct.

In addition, IMCD maintains a global hotline to further support its Internal Alert Procedure. The IMCD Ethics and Compliance Hotline, offers a web portal in 15 languages as well as locally-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 confidentially and, if desired, anonymously. The hotline is also included in the ESG Standards for IMCD Business Partners and open to reports by third-party stakeholders.

14.2 Cybersecurity

Connectivity and digitalisation play a crucial role in our services, now and in the future. With an extensive product portfolio of more than 52,000 products, and servicing over 68,000 customers and over 3,400 suppliers in 2024, IMCD's business relies on the availability of large amounts of data. Responsible handling and protection of that data and our IT systems against cybersecurity incidents, is a top priority for IMCD.

Approach to information- and cybersecurity

IMCD's IT and cybersecurity approach is aimed at delivering reliable, secure and fit-for-use applications, that support IMCD's entrepreneurial spirit and growth as a leading distributor of speciality chemicals and ingredients.

Organisation and management

A safe and secure IT environment is an essential resource for the global IMCD organisation to achieve its business goals. The Global Information Security officer, reporting to the CFO, oversees the application and effectiveness of IMCD's Information Security Policy, which provides all group entities with clear guidance on how to gather, store, share and protect data. Local implementation is the responsibility of local management and supported by dedicated IT staff. Self-assessments are continuously used and regularly renewed by all group entities in order to initiate, where needed, improvement plans that meet the Group's minimum requirements. At the Group level, considerable resources are dedicated to maintaining and monitoring the IT environment for the purpose of protection against cyberthreats.

Organisational measures including an ongoing training programme, awareness campaigns, phishing tests, identity access management and more are in place to prevent cybersecurity risk and create positive impact within IMCD (as mentioned in Risk factors and risk management). In addition, multiple layers of technical safeguards and measures have been established that are designed to protect against cyberattacks and ensure business continuity; these include measures such as network segmentation, multi-factor authentication and backups. Amongst others, penetration tests are performed on a regular basis to monitor the level of security. The Internal Audit department is also involved 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 2024, the annual cybersecurity review took place with the Audit Committee in July, during which the Global Information Security officer reported in detail on the actions taken and focus areas for further improvements.

In 2024, regular penetration tests were executed again, both on the level of the group holding company. In addition, phishing tests were again held on a regular basis for the full group, up to a total of 4 in 2024.

Privacy and personal data protection

At IMCD, we acknowledge the fundamental rights and freedoms of its employees, suppliers, customers and other third parties, including the rights that concern protection of privacy and personal information. Respecting local privacy laws and regulations, IMCD 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.

Data protection

As part of the Information Security Policy, IMCD has implemented a Data Breach Notification Procedure, enabling early discovery of any incidents and a thorough process to quickly and adequately respond to security breaches. This policy is regularly reviewed ad updated.

IMCD has established the role of Group Privacy Officer to oversee any investigation, along with a quick response team. The Privacy Officer is also the first point of contact in the event of any concerns or complaints from either internal or external stakeholders.

In 2024, we experienced four, minor, security incidents. In one incident, consisting of two hacked email accounts, involving customer data / contact details, a data breach was identified involving supplier, customer and employee contact details (primarily names and email addresses). Under the local applicable regulations, no filing with the local data privacy authority was required. The financial impact of all incidents experienced was not significant.

SECURITY INCIDENTS	2024	2023	2022
Security incidents involving customer data / contact details	1	2	0
Data breached reported to relevant authorities	0	1	0

Last year, IMCD reported one case where (historical) customer data from an acquisition target was potentially misused by an employee after resignation. During employment the employee had authorised access to the data, but thereafter refused to return such data and/or confirm full deletion. Criminal charges were filed in 2023 and remain ongoing. In response to contractual enforcement, the respective ex-employee confirmed to have returned or deleted of all data in dispute.

Other than these incidents, IMCD did not receive substantiated complaints concerning breaches of customer privacy or loss of customer data, nor did IMCD identify any other leak, theft or loss of customer data during internal screening.

Security awareness

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 of phishing and security breaches. The performance of IMCD's employees in the cybersecurity training programme is deemed a key indicator for the penetration of the awareness efforts.

SECURITY AWARENESS TRAINING	2024	2023	2022
Employees that have successfully completed cybersecurity training	98%	89%	Not reported

Security awareness

In addition to training, a tool to raise awareness and anchor appropriate security behaviour in the IMCD culture, a Group-wide Security Awareness Month is held annually in October. The focus of the 2024 programme was to educate employees on preventing ransom-ware attacks, recognise phishing scams and social engineering and counter business e-mail compromise. Examples of cyberfraud attacks commonly encountered in IMCD were included in awareness material (for example, CEO-fraud schemes and fake customer purchase requests) and best practices were shared around the use of social media and emerging technologies.]

Our actions to increase security awareness throughout the organisation, combined with the multiple layers of technical safeguards and measures, aim for a positive impact on the overall (cyber) security of IMCD's IT environment.

14.3 Taxation

We see tax as part of our corporate social responsibility. Our presence in each country is based on genuine commercial activities and IMCD pays its fair share in taxes over these activities in each country in which we have a presence.

Our group tax strategy is based on the key values and principles as described in our Code of Conduct which provides a framework for a business culture that stimulates integrity, honesty, transparency, and values sustainability, compliance, expertise and cultural diversity. These values promote a climate of trust and respectful relationships with IMCD’s business partners, investors and tax authorities. The principles of IMCD’s Code of Conduct are further embodied in IMCD’s management instructions. Any irregularities in IMCD’s operations or deviations from IMCD’s business principles can be reported by IMCD employees using IMCD’s Internal Alert Procedure or Ethics and Compliance Hotline.

In 2024, IMCD had no agreements in place with tax authorities that secured an outcome that could not have been obtained based on a common understanding of applicable law and jurisprudence.

We complied with the principles and best practices of the Dutch Corporate Governance Code and the tax elements included therein throughout the year. Furthermore, IMCD adheres to the meaning and core values of the Tax Governance Code of the VNO-NCW.

IMCD's total tax expenses in 2024 was EUR 101,8 million (2023: EUR 110.9 million). Its global effective tax rate accumulated to 26.8% (2023: 27.5%). In 2024, IMCD made cash corporate income tax payments to an amount of EUR 139,6 million (2023: EUR 124.0 million).

In 2024, IMCD uses several Free Trade Zones for operational/supply chain purposes. The main purpose of establishing an IMCD entity in these Free Trade Zones is to avoid double import duties when exporting to a country in the region from the entity located in the Free Trade Zone or to supply a supplier's customs bonded warehouse. IMCD benefits from Free Trade Zones in China, Dubai, Uruguay and Costa Rica. The size of the operations in Free Trade Zones are limited and do not have a material impact on the Group. Any corporate income tax benefit is circumstantial and not the intent of the establishment in the Free Trade Zone.

IMCD is subject to Pillar II tax legislation as of 1 January 2024. For 2024, a current tax expense of EUR 0.6 million (2023: nil) is recognised, which fully relates to the activities of Puerto Rico.

Tax Strategy & Policy provisions

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 whereby it is not the main purpose to obtain tax benefits but moreover to reduce tax disadvantages, including compliance burden. The tax strategy of IMCD also applies in connection with IMCD's employees, customers, self-employed contractors and other (sub)contractors.

IMCD's tax policy describes our view on taxation and strategy in which guidance is given 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 distinguishing 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 controlling department. IMCD's tax strategy and tax policy are discussed with internal stakeholders, approved by the Management Board and reported on to the Supervisory Board. Annually, a more in-depth review of the tax strategy and execution takes place by the Audit Committee of the Supervisory Board, with the CFO, Group Director Tax & Treasury, in the presence of the external auditor. The tax department subsequently monitors whether the tax policy and strategy are adequately executed and implemented. The tax policy has also been shared with IMCD's external stakeholders such as tax advisors and the Dutch tax authorities.

The Group reconciles responsible compliance of its tax obligations with its drive to create sustainable value for its stakeholders through efficient management of tax costs and benefits. Efficient tax management is based on the support of operational activities and development of business models, adhering to both the letter and the spirit of applicable laws. Decision making by Tax Management is supported by a careful alignment between group departments and local teams taking the company's overall interests into consideration and preventing significant tax risks.

IMCD's tax principles require compliance with applicable tax rules and regulations in the jurisdictions wherein IMCD operates whereby IMCD strives to comply with the letter and spirit of the applicable tax laws. This can be found in, amongst others, IMCD's financing structure whereby intercompany financing is solely issued to local IMCD group companies for sound business reasons, such as operational expenditures, and not with the main purpose or one of the main purposes to obtain a tax advantage. Where tax laws do not give clear guidance, prudence and transparency are the guiding principles while adhering to IMCD's Code of Conduct. 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. Tax cost considerations are not the driving force nor have a priority over other considerations when establishing an (international) structure. Acquisitions are a significant part of IMCD's strategy to achieve growth. The Company's tax team is involved in an early stage to develop and assess different acquisition structures and to ensure that the tax consequences of such transactions are considered and evaluated before carrying out an acquisition to minimise the potential tax risks and tax cost.

IMCD does not make use of tax havens or non-cooperative jurisdictions to avoid taxes. In 2024, IMCD did not operate in countries listed on the Dutch and / or EU lists of low taxed states and non-cooperative jurisdictions for tax matters.

In accordance with its tax strategy, IMCD takes a conservative approach to tax risks, as it does to other risks in the business. Tax risks can arise from uncertainties in legislation and regulations as well as differences in interpretation thereof. There is always some level of risk to non-compliance because of the complexity of tax legislation, not only due to frequent amendments in laws of existing tax regimes, but also as the overall tax compliance burden has increased significantly due to the introduction of new tax regimes. Furthermore, interpretation differences between tax authorities, such as on the application of the at arm's length concept, may potentially result in the risk of non-compliance

Tax risks IMCD is exposed to include, among others, acquisition and integration risk, non-compliance risk, legislative risk, operational risk, financial risk and reputational risk. To manage all tax risks, the corporate tax department cooperates with all internal and external stakeholders to ensure it complies with these regulations, with the main objective of mitigating these risks while at the same time aiming to be tax-efficient and, by these means, cost-effective.

Tax risk mitigation is performed by hiring qualified employees with the required experience and knowledge of taxation. Furthermore, IMCD is supported by Big 4 accounting firms (and in some countries other larger accounting firms) to support IMCD group departments as well as local IMCD entities. In certain cases IMCD works together with specialised Law firms to address specific tax related questions. With the professional support of these firms, we pursue tax risk mitigation by ensuring tax risks are identified at an early stage and are properly addressed. IMCD receives tax advisory support for the following activities (non-exhaustive): due diligence, integration of companies in the IMCD Group, transfer pricing, tax structuring and tax compliance. In case any material exposures are identified such risks are escalated within the mechanics of the tax control framework.

IMCD has a tax control framework in place, most recently updated in December 2023, describing the tax risks and controls in detail and therefore 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 global local tax authorities based on transparency, respect and trust. IMCD is in search of a mutual and reciprocal understanding, all with the purpose of ensuring the proper application of the tax system, increasing legal security and reducing litigation. Where appropriate IMCD may enter into agreements with the tax authorities to ensure upfront clarity and eliminate uncertainty about tax implications of certain positions in accordance with the applicable legal framework within the jurisdiction and considerate of the international tax landscape.

In the Netherlands IMCD and the Dutch tax authorities have agreed on an "individual supervision plan" for the year 2024. By means of this plan the supervision of the Dutch tax authorities towards IMCD is defined by considering the internal governance of IMCD, its fiscal strategy, fiscal objectives and control measures that are already in place.

IMCD only seeks to apply for government incentives and subsidies to the extent these align with the operational nature of the IMCD business, IMCD's Tax strategy and IMCD's vision of health, safety, environmental and quality standards.

Tax is an integral part of IMCD's strategy in relation to ESG topics, with both a financial impact as well as a societal dimension. IMCD views tax not only as a risk- and cost factor, but also as a tool to support long-term value creation in the communities where we operate. IMCD applies high standards regarding tax transparency, tax compliance and reporting requirements. IMCD does not pay significant amounts of sustainability driven taxes such as plastic and sugar tax.

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 its taxes paid, accrued corporate income tax, profit before income tax, accumulated earnings and FTE's. IMCD has a global presence with business activities in more than 60 countries.

In response to new legislation and tax authorities with enhanced capabilities, IMCD's tax function is designing digital tools supporting in, amongst others, adequate data management. In line with the tax strategy, this will improve efficiency, quality and the compliance process.

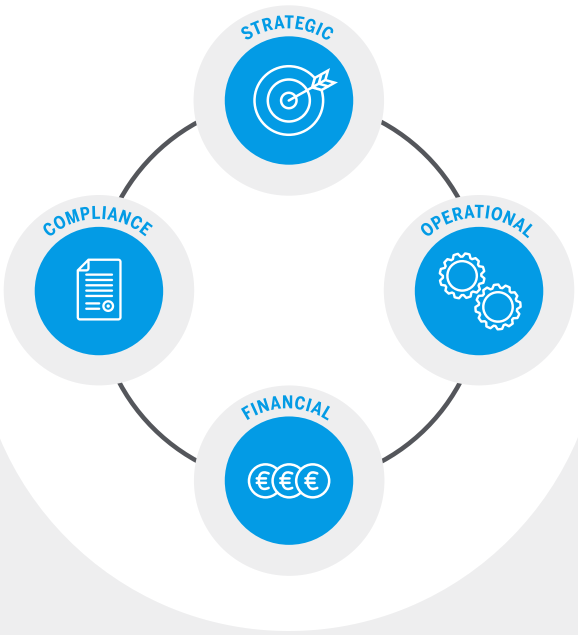
15 Risk factors and risk management

In achieving its objectives, IMCD faces risks and uncertainties, including those that are due to macroeconomic conditions, regional and local market developments and internal factors. IMCD strives to identify and control those risks and uncertainties as early as possible. Risk management is an essential element in IMCD's corporate 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.

IMCD's risk management policy is aimed at striking the best balance between maximisation of business opportunities in the context of the Company's strategy, and managing the risks involved.

IMCD distinguishes the following risk categories in its risks management framework:



15.1 Risk appetite

IMCD's risk appetite varies by risk category and by type of risk. The risk appetite per risk category is as follows:

STRATEGIC	Moderate
OPERATIONAL	Low
COMPLIANCE	Low
FINANCIAL	Low

- Strategic: in pursuing its strategy, IMCD is prepared to accept moderate risk, including the exploration of new business opportunities and possibilities for acquisitions and expansion
- Operational: with respect to operational risks, IMCD seeks to minimise the risks of unforeseen operational failures within its businesses
- Compliance: with respect to compliance risks, IMCD pursues a risk-averse strategy. IMCD strives to comply with all applicable laws and regulations, with a particular focus on health, safety and environmental laws
- Financial: with respect to financial risks, IMCD maintains a cautious financing structure and conducts a stringent cash management policy

15.2 Risk management framework

Risk management framework

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.

IMCD's risk management framework is based on the following principles:

- Integrated: It is an integral part of all organisational business processes, activities and applies to all organisational levels, hence it includes sustainability and ESG reporting related risks;
- Structured and comprehensive - It contributes to consistent and comparable results;
- Customised - It proportionates to the Company's external and internal objectives;
- Inclusive - Appropriate and timely involvement of stakeholders is assured;
- Dynamic - Risks can emerge, change or disappear as the Company changes. Risk management anticipates, detects, acknowledges and responds to those changes;
- Best available information - Risk management is based on historical and current information, as well as on future expectations;
- Human and cultural factors - It considers human behaviour and culture in all aspects of risk management at each level and stage;
- Continuous improvement - Risk management is continuously improved through learning and experience.

Risk management elements

The elements of IMCD's risk management system are the following:

1. Control environment, including:

- Organisational culture based on ethical conduct and compliance, clear responsibilities and short and open lines of communication;
- IMCD group policies including business principles, management instructions and manuals;
- Continuous compliance training of employees;
- Risk management embedded in the business processes at all levels of the organisation;

2. Risk identification and assessment and control procedures, including:

- Identification of risks via workshops, coordinated by Corporate Control, Corporate HSEQR and Sustainability teams;
- Assessing the identified risks, based on the probability of each risk occurring and its potential business and financial impact;
- Implementation and optimisation of effective and efficient control procedures at various levels of the organisation;

3. Information, communication and monitoring, including:

- Harmonised reporting on operations, financial results, financial positions, non-financial results and key risks;
- Periodical monitoring and reviews of financial and non-financial performance and risk management by corporate management;
- Periodical reviews on health, safety, environmental, quality and regulatory management by corporate HSEQR;
- Regular review meetings between corporate and local management;
- Internal audits conducted by IMCD's internal auditors of which the findings and recommendations are reported to and discussed with the Management Board, and biannually discussed with the Audit Committee.

Every year IMCD updates its risk and control framework by organising risk identification sessions and risk assessments, involving a considerable number of internal stakeholders. Based on the outcome of the risk identification and assessment processes, new controls are added, optimised or made redundant.

In the absence of internal or external factors impacting the control environment and the risks and controls within a process, the following risk identification and assessment cycle is used, assuring a profound risk assessment for each business process at least once every three year:

Year	Procedures
Year 1	Full Assessment
Year 2	No action, in absence of trigger
Year 3	Update

Internal factors, including changes in business processes or systems, or external factors, including climate conditions or changes in sustainability reporting standards, trigger full risk identification and assessments, or in case of insignificant changes, trigger an update process.

In 2024, risks related to ESG reporting as well as climate related risks went through a full assessment process and resulted in further optimisation of mitigating controls.

15.3 Risk management tasks and responsibilities

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. IMCD applies an integrated approach towards risks management, hence including climate related, as well as ESG reporting related risks.

Key activities in IMCD's risk management and control systems are:
- identification of key business risks, based on their probability 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.

The Management Board is responsible for establishing and maintaining adequate internal risk management and control systems.
Such systems are developed to manage risks, but cannot provide absolute certainty that human errors, losses, fraud and breaches of laws and regulations will be prevented. Management has assessed whether IMCD's risk management and control systems provide reasonable assurance that the financial reporting does not contain any material misstatements.

Based on the approach outlined above, the Management Board is of the opinion that, to the best of its knowledge, the internal risk management and control systems are adequately designed and operated effectively in the year under review and hence provide reasonable assurance that the financial statements are free of material misstatements.

	RISK	LIKELIHOOD	IMPACT
STRATEGIC	Decline in customer demand	Moderate	Moderate
	Supplier dependency	Moderate	Moderate
	Acquisition and integration risk	Moderate	Moderate
OPERATIONAL	Dependency on key personnel	Moderate	High
	Cybercrime and continuity of ICT	Moderate	High
	Health / Safety / Environmental incidents	Low	High
	Climate change	Moderate	Low
COMPLIANCE	Non-compliance with laws and regulations	Low	High
	Anti-corruption and bribery	Low	High
FINANCIAL	Volatility of foreign currencies	High	Low
	Credit risk	Moderate	Low
	Liquidity risk	Low	Moderate
	Interest rate risk	Moderate	Low

15.4 Significant risks and uncertainties

In the following section, the main risks and the way IMCD manages these risks are described. None of the significant risks and uncertainties materially affected IMCD's position.

We decided not to include the pandemic risk separately, as we perceive this as an important factor affecting the risks that have already been identified in the past.

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Strategic

RISK	RISK DESCRIPTION	RISK MEASURES
Decline in customer demand	IMCD's business depends on its customers' demand for chemicals used in the manufacture of a wide array of products, which in turn is driven by demand from consumers and other end users for the products made by IMCD's customers. To a large extent, demand levels depend on macroeconomic conditions at a global level. An improvement or deterioration in levels of economic activity and consumer demand tends to be reflected in the overall level of production and consumption of chemicals. In addition, declining demand for less sustainable products can lead to a loss of business.	The broad diversity of IMCD's 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 these changes are pronounced and/or long lasting, they can have a significant impact on the Company's business and the results of its operations. Via its Sustainable Solutions programme, IMCD monitors the sustainability characteristics of its product portfolio, and together with its principal suppliers and customers seeks to promote the speciality chemicals, ingredients and formulations with sustainability advantages.
Supplier dependency	IMCD depends on its suppliers to develop and supply the product portfolio that it markets, sells and distributes. Shortages in supply of certain products or non-competitiveness of product lines could negatively affect operating results. Termination of a major supplier relationship could have a material adverse effect on the Company's product portfolio, sales volumes, revenues and profit margins.	Maintaining close relationships with supply partners is essential for IMCD in achieving its growth strategy. By acting in an open and transparent way towards its suppliers and with a focus on growing suppliers' product brands, IMCD seeks to maintain long-term relationships.
Acquisition and integration risk	Execution of IMCD's strategy will require the continued pursuit of acquisitions and investments and will depend on the Company's ability to identify suitable acquisition candidates and investment opportunities. Acquisitions and investments involve risks, including assumptions about revenues and costs being inaccurate, unknown liabilities and customer or key employee losses at the acquired businesses, potentially leading to impairment losses on intangible assets recognised. Moreover, successful acquisitions depend on swift integration of the acquiree into the Company, both organisationally and culturally level.	IMCD tries to limit these risks by diligent identification of targets and by applying strict selection criteria, including determining the cultural and organisational fit with the Company. This is followed by a structured implementation of the acquisition, including determining the structure of the transaction, thorough due diligence and the contract and integration process. Acquisition activities are driven centrally by an experienced management team supported by external consultants.

Operational

RISK	RISK DESCRIPTION	RISK MEASURES
Dependency on key personnel	IMCD relies to a significant extent on the skills and experience of its managerial staff and technical and sales personnel. Loss of such individuals or the failure to recruit high-quality managers and other key personnel, both when expanding the Group's operations and when replacing people who leave IMCD, could have a material adverse effect on the performance of the Group.	IMCD limits these risks by providing an inspiring and entrepreneurial working environment, offering international career opportunities, performance-based incentive schemes and long-term succession planning. In addition, in order to secure the valuable relationships with key suppliers and key customers, these relationships are maintained by commercial teams rather than by individual commercial staff members.
Cybercrime and continuity of ICT	D's information technology infrastructure including its information and communication technology systems are key for managing and operating the business. Severe damage to and interruptions of those systems caused by natural disasters, software viruses, malware, cyberattacks or other threats disrupt our business and could result in downtime or breaches of sensitive information such as personal data or company records. This continues to be a risk for IMCD, which requires a stable and agile ICT environment, especially when working remotely as in recent periods during this pandemic crisis.	IMCD enhances its ICT security and further develops its business processes as part of its ICT governance improvement programme. IMCD continuously invests in its IT infrastructure by timely implementation of new techniques, software and systems to protect its systems and data and to limit any down time of its systems. IMCD focuses on improving its cybersecurity by raising awareness among employees and enhancing the security protocols for its systems. A wide range of new and existing security measures such as access and authorisation controls and back-up and recovery systems help IMCD to protect the quality and integrity of information in a continuously changing ICT landscape. These measures are monitored by the central ICT team on an ongoing basis.
Health / safety / environmental incidents	Marketing, sales and distribution of speciality chemicals, food and pharmaceutical ingredients entails exposure to health, safety and environmental risks which could potentially lead to reputational and financial damage. Examples of such exposures are: • employees and logistic service providers who are not properly trained/ informed on handling of products • products used for illegal purposes • lack of quality management • missing permits and notifications • product disposal not being properly controlled, leading to pollution and environmental damage	The majority of IMCD's subsidiaries have implemented certified quality systems and make use of monitoring systems for recording and analysing any non-conformities in order to further optimise their business processes. IMCD has a Corporate HSEQR policy in place. IMCD has outsourced the majority of its logistics operations to reputable third-party logistics service providers, who are carefully selected and continually monitored by the value chain team to ensure quality standards and optimum performance. Employees, customers and logistics service providers are issued with adequate safety instructions and operating procedures for handling chemical products. Critical product data is managed by a team of experienced specialists. Yearly training programmes are established and implemented to ensure both employees and logistics service providers are aware of recent and future developments and changes in laws and regulations.
Climate change	It is widely recognised that climate change poses significant risks to natural, social and economic systems across the globe. The range of hazards is broad, from slow onset weather pattern changes to sudden extreme events. The consequent potential impacts affect ecosystems and natural environments, and therefore might directly or indirectly cause serious technical, financial, geopolitical and other changes in society. Some of these risks might impact IMCD's activities, for example disruptions to transportation infrastructures due to extreme weather events, or shortages of some feedstock due to agricultural losses.	Potential climate factors are considered in the selection process of logistics service providers, addressing accessibility and back-up procedures in the event of environmental incidents. In 2023, IMCD finalised its assessment of risks and opportunities against the TCFD to understand its business' resilience to the impacts of climate change. The assessment focused on both physical and transition risks up to 2050. As climate scenarios are inherently uncertain, the scenario analysis considered the full range of potential impacts associated with each item, identifying those items that could have a high impact and high uncertainty. IMCD takes measures to reduce its direct emissions as well collaborate with its value chain partners to reduce the indirect emissions.

Compliance

RISK	RISK DESCRIPTION	RISK MEASURES
Non-compliance with laws and regulations	Being present in various countries across the globe, IMCD is exposed to local and international legal and compliance risks. As a matter of principle, IMCD complies with all applicable national and international laws and regulations (including legislation, standards and requirements in the field of trade sanctions and export control, environment, human rights, health and safety, competition and tax).	IMCD has set up an internal competition compliance framework and trains its employees by means of a compliance programme to observe national and international antitrust laws. In this way, IMCD makes its employees aware of potential conflicts with competition law and actively helps them to avoid any potential adverse consequences of competition law breaches. IMCD neither engages in nor supports the use of forced labour, bonded or involuntary labour, or child labour. IMCD complies with the standards of the International Labour Organization and the minimum age requirements in all countries in which it operates. These principles are also upheld through the publication of a Group Human Right Policy on IMCD's website. Taxes are paid where the economic activity occurs. In cases when there is insufficient local knowledge of tax issues, the Company makes use of external advisors to ensure compliance with local tax requirements.
Anti-corruption and bribery	Non-compliance with anti-corruption and anti-bribery laws could lead to fines and potential prosecution of employees, and could substantially harm the Company's reputation.	Specific internal anti-corruption and anti-bribery policies are in place, offering our employees clear examples of conduct that should be avoided. A continuous compliance training programme is in place to create and maintain awareness of ethical business practices and to ensure compliance with applicable trade restrictions, antitrust and anti-bribery laws, market abuse rules and other compliance regulations and more. IMCD uses an online learning (e-learning) platform and a standardised group compliance training curriculum as part of the IMCD compliance programme.

Financial

RISK	RISK DESCRIPTION	RISK MEASURES
Volatility of foreign currencies	IMCD is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of the Company.	IMCD uses forward exchange contracts to hedge currency risks; most of these contracts have maturities of less than one year. Interest on borrowings is denominated in the currency of the borrowing. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations, providing an economic hedge without derivatives being entered into. In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.
Credit risk	IMCD’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, IMCD also considers the demographics of the customer base, including the default risk of the industry and country in which customers operate, as these factors may impact the credit risk. There is no significant geographical concentration or concentration at individual customer level of credit risk.	IMCD has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. IMCD’s review includes the use of external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount. These limits are reviewed periodically, at least once a year. New and existing customers who fail to meet the Company's benchmark creditworthiness may transact with IMCD only on a prepayment basis.
Liquidity risk	Liquidity risk is the risk that IMCD will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.	IMCD's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to IMCD’s reputation. Typically IMCD ensures that it has sufficient cash on demand to meet expected operational expenses for the next twelve months, including the servicing of financial obligations.
Interest rate risk	IMCD is exposed to interest rate risk with respect to its financial assets and liabilities, either from fixed rate or variable rate instruments.	IMCD has adopted a policy of ensuring that at least a large portion of its exposure to changes in interest rates on long-term loans is on a fixed-rate basis, taking into account assets with exposure to changes in interest rates. When required, interest rate swap contracts are used for hedging variable into fixed interest rates.

16 Statement of the Management Board

The Management Board of IMCD N.V. hereby declares, in accordance with article 5:25c of the Dutch Financial Supervision Act, that to the best of its knowledge:

1. the financial statements, which have been prepared in accordance with IFRS-EU and Part 9 of Book 2 of the Dutch Civil Code, and are included in the Integrated report, provide a true and fair view of the assets, liabilities and financial position of IMCD as at 31 December 2024 as well as of the profit or loss of IMCD N.V. and its consolidated enterprises;
2. this report provides a true and fair view of the position as at 31 December 2024 and of the business performance during the 2024 financial year of IMCD N.V. and the companies associated with it, the results of which are included in the financial statements; and
3. the key material risks to which IMCD N.V. is exposed are described in the Integrated report.

In accordance with best-practice provision 1.4.3. of the Code, the Management Board of IMCD N.V. furthermore states that:

1. the management report provides sufficient insight into any shortcomings in the effectiveness of the internal risk management and control systems;
2. those systems provide reasonable assurance that the financial report does not contain any material misstatements;
3. in the current situation, it is appropriate for the financial report to be prepared on a going concern basis; and
4. the management report states those material risks and the uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.

Rotterdam, 4 March 2025

Management Board
Valerie Diele-Braun
Hans Kooijmans
Marcus Jordan

Sustainability statements

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Sustainability statements - Environmental

	NOTE	2024	2023	2024/2023 CHANGE
Logistic decarbonisation	2			
Emissions intensity Scope 1 and 2 (Location based)[1]		21	20	6%
Emissions intensity Scope 1 and 2 (Market based)[1]		21	20	6%
Emissions intensity Scope 3[1]		8,900	8,311	7%
GHG Emissions Scope 1 and 2 (Location based), tCO_2eq (ESG -monitoring item)		11,930	10,720	11%
GHG Emissions Scope 1 and 2 (Market based), tCO_2eq (ESG -monitoring item)		11,807	10,645	11%
GHG Emissions Scope 3, tCO_2eq		5,093,167	4,552,979	12%
Direct energy carriers use (biogenic)		301	282	7%
Safe handling & Distribution of chemicals	3			
Number of spills and chemical mishandling		3	1	200%
Reported environmental incidents		1	1	- %
Workforce in an ISO-14001 certified site (%)		32%	46%	(14%)
Recordable work-related injuries and illnesses		18	11	64%
TRIR (Rate - 200K hours worked)		0.3	0.2	69%
Sustainable solutions	4			
In 2024, define the criteria for lab activities that lead to a sustainable formulation and develop the baseline for monitoring and target setting as of 2025		defined	n/a	n/a
In 2024, define the criteria for marketing campaigns contributing to the UN SDG's and develop the baseline for monitoring and target setting as of 2025		defined	n/a	n/a

1 tCO_2eq per EUR m of operating EBITDA

Sustainability statements - People

	NOTE	2024	2023	CHANGE	TARGET
Talent attraction, retention and development	2				
Average number of training hours		21	14	49%	6
Employee turnover, %		19%	18%	1%	
Number of employees, FTE		5,126	4,736	8%	
Non employees, FTE		157	132[1]	19%	
Temporary employees, FTE		111	90	24%	
New hires, including acquisitions, FTE		1,346	1,236	9%	
Reported child and forced labour incidents		-	-	-	zero
Employees covered by CLA, FTE		1,176	1,342	(12%)	
Employees that took parental leave, FTE		192	192	- %	
Diversity, equity and inclusion	3				
Executive Committee positions held by women and/or non-Europeans, %		25%	14%	11%	>33%
Women in sub-top management, %		45%	44%	1%	
Women appointed sub-top management, %		45%	48%	(3%)	>40%
Women in sub-top management - Commercial/P&L roles, %		32%	31%	1%	
Women appointed in sub-top management -Commercial/P&L roles, %		36%	34%	2%	>33%
Gender diversity, % Female		54%	54%	(0%)	

1 Restatement: number reported as contingent workers in 2023 (280) corrected to 132 non employees

General notes to the sustainability statements

General information

1 Our approach to sustainability

Our approach to sustainability responds to global challenges for our planet and society as a whole and is embedded in the IMCD business model. We are active in over 60 countries on six continents. In 2024, our 5,126 employees of which 54% women, generated revenues of over EUR 4.7 billion. By partnering with leading manufacturers of speciality chemicals and ingredients, our broad and innovative portfolio of over 52,000 products spans eight Business Groups covering the consumer, industrial and durable goods sectors.We see sustainability as a collective responsibility and a major business opportunity. Therefore, our sustainability approach is centred around our most material environmental and social topics.

We focus our efforts on our most material topics on environmental side of sustainability which are: Logistic Decarbonisation, Safe Handling and Distribution, and Sustainable Solutions.

The value of IMCD lies in the commercial partnerships we have established with suppliers and customers worldwide, in the quality and technical expertise of the people who manage those relationships, and in the people who lead and support them in various functions. Therefore, on the social aspect of sustainability, Talent Attraction Retention and Development and Diversity, Equity & Inclusion are most important.

For further information and more details see also sections 5 Who we are and 6 How we create value.

Our sustainability targets are outlined alongside the corresponding ESRS standards for transparent reporting. Aligned with the SDGs, these targets reflect how IMCD aims to promote responsible practices and environmental stewardship. Sustainability performance metrics are an integral part of our management information.

2 Basis for preparation

The consolidated sustainability statements have been prepared in accordance with the first set of European Sustainability Reporting Standards (ESRS) in line with the Corporate Sustainability Reporting Directive (CSRD - Directive (EU) 2022/2464) entered into force in 2023.

The sustainability statements are prepared based on the double materiality principle which is described in the section 'Double materiality assessment' of this note.

The material impacts, risks and opportunities linked to our upstream and downstream value chain have been assessed as part of our double materiality assessment (see table "Impacts, risks and opportunities" further in this note).

The sustainability statements were authorised for publication by all members of the Management Board and the Supervisory Board on 4 March 2025.

Split of IMCD Employees

	2024				
	Female	Male	Other	Not Disclosed	Total
Number of employees	2,743	2,383	-	-	**5,126**
Number of permanent employees	2,672	2,343	-	-	**5,015**
Number of temporary employees	72	39	-	-	**111**
Number of non-guaranteed hours employees	54	73	-	-	**127**
Number of full-time employees	2,611	2,358	-	-	**4,969**
Number of part-time employees	133	24	-	-	**157**

The information included in the tables that are presented in the Sustainability Notes have not been validated by independent external parties. For part of the data relating to Scope 3 greenhouse gas emissions, IMCD has cooperated with an external energy management consultant to enhance its emission calculation methodology.

3 Disclosures in relation to specific circumstances

Scope of consolidation

The scope of consolidation aligns with that of the consolidated financial statements, please refer to 3.a Basis of consolidation in the notes to the consolidated financial statements.

For specific disclosures, including those related to Scope 1, 2 and 3 emissions, Safe handling and distribution of chemicals, we used and consolidated available upstream and downstream value chain data.

IMCD N.V. is based in an EU member state, however is not exempted from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU.

Specific circumstances

No specific circumstances as defined in disclosure requirement BP-2 are applicable to IMCD in 2024.

Time horizons

Time horizons used in the consolidated sustainability statements are the same as in the consolidated financial statements. We defined them as the short-, medium- and long-term for reporting purposes in accordance to the ESRS 1. For the short-term time horizon: the period adopted as the reporting period in our financial statements; for the medium-term time horizon: from the end of the short-term reporting period up to 5 years; for the long-term time horizon: beyond 5 years.

The reporting period that is applicable to the sustainability statements is equal to the reporting period for the financial statements, i.e. the 12 months period ending 31 December 2024.

Value chain estimation

By identifying our sustainability matters (material topics) we looked beyond our own operations, extending our impact along the value chain. The same relates to policies, actions, and relative targets set for Logistic Decarbonisation, Safe Handling & Distribution, and Sustainable Solutions. For example, our HSEQR policy and IMCD Group Human Rights Policy apply not only to our direct employees but also to workers across our value chain, who are stakeholders in ensuring the safe handling and distribution of our products. Additionally, our ESG Standards for Business Partners cover both upstream and downstream suppliers.

The sustainability statements and ESG monitoring items include upstream and/or downstream value chain data and estimations for various metrics, such as Scope 1, 2, and 3 GHG emissions, which were calculated using Ecoinvent, Carbon Minds, and EcoTransIT World (ETW) emission factor databases, along with supplier-specific data; for details on the applied methodology and estimates, refer to Note 2 Logistic decarbonisation. Please also refer to section 6.4 Our Value creation model and Chapter 9 Environmental value.

Sources of estimation and outcome uncertainty

For the preparation of the sustainability statements, IMCD management made certain judgements and used specific estimates and assumptions that affected reported figures. The estimates and assumptions are based on best practices, industry expertise and various other available market indicators, to make reasonable conclusions. The estimates and underlying assumptions are reviewed on a yearly basis. For each material topic, the relevant estimates and assumptions, approximations and judgements are described in the "General notes" section in the notes to the sustainability statements. Specific metrics with a high level of measurement uncertainty are Scope 1, 2 and 3 emissions.

The following approach is applied: For Scope 1-2 emissions, entities made estimations for their energy consumption based on data of the last reporting cycle in case invoices from third parties were not available. For Scope 3 emissions, entities that are not yet onboarded onto our global ERP system, average emission factors and extrapolation are applied.

At the same time, we acknowledge that the use of third-party information and the aforementioned techniques implicitly bear the risk of outcome uncertainty. Given that the CSRD and the ESRS do not provide specific requirements on the validation process of third-party data, our current data validation process is based on high-level assessments and available guidance. We relied on actual data and in limited cases, where such information was not complete, we made use of assumptions and estimates. Our use of estimates is most significant for environmental metrics, such as Scope 3 greenhouse gas (GHG) emissions.

Changes in preparation or presentation of sustainability information

To align with the CSRD, changes to the preparation and presentation of sustainability information, compared to previous reporting periods, are implemented. In addition, as a result of the DMA, which was finalised in 2024, the number of material topics and respective KPIs linked to specific material topics changed.

A number of metrics related to topics which were considered material in prior years but as a result of the DMA are no longer considered as material, are excluded from the Sustainability Statements of 2024:

- Sustainability Statements – Environmental: all metrics under "Eco-efficient Operations" in 2023. Some metrics remain important but not material and hence are reflected under "Responsible Operations" as ESG monitoring items in the 5 ESG monitoring items.
- Sustainability Statements – Product: some metrics under "Sustainable procurement". Some metrics are reported as ESG monitoring items, including "Downstream suppliers committed to IMCD ESG standards for Business Partners" as well both "Downstream and Upstream suppliers CSR or in process of being rated via EcoVadis".
- Sustainability statements – Ethics & Compliance: all metrics. Those metrics are now included in the Governance & Risk handling chapter as 5 ESG monitoring items, as these remain important but are not linked to material topics.

As a result of the above mentioned changes, the content of the sustainability statements corresponds to the requirements of the CSRD and the ESRS.

Reporting adjustments related to prior periods

"Contingent workers" (linked to the material topic Talent attraction, retention and development) was renamed to "Non-employees" in order to comply with ESRS requirements. The metric "severe work-related injuries" reported in prior years is now presented as "recordable work-related injuries and illnesses". We have corrected the number of non-employees reported in the Integrated report 2023, from 280 to 132 due to data errors identified.

Incorporation by reference

Some disclosures are incorporated by reference. The following information was incorporated by reference to other parts of the management report:

- Note 2.1 Logistic decarbonisation - subsection "Management targets related to climate change mitigation & adaptation": referenced to Governance - 12 Remuneration report.
- Note 2.4 EU Taxonomy - subsection "Compliance with minimum safeguards": referenced to 13 Corporate Governance and 14 Ethics & Compliance.
- Diversity in Supervisory Board reflected section 11.2 Composition, diversity and independence of the Supervisory Board report.

For more details please also refer to ESRS content index.

Applicable ESRS sector to IMCD

As IMCD is not a manufacturer but a distributor of speciality chemicals and ingredients, IMCD is not exposed to the usual risks in the sector, as this is inherent to being an intermediary company in the value chain.

IMCD's main activities fall into the Chemicals and polymers sector as defined by ESRS. IMCD's revenues from these main activities were of EUR 4,728 million in 2024 (please refer to Consolidated statement of profit and loss and other comprehensive income).

Use of phase-in provisions in accordance with Appendix C of ESRS 1

In accordance to 10.4 Transitional provisions and Appendix C *List of phased-in Disclosure Requirements* of ESRS 1, IMCD used the right to phase-in the following provisions in 2024.

Phase-in provisions

ESRS	DISCLOSURE REQUIREMENT (DR)	NAME OF DR
ESRS S1	S1-11 (to be partially omitted)	Social protection
ESRS S1	S1-12 (to be omitted)	Persons with disabilities
ESRS 2	SBM-3 (to be partially omitted)	Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS E1	E1-9 (to be omitted)	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Governance

4 Administrative, management and supervisory bodies

The role and composition of the Management Board, the Executive Committee and the Supervisory Board are described in chapter 13 Corporate governance.

The Management Board manages the day-to-day operations of IMCD and is responsible for designing and achieving the Company's objectives and strategy. Whilst doing so, it focuses on long-term sustainable value creation for the Company and its business, and takes the relevant stakeholders' interests into account. It is supported by an Executive Committee, which is responsible for, among other things, regional and/or Business Group operations and certain general group-level management activities. The Supervisory Board supervises the policies pursued by the Management Board and its performance, and the general course of affairs within the Company. The Supervisory Board also advises the Management Board and supervises the dynamics and relationship between the Management Board and the other members of the Executive Committee.

The Management Board is also responsible for all assessments of and changes to sustainability aspects in the Company's strategy and business model.

In 2024 impacts, risks and opportunities in sustainability matters have been identified through a thorough DMA process. An updated strategy including sustainability focus areas was presented by the Management Board and approved by the Supervisory Board. Subsequently the Supervisory Board was kept informed of the phases of the DMA process and attended a deep dive session together with IMCD's external auditor, focussed on ESG regulation and reporting requirements. The Audit Committee, acting as sustainability committee to the Supervisory Board, reviewed the DMA outcomes and provided its input. The final DMA report was shared and discussed with the chair of the Audit Committee and, thereafter, the Supervisory Board. The strategy elements and target setting were then discussed with the Supervisory Board and Management Board in more detail and in the presence of the Executive Committee.

The Supervisory Board is positive about the integration of sustainability and digitalisation in the over-all strategy for the Group, and approved of the strategy, including the sustainability targets, as presented by the Management Board in this report.

The Management Board consists of three members: one female and two male. All three have broad knowledge of and expertise on sustainability matters and experience relevant to the sectors, products, services, and geographic locations of IMCD.

The Executive Committee consists of five members, in addition to the Management Board members: one female and four male, who are all experienced in sustainability matters and have full understanding of IMCD's activities.

The Supervisory Board consists of five members: two female and three male. Three of them have specific skills with reference to Sustainability & CSR, four of them have people, culture and HR expertise. All members are in general well up to date when it comes to sustainability matters and the knowledge of IMCD's business and activities. Annually, in its performance-assessment, the Supervisory Board members review and determine, among other things, whether the appropriate skills and expertise to oversee the Company's affairs, including sustainability matters, are available within its composition.

IMCD aims for a diverse composition that ensures complementarity of knowledge, skills and experience, enabling each of the members to make a valuable contribution to achieving the Company's strategic and business objectives.

The CSRD implementation project started three years ago and was discussed in Audit Committee meetings during the past years. Impacts, risks and opportunities, as well as trade-offs associated with those impact, risks and opportunities have been considered, when overseeing IMCD's business. The Audit Committee did a deep dive in the summer of 2024 to discuss the internal risks and control framework and also discussed the preparation and progress to become CSRD compliant.

Reference is made to note 9 Material impacts, risks and opportunities and their interaction with strategy and business model for a list of the material impacts, risks and opportunities as a result of IMCD's DMA process in 2024.

5 Sustainability-related performance in incentive schemes

The base salary for the members of the Management Board is determined by the Supervisory Board. At the start of 2024, the base salaries of all board members were adjusted for inflation on the basis of the Dutch Consumer Price Index (CPI) determined by Statistics Netherlands (*Centraal Bureau voor de Statistiek*), see also paragraph 7.4 Application of the policy in 2024.

Each year, the Supervisory Board selects financial and non-financial targets for the Management Board's short-term incentive plan and determines their weight. For 2024, non-financial criteria were set in respect of two topics; (i) organisation & diversity, and (ii) strategy & sustainability. Each category had a weight of 50%, hence each represented 15% of the total bonus opportunity. The metrics and performance review by the Supervisory

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Board for the two topics selected for 2024 are explained in more detail in paragraph 7.4 Application of the policy in 2024. For the remuneration of the Supervisory Board the guiding principle is that the (amount and) level should reflect the time spent by, and the responsibilities of the Supervisory Board members.

Given the nature of responsibilities of the Supervisory Board, the remuneration is not dependent on the results of IMCD; it consists of a fixed compensation only.

In 2025, the remuneration of the Management Board will include sustainability performance criteria in its short term remuneration (amongst other including diversity, training hours, specific sustainability training and roll-out of digital initiatives). The 2025 long term incentive plans for the Management Board will use for the first time an sustainability criterion linked to emissions reduction.

Strategy

6 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 sustainable long-term value for its stakeholders. For IMCD, stakeholder engagement takes many forms and comprises multiple topics. In the table below we summarise our stakeholder clusters and groups, the most relevant topics for our strategy and business model and fora through which we engage with each group of stakeholders.

IMCD stakeholders and how we engage with our stakeholders

STAKEHOLDER CLUSTERS	STAKEHOLDER GROUPS	MOST RELEVANT TOPICS	OUR ENGAGEMENT
Our people	• Employees • Temporary workers (if applicable)	• Attractive working environment and conditions • Training & skills/personal development • Performance • Business ethics	Contact on day-to-day work matters, global, regional, and local townhalls, team meetings, roundtable discussions, employee engagement survey, all-employee intranet, global and local training sessions, personal development plans, social media, telephone and email
Customers	• Business customers • Consumers (end-users)	• Product sale and delivery • Added value services • Sustainable solutions and formulations • Samples/service question	Key account management, trade shows, marketing campaigns, customer service channels, customer visits, education sessions, collaboration projects (for example on sustainable formulation), questionnaires
Business Partners - (upstream) Principals	• Speciality chemicals and/or Ingredients producers	• Commercial& ESG performance • Market development and trends • Collaboration on innovation and sustainable formulation	Key account and product management, annual and quarterly business reviews, trade shows, marketing campaigns, visits, business simplification projects, collaboration projects (for example on sustainable formulation), regulatory & supply chain meetings, questionnaires
Business Partners - (downstream) suppliers & services providers	• Third party logistic service providers • Transport companies • Warehousing companies • IT and cloud services providers and consultants	• Commercial and ESG performance • Collaborations to simplify logistics/ save costs • Labour market and working conditions (ESG screening)	Account management, periodic business reviews, screening and auditing processes (for example through EcoVadis), joint improvement projects, consultancy projects, telephone and email
Investors and financial markets	• Investors/(potential) shareholders • Bond holders • Analysts • Financial rating agencies • Sustainability/ESG rating agencies	• Financial performance • Business model and strategy • ESG related performance • Risk management • Reporting	Annual and Extraordinary General Meetings, investor meetings/conference calls, analysts calls, engagement and feedback/evaluation meetings with rating agencies (financial and non-financial/ESG focused)
Government & regulators	• Policy makers (local, regional/international) • Regulators/Supervisory bodies (financial market supervisors, tax authorities)	• Regulatory environment and developments • Compliance with laws and regulations	Meetings with (local) governments/governmental bodies, meetings and formal communication with regulators (financial market supervisor, tax authorities, data privacy authorities), topical stakeholder dialogue meetings or seminars, telephone and email
Communities & Society	• Local communities • Academic and research institutions • NGOs	• Social/Societal issues • Market trends/collaborations • Specific topics (e.g. education, diversity, sustainability, etc)	Contributions to local community projects through IMCD Cares, employeevolunteering, company donations, collaboration in research programme, ad hoc stakeholder dialogue meetings, topical seminars, roundtables
Industry partners & Peers	• Other distributors/market players • Branch organisations/ Industry initiatives	• Industry developments • ESG practices	Topical seminars, roundtables, industry association meetings, expert groups, panel discussions
Media	• Traditional media • Social media	• Business events • Corporate news • Opinions about IMCD	Periodic and ad hoc press releases, interviews, engagement on social media channels, telephone and email

How our stakeholders were selected

For dialogue on the sustainability aspects of IMCD's strategy, stakeholders were identified through desk research and interviews with senior management. IMCD also took feedback from customers, principal suppliers, and third-party logistic service providers as well as from sustainability rating agencies such as EcoVadis, 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 life cycle. Therefore, IMCD encourages responsible and sustainable operations in its entire value chain and cooperates closely with its value chain partners, both upstream and downstream. IMCD's direct environmental footprint is limited given its asset-light business model.

Through our own actions, we contribute to making the chemicals and ingredients supply chains more sustainable and future-focused. We diligently select and influence our third-party logistics service providers, we engage with our customers regarding their needs and educate them and we feed our principal suppliers with information regarding the needs in 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.

In 2023, IMCD conducted a review of its stakeholder dialogue processes and developed a Stakeholder Dialogue Policy that outlines formal procedures for addressing grievances and remediate potential impacts. It is available on IMCD's website.

The outcome from engagement with stakeholders during regular activities and during the DMA process was accounted and incorporated to IMCD strategy.

7 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 so as to protect society and the environment from exposure to harm.

8 Stakeholder input and feedback mechanism

For all concerns, IMCD has implemented an Internal Alert Procedure, available on its website, 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. This 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 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.

In 2024, no critical concerns about the organisation's potential and actual negative impact on stakeholders were raised through the Company's grievance mechanism and, hence, no concerns were reported to the highest governance body.

Double materiality assessment

9 Material impacts, risks and opportunities and their interaction with strategy and business model

IMCD's materiality assessment follows the principles of double materiality, in line with the EU's Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), which guide our sustainability and risk disclosures. The double materiality assessment (DMA) was completed in 2024 and involved engagement with key internal and external stakeholders, analysing both impact and financial materiality throughout our value chain, with a forward-looking perspective.

The process identified five material topics relevant to IMCD in 2024 and beyond. For a detailed description of the impacts, refer to the table "Impacts, risks and opportunities" below. Chapters 9 Environmental value and 10 People & culture value outline the steps IMCD has taken to execute its strategy and achieve these results.

Three material topics, Sustainable Solutions, Talent Attraction, retention & development, and have been identified as having a significant positive impact on society and the environment. In contrast, two topics (Logistics decarbonisation' and Safe handling and distribution) are considered material due to their potential negative impacts if not properly managed.

Two topics, Sustainable Solutions and Talent Attraction, retention & development, are considered material due to their positive financial impact. Regarding Talent attraction, retention & development, the financial impacts are currently difficult to quantify due to the longer-term nature of the benefits and the absence of direct revenue links at this stage. No topics have been identified as having a significant negative financial impact.

Due to IMCD's asset-light business model, which focuses on leveraging partnerships rather than owning substantial physical assets, no significant investments or cash outflows are expected for activities related to Talent Attraction, Retention & Development, and Sustainable Solutions.

All material topics have clear interaction with IMCD's strategy and business model.

As for the social material topics, IMCD considers its considers its people to be its most important asset. continuous to attract, develop and retain talent on one hand and maintains a diverse workforce based on equal opportunities and merits. The value of the Company lies in the commercial partnerships with principal suppliers and customers and, in the quality and the technical expertise of the people who manage those relationships, plus in the people who lead and support them in various functional areas. Focussing on attracting, developing, and retaining talent, while fostering a diverse workforce grounded in equal opportunities and merit, hence is a logical step to obtain the most value. We have implemented performance metrics to track our progress on these social objectives, such as employee training and diversity targets. With an outsourced, asset-lean business model, IMCD fosters collaboration with third parties (suppliers, customers, logistic service providers) in the value chain. Through these partnerships, we collaborate on the identified environmental materials topics.

Details on the steps taken in the DMA process, along with how the material risks, impacts, and opportunities have been mapped to the relevant ESRS disclosure requirements, are provided in the following section.

10 Description of the process to identify and assess material impacts, risks and opportunities

The following five steps were taken to identify and assess both potential and actual impacts on people and the environment, as well as the risks and opportunities related to IMCD's material topics. This process was guided by an external consultancy firm with expertise in DMA processes.

I. Preparation

A first step included the review and analysis of previous annual reports, IMCD's Enterprise Risk Management (ERM) framework, and publicly available information from peers. Secondly, a business model and value chain analyses was performed. In addition to foregoing activities, desk research took place to derive a longlist of potentially material topics in which ESG reporting frameworks, ESG ratings, disclosure standards, trend reports and information on IMCD's peers and initiatives by value chain partners were compared.

The outcome of this preparation phase was a longlist with 98 sustainability matters potentially material to IMCD.

II. Research and shortlist development

In this second phase, we started to narrow down the longlist developed in the first step to a shortlist of potentially material topics.

We began refining the longlist by clustering similar items, removing duplicates, and analysing the connections between IMCD's strategy, business model, and value chain. This process resulted in a conceptual shortlist of 16 potentially material topics. These topics were then mapped to the ESRS sustainability matters, to the extent outlined in the topical ESRS, and categorised into further subtopics.

Thereafter, we reviewed the definitions used for the topics in IMCD's specific context, aligning the wording with relevant factors derived from IMCD's business model and value chain. This shortlist was then validated by the core project team.

In line with EFRAG guidelines, we identified the impacts, risks and opportunities (IROs), affected stakeholders, and estimated time horizons for each of the 16 shortlisted topics. The IROs were then assessed for both financial and impact materiality, taking into account dependencies on natural, human, and social resources. A summary table of the main impacts, risks, and opportunities for the 116 shortlisted topics is provided below.

Impacts, risks and opportunities

SUSTAINABILITY TOPIC	BOUNDARIES/ AFFECTED STAKEHOLDERS	DESCRIPTION OF MAIN RISKS	DESCRIPTION OF IMPACTS	DESCRIPTION OF OPPORTUNITIES
Diversity, equity & inclusion (DE&I)	Own operations Own employees, customers, Investors	Decisions taken by non-diverse and non-inclusive groups can lead to poor decision making/group think/increased costs/expenses/ fines/lawsuits. A lack of DE&I can lead to negative perceptions among stakeholders. This can affect the brand image and reputation, negatively affect IMCD's turnover and lead to lack of engagement, high employee turnover and difficulty to attract and retain talents.	*Positive:* Opportunity to bring together different gender, cultures and nationalities and ensuring an environment free of discrimination can positively influence the performance and contributions of employees and strengthen their engagement levels and well-being. *Negative:* Lack of diversity can contribute to becoming less attractive as an employer and open the door for litigation.	*Opportunity for IMCD:* Better problem-solving, innovation, decision making, and creativity from a diverse workforce. Effective policies on diversity, equity and inclusion could lead to improved employee morale and engagement and ultimately talent attraction, thereby contributing to the financial performance of the Company.
Local community care & rights	Upstream/ Downstream value chain Employees, local communities, governments, NGOs and investors	IMCD could lose trust from local communities and other stakeholders in case it would poorly manages local community related activities such as the IMCD Cares projects.	*Positive:* Contributing to the development of local communities through the IMCD Cares initiatives, enabling sustainable and thriving local environments. *Negative:* Not carefully implemented or monitored community care initiatives could lead to a dependency on external aid rather than empowering communities. This can perpetuate cycles of reliance and hinder long-term sustainability. In addition, resources allocated to community care initiatives may not reach all members of the community equally, leading to tensions within the community.	*Opportunity for IMCD:* By actively supporting and investing in the local communities where IMCD operates and beyond (i.e., IMCD Cares initiatives), the Company can build trust with community members, create new partnerships, attract employees and enhance its reputation, hereby supporting IMCD's long-term financial success.

SUSTAINABILITY TOPIC	BOUNDARIES/ AFFECTED STAKEHOLDERS	DESCRIPTION OF MAIN RISKS	DESCRIPTION OF IMPACTS	DESCRIPTION OF OPPORTUNITIES
Occupational health, safety & well-being	Own operations Upstream/ Downstream value chain Employees, investors	High number of health and safety issues due to workplace accidents in labs and IMCD-owned warehouses can lead to personal injury, loss of productivity, legal liabilities, costs related to fines and lawsuits and reputational damages. It can also make IMCD less attractive as employer.	*Positive:* Setting higher standards for health, safety and well-being in the sector. Positively contributing to the employer attractiveness, well-being of employees by protecting their health and safety. Also, by implementing strict HSE policies and practices IMCD could elevate some local country work condition standards. *Negative:* Contributing to unhealthy work habits and health issues (i.e. accidents, fatalities, injuries and reduced mental health) in the workplace which can negatively impact employees and our reputation as employer.	*Opportunity for IMCD:* Reduction of accidents and injuries and initiatives related to health, safety and well-being increase employee morale, productivity and retention. Consequently, it contributes to reducing operational costs by avoiding fines and increasing overall organisational performance.
Responsible labour practices & human rights	Own operations Upstream/ Downstream value chain Employees, local communities, investors, regulators	If IMCD or their suppliers are found to be involved in a violation of human rights, the Company could face lawsuits, fines, and penalties, which could hurt the Company's bottom line and damage its reputation. It could also negative affect employee engagement levels and our attractiveness as employer.	*Positive:* Setting high standards for human rights at own operations and along the value chain. Contribution to the promotion of best practices along the supply and create long-term sustainability. Protecting the human rights and therewith the engagement levels and of own employees and employees of value chain partners. *Negative:* If IMCD or their suppliers are found to be involved in a violation of human rights, the Company could face lawsuits, fines, and penalties, and negative public scrutiny which could hurt the Company's bottom line and damage its reputation.	*Opportunity for IMCD:* By ensuring responsible labour practices and respecting human rights, IMCD can demonstrate it upholds corporate social responsibility and ethical business conduct, thereby contributing to maintaining its positive brand image and the continued financial success of the Company.
Talent attraction, retention & development	Own operations Own employees, customers, investors	High employee turnover impacts IMCD's ability to innovate, grow and compete effectively in the market while increasing costs of recruitment, hiring and onboarding costs.	*Positive:* Contributing to the job market through employment opportunities. Setting standards in employer desirability by supporting people growth, promotion and ensuring employees' engagement. *Negative:* Dissatisfied employees and/or high turnover could lower employee morale and engagement and in a loss of investments in training and onboarding.	*Opportunity for IMCD:* By investing in talent attraction, retention, and development initiatives, IMCD can create a competitive advantage in the marketplace and build a high-performing workforce through a strong employer brand and culture that attracts and retains top talent and fosters their professional development and growth. This in turn can lead to decreased operating costs and increased business opportunities and higher commercial success.

SUSTAINABILITY TOPIC	BOUNDARIES/ AFFECTED STAKEHOLDERS	DESCRIPTION OF MAIN RISKS	DESCRIPTION OF IMPACTS	DESCRIPTION OF OPPORTUNITIES
Climate change adaptation	Own operation Upstream/ Downstream value chain Employees; local communities, investors, regulators	Increased frequency and intensity of extreme weather events, especially floods, can disrupt operations, leading to increased capital and operational expenditure costs and reduced revenue. Extreme weather events causing disruptions of value chains or raw material supplies could lead to longer lead times, increased costs and reputational damage.	*Positive:* Developing more flexible and resilient operational procedures and develop solutions to respond to the climate crisis and ensure value chain stability, therewith ensuring that products/ingredients can be formulated and shipped to IMCD's customers which then process them further and supply them to a variety of end-consumers who might be dependent on them. *Negative:* Not being able to adapt to climate change as well as risking potential business interruptions due to physical climate events, and as a consequence not being able to supply chemicals to IMCD's customers and eventually impacting the availability of products to end consumers.	*Opportunity for IMCD:* IMCD's resilient (global and asset-light) business model and processes, reduce climate change-related risks at own operations and within the value chain, and enhances business continuity.
Energy efficient operations (previously Eco-Efficient Operations)	Own operation Employees, local communities, investors, regulators	Failure to meet energy efficiency and GHG emission targets or comply with regulations and standards related to energy consumption. This risk could result in increased operational costs, reputational damage, and regulatory penalties.	*Positive:* By becoming more energy-efficient and especially producing own green energy, IMCD can reduce its overall carbon footprint and therewith actively contribute to mitigating climate change. *Negative:* Not implementing energy efficiency initiatives sufficiently, contributes to climate change and to the depletion of finite resources such as fossil fuels.	*Opportunity for IMCD:* By implementing energy-efficient practices, optimising energy usage, and investing in renewable energy sources, IMCD can enhance its efficiency and reduce its operational costs.
Logistic decarbonisation	Upstream/ Downstream value chain Employees, local communities, investors, regulators	The investment costs that IMCD's partners face in relation to decarbonisation could be passed on to IMCD, leading to higher transportation costs and consequently increased costs of IMCD's products.	*Positive:* Collaborating with business and logistics partners to optimise value chain processes, reduce transportation inefficiencies, and minimise carbon emissions associated with logistics to limit climate change impacts for society and the environment. *Negative:* Contributing negatively to the climate change through, for example, GHG emissions from the value chain.	*Opportunity for IMCD:* By implementing sustainable transportation practices and optimising supply chain management, IMCD can position itself as a leader in sustainable logistics while improving operational efficiency and reducing operational costs

SUSTAINABILITY TOPIC	BOUNDARIES/ AFFECTED STAKEHOLDERS	DESCRIPTION OF MAIN RISKS	DESCRIPTION OF IMPACTS	DESCRIPTION OF OPPORTUNITIES
Safe handling & distribution of chemicals	Own operations Upstream/ Downstream value chain Employees, local communities, regulators, investors	Incidents or accidents that result in harm to people, the environment, or property and eventually to regulatory fines, legal liabilities, compensation payments, reputational damage, and disruptions to the business operations.	*Positive:* Setting a high standard for health, safety and well-being in the sector and protecting the health of business partners and their employees, customers and end-consumers. Applying the highest product quality standards, as well as controlling and minimising all possible safety risks. *Negative:* Chemical spills and accidents leading to environmental damage and human health risks, especially for those living in nearby residential areas.	*Opportunity for IMCD:* By handling and distributing chemicals safely, IMCD can position itself as a trusted partner for customers, regulators, and the community, thereby enhancing the Company's reputation and credibility as a responsible and sustainable company.
Sustainable solutions	Own operations Upstream/ Downstream value chain Employees, investors	Failure to effectively screen a 'Sustainable Solutions' portfolio against regulatory and market needs, in line with voluntary and obligatory frameworks, as well as allocating and promoting non-compliant products under an ecolabel, could lead to allegations of greenwashing and thus, reputational damage, loss of market share, and decreased competitiveness in an increasingly sustainability- (and transparency) focused market. This would translate as a risk of decreased revenue and missed opportunities. Another risk relates to suppliers' inability to meet the increased demand for low-carbon products.	*Positive:* Helping business partners to to formulate more sustainable products can increase accessibility and affordability of high quality sustainable end-products for a wider audience, benefiting society. *Negative:* Failure to effectively promote the Sustainable Solutions portfolio or promoting unsustainable practices through the Sustainable Solutions portfolio could impact customers which eventually could negatively impact the society and the environment.	*Opportunity for IMCD:* By offering Sustainable Solutions, IMCD can meet the growing demand for sustainable products in the market and differentiate itself from competitors.
Waste management	Own operations Employees, customers, suppliers, local communities, regulators, investors	Environmental harm caused by inadequate waste management practices, can lead to regulatory fines, legal liabilities and reputational damage.	*Positive:* Reducing waste can contribute to the protection of the environment and human health throughout waste recycling and reuse. *Negative:* Improper handling, treatment, and disposal of (hazardous) waste can lead to significant environmental and health risks. Such waste may include toxic, reactive, corrosive, or ignitable materials that can contaminate soil, air, and water resources if not managed correctly.	*Opportunity for IMCD:* By reducing waste generation and promoting recycling and reuse at offices, labs and own warehouses, IMCD gains efficiencies and reduces operational costs.

SUSTAINABILITY TOPIC	BOUNDARIES/ AFFECTED STAKEHOLDERS	DESCRIPTION OF MAIN RISKS	DESCRIPTION OF IMPACTS	DESCRIPTION OF OPPORTUNITIES
Water management	Own operations Employees, customers, suppliers, local communities, investors	Potential negative impacts on the Company's reputation due to poor water management practices or incidents such as water pollution, water scarcity issues, or failure to comply with water regulations. This might lead to fines and an increase in operational costs for IMCD.	*Positive:* Contributing to high water quality and managing water scarcity. *Negative:* Contributing to water scarcity and/or negatively impacting water quality.	*Opportunity for IMCD:* By prioritising sustainable water management, IMCD can improve its water use efficiency, leading to cost savings.
Data, IT & cybersecurity	Own operations Employees, customers, suppliers, regulators, investors	Cybersecurity attacks can compromise operations, disrupt systems, and hinder business functions, resulting in higher operational costs. Data breaches and privacy violations may lead to fines, reputational damage, and a loss of stakeholder trust.	*Positive:* Setting the standard for privacy and data security in the sector and protecting confidential and private data as well as ensuring smooth business operations, ensuring that products can be supplied to customers and therewith end-consumers on time. *Negative:* Unauthorised access to IMCD's data or IT systems can lead to the leakage of confidential information, including trade secrets, customer and supplier data, and personal employee data. Cyberattacks could also disrupt operations and potentially affect the safety and integrity of chemical handling and distribution processes.	*Opportunity for IMCD:* By investing in robust data protection and cybersecurity practices, IMCD can safeguard its digital assets, maintain compliance with regulations and ensure operational continuity. Demonstrating attention to data security can attract customers and partners who prioritise data protection and privacy.
Digitalisation & connectivity	Own operations Upstream/ Downstream value chain Employees, business partners, investors	Digital system failures or technology malfunctions arising from the digitalisation and connectivity initiatives, leading to a risk of losing market share and customers, resulting in reduced revenues.	*Positive:* Leveraging data analytics and artificial intelligence can help IMCD and its business partners making more informed decisions, leading to resource optimisation, waste reduction, and increased efficiency in operations. *Negative:* Rapid technology turnover can lead to increased amounts of e-waste, which is often not disposed off properly. Harmful substances from e-waste can contaminate the environment and pose health risks to humans and wildlife. Digital infrastructure such as data centres and network systems consume significant amounts of energy, potentially increasing the carbon footprint. Without sustainable energy sources and energy-efficient technologies, digitalisation could contribute to environmental degradation. In addition digitalisation can lead to job displacement if automation and AI replace human workers without adequate transition plans.	*Opportunity for IMCD:* By embracing digitalisation and connectivity, IMCD streamlines processes and enhances operational efficiency, gain real-time insights, and create new value propositions for its customers and other stakeholders, ultimately leading to an increase in revenues.

SUSTAINABILITY TOPIC	BOUNDARIES/ AFFECTED STAKEHOLDERS	DESCRIPTION OF MAIN RISKS	DESCRIPTION OF IMPACTS	DESCRIPTION OF OPPORTUNITIES
Ethics & compliance	Own operations Upstream/ Downstream value chain Employees, regulators, investors	Fines and reputational damage in case on non-compliance with regulations and standards.	*Positive:* Setting high standards in the sector in terms of business ethics and corporate governance. *Negative:* Contributing to non-ethical behaviour which could harm society (e.g. tax avoidance).	*Opportunity for IMCD:* By prioritising ethics and compliance, IMCD builds trust with stakeholders, mitigate risks, and uphold its reputation as a responsible business partner.
Sustainable procurement practices	Upstream/ Downstream value chain Employees, investors	Suppliers engaging in unethical practices, violating environmental regulations, or failing to meet sustainability criteria set by IMCD might lead to lawsuits, fines, and penalties, which could impact the Company's financial position and damage its reputation.	*Positive:* Contribution to the promotion of best practices along the value chain. Protection, restoration, rehabilitation of natural capital, ecosystems and biodiversity. *Negative:* A poorly managed value chain could lead to human rights violation, poor working conditions for workers within the value chain and to impacts on the environment such as habitat degradation, climate change, land degradation and pollution of protected areas.	*Opportunity for IMCD:* By prioritising sustainable procurement practices, IMCD builds strong relationships that secure the value chain, mitigate risks, and enhance its reputation as a responsible corporate citizen. In turn, this contributes to lower operational costs and helps safeguarding IMCD's strong financial position.

III. Materiality matrix development

To assess and validate the material IROs related to sustainability matters, we gathered input from a range of internal and external stakeholders through the following activities:

- External stakeholder interviews with customers, suppliers, investors, and public organisations, alongside desktop research.
- Internal business impact workshops with IMCD employees, heads of Business Groups, regional representatives, and heads of group functions.
- Interviews with IMCD Management Board members.

Our materiality assessment incorporated feedback from all three regions (EMEA, APAC, Americas) and market segments (Life Sciences, Industrial), along with various functions within the company. Impacts, risks, and opportunities were identified at an aggregated level.

The following section outlines the approach applied to both impact materiality (inside-out) and financial materiality (outside-in).

Approach to impact materiality

The impact materiality assessment was conducted by considering IMCD's business model, its value chain and global presence, as well current market conditions and other factors that could generate both negative and positive impacts on people and the environment. We also examined the potential impacts of IMCD's own operations, as well as its upstream and/or downstream value chain.

Both actual and potential impacts were assessed across three time horizons: short-term (0-1 year), mid-term (2-5 years), and long-term (5+ years). The severity of negative impacts was measured using the following criteria:

- Scale: From 0 to 5, ranging from no impact to global level
- Scope: From 0 to 5, ranging from no scope to global impact
- Irremediable nature of the impact: From easily remedied to irreversible

In addition to severity, the likelihood of these impacts was assessed on a scale from 0 (remote) to 5 (actual).

For potential negative human rights impacts, the severity of the impact was weight more heavily than its likelihood. A cumulative score was applied to determine the impact materiality of the 16 shortlisted sustainability topics.

Approach to financial materiality

The financial materiality assessment was carried out by evaluating the actual and potential risks and opportunities related to the 16 potential material topics for IMCD'. This was achieved by calculating the average value between **magnitude** (on a scale of 0 to 4, from insignificant to very important) and **likelihood** (ranging from remote: 0% to probable: >80%).

When a potential material topic is poorly managed by IMCD, it poses risks that could affect various stakeholder groups in the short, medium, or long term. In contrast, if the topic is well-managed, it can create opportunities. The scope of the assessment included IMCD's own operations and value chain, taking into account the geographical locations of our activities.

The risk assessment followed the methodologies, including the magnitude and likelihood scales, from IMCD's enterprise risk management (ERM) programme, with a focus on sustainability risks. Additionally, specific risks related to corruption and bribery were also considered, given IMCD's global presence and business activities.

For scoring risks and opportunities by key stakeholders, an average score was applied. This approach ensures an objective and consistent evaluation of each ESG factor, allowing for fair comparisons across organisations and time periods. It also highlights the key areas requiring management focus.

The assessment and management of business opportunities are central to IMCD's strategy development. As this is the first DMA exercise aligned with the newly developed EFRAG guidance, IMCD will continue to optimise and integrate these processes moving forward.

Threshold setting

To determine which topics should be considered material, IMCD applied a weighting system based on different stakeholder groups, the principles of its ERM framework, and its sustainability strategy. The following thresholds were set:

- financial materiality: 3
- impact materiality: 9

Since the EFRAG guidelines do not specify how companies should define their thresholds, IMCD adopted an approach consistent with its ERM process. The scale for financial materiality ranges from 0 to 4, with the threshold set towards the upper end to capture topics with a significant financial impact. The scale for impact materiality ranges from 0 to 15, with the threshold covering the top 40% of topics (9 to 15).

Topics that fall outside this range are not necessarily considered unimportant to IMCD. These topics are addressed as ESG Monitoring items in subsequent sections of this Integrated Report, as they remain relevant to various stakeholders.

Building the materiality matrix

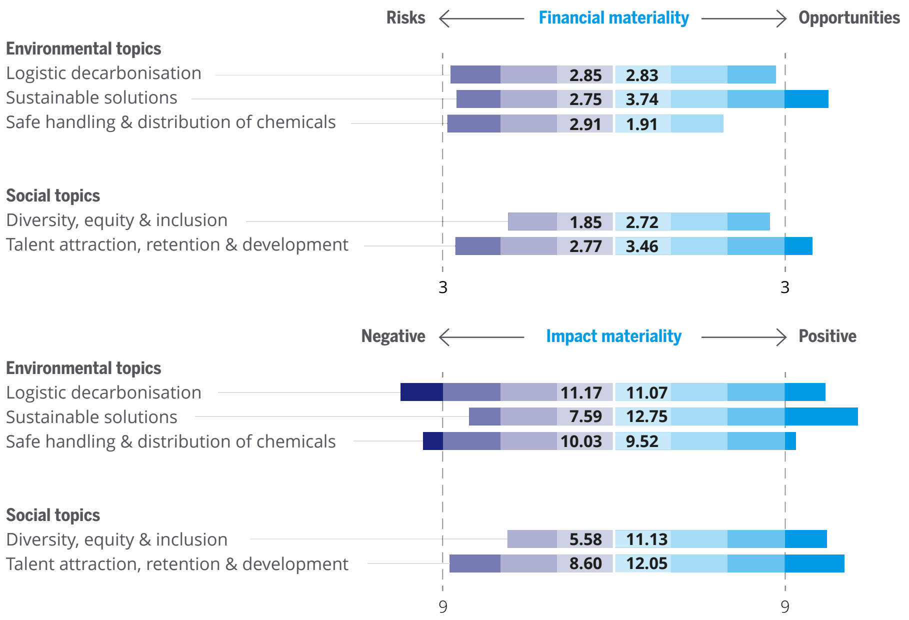
The applied thresholds allowed IMCD to identify material topics based on positive and negative impacts (impact materiality), as well as risks and opportunities (financial materiality). If any factor exceeded the set threshold, the topic was considered "material". This process led to the creation of the materiality matrix, which was then reviewed and validated with senior management and approved by the Management Board. The process identified five material topics relevant to IMCD in 2024 and beyond.

The process of identifying material topics in 2024 differed from prior years. Up until 2023, the materiality assessment was based on the Global Reporting Initiative (GRI) Standards. In 2024, we applied the "double materiality principle," guided by the ESRS and EFRAG Implementation Guidance (July 31, 2023). Additionally, the scope of IMCD's companies was expanded due to organic growth and M&A activities.

Future revisions of the double materiality matrix will be influenced by factors such as changes in the organisation or business model, stakeholder interests, and new or updated EFRAG guidance.

11 Outcome of the 2024 DMA process

The material topics are reflections of IMCD's significant economic, environmental, and social impacts, risks and opportunities. These topics are a key influence in the decisions and evaluations made by our stakeholders. The following visual presents the five material topics relevant to IMCD in 2024, which are included in our Sustainability statements.



Disclosure requirements in the ESRSs covered by the Sustainability statements

Each material topic identified through the double materiality assessment was mapped to the relevant ESRSs (as shown in the table below), except for Sustainable Solutions, which is considered as an entity-specific topic. The relevant ESRS disclosure requirements for each material topic are provided as a reference in the ESRS content index.

IMCD exercised the option to omit certain disclosure requirements, in line with the provisions outlined in Appendix C of ESRS 1 (see table "Phase-in provisions" above).

ESRS mapping

MATERIAL TOPIC	ESRS	ESRS NAME
Logistic decarbonisation	ESRS - E1	Climate change
Sustainable solutions	ESRS - Entity specific topic	Entity specific topic
Safe handling & distribution	ESRS - E2; S2	Pollution; Workers in the value chain
Talent attraction, retention, and development	ESRS - S1	Own workforce
Diversity, equity, and inclusion	ESRS - S1	Own workforce

Risk management and internal controls over sustainability reporting

12 Risk management framework

The risk management framework over IMCD's sustainability reporting process aligns with that of the financial reporting process. Please refer to section 5 Financial risk management of this Integrated Report. Risk factors and risk management related to sustainability matters also described in the section 15 Risk factors and risk management of this Integrated Report.

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.

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

We implemented sustainability data into our reporting system as of 2021 and in 2024 we further enhanced our reporting system and process to ensure compliance with the ESRS requirements.

As a responsible business, IMCD, in particular local HSEQR teams, are regularly checking the local regulations restricting specific products or ingredients in certain markets. Additionally, in close cooperation with principal suppliers, Business Groups monitor signals indicating that a given product may not be suitable for a particular market. Both procedures create a basis for preventing commercial activities related to products or ingredients that are banned in specific markets.

13 Statement on due diligence

In 2024 we conducted a thorough DMA assessment, which was finalised in December 2024 and approved by the Supervisory Board. This forms the basis for embedding due diligence in governance, strategy and business model.

So far we engaged with our key stakeholders for the DMA process. We identified and assessed our material impacts, risks and opportunities throughout our value chain. Conclusion of this assessment was that our material impact, risks and opportunities are limited to a few activities. On a continuous basis we engage with our stakeholders: actively by sending out surveys and giving follow up to their suggestions. On a more reactive basis we engage with them providing them entrance to our hotline (see our compliance framework and policies). We continuously improve our due diligence practices by regularly reviewing and updating policies, providing employee training and collaboration with stakeholders.

We uphold the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights (UNGPs), ILO declaration on Fundamental Principles and Rights at Work, and, and are committed to respecting human rights throughout our business activities and supply chain. Our ESG Standards for Business Partners outlines our expectations regarding labour standards, non-discrimination, and fair treatment of workers. We have a zero-tolerance policy for modern slavery, human trafficking and all other breaches of labour rights.

Identifying, preventing, mitigating, and reporting these actual and potential impacts are integral to how we conduct our business and is supported by our risks and control framework and, self assessments against existing and new controls. The outcome of the self assessments are managed continuously. It is a continuous cycle of internal audits, visits, reporting and communicating with the Management Board four times per year and twice with the Audit Committee.

This approach is the starting point for further implementing a robust due diligence process to fully comply with the disclosure requirements.

Environment notes

Since our main environmental contribution focuses on climate change mitigation, this chapter starts with addressing Climate Change—outlining our risks, opportunities, and mitigation strategies. We then describe the impact of our most material topics: Logistics Decarbonisation, Safe Handling & Distribution, and Sustainable Solutions.

1 Our approach to climate change

Our approach to climate change responds to the global challenges for our planet and society as a whole and is embedded in IMCD's strategy and business model, (reference is made to chapter 6 How we create value. It tackles the most material topics to our business and our stakeholders and translates our overall sustainability efforts into tangible goals. Considering IMCD's business and operating model, there are no exclusions from the EU Paris-aligned benchmarks.

At IMCD, we strive to align with the global climate transition towards a 1.5°C world and are taking further steps to evolve our strategy in this direction. In 2024, the following steps have been taken to advance this work:

1. **Enhancing logistic decarbonisation strategy:** we are enhancing our understanding of Scope 3 emissions, defining decarbonisation levers and assessing potential locked-in GHG emissions to refine and optimise our logistic decarbonisation strategy. In 2024, we worked with an external consultant to establish a new baseline for our GHG emissions. In 2025, we will focus on assessing viable emission reduction scenarios for all scopes in order to build a realistic reduction pathway into IMCD's business strategy.
2. **Strengthening climate governance:** to embed climate considerations more deeply into our decision-making processes, we are strengthening climate governance across the organisation. In 2024, we expanded the Group's sustainability function with more resources at group level and in the Business Groups. Our Group Sustainability Director reports to the CEO, reflecting the strategic importance of sustainability at the highest level of management.
3. **Integration into business strategy:** over 2024, climate-related factors have been increasingly integrated into our overall business strategy, particularly in financial planning and resilience. One example of this integration is the quantitative formulation of our alignment with the EU Taxonomy, as well as the ongoing assessment of the financial impact of the climate-related risks and opportunities identified for the Company. As part of the EU Taxonomy framework, IMCD Group's finance team has assessed whether the Company has spending/revenues aligned to climate transition. The methodology applied to assess alignment with the EU Taxonomy, together with the percentage of IMCD's revenue, OpEX and CapEX that is aligned and taxonomy-eligible can be found in note 5 EU Taxonomy. IMCD does not invest CapEX in coal, oil or gas-related economic activities.
4. **Risk management and metrics development:** we have further integrated the assessment of physical and transitional climate risks into our risk management framework. Where these risks are deemed material, we will further develop a structured approach to manage, mitigate, and monitor them.
5. **Building a workforce culture of sustainability:** In 2024, we provided a broad range of learning tools, including the TfS Academy, to our employees. This is another step in our sustainability awareness efforts. For 2025, IMCD plans to roll-out a complete in-person sustainability training campaign for its worldwide senior management, in particular commercial and technical managers, including (international) product managers acting as our Sustainability Ambassadors outside IMCD. In addition**,** By launching the IMCD Awards with a Sustainability Champion Award in 2024, IMCD incentivised employees to propose the best ideation and execution of a sustainability project. The winners will be announced in the first quarter of 2025 and will receive a monetary award together with the opportunity to implement their ideas within the Company.

In 2025, the following steps will be taken to advance this work:

1. **Climate transition plan development:** while we do not yet have a fully developed climate transition plan aligned with a 1.5°C world, we have made progress in creating one. This plan will outline our targets, actions, and financial strategies for transitioning to a low-carbon economy, and will cover all of our 8 Business Groups and our global operations. Through this plan, we aim to further integrate the TCFD recommendations into IMCD's business strategy and financial planning. The plan will be subject to approval by IMCD's Management Board and Supervisory Board.
2. **Continuous improvement emission calculations:** we will continue working on further assessing our decarbonisation levers including reviewing our options to reduce Scope 1 and 2 emissions. At current, IMCD has not implemented any internal carbon pricing scheme within its offices or operations, which will be part of the review in 2025.
3. **Monitoring climate related risks and opportunities**: we continue the work done in 2024 as part of our integrated risk management programme.

4. **Preparation upcoming regulations and societal developments:** we will continue reviewing and updating our methodology for our Sustainable Solutions programme.

The following section explains our approach to climate related risks and opportunities, based on the recommendation of TCFD.

Board's oversight of climate-related risks and opportunities

IMCD has three levels of corporate governance; the Supervisory Board monitors and supervises the activities of the Management Board and IMCD's general course of business, IMCD's Management Board manages IMCD's day-to-day operations and is responsible for designing and achieving the Company's objectives and strategy, and the Executive Committee supports the Management Board in the roll-out of the strategy. Climate-related topics are addressed alongside IMCD's other sustainability topics, both from an inside-out perspective, i.e., IMCD's strategy to reduce its impact on climate, as well as an outside-in perspective (what risks and opportunities do climate change pose for IMCD's business model). A sustainability staff function is established at the Group's HQ level to support the management in ESG data collection and roll-out of the measures to support the Group's ESG projects and ambitions. The current governance structure for sustainability topics, including climate-related risks and opportunities is deemed appropriate.

IMCD's Supervisory Board oversees, monitors, and advises IMCD's Management Board on climate-related issues that are relevant to the business. Both governing bodies review sustainability topics and their impacts, risks, and opportunities at least annually, as well as in case of specific concerns. In 2024, the Supervisory Board discussed IMCD's sustainability strategy and updates on ESG topics multiple times with both the Management Board.

The Supervisory Board has three committees, the Audit Committee (AC), Remuneration Committee (RC) and Nomination and Appointment Committee (NAC). Sustainability issues are considered by these committees where relevant to their responsibilities, although this considers sustainability holistically, not in specific reference to climate-related issues. In 2024, a deep dive session with external support from our external auditor was held to discuss in more detail the sustainability data collection process, ESG target setting and reporting requirements. In addition, the Audit Committee was involved in the DMA process and received a first draft of the outcomes for their comments. The Final DMA report was thereafter scheduled for discussion with the full Supervisory Board.

The RC is responsible for assessing and preparing the remuneration policy and remuneration proposals concerning the members of the Management Board and the Supervisory Board, including how sustainability performance is included in remuneration decisions. It includes ESG elements in the short term bonuses of the Management Board (see chapter 12 Remuneration report).

In 2019, IMCD set a target to deliver a 15% intensity reduction in its gross GHG emissions per million euro operating EBITDA by 2024, compared to the 2019 baseline. This target encompassed Scope 1, Scope 2, and Scope 3 emissions. For a breakdown of our emissions metrics, and current performance against this target, please see section Environment notes in the notes to the Sustainability Statements. In the coming years, we will work on developing targets aligned with potentially material climate-related risks and opportunities identified through scenario analysis.

Under IMCD's Remuneration Policy for the Management Board, most recently adopted by shareholders in 2024, climate-related targets are incorporated into the non-financial bonus criteria, both for short-term and long-term incentives (STI and LTI). In 2024, one of the non-financial targets included in the STI was to update the Company's strategy, including sustainability topics, and develop a roadmap with clear and tangible goals, including for emission reduction. This target had a weight of 15% of the STI opportunity.

In 2025, newly set emission reduction goals for Scope 1 and 2 (a 60% decrease in 2034, compared to the 2024 baseline), will be incorporated in the Management Board members' LTI opportunity, with a 5% weight. For further details please refer to the Governance - Remuneration report chapter.

The bonus targets are set annually by the Supervisory Board, which consults with stakeholders to assess the appropriateness of targets. This includes input from the Management Board, the Company Secretary, the HR director, shareholders (through engagement sessions and investor interactions), and other relevant stakeholders, such as may be represented by Eumedion and/or proxy voting firms, that provide public viewpoints on ESG related remuneration targets.

Management role in assessing and managing climate-related risks and opportunities.

IMCD's sustainability strategy is determined by its Management Board and Executive Committee. A member of the Executive Committee, has been assigned climate-related responsibility and reports to the Management Board. The Supervisory Board supervises the organisation's climate strategy and climate-related issues.

A member of the Executive Committee chairs the Sustainability Task Force and directly reports to the Management Board. The members of the 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. Key sustainability topics including climate-related issues are identified in consultation with external and internal stakeholders, assessed by the Management Board, and are monitored at group level by the Sustainability Task Force. Climate-related topics discussed by the Task Force include the collection of sustainability and climate-related data, performance against emissions reduction targets, and setting new emissions reduction targets. The day-to-day sustainability aspects of IMCD's operational activities are managed by the Business Groups and the countries.

Short, medium, and long term climate-related risks and opportunities

Climate-related physical and transition risks were identified over short, medium, and long-term time horizons using scenario analysis. This process is described in detail in the following section with IMCD's potential material risks summarised in the table with climate-related risks and opportunities.

Potential materiality considers both IMCD's exposure, defined using our risk management framework definition of impact, and changes in scenario data. It is a qualitative assessment of materiality only.

IMCD defines time horizons for climate-related dependencies, impacts, risks and opportunities in alignment with the TCFD guidance for risk evaluation, as well as IMCD's shorter-term strategy planning cycles, and national climate policy milestones, such as the European Union's 2050 climate-neutral target, and the expected lifetime of IMCD's assets. Short-term goes from today (2024) to 2030. Medium-term goes from 2031 to 2040, and long-term goes from 2031 to 2040.

The impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

Climate-related risks and opportunities have been considered in IMCD's strategy and financial planning to minimise potential risks and maximise opportunities. Next year, IMCD will look to use the results from the qualitative scenario analysis exercise to adjust its strategy and financial planning where necessary. IMCD's strategy has already considered climate-related issues, specifically regarding:

- **Sustainable solutions** – The Sustainable Solutions Framework programme is IMCD's market-oriented programme to promote greener products throughout its supply chain. The programme leverages IMCD's market intelligence, technical expertise, extensive laboratory infrastructure, and product knowledge to create a comprehensive green products catalogue. For more information about Sustainable Solutions, see Note 4 Sustainable Solutions.
- **Logistic decarbonisation** – IMCD launched its Logistic Decarbonisation programmes (former Supply Chain Decarbonisation programme) in 2022 with the aim of reducing GHG emissions across the value chain. In close cooperation with our logistics service providers, we strive to reduce carbon emissions through efficient routing, optimisation of the volume-mileage ratio and implementation of sustainable transport modes. We developed the CO_2 dashboard to provide real-time insight into the carbon footprint of our third-party logistics providers (3PLs). For more information about our logistic decarbonisation work, see Note 2 Logistic decarbonisation.
- **Responsible operations** (ESG monitoring item) – IMCD's direct environmental footprint is limited given its asset-light business model. Nevertheless, reducing its overall operational footprint on the environment is critical for IMCD and its stakeholders. In 2024 we implemented the Car Policy regulating the replacement of traditional diesel or petrol fuelled passenger cars with the hybrid and/or electric vehicles. This will allow IMCD to reduce GHG emissions under Scope 1.

This integrated approach is embedded in IMCD's broader risk management and strategic planning processes. Specifically, the interconnections are assessed during the scenario analysis of our climate strategy. Here, environmental dependencies such as energy consumption and value chain resilience are analysed alongside potential impacts like operational disruptions, regulatory changes, and reputational risks. The process ensures that risks and opportunities are not evaluated in isolation but rather in the context of their interactions, providing a view of the potential challenges and advantages IMCD may face.

Several financial planning elements have been influenced by climate-related issues

In our commercial and financial forecast and budget process, we make projections of future sales volumes and margins based on the expected macroeconomic and microeconomic market conditions. In addition, trends in customer demands, our principal suppliers' product and market strategies, and expected product availability are considered as well.

Due to our asset-light business model, the impacts of climate related issues on capital expenditures (CAPEX) are relatively low. IMCD's CAPEX mainly relates to improvements to the offices and warehouses, including energy saving measures and the new right-of-use assets related to hybrid and full electric company cars and more energy efficient office and warehouse locations. The potential risk here associated with the long-term period, however, to date no material transition risk could be quantified.

With regard to operating expenses (OPEX), in particular the consequence of moving offices to more energy efficient locations is incorporated into our financial planning.

In summary, IMCD has a resilient and robust financial planning, which includes anticipation on climate-related issues.

To improve understanding of IMCD's resilience to the impacts of climate change, the Company has worked with a reputable global sustainability consultancy firm to carry out an assessment based on TCFD of its exposure to physical and transition risks and opportunities, using scenario analysis. The results from the scenario analysis, as articulated in this chapter, demonstrated that IMCD is exposed more to transition risks and opportunities than to physical risks. In a net-zero scenario, the analysis showed that IMCD's strategy is resilient overall to the associated changes in policy, technology, and markets. However, we analysed some probable risks and opportunities that might affect IMCD and will aim to mitigate or maximise accordingly.

Scenario analysis methodology based on TCFD

Aligned with TCFD guidance, IMCD has assessed risks and opportunities on a short (2027 and 2030), medium (2040), and long-term (2050) basis. These time horizons align with shorter-term strategy planning cycles as well as international and national climate policy milestones such as the European Union's 2050 climate-neutral target, and the expected lifetime of our assets.

The scenario analysis commenced with a process of identifying relevant physical and transition risks and opportunities that could have a potential impact on our business, aligned to the TCFD's taxonomy of physical and transition risks and opportunities. Each risk and opportunity was qualitatively assessed using impact and uncertainty ratings and validated with a wide range of stakeholders representing different IMCD Business Groups and functions. Impact ratings were assigned using the same categorisations as applied in our enterprise risk management framework. As climate scenarios are inherently uncertain, the scenario analysis considered the full range of potential impacts from all scenarios, without considering the likelihood of each scenario developing. We considered the uncertainty associated with each item, recognising that items that could have a high impact and high uncertainty should be explored further.

Physical risks were assessed for ten IMCD asset locations, which were selected to represent different geographical locations IMCD operates in and based on the net inventory value. For each prioritised item, a scenario indicator was assigned, acting as a proxy to explore how the trend of exposure to the risk or opportunity may develop in each scenario. These were combined with exposure ratings, derived from the assigned impact rating, to give an overall risk/opportunity rating at each time frame.

All nine climate physical hazards covering both acute and chronic physical risks were taken forward to the scenario analysis assessment, while the top eight climate-related transition risks and opportunities (CRO) were prioritised based on the impact-uncertainty rating for a deeper dive using scenario analysis.

Material climate-related Physical and transition risks and opportunities

PHYSICAL HAZARDS AND RISKS			TRANSITION RISKS AND OPPORTUNITIES		
TCFD CATEGORY	HAZARD	RISK/OPPORTUNITY	TCFD CATEGORY	CRRO	RISK/OPPORTUNITY
Acute physical	Extreme heat	Risk	Market	Reduced demand for higher carbon products	Risk
Acute physical	Extreme cold	Risk	Market	Supplier inability to meet increased demand for low - carbon products	Risk
Acute physical	River flooding	Risk	Market	Rising logistics costs	Risk
Acute physical	Extreme rainfall flooding	Risk	Policy & Legal	Increased climate-related reporting obligations on specific products	Risk
Acute physical	Tropical cyclones	Risk	Resilience	Use of renewable energy	Opportunity
Acute physical	Wildfires	Risk	Resource efficiency	Decarbonisation of logistics	Opportunity
Acute physical	Rainfall-induced landslides	Risk	Markets	Access to new markets that align to the energy transition	Opportunity
Chronic physical	Water stress and drought	Risk	Markets	Proactive management of product portfolio	Opportunity

The table below shows the final outcome, including an explanation of the selected physical and transition scenarios.

Selected physical and transition scenarios

TYPE	SCENARIO	2100 WARMING	ASSUMPTIONS, UNCERTAINTIES AND CONSTRAINTS	RATIONALE FOR CHOICE OF SCENARIO
Physical	IPCC SSP1-2.6	+1.8°C	Physical climate risks are limited given the high sustainability ambition of the scenario. As climate scenarios are inherently uncertain, the scenario analysis considered the full range of potential impacts from all scenarios, without considering the likelihood of each scenario developing. We considered the uncertainty associated with each item, recognising that items that could have a high impact and high uncertainty should be explored further.	This scenario is aligned with the Paris Agreement, whereby physical climate risks are deemed more limited. In addition, the TCFD recommends taking into consideration different climate scenarios, including a "2C or lower" scenario, such as SSP1-2.6. This scenario is also considered a "plausible" low carbon scenario.
	IPCC SSP5-8.5	+4.4°C	Physical climate risks increase in comparison to IPCC SSP1-2.6 given the carbon-intensive focus of this scenario where economic and social growth are prioritised over the environmental resilience capacity. As climate scenarios are inherently uncertain, the scenario analysis considered the full range of potential impacts from all scenarios, without considering the likelihood of each scenario developing. We considered the uncertainty associated with each item, recognising that items that could have a high impact and high uncertainty should be explored further.	This is a high-emissions scenario with no additional climate policy (business-as-usual). The push for economic and social development is coupled with the exploitation of abundant fossil fuel resources and the adoption of resource and energy intensive lifestyles around the world. Physical climate risks increase. In addition, the TCFD considers as best practice to understand stressed exposure to plausible physical risks through scenarios constant with RCP8.5/SSP5-8.5.
Transition	IEA Stated Policies	+2.6°C	As climate scenarios are inherently uncertain, the scenario analysis considered the full range of potential impacts from all scenarios, without considering the likelihood of each scenario developing. We considered the uncertainty associated with each item, recognising that items that could have a high impact and high uncertainty should be explored further.	This scenario assumes that only currently implemented policies are preserved, with an expected temperature outcome of 2.6C. The scenario explores how the energy system may change without major changes from policy makers. It does not take for granted that countries will achieve announced goals.In regards to Market recognition, a number of data providers exist, with the International Energy Agency (IEA) and the Network for Greening the Financial System (NGFS) being providers of the most comprehensive transition data. However, while the NGFS scenarios are primarily used by the financial sector, the IEA scenarios are more widely used in the market by different applicable sectors.
	IEA Net Zero by 2050	+1.4°C		This is an ambitious scenario that limits global warming to 1.5 C through stringent climate policies and innovation, reaching net-zero CO2 emissions around 2050. It represents one potential path to achieve Net Zero and assumes an orderly transition across the energy sector. In regards to Market recognition, a number of data providers exist, with the International Energy Agency (IEA) and the Network for Greening the Financial System (NGFS) being providers of the most comprehensive transition data. However, while the NGFS scenarios are primarily used by the financial sector, the IEA scenarios are more widely used in the market by different applicable sectors.

Assessment of climate-related Risks and opportunities and interaction with strategy

CRITERIA	TCFD CATEGORY	RISK/OPPORTUNITY DESCRIPTION	QUALITATIVE RATING			POTENTIAL FINANCIAL IMPACT	IMPACT DESCRIPTION	STRATEGY
			Short-term	Medium-term	Long-term			
Reduced demand for higher carbon products	Market	Several IMCD end-user markets may face changing demand in a net-zero scenario which could impact demand for IMCD products supplying these sectors. For example, the Lubricants & Energy Business Group supplies a range of speciality chemicals across oil, gas, and fuel markets, which may shrink in a transition to net zero.	Low risk	High risk	High risk	Decreased revenue	As the demand for emissions intensive products goes down, so does the revenues associated with the sale of said products. Low-carbon alternative products will increase in demand, the markets surrounding these products and offerings should be invested into, with higher-emission sectors being divested out of.	Closely monitor the decarbonisation of high-carbon markets where IMCD has investments and be ready to pivot swiftly into more sustainable, high-growth sectors. As demand from traditional markets like oil and gas declines, strategically shift focus towards renewable infrastructure and other emerging sustainable industries.
						Increased indirect (capital expenditure) costs	The cost of diversifying and decarbonising products and services could be high, however in the long run this could avoid losses from a late exit from emissions intensive markets.	
Supplier inability to meet increased demand for low-carbon products	Market	The demand for low-carbon products is projected to increase in a net-zero scenario, driven by policy and regulatory changes and changes in consumer preferences. As a distributor of goods, IMCD is reliant on suppliers to be able to provide low-carbon products. Suppliers may not decarbonise in line with expectations, which could limit IMCD's supplier choice for low-carbon products.	Low risk	High risk	High risk	Decreased revenue	Supplier inability to decarbonise or decarbonise as quickly as regulation/ demand expects could lead to reduced supplier or product choice for IMCD. This could lead to reduced revenues as customers turn to competitors providing low-carbon products. This is particularly relevant for suppliers of hard-to-abate products, for example products that require petrochemical feedstocks or high temperatures.	Prioritise supplier selection and engagement to actively support their decarbonisation efforts. Identify which Business Groups will be most affected by suppliers' failure to decarbonise and implement strategies to mitigate these risks.
Rising logistics costs	Market	In a net-zero scenario, the transport sector faces a significant challenge to decarbonise in line with net-zero requirements. The investment cost to decarbonise fleets, e.g., replacement of internal combustion engine (ICE) fleets to low carbon/ electric fleets, could be passed on to IMCD, leading to higher transportation costs of IMCD products. As the majority of our transportation is through third-party logistics providers, IMCD could be highly exposed to this risk.	Low risk	High risk	High risk	Increased indirect costs	As the Transport sector faces significant decarbonisation through carbon pricing and other policy instruments; the CapEX of the electrification of its fleet and the increased operational costs will potentially be passed through to IMCD. To maintain margins, it is likely that these costs will be passed through to IMCD's customers. If IMCD passes through costs to its customers, the Company can protect itself from increased operational expenditure. However, there is a balance of remaining competitively priced and keeping revenues up.	Ensure that excess pass-through costs from logistics companies are effectively transferred to customers, while maintaining a strategic balance between competitiveness and profitability.

CRITERIA	TCFD CATEGORY	RISK/OPPORTUNITY DESCRIPTION	QUALITATIVE RATING			POTENTIAL FINANCIAL IMPACT	IMPACT DESCRIPTION	STRATEGY
Access to new markets that align to the energy transition	Market	The achievement of net-zero will require new technologies, which could drive demand for products in new markets. Examples of these markets include hydrogen, renewable electricity generation, and biofuels. By adapting its product and supplier portfolio, IMCD is well placed to take advantage of these growing markets.	Moderate Opportunity	High opportunity	High opportunity	Increased revenue	IMCD is in a position where it could divest out of slowing markets and take advantage of growing low-carbon markets. As it is currently placed in several sectors that will experience growth from the transition, it should ensure to adapt its offerings to align and support the transition. Almost all Business Groups could take advantage of growth of demand for low-carbon products, innovation in low-carbon alternatives to high-emission products could be lucrative.	Proactively prepare for rising demand for low-carbon products by investing in their development. Leverage IMCD's expertise and position in high-emission markets, as many products and services can seamlessly transition to markets aligned with the global shift towards sustainability.
Proactive management of product portfolio	Market	As the demand for low-carbon products in current markets increases, IMCD can proactively seek partnerships with suppliers who are accelerating their net-zero ambitions. Consumer facing sectors are already increasing demand for low-carbon chemical products with many companies setting net-zero targets for their whole value chain. Achievement of these targets will rely on the availability of low-carbon input materials, leading to an opportunity for IMCD.	Moderate Opportunity	High opportunity	High opportunity	Increased revenue	Proactive portfolio management can allow IMCD to maximise opportunities to meet demand for low-carbon products. Consumer facing sectors are already facing high demand for low-carbon chemicals with many companies setting net zero targets for their whole value chain. Achievement of these targets will rely on the availability of low-carbon materials within our product portfolio.	Review and enhance supplier selection policies, engagement strategies, and portfolio management approaches to integrate low-carbon considerations. Strengthen these processes to ensure alignment with sustainability goals and to drive progress toward a low-carbon future.
Coastal and Extreme Rainfall Flooding impact on operations	Acute physical	Under rising temperatures, the atmosphere warms, which increases the amount of moisture that can be held. More moisture can lead to more rainfall in short, and intense downpours, which can increase the risk of extreme rainfall and (flash) flooding. Under rising temperatures, sea-levels can also rise, therefore increasing the risk of storm surges and coastal flooding of low-lying land.	High risk	High risk	High risk	Increased capital and operational expenditure cost	Associated with the costs of repairing or replacing damaged inventory, equipment, and facilities, as well as the cost of any flood water clear-up and remediation efforts.	Assure that flooding has been accounted for in the design specifications of assets in risk in significant locations vulnerable to climate risks. Ensure that flood management measures, such as flood defences and emergency response plans, are in place. In addition, monitor the environmental insurance coverage of the sites at risk.
						Reduced revenue	Associated with blocked key site access routes for goods and site personnel. This could lead to disruptions in operations and potential delays in deliveries and supply chains. This may also include any revenue losses incurred as a result of flooded warehouses causing the loss of valuable stored items.	

Achievements and next steps

Summary of achievements 2024:
1. Enhancing logistic decarbonisation strategy
2. Strengthening climate governance
3. Integration into business strategy
4. Risk management and metrics development
5. Building a workforce culture of sustainability

The goals for 2025:
- Further develop the climate transition and decarbonisation plan, including identification and quantification of levers, aiming at reducing our Scope 1, 2, 3 emissions. The climate transition plan covers all of our 8 Business Groups and our global operations.
- Further enhance the methodology of Scope 3 emission calculation by improving the data quality and sharpening assumptions.
- Continue monitor climate related risks and opportunities as part of our integrated risk management programme.
- Further prepare for upcoming regulations and societal developments in our Sustainable Solutions programme.

2 Logistic decarbonisation

2.1 Management approach; policies, actions, metrics and targets

The logistic decarbonisation programme is built on two pillars: optimising our transport and order management, and collaborating with third-party logistics service providers to drive further improvements. We aim to reduce our environmental impacts across the value chain by collaborating closely with our industry partners. Throughout 2024, we worked with our third-party logistics service providers to continuously reduce emissions and maximise operational efficiency.

IMCD expanded significantly throughout the past years, with over 70 acquired companies and businesses across the world. Incorporating new entities into our operations and consequently impacting our Scope 1 and 2 emissions. Even though Scope 1 and 2 emission do not make a significant impact in our ecological footprint, IMCD does find it important to monitor those items and aim to reduce its emissions as much as possible. Over the years, IMCD developed and implemented several policies/procedures and actions to reduce the environmental impact of its growing operation. Since 2019, IMCD has tracked and reported greenhouse gas (GHG) emissions from its own activities as well as from third-party transportation of purchased and sold products. Given our asset-light business model, our direct environmental impact is limited; however, we acknowledge that Scope 1 and Scope 2 emissions arise from energy consumption within our facilities, transportation, and operational activities. Reducing these emissions is crucial for setting a positive standard across our value chain. Therefore, we include those as part of our remuneration targets as presented in the Governance Chapter.

Considering our high degree of outsourced warehousing and transportation, our logistics decarbonisation strategy is focused on collaboration with third-party logistics providers. Our Scope 3 emissions derive from these partners' carbon footprints, and we work closely with them to minimise emissions through optimised routing, increased volume-mileage ratios, and the adoption of more sustainable modes of transport. Logistics decarbonisation remains a core priority as we strive to create a significant environmental impact and align with global sustainability targets.

In 2024, we continued to improve data accuracy and reporting. By optimising our CO_2 dashboard, we achieved real-time visibility of the carbon footprint of our third-party logistics providers, allowing our sales and support teams to track and communicate efficiency gains to customers and suppliers. This progress will enhance our emissions management programme and support emissions reductions in the coming years. We also strengthened our third-party screening, beyond the signing of our ESG Standards for Business Partners, through collaborations with EcoVadis and TfS, providing transparency on emissions from assets that, while not under our direct control, still impact our overall value chain. By the end of 2024, 14 IMCD entities were EcoVadis rated. As part of our membership with Together for Sustainability, we conducted 5 external supplier audits in 2024. More information is included in the section on 1 Together for Sustainability (TfS).

Policies

To effectively manage our material related impacts, risks, and opportunities, our key policy principles on this topic are further integrated into our broader policy framework, and included, for example, in the IMCD Business Principles, Code of Conduct, and ESG Standards for IMCD Business Partners. In 2024, we implemented a new Group Car Policy with clear measures aimed at reducing emissions within our own organisation. We also implemented a Sustainable Procurement Policy. These policies are designed to decarbonise our operations and hence address climate change mitigation. Examples include optimising our fleet, enhancing energy efficiency, and deploying renewable energy across IMCD's operations and value chain.

We have also begun work on a separate environmental policy and a climate and energy statement, which we aim to complete in 2025 as we first integrate these principles in our internal guidelines, such as the IMCD Business Principles.

In our mitigation efforts, we prioritise the efficient, cost-effective, and environmentally responsible use of energy, favouring renewable over non-renewable sources whenever feasible. Our actions to reduce greenhouse gas emissions and achieve IMCD's sustainability targets are outlined below.

Examples of 2024 achievements:

Decarbonising the value chain: In 2024, continued to implement low-carbon logistics solutions, including the development of a new third-party 'Green Warehouse' in India. This newly inaugurated, state-of-the-art solar-powered warehouse in Mumbai is one of the largest 3PL multi-client centres in India, incorporating the following innovative features:

- Solar Power Generation: Capable of storing up to 450 kW of solar energy and saving approximately 450,000 Kgs of CO2 emissions each year
- Eco-board panels: The mezzanine floor and office partitions are constructed these panels made from natural fibres sourced from waste crops, being an alternative to MDF boards. These materials have conserved around 500 trees and prevented approximately 1,200 metric tons of CO2 emissions in a one-time impact.

Renewable electricity sourcing: Maintaining and enhancing the use of renewable electricity across geographies through market-based tools and initiating on-site solar panel installations where renewable energy markets are underdeveloped. For example, IMCD South Africa's solar panel project in 2024 will enable renewable energy consumption by 2025 onwards.

Sustainability of the company cars: IMCD is working on making its company car fleet more sustainable, formalised by its Group Car Policy. By the end of 2024, 25% of IMCD's company fleet was electric or hybrid. We will continue our focus on this in 2025 and beyond.

Implementing tailor-made sustainability trainings with HSEQR and Supply Chain teams on Health & Safety Management Systems, Scope 1 and 2 Emissions and other complementary topics such as Sustainable Procurement, EcoVadis and TfS Audits, and Supplier (sustainability) monitoring. All our HSEQR and Supply Chain staff completed the trainings in 2024.

Targets going forward

Building on our ongoing efforts to reduce emissions and reflecting the progress made during the 2019-2024 period,we have formulated new targets for Scope 1 and 2 emissions reduction and furthermore decided to commit to set an overall science-based near-term target aligned with the SBTi criteria. As part of its decarbonisation agenda, IMCD will aim for a 60% reduction in absolute Scope 1 and 2 GHG emissions by 2034, based on a 2024 baseline.

2.2 Energy and emissions management: Scope 1, 2 and 3

IMCD measures and monitors Scope 1, Scope 2, Scope 3 upstream and downstream GHG emissions. IMCD distinguishes the following categories of GHG emissions, based on the GHG Protocol

Emission scopes	Description
Scope 1 - Direct *ESG Monitoring Item*	Emissions from sources that are owned or controlled by an entity directly. Activity data and emissions include combustion of fuels in stationary (non-transport) combustion sources on-site (e.g., heating boilers), mobile combustion sources (company-owned/leased vehicles), or process-based emissions. Also included, are refrigerants mainly for air conditioning purposes.
Scope 2 - Indirect (energy) *ESG Monitoring Item*	Emissions associated with the consumption of purchased or acquired electricity and district heating/cooling, or steam. Activity data and emissions include the purchase of electric power, district heating/cooling, and steam from the local utility. Since 2024, this category is calculated in both location-based and market-based approaches in line with the GHG Protocol.
Scope 3 - Indirect (other)	All indirect emissions (not included in Scope 2) that occur in the value chain of a company, including both upstream and downstream activities.
Out of scope (biogenic)	The fraction of CO_2-only emissions related to the consumption of bioenergy (CH_4, N_2O are included in Scope 1 & 2). Biogenic CO_2 emissions are one of several activities labelled 'outside of scopes' by the GHG Protocol Corporate Accounting and Reporting Standard, because the impact has been determined to be a 'net zero' (i.e., the fuel source itself absorbs an equivalent amount of CO_2 during its growth phase as the amount of CO_2 released through combustion).

2.2.a Introduction to GHG emission calculations

As stakeholder expectations and regulatory frameworks have evolved, the need for a comprehensive Scope 3 reporting approach became evident. Recognising that most of IMCD's emissions occur within the broader value chain, a more detailed methodology was essential. Therefore, IMCD introduced a new GHG emissions calculation methodology aligned with frameworks such as the Greenhouse Gas Protocol and the SBTi. Developed with support from a reputable energy management consultancy firm, this refined approach enhances data tracking for Scope 1, 2, and especially Scope 3 emissions, providing a broader and more accurate view of IMCD's emissions across the value chain.

The increased accuracy and granularity provided by this methodology enhances our Scope 3 emissions tracking by capturing indirect emissions linked to purchased goods, services, capital assets, transport and logistics, and other indirect emission categories. The work done on this methodology included an in-depth analysis of decarbonisation levers, identifying where IMCD has the ability to reduce emissions, including the potential phase-out of any GHG or energy-intensive assets or products. Furthermore, the outcomes will be used for target setting. IMCD has committed to set near-term science based targets in line with SBTi criteria and recommendations.

These efforts are part of the broader development of our climate-related actions and will shape IMCD's climate transition and business resilience plan, both of which will be further developed in 2025. More details on the outcomes of the baseline analysis will be shared in the corresponding chapter on emissions.

For 2024, IMCD uses a dual reporting system. The results from our legacy calculation methodology are included in Appendice 6 Scope 1, 2 and 3 (methodology 2019-2024) of this report.

2.2.b Methodology

Operational boundaries:

For our calculation methodology, the scope of calculation (operational boundaries) developed in 2024 for use going forward is different compared to the methodology used for our 2019-2024 target period. The more granular approach now also accounts for acquired companies which requires re-assessing the baseline figures.

- **System integration:** we evaluate all entities that have been fully integrated into our systems in the current year, as well as the ones that are not yet integrated. For entities where full-year data is unavailable, extrapolations based on spending and activity data is applied.
- **Acquisitions:** results are extrapolated to account for emissions of companies acquired in the current year. The prior year and baseline year emissions are adjusted to accordingly.
- Extrapolation is applied considering different possible scenarios as outlined below:
  - **Acquired and onboarded onto IMCD systems in Year Y**: Partial emissions data is available in reporting systems. The reported emissions are used to extrapolate total emissions for the full year and adjust historical emissions.
  - **Acquired but not onboarded onto IMCD systems in Year Y**: Emissions are estimated using basic available data on the nature of the company. Historical emissions are recalculated.
  - **Acquired before year Y and still not onboarded onto IMCD systems**: Emissions are estimated using revenue-based extrapolations due to the unavailability of activity based data. Basic information on the nature of the activities of the company is used to generate an average carbon intensity of revenues.
  - **Acquired before year Y & onboarded onto IMCD systems in year Y**: Full-year emissions are calculated using reported data and revenue-based extrapolation. Historical emissions, if previously estimated with less precision, are recalculated for accuracy.
  - For entities that, upon acquisition, are directly merged into an existing IMCD entity, historical emissions are estimated based on pre-acquisition revenue and emission figures of the IMCD company.

Scope 1 and 2 emissions

- Quantification methods used for the inventory are in accordance with best practice as followed by World Resource Institute (WRI), World Business Council for Sustainable Development (WBCSD), Greenhouse Gas (GHG) Reporting Protocol, based on the most recently available factors.
- Usage or "activity" data from emissions sources is used for calculating emissions. The activity data is multiplied by the correlating emission factor, as defined in the GHG Reporting Protocol or by engineering evaluations for the respective activity.
- All activity data used for Scope 1 and 2 calculations is collected via IMCD's global financial and non-financial reporting system, managed by the Integrated Reporting team.
- For all data sources, when data quality is deemed too low or gaps were identified, estimation methods are applied to enhance data completeness and accuracy.
- The table below provides a summary of the data points collected by entity and by type of emissions.

DATAPOINT	SOURCE	CATEGORY CALCULATED WITH THIS DATA
Country of operations of the entity	Quarterly Integrated report of all IMCD entities	Scope 2 evaluation
Quantity of fuels purchased for mobility in litres		Scope 1 emissions from mobile sources
Quantity of fuels purchased for fixed combustion in MWh		Scope 1 emissions from fixed sources
Quantity of electricity purchased in MWh		Scope 2 emissions in location-based methodology
Quantity of district heating or cooling purchased, in MWh		Scope 2 emissions in location-based methodology
Share of renewable electricity in the electricity purchased, in %		Scope 2 emissions in market-based methodology
Total air-conditioned surface in m^2		Scope 1 emissions from fugitive gases

- In accordance with the dual reporting requirement of the GHG Protocol, IMCD's inventory uses emission factors from two relevant emissions databases: location-based (LB) and market-based (MB) inventories. The LB and MB emission factors differ only in Scope 2 – Electricity. The LB method reflects the average emissions intensity of grids on which energy consumption occurs and uses grid-average emission factors. The MB method reflects specifically the carbon intensity of the electricity purchased by IMCD.
- If IMCD purchases electricity from non-renewable sources, emissions in the MB inventory are calculated by using reliably tracked renewable energy consumption (e.g., certificates of origin) from the generation mix for a region. This is defined as the residual mix. The residual mix prevents double counting in the disclosure of energy procurement and Scope 2 emissions data. IMCD uses the residual mix emission factors for Scope 2 – MB emissions defined by each relative geography in which IMCD operates.
- The table below shows an overview of emission factors for Location-based and Market-based calculations.

INVENTORY		LOCATION-BASED	MARKET-BASED
Scope 1	Fuels & Refrigerants	DEFRA (adjusted with GWP values from IPCC AR6)	
Scope 2	District Heating	DEFRA (adjusted with GWP values from IPCC AR6)	
	District Cooling	US EIA Emission Factors for Steam and Chilled Water - 1605 – Attachment N	
	Electricity	IEA National Emission Factors	• RE-DISS Residual European Mix • IEA National Emission Factors (for sites with no MB value)
	Renewable Electricity	IEA National Emission Factors	Manual 0 EF

Scope 3 emissions

- In 2024, an initial screening analysis was conducted to assess the relevance of each GHG protocol category for our business model. It was established that 9 out of 15 categories are relevant for IMCD.
- For emissions related to traded products (part of categories 1 and 12), the goal is to maximise the use of activity-based methods by capturing the weight of purchased products and applying relevant emission factors based on their nature.
- For emissions related to logistics, an activity-based approach is applied by analysing transport distances covered, and mode of transport used.
- For all other Scope 3 emissions categories, a mix of activity and spend based approaches are applied.
- The table below shows the data collection per Scope 3 category of the GHG protocol, as well as the sources of emission factors applied. Further methodological details for each Scope 3 category are provided in the results presentation section.

SCOPE 3 CATEGORY	CALCULATION METHOD	EMISSION FACTOR SOURCES
3.1 Purchased Goods & Services - Trade Products	Activity based via ERP system	Carbon Minds "cm.chemicals" database latest version received in June 2024. Ecoinvent 3.10 CUTOFF system model, EF V3.0 no LT LCIA Agribalyse 3.1.1 CarbonCloud
3.1 Purchased Goods & Services - Indirect Purchases	Spend based via Financial Statements	US EPA EEIO 2021 (adjusted with GWP values from IPCC AR6)
3.2 Capital Goods	Spend based via Financial Statements	US EPA EEIO 2021 (adjusted with GWP values from IPCC AR6)
3.3 Fuel & Energy related activities	Activity based via Scope 1 & 2 process	DEFRA 2023 (adjusted with GWP values from IPCC AR6) ; IEA Life cycle Upstream EF 2023
3.4 Upstream Transportation & Distribution	Activity based via ERP system	Freight emissions: EcoTransIT World Warehousing emissions: GLEC framework
3.5 Waste generated in own operations	Activity based via data on waste	ADEME 2018/US EPA WARM 2020/DEFRA 2023 (adjusted with GWP values from IPCC AR6)
3.6 Business Travel	Spend based via Financial Statements	US EPA EEIO 2021 (adjusted with GWP values from IPCC AR6)
3.7 Employee Commuting	Activity based via survey sent by HR	DEFRA 2023
3.8 Upstream Leased Assets	Not material	Not material
3.9 Downstream Transportation & Distribution	Activity based via ERP system	Freight emissions: EcoTransIT World
3.10 Processing of Sold Products	Not material	Not material
3.11 Use of Sold Products	Not material	Not material
3.12 End of Life of Sold Products	Activity based via ERP system	ADEME 2018/US EPA WARM 2020/DEFRA 2023 (adjusted with GWP values from IPCC AR6)
3.13 Downstream Leased Assets	Not material	Not material
3.14 Franchises	Not material	Not material
3.15 Investments	Not material	Not material

2024 results

The results in the table below indicate a slight increase of 3% in Scope 1 emissions, with a larger difference observed for Scope 2 (under both location- and market-based approaches). Scope 3 emissions, comprising nine material subcategories, have increased by 12%, primarily due to the organic growth of our business and higher purchase quantities in 2024. More detailed results on these emissions are presented in the following tables.

Scope 1, 2 and 3 GHG Emissions in ktCO_2eq and GHG emissions related intensity

	2024	2023	2024/2023 CHANGE
Direct energy carriers use (Scope 1) - global[1]	6,268	6,109	3%
Provided energy, Location-based (Scope 2) - global	5,963	4,893	22%
Provided energy, Market-based (Scope 2) - global	5,840	4,818	21%
Indirect emissions (Scope 3) - global	5,093,167	4,552,979	12%
Total estimated emissions, Location-based, tCO_2eq	**5,105,398**	**4,563,981**	**12%**
Total estimated emissions, Market-based, tCO_2eq	**5,105,275**	**4,563,906**	**12%**
Emissions intensity per EUR m of operating EBITDA (Location-based)	8,921	8,331	7%
Emissions intensity per EUR m of operating EBITDA (Market-based)	8,921	8,331	7%
Scope 1 and 2 emissions intensity per EUR m of operating EBITDA (Location-based)	**21**	**20**	**6%**
Scope 1 and 2 emissions intensity per EUR m of operating EBITDA (Market-based)	**21**	**20**	**6%**
Scope 3 emissions intensity per EUR m of operating EBITDA	**8,900**	**8,311**	**7%**

1 inclusive of biodiesel

In terms of intensity per net revenue, an increase of 6% is noted from 2023 to 2024.

Scope 1, 2 and 3 GHG Emissions related intensity per net revenue

	2024	2023	2024/2023 CHANGE
Scope 1 and 2 emissions intensity per EUR m of net revenue (Location-based)	3	2	4%
Scope 1 and 2 emissions intensity per EUR m of net revenue (Market-based)	3	2	4%
Scope 3 emissions intensity per EUR m of net revenue	1,077	1,025	5%
Net revenue total, EUR m	**4,728**	**4,443**	**6%**

The table below provides more details on the different drivers of Scope 1 and 2 emissions. For Scope 1, increases are observed in the categories of Fuel Oil and Fugitive Emissions. For Scope 2, higher electricity consumption has led to an increase in emissions, affecting both the location- and market-based calculation approaches.

Energy related emissions, tCO2eq

ENERGY CARRIER	2024	2023	2024/2023 CHANGE
Direct energy carriers use (Scope 1)	**5,967**	**5,827**	2%
Natural gas	868	964	(10%)
Petrol	2,396	2,373	1%
Diesel	2,212	2,040	8%
LPG	40	55	(28%)
Fuel oil	48	20	136%
Fugitive emissions	403	375	8%
Provided energy (Scope 2) - Location based	**5,963**	**4,893**	**22%**
Electricity	5,729	4,660	23%
Supplied heating	201	193	4%
Supplied cooling	33	39	(14%)
Provided energy (Scope 2) - Market based	**5,840**	**4,818**	**21%**
Electricity	5,606	4,585	22%
Supplied heating	201	193	4%
Supplied cooling	33	39	(14%)
TOTAL energy consumption within organisation (Scope 1 and 2) - Location based	**11,930**	**10,720**	**11%**
TOTAL energy consumption within organisation (Scope 1 and 2) - Market based	**11,807**	**10,645**	**11%**
Intensity per tonne merchanded - Location based	0.01	0.01	(6%)
Intensity per tonne merchanded - Market based	0.01	0.01	(7%)
Intensity per FTE - Location based	2.33	2.26	3%
Intensity per FTE - Market based	2.30	2.25	2%
Direct energy carriers use (biogenic)	**301**	**282**	**7%**
Biodiesel	301	282	7%

The detailed results and methodology per Scope 3 category, following our new methodology, is further explained below the table.

Scope 3 GHG emissions per category, tCO_2eq

SCOPE 3 CATEGORY	2024[1]	2023[2]	CHANGE
Category 1. Purchased goods and services - Trade products	4,592,171	4,091,193	12%
Category 1. Indirect purchases	10,089	10,543	(4%)
Category 2. Capital Goods	15,602	21,708	(28%)
Category 3. Fuel & Energy Related Services	3,647	3,202	14%
Category 4. Upstream transportation and distribution[3]	186,805	167,808	11%
Category 5. Waste generated in own operations	2,227	1,399	59%
Category 6. Business Travel	6,598	7,554	(13%)
Category 7. Employee Commuting	3,831	3,810	1%
Category 8. Upstream Leased Assets	Not material	Not material	n/a
Category 9. Downstream transportation and distribution	9,188	6,751	36%
Category 10. Processing of Sold Products	Not material	Not material	n/a
Category 11. Use of Sold Products	Not material	Not material	n/a
Category 12. End of Life Treatment of Sold Products	263,010	239,012	10%
Category 13. Downstream Leased Assets	Not material	Not material	n/a
Category 14. Franchises	Not material	Not material	n/a
Category 15. Investments	Not material	Not material	n/a
Total Scope 3 emissions, tCo2eq	**5,093,167**	**4,552,979**	**12%**

1 Results extrapolated to account for historic emissions of companies acquired in 2024
2 Including emissions of all entities existing at the end 2024
3 Direct shipments from IMCD supplier to IMCD customer without IMCD arranging the shipment are excluded, per GHG protocol.

Category 3.1 Purchased goods and services - trade products: the largest contributor to IMCD's greenhouse gas (GHG) emissions in 2023 and 2024. This reflects IMCD’s distribution business model, requiring the Company to account for cradle-to-gate emissions from purchased trade products (including all manufacturing steps and packaging).

Scope 3.1. emissions were calculated primarily using detailed, activity-based methods and reliable weight data for 99% of the trade products. CAS numbers are used to obtain emission factors from the CarbonMinds Database. For the remaining 1%, emissions were estimated based on spending data, and the GHG materiality for this category is high.

From 2023 to 2024 category 3.1 Purchased goods and services - trade products emissions increased 12%, driven by:

1. Quantities purchased in kg increased more than the revenues (+9% ton purchased per euro of revenue);
2. On average, the carbon intensity of products purchased increased (+3% tCO2e per ton of products).

This trend can be further explained by the slower growth of lower-intensity products (e.g., minerals) compared to higher-intensity products (e.g., plastic compounds, organic chemicals)

Category 3.1 Indirect Purchases within Scope 3.1, the indirect purchases related emissions accounts for 0.2% of the total footprint. The emissions in this category decreased by 4% from 2023 to 2024.

IMCD’s calculation of indirect purchases involved a data extract of spend information, which was reviewed by an energy management consultancy firm. Unallocated passenger car-related costs, such as insurance and maintenance, were included, with emissions calculated using emission factors based on industry types from the US EEIO database.

Category 3.2 Capital goods: emissions in this category decreased by 28% from 2023 to 2024, mainly because less capital goods were acquired during the year. This category covers the upstream emissions from assets purchased by IMCD that are capitalised and subsequently depreciated and includes items such as vehicles, machinery, equipment, and buildings.

The methodology used for this category was spend-based, relying on a high-level classification of expenses. IMCD provided spend data on capital goods and tangible fixed assets, including notes on excluded spend data and suggestions for categorisation under Scope 3. An energy management consultancy firm verified the exclusions and determined which items should be calculated based on spend data and which should be calculated using activity data. Non-leased company car purchases were added to this category from the travel car expense file. To estimate emissions, the spend was matched with the closest emission factor based on the relevant industry using NAICS titles from the US EEIO database. The GHG materiality for this category is considered low.

Category 3.3 Fuel and energy related activities: in line with the increase in Scope 2 emissions, emissions in this category increased by 14% in 2024. This category covers the upstream emissions associated with fuels, electricity, and heat used by IMCD, and includes emissions from activities such as fuel refining, transport, and distribution. These emissions occur before the energy reaches IMCD and are not captured in Scope 1 and 2.

The methodology for this category was activity-based, using granular emission factors. The calculation was based on IMCD's Scope 1 and 2 consumption data, which was then paired with the appropriate emission factors. These included DEFRA emission factors for upstream fuels, electricity, and district heating (DH) and cooling (DC), as well as International Energy Agency (IEA) factors to account for transmission and distribution (T&D) losses of electricity, DH, and DC. The GHG materiality for this category is considered low.

Category 3.4 Upstream transportation and distribution: emissions in this category increased by 11%, mainly due to an increase in purchased quantities in 2024. This year-on-year change follows the same trend as the change in Scope 3.1 emissions. This category covers the transportation services for all trade products from suppliers to IMCD, as well as any other logistics costs paid by IMCD. It includes emissions related to inbound and internal transportation and distribution (T&D), as well as outbound T&D for which IMCD is financially responsible.

The methodology used is activity-based, accounting for accurate distances travelled, weights shipped, and mode of transport used. Emission factors are taken from the emission database provided by EcoTransIT World (ETW) and key aspects of the new methodology approach include:
- Small road legs before and after sea or air freight are modelled;
- Load factors and empty truck factors for road transport are considered;
- Individual consumption curves and emission classes for different types of trucks (e.g. class 40 truck - EURO 6) are considered;
- Different road types and country elevation levels (e.g. city streets and country roads) are considered;
- Warehouse-to-warehouse transport is considered;
- Warehousing emissions are included;
  - Warehousing emissions were calculated based on the total amount of inbound products in year 2023 and 2024, excluding emissions linked to warehouses directly operated by IMCD, for which emissions are already accounted in Scope 1 and 2. Emission factors for warehousing were taken from the GLEC Framework.
- Direct shipments from suppliers to customers, that are not arranged and paid by IMCD, are excluded, following guidelines of the GHG protocol.

The use of this database is expected to bring us closer to reality in terms of transport emissions, mainly due to updated emission factors and better tracking of transport legs in terms of transportation modes used, as well as distances covered. One notable improvement is the inclusion of short road distances before and after each sea/air shipment, which provides a more realistic picture of transport routes and related emissions.

Category 3.5 Waste generated in operations: despite its low contribution to the Company's overall GHG footprint, emissions in this category increased by 59% in 2024 due to an increase in scope and availability of more granular data. IMCD considers it best practice to include this category in its decarbonisation strategy. This category covers emissions associated with waste treatment and disposal, primarily resulting from Scope 1 and 2 emissions of waste management companies, specifically the end-of-life (EoL) treatment of waste generated by IMCD's operations.

The methodology applied is activity-based and relies on granular emission factors tied to waste tonnage and treatment methods. We use activity based data, including mass, material type, and waste treatment methods. Per GHG Protocol recommendations, emissions from waste recovery processes (such as recycling for energy or material) are excluded, with only pretreatment emissions being accounted for. Emission factors from ADEME and the US EPA were used for the calculations. The GHG materiality of this category is considered low.

Category 3.6 Business travel: represents 0.2% of IMCD's total Scope 3 emissions and decreased by 13% in 2024. This category includes emissions from employee business travel, covering transportation by third-party operators such as aircraft, trains, buses, and passenger cars.

The methodology used was spend-based, relying on a high-level classification of expenses related to indirect purchases, including travel, lodging, and car expenses. Expenditures not linked to specific third-party transport modes, such as passenger car insurance, tax, leasing, and maintenance, were assigned to Categories 1 and 2. Spend data related to owned or leased company vehicles was excluded from this category as it falls under Scope 1. Eventually, category 3.6 includes only short-term car rentals and domestic and international air travel. US EEIO emission factors were applied, based on NAICS titles/codes for each type of spend. The available data covered 92-93% of the group entities and the remaining 7-8% was estimated through extrapolation. Emissions from hotel stays were calculated but are not included in the mandatory inventory as they are optional under the GHG Protocol. The GHG materiality for this category is considered low.

Category 3.7 Employee commuting: accounts for 0.1% of IMCD's total Scope 3 emissions. Following the increase in number of FTE, the emissions in this category increased by 1% in 2024.

The methodology applied was activity-based, incorporating granular emission factors related to transport means, distance, and frequency. IMCD used employee data by country and survey results on homeworking habits. The IMCD's survey covered 92-93% of countries; the remaining 7-8% was estimated through extrapolation. The total number of office days per country was determined and matched with relevant emission factors from national or regional databases (e.g., Eurostat, Statista). When specific emission factors were unavailable, proxies were used. Emissions were calculated to reflect the entire life cycle of fuels, from extraction to combustion, known as well-to-wheel emissions. The GHG materiality for this category is considered low.

Category 3.8 Upstream leased assets: not material for IMCD's decarbonisation strategy given that it is not applicable to the Company's business model.

Category 3.9 Downstream transportation and distribution: accounts for 0.2% of IMCD's total Scope 3 emissions and increased by 36% in 2024. This category includes emissions from transportation legs between IMCD warehouses and customer premises when the customer arranges the freight. Similar to the methodology applied for Category 3.4, these emissions are calculated using the EcoTransIT World database.

Category 3.10 Processing of sold products: this category involves emissions from the transformation of products sold by IMCD into final products. Specifically, it covers emissions related to the operations of IMCD's customers as they incorporate IMCD products into finished goods. IMCD sells thousands of intermediate products to thousands of different industries, and has very little insight into its customers' processing energy consumption. Moreover, a single intermediate product can be sold to very diverse sectors, making accurate computation of these emissions highly complex. Although the GHG Protocol permits the exclusion of this category from the GHG inventory in this situation, IMCD still sought to estimate Cat.10 emissions to

1. accommodate any future inquiry by bodies other than the GHG Protocol (e.g SBTi) and;
2. demonstrate the minimal significance of this category compared to the other categories.

The methodology used involves high-level estimates based on processing scenarios for the top 10 sold products based on revenue and/or volume (weight). IMCD sampled these top products and assumed potential processing scenarios along with conservative energy consumption estimates. These estimates were derived from publicly available life cycle analyses of finished goods (e.g., EcoInvent) and known heating or mixing requirements in the manufacturing process. Results for these top products were then extrapolated to cover all sales.

This estimation approach showed that this category would represent less than 0.5% of Scope 3 emissions, such that the GHG materiality for this category would be considered low. For all the reasons mentioned above, this category is excluded from IMCD's Scope 3 baseline.

Category 3.11 Use of sold products: not material for IMCD's decarbonisation strategy given that it is not applicable to the Company's business model.

Category 3.12 End of life treatment of sold products: accounts for 5% of IMCD's total Scope 3 emissions and increased by 10% in 2024, mainly due to the increased purchase quantities. Category 3.12 covers emissions from the disposal and treatment of products sold by IMCD at the end of their life, considering the share of IMCD's products in the final waste composition.

The applied methodology is based on precise weights and conservative assumptions about waste treatment. Emissions are considered for both the compounds and packaging of sold products. Packaging is conservatively assumed to end up in landfills. To calculate emissions, several steps were followed:
- A representative final product was assigned to each product category;
- Each category was classified as generating either hazardous or non-hazardous waste;
- As a conservative approach, 100% of non-hazardous waste and 95% of hazardous waste were assumed to be landfilled, with the remaining 5% of hazardous waste incinerated.

Category 3.12 is the third most significant Scope 3 category, driven by the large volume of sold products and conservative assumptions for disposal and waste treatment. The GHG materiality for this category is considered medium.

Category 3.13 Downstream leased assets: not material for IMCD's decarbonisation strategy given that it is not applicable to the Company's business model.

Category 3.14 Franchises: not material for IMCD's decarbonisation strategy given that it is not applicable to the Company's business model.

Category 3.15 Investments: not material for IMCD's decarbonisation strategy given that it is not applicable to the Company's business model.

The Scope 1, 2 and 3 emissions by region are as follows.

Scope 1, 2 and 3 GHG emissions by region, tCO_2eq

	2024	2023	CHANGE
EMEA	2,013,129	1,874,862	7%
Americas	1,551,592	1,451,514	7%
Asia-Pacific	1,540,554	1,237,530	24%
Total estimated emissions, Market-based, tCO_2eq	**5,105,275**	**4,563,906**	**12%**

Subsequent events

No significant events or changes occurred between 31 December 2024 and the publication date of the financial statements that could affect either the absolute GHG emissions or any intensity metrics

3 Safe handling & distribution

3.a General: management approach; policies, actions, metrics and targets

Management approach

As a distributor specialising in chemicals and given that our operations focus upon the handling, storage, and distribution of both non-hazardous and hazardous materials, IMCD must ensure the safe handling and distribution of its product portfolio.

To achieve this, we have established high standards for the safe and reliable handling of chemicals and ensure that all warehouse operations and transportation comply with applicable regulations. We monitor that waste processing and disposal comply with best practices and relevant standards, with the aim of preventing spills or negative environmental impacts on local communities. We exclusively work with accredited logistics partners and specialised waste processors.

Local IMCD branches are part of our sustainability framework. They are embedded in communities and serve as hubs for action, collaboration, and tailored solutions. By being physically present and engaged, our local offices provide a bridge between global sustainability goals and local implementation, ensuring relevance, accountability, and effectiveness.

We employ an asset-light model where functions such as logistics and storage are outsourced. This approach minimises capital investments and provides flexibility, scalability, and access to top-tier logistics service providers. Our partners ensure the safe and efficient storage, packaging, and delivery of products while complying with industry and regulatory requirements. In this model, we distinguish between two types of value chain workers: employees working in logistics (third-party business partners) and employees in our own operated warehouses. Although we have no direct influence on their working conditions and the enforcement of human rights, we ensure compliance with these through requiring service providers to commit to and signing our ESG Standards for our Business Partners.

Although we outsource many operational aspects, we maintain strict oversight to ensure our partners meet our high standards for safety, compliance, and ESG principles. In close collaboration with our suppliers, we ensure the quality and safety of our product portfolio and compliance with environmental, health, and safety standards and regulations.

Evaluation and audits

Before engaging with third parties such as logistics providers or warehouses, we conduct comprehensive screenings. This includes evaluating safety protocols, infrastructure capabilities, regulatory compliance, and alignment with our ESG objectives. Performance assessments and audits are conducted to monitor compliance with agreed safety and operational standards. These assessments include key metrics such as incidents, compliance with hazardous materials handling regulations, and practices aimed at reducing environmental impact.

Below is a description of examples of processes and documentation to monitor and ensure safe procedures.

Safety data and product information

To navigate our expanding product portfolio, we have established a stringent product creation procedure. This process collects and validates mandatory information before the sales process begins. For example, IMCD provides a Safety Data Sheet (SDS) in the relevant language when necessary. Our key suppliers provide most SDSs, which are evaluated and approved by our local HSEQR managers before being placed in our global database.

Labels and documentation

Our third-party logistics providers use the SDS information to create transport documents, labels, and safety and storage plans at the workplace. As part of our efforts to promote safe and responsible product distribution, our local HSEQR managers verify that all products we supply meet local labelling criteria, including information about contents, origin of components, and environmental or social impacts. Established labelling processes are used for hazardous products to inform the user of the hazards and risks associated with handling the material.

Digital transmission and emergency assistance

Every order and product leaving our warehouses is accompanied by a certificate of analysis (COA), SDS, and, if necessary, a Dangerous Goods Declaration (DGD). To prevent errors, this information is transmitted digitally. All labels have a 24-hour helpline number.

Non-conformance reporting (NCR)

In 2024, we updated our NCR process, which serves as the automated monitoring tool for environmental incidents, spills, and mishandling of chemicals. We employ this process and technology to accurately report internal and external instances of non-compliance due to incorrect labelling, markings, or paperwork.

Quality management system (QMS)
Our approach to our QMS is based on the systems and certifications of internationally recognised organisations.

Through this approach and examples , we ensure that our business processes are always focused on meeting customer requirements and increasing customer satisfaction and protection the environment.

Interests and views of stakeholders
The interests, views, and rights of value chain workers, both direct and indirect, are integral to IMCD's ability to operate effectively and sustainably. As IMCD depends on outsourced operations and partnerships for our logistics and distribution activities, any misalignment in addressing these concerns can materially impact our workers, operations and reputation.

By setting and enforcing clear expectations around workers' rights with outsourced organisations, IMCD aims to ensure a stable and motivated workforce across the value chain.

Material impacts, risk and opportunities and their interaction with strategy and business model
IMCD focuses on safe and reliable handling of chemicals, compliance of warehouse operations and transport with all relevant standards, and application of the most up-to-date standards to avoid spills, pollution or adverse environmental impact. Together with our suppliers, we ensure the quality and safety of our products portfolio and compliance with environmental, health and safety standards and regulations.

At IMCD, we have certain core values and guiding principles that are essential to the way we operate and key to fulfil our ambition to deliver sustainable and profitable growth. To identify potential pollution-related impacts and risks, we screen our business activities and operational sites by applying ESG Standards for our Business Partners through upstream and downstream value chain. We encourage our business partners to measure the environmental impact of their facilities and transportations, including reductions achieved on emissions, waste, energy and water consumption. For those business partners, who outsource their warehouse- or transport services to IMCD, we may request to take part in a third party sustainability assessment or audit.

IMCD's priority is to be in compliance with all relevant regulations and standards concerning emissions, waste and resource usage and to source and supply sustainable products. Given the hazardous nature of many chemicals, we face strict regulatory scrutiny worldwide. Non-compliance could lead to penalties, increased scrutiny, and a damaged reputation. Regulations such as REACH (in Europe) and TSCA (in the U.S.) set stringent standards, and non-compliance could restrict product distribution. We handle chemicals that can be hazardous to health and the environment. An accident or environmental incident could lead to personal injuries, reputational damage, financial liabilities, and increased regulatory oversight.

Rising demand for eco-friendly and sustainable products presents, especially in the food, pharmaceutical and personal care segments, an opportunity for IMCD to diversify our product portfolio. By investing in or partnering with sustainable chemical producers, IMCD can capture a growing market segment. Our ability to source and supply sustainable products is material to maintaining and growing our customer base. We are established in emerging markets where industrial growth drives demand for speciality chemicals in regions like Asia-Pacific and Latin America.

At IMCD we treat people well. This applies equally to our own people as well as to the workers in the value chain. Our approach to ESG ensures respectful treatment of employees, setting minimum standards for health & safety issues, working conditions and human rights, and ethical business behaviour. We screen our suppliers for these topics when onboarding and require them to commit to and sign our ESG Standards for Business Partners. We carry out performance reviews during our ongoing business relationship. In addition as part of our membership of TfS we initiate on site audits. The ultimate goal is to improve the overall level of compliance in our industry by collaboration with different industry partners.

Due to the geographical spread of our activities and the conscious choice for an asset-light business model which involves outsourcing to various networks, the direct impact of value chain workers is negligible and therefore not material for IMCD. Consequently, there is no influence on our business model or strategy. Our differentiated business model is an important pillar for the continuity of IMCD.

In the geographical regions we are active, we positively contribute to the economic activities and ensure the fair treatment of the employees of our business partners. Although we have a positive influence, it is not significant or material. The value chain workers are not part of the core group of stakeholders. Therefore they have limited to no influence on our business model, as their impact is not of material importance.

Value chain workers who might be materially impacted by IMCD's own operations and business relationships
Our value chain workers encompass all individuals and teams involved in the flow of goods, information, and services across our value chain, from our suppliers to our end customers. These workers, while not directly employed, ensure the efficiency, safety, and reliability of our logistics operations.

Through our asset-light business model, we generally mitigate our direct influence in the chain. This applies to both positive and negative influences. We have formulated internal processes to prevent and/or mitigate risks in the value chain. We require our business partners/suppliers to treat their employees, our value chain employees, in accordance with our working conditions and international standards. We conduct audits and monitor the outcomes. We don't have developed an understanding of how workers with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm. The reason for this is our limited influence.

Our operations, products, services, and business relationships have the potential to materially impact workers across our value chain. This includes both direct and indirect impacts on those involved in logistics, warehousing, transportation, and the handling of the products we distribute. We want to understand, address, and mitigate these impacts in alignment with our ESG principles and periodically do compliance checks. We provide MSDS (Material Safety Data Sheet) and technical support for all products and we only partner with suppliers who commit to IMCD’s Code of Conduct, which includes standards on human rights and fair labour practices. We do not have a specified overview of the kind of workers, whether they are particularly vulnerable to negative impact due to their inherent characteristics or to the particular context, such as trade unionists, migrant workers, home workers, women or young workers.

We prioritise ethical sourcing and the enforcement of robust ESG standards across our value chain. Certain geographies and commodities inherently pose a higher risk of exploitative labour practices such as child labour, forced labour, or compulsory labour. These risks are identified and managed through our ongoing due diligence processes.

Our business activities aim not only to mitigate risks but also to create material positive impacts on value chain workers and the broader communities in which we operate. These impacts arise from incorporating ethical sourcing criteria into our purchasing decisions, prioritising suppliers who uphold high standards in worker welfare, environmental stewardship, and safety. We provide training for value chain workers, focusing on safe handling of chemicals, regulatory compliance, and ESG awareness and our growth contributes to the establishment of new facilities or logistics hubs, creating direct and indirect job opportunities in emerging countries.

There were no verified severe human rights violations, such as child labour, forced labour, or exploitation, that have been reported directly in our immediate supplier base and there are no reported severe human rights violations have been directly connected to our downstream service providers and customers.

Process of engaging with value chain workers about impacts
IMCD is not a chemical manufacturer but we do play a role in reducing emissions during transportation, and warehousing. On our downstream suppliers we have more influence than on our upstream suppliers. With our upstream suppliers we have contracts in place with a link to ESG standards. We screen all our downstream suppliers on ESG and require them to take an EcoVadis assessment and drive continuous improvement. We work to a significant extent with well classified tier-1 suppliers who use high standards concerning working conditions and human rights. With our smaller suppliers we increasingly engage. If it ultimately turns out that a supplier cannot or does not want to meet our standards, we seek alternatives that align with our values.

We have a strict procedure in place for proper waste management in terms of disposal which includes expired chemicals, packaging, and other materials that may contain harmful substances.

For environmental incidents and accidents we have a 24-hour emergency helpline for chemical incidents, offering immediate advice and guidance to our own employees and value chain workers, businesses, emergency services, and the public during chemical emergencies. This includes incidents like chemical spills, accidental exposure, fires involving hazardous materials, and environmental contamination. We track, monitor and manage reported incidents via our non-conformance reporting process.

We do not engage directly with value chain workers. However, we do provide them the opportunity to reach out to us through our grievance mechanism (such as a hotline). The hotline details are also included in the ESG Standards for IMCD Business Partners and is open to reports by third-party stakeholders, see also our Compliance Framework and Policies.

Although we do not directly engage, we are committed to address human rights issues, stakeholder grievances, and a wide array of other concerns that may arise across our entire value chain. To uphold principles of transparency, accountability, and continuous improvement, we have implemented adequate mechanisms for tracking and monitoring these issues. The channels utilised for stakeholder engagement are easily accessible to all intended users. We strive for an environment where every stakeholder's voice is acknowledged and addressed with care.

Indirectly, we engage with value chain workers through their employers. By aksing them to sign our ESG Standards for Business Partners, we contribute to upholding working conditions and human rights. The responsibility managing the upstream supply chain partners rests with the Director Global Supply Chain and Director Global HSEQR.

Retaliation in outsourced activities is outside our sphere of influence. By providing an anonymous procedure with us, thus outside the value chain worker's employer, we indirectly offer some protection against retaliation. If we are informed of possible reprisals, this may lead to a conversation in which we indicate that there is a violation of working conditions and related protection for employees against reprisals.

Process to remediate negative impacts and channels for value chain workers to raise concerns

To effectively remediate negative impacts and to provide channels for value chain workers to raise concerns, we have a structured process in place. This process helps us to address environmental, social, and operational issues, particularly those related to pollution, safety, and compliance.

We conduct regular audits and assessments to identify negative impacts, such as pollution, unsafe handling practices. We also capture any non-conformance across the value chain to capture issues related to suppliers and logistics partners and drive corrective actions. We make use of data and metrics on safety incidents to pinpoint issues accurately.

We have implemented remediation plans to minimise hazardous waste, and improve safety measures by means of training and education. We have also implemented clear policies on safe handling of chemicals and waste management and establish protocols for incident reporting and corrective actions to minimise future risks.

We track key performance indicators (KPIs) regularly to measure progress on remediation goals. Real-time monitoring of certain metrics, like emissions or safety incidents help quickly identify and address deviations from our targets.

IMCD maintains an (externally hosted) Ethics and Compliance Hotline, which is also open to reports by third party stakeholders, who can submit concerns anonymously. The hotline is also included in the ESG Standards for IMCD Business Partners and open to reports by third-party stakeholders. See also our Compliance Framework and Policies.

Policies related to value chain workers and pollution

We have a range of policies in place that help us to set clear standards for value chain partners and ensure that ethical, fair, and safe practices are upheld throughout the value chain. These policies decribes the policies in relation to trafficking in human beings, forced labour or compulsory labour and child labour. Examples are IMCD's ESG Standards for Business Partners and Group Human rights policy, as well as - directed at our own workforce - our Code of Conduct, HSEQR policy, Supply Chain Management Policy, Export Control Policy, Anti-Bribery and Corruption Policy, and Diversity and Inclusion Policy.

Policies related to value chain workers and pollution are approved by the Management Board. The implementation takes place through the group function for supply chain, i.e. the Director Global Supply Chain and Director Global HSEQR..

Our HSEQR policy provides requirements for the establishment and execution of local procedures and processes by the individual local IMCD operating companies. The requirements include continuous reporting from our local operating companies to the Group headquarters. Based on these continual reports, an analysis is undertaken to identify potential policy, process, or procedure changes that require action or amendment. During audits of local operating companies by IMCD's group internal audit staff, the implementation of the HSEQR controls is reviewed and deficiencies reported. By conducting regular audits and requiring partners to meet IMCD's ESG and compliance standards we minimise risks and align outsourced operations with best practices. Corrective action plans are prepared and tracked in our global risk management system.

We have no specific policies in place related to pollution, however through HSEQR Policy we make sure both IMCD own employees and value chain workers adhere to the following principles:

- prevent pollution by taking precautions to avoid spills and discharges of dangerous chemicals into the environment;
- encourage recycling and garbage disposal in accordance with environmental regulations.

No breach of human rights have been reported through IMCD's upstream and downstream value chain.

Actions taken on material impacts

Introduction

As a distributor specialising in chemicals and given that our operations focus upon the handling, storage, and distribution of both non-hazardous and hazardous materials, IMCD must ensure the safe handling and distribution of its product portfolio.

Ensuring the well-being of workers in our value chain is an essential part of our CSR and sustainability goals. There are several key actions that we have taken to positively impact value chain workers such as having a Supplier Code of Conduct that mandates fair labour practices, human rights protection, and ethical sourcing. Suppliers are required to align with standards regarding working conditions, fair wages, and worker safety.

We prioritise health and safety across our operations and encourages suppliers to do the same. This includes ensuring safe working environments, providing protective equipment, and enforcing safety protocols to prevent workplace accidents. Safety audits and assessments are regularly conducted within IMCD's facilities. In our own operation we aim to have our workforce working under sustainability certifications such as ISO 14001, which address environmental management and social accountability.

Actions taken on material impacts on value chain workers

When it comes to our influence on value chain workers, it always concerns indirect influence. So when we talk about actions through which we can affect the material impact on value chain workers, it refers to the influence we have on our business partners in the value chain. A great part of our upstream business partners (our first-tier suppliers) consists of large multinationals. We have limited influence over their policies, and therefore cannot execute many actions.

Regarding our downstream business partners, we set requirements, exert influence, and initiate actions through engagement. We also ask them to commit to EcoVadis. We conduct business reviews, make visits to their locations, perform audits, and carry out gap analyses. The findings resulting from internal auditors are entered into our internal audit system leading to follow-up actions. Additionally, physical audits are conducted by IMCD's HSEQR and supply chain professionals, which also result in action items. This constitutes a continuous cycle of improvement.

Actions taken

1. We have been working to measure and reduce our carbon footprint by optimising our logistics and distribution network to minimise transportation-related emissions. This often involves selecting efficient routes, consolidating shipments, and utilising cleaner modes of transportation where possible.
2. We have also refined our CO2 dashboard where we calculate the carbon footprint of every single shipment. For our offices we invest in energy-efficient infrastructure often through upgrading lighting, heating, and cooling systems and exploring renewable energy sources.
3. We have established emergency response protocols and a 24/7 chemical helpline for handling incidents involving hazardous materials. This enables rapid response to spills, leaks, or other emergencies, helping to protect both workers and nearby communities.

Ongoing actions

1. We perform safety audits at third party logistics service providers to identify potential risks and ensure compliance with international safety standards, such as those outlined by the Occupational Safety and Health Administration (OSHA) and the European Chemicals Agency (ECHA).
2. For regulatory compliance and product stewardship we ensure that all our products comply with relevant chemical regulations, such as the EU's REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals) and the Globally Harmonized System (GHS) for classification and labelling. This ensures safe and compliant handling, storage, and transportation of hazardous materials.
3. We also have Safety Data Sheets (SDS) Management in place and provide updated and accurate Safety Data Sheets for all hazardous and dangerous products, helping customers handle chemicals safely and comply with local regulations.
4. There is a well-defined crisis management plan, including protocols for chemical spills, exposure incidents, and emergency response.
5. Furthermore, we have regional calls every month regarding findings and action points. Annually, there are HSEQR and regulatory meetings per region where findings are addressed and we provide insights on relevant trainings to follow, such as sustainable procurement trainings to ensure a comprehensive understanding of sustainability in the supply chain.
6. We work with contracts in the form of Service Level Agreements (SLA), which include KPIs and targets that our business partners must adhere to.
7. Every year, we require all countries to nominate at least three logistics service providers, which are then audited. This way, we commit ourselves well above the requirements set by Together for Sustainability (TfS) on this subject.

Ongoing actions and resources related to pollution
Pollution-related actions and resources, covering our global operations, focus on managing the environmental impact of the chemicals we handle and distribute, as well as improving the sustainability of our upstream/downstream value chain are:

1. We implemented Green Procurement in our Supply Chain Management Policy to encourage sourcing from third party logistics suppliers with sustainable practices, such as using renewable energy, reducing waste, and minimising emissions.
2. We regularly audit our suppliers for environmental compliance and engage in collaborative projects aimed at reducing emissions and pollution within the value chain.
3. We set up Spill and Leak Prevention programmes to ensure strict protocols to prevent leaks or spills during storage and transportation, including safety audits and constant NCR tracking. We track emission and report on greenhouse gas emissions throughout the value chain. Tools like the Greenhouse Gas Protocol provide guidelines for emissions reporting.
4. We participate in industry-wide initiatives such as the Responsible Care programme, which is the global chemical industry's unique initiative to improve health, environmental performance, enhance security, and to communicate with stakeholders about products and processes.
5. We obtain ISO 14001 certification for environmental management in our own operations demonstrating our efforts to continually improve environmental performance.
6. We ensure compliance with REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals) standards in Europe to manage risks, including those associated with chemical pollution.

Targets related to safe-handling and distribution of chemicals

IMCD sets specific targets focusing on health, safety, environmental stewardship, and regulatory compliance. These targets aim to minimise risk throughout our value chain, ensuring safety for IMCD and value chain workers, customers, and communities impacted by our operations.

In 2024 impacts, risks and opportunities in ESG/sustainability matters have been identified through a thorough DMA process. The ESRS standards E2 (Pollution) and S2 (Workers in the value chain) are considered as relevant for our material topic Safe handling & distribution. The target setting for Safe handling & distribution was part of the overall strategy and target setting as a result of the DMA process. These were set by the Management Board and then discussed with the Supervisory Board and Management Board in more detail and in the presence of the Executive Committee.

We are committed to setting meaningful and actionable targets related to human rights, sustainability, and other ESG factors. The process for setting, tracking, and evaluating the performance against these targets is transparent and inclusive. In this process, we engage with relevant stakeholders to ensure that our goals are relevant, impactful, and achievable. The Senior leadership is primarily responsible for setting IMCD's targets. However, to ensure that these targets reflect the right challenges and priorities, they are set in collaboration with relevant departments, including , supply chain, HSEQR, human resources, and legal teams. These teams contribute the operational insights, ensuring that targets align with our values, policies, and business strategy.

Our targets are based on standards, including the IMCD Code of Conduct, sourcing policies, and international frameworks such as the UNGPs and GRI standards and are designed to be stable over time through the use of clear definitions, standardised methodologies, and regular reviews. By adhering to these principles, we ensure that our performance can be tracked, compared, and communicated transparently to stakeholders.

Our Code of Conduct is a core internal policy that outlines ethical principles and behavioural standards for employees, suppliers, and other business partners. It addresses critical issues such as: Fair Labour Practices, Health and Safety, Anti-corruption and Ethical Business Practices. Our targets align with global standards and frameworks that provide guidance on human rights, environmental protection, and corporate responsibility.

We ensure that third party logistics as well as our own operations adhere to rigorous safety standards. We emphasises the need for regular training on safe handling of chemicals, equipment safety, and emergency response measures, especially in high-risk environments. We promote transparent reporting of workplace incidents and requires suppliers to have effective response plans to manage accidents, ensuring workers' well-being across the value chain.

Our main targets related to safe handling and distribution are:

Workforce in ISO certified-14001
- Goal: Achieve a 80% of total workforce in IMCD-own operational sites that work under ISO 14001 certification by 2025.
- Actions: we monitor and encourage all reporting local entities to obtain the ISO 14001 certification for the operational sites.

Zero accidents and incidents target
- Goal: Achieve a zero-accident rate across all facilities, including warehouses, transportation, and customer delivery points.
- Actions: IMCD implements strict safety protocols, conducts regular audits, and uses monitoring technology to minimise accidents and incidents in handling and distribution. Training programmes for all employees involved in these processes are also essential to reach this target.

Compliance with global and local safety standards
- Goal: Ensure 100% compliance with applicable industry standards such as REACH (Registration, Evaluation, Authorisation, and Restriction of Chemicals), CLP (Classification, Labelling, and Packaging), and OSHA regulations for all distributed materials.
- Actions: IMCD maintains compliance with all relevant safety and chemical management regulations globally, often exceeding minimum standards to ensure best practices. This includes labelling all products according to local regulations and regularly updating Safety Data Sheets (SDSs) to provide accurate handling instructions.

Reduction in environmental impact from logistics
- Goal: Reduce CO_2 emissions and waste in distribution and logistics by implementing sustainable transportation practices.
- Actions: IMCD is focused on optimising transport routes and utilising alternative vehicles and warehouses where possible. This target supports our broader objective to lower the environmental footprint of our logistics operations.

100% Employee training on safe handling procedures
- Goal: Ensure that all employees involved in the handling, storage, and distribution of hazardous materials receive annual training on updated safety protocols and emergency procedures.
- Actions: Regular training sessions, workshops, and refresher courses ensure employees are well-versed in safe handling practices and spill response. IMCD also ensures that suppliers and third-party logistics partners adhere to these training standards.

Enhanced safety audits and risk assessments
- Goal: Conduct regular safety audits and risk assessments on warehouses used with a target of zero non-compliance findings by internal or external auditors.
- Actions: We frequently audit our facilities and those of third-party partners, implementing corrective actions for any identified issues. These assessments ensure that risks associated with handling and storage are mitigated, contributing to safe distribution practices.

Regarding ISO 14001, for newly acquired companies with own operations, we generally apply a three-years period for ISO 14001 certification. In this period the acquired company will be fully integrated and potentially the logistic operations are outsourced to a professional logistics service provider. From the moment of full integration, we will work to obtain ISO 14001 certification for own operations, whereby accelerated implementation can be required if the company or operation can have a high impact. This

Targets related to pollution

IMCD did not set any specific pollution-related (pollution of air, soil and water) targets considering IMCD business model: light in assets, no manufacturing activities, except those related to GHG emissions (Scope 1-2-3), zero environmental incidents, and zero significant spills at all times. For overall environmental targets that we set, please refer to Sustainability Statements- Environmental and specific notes in the Notes to the sustainbility statements.

3.b Environmental incidents, significant spills and chemical mishandling

Environmental incidents

During 2024 only one environmental incident in South Africa was reported in our NCR system. For more details, please refer below "Significant spills". The substance of a spill does not correspond to the pollutants included in the Annex II of regulation (EC) No 166/2006.

Significant spills

IMCD recognises significant spill as accidental release of a hazardous substance that can affect human health, land, vegetation, water bodies, and ground water, that requires the intervention of an authorised cleaning company. On 18 April 2024 we have had one significant spill. The spill was identified in South Africa, where Spill Tech

Responsible Environmental Management was requested to conduct an environmental site assessment on the N2 National Road, Durban, Kwa-Zulu Natal. This follows a spillage of Succinic anhydride on the surrounding environment due to a vehicular incident. The site investigations conducted included a site walk-over survey, contamination assessment, and sampling. From the site walk-over survey, it was determined that the spillage had impacted the N2 highway surface, the natural drain line, the soil in the vicinity of N2 highway embankment, and the surrounding environment.

On 30 April 2024, a total of two soil samples and three water samples were collected on-site from the highway embankment and from along the natural drain line at the incident location. The samples were analysed at a SANAS accredited laboratory for targeted Total Oil and Greases (TOG) and Total Petroleum Hydrocarbon (TPH) carbon banding. The soil analytical laboratory results revealed targeted soil sample that exceeded the applicable soil screening levels for DEA SSV1 All Land-Uses Protective of Water Resource. The water analytical laboratory results revealed targeted hydrocarbon concentrations and TOG in all three water samples at values that did not exceed the applicable screening levels for BP RISC Tier 1 Risk Based Screening Levels.

The following recommendations were made and actioned:
- Spill Tech team responded to the incident immediately with appropriate full PPE and isolated all possible ignition sources and put in place containment measures.
- The team deployed absorbent on the road surface and at natural drain line down gradient path flow to contain the product.
- The impacted road surface was HP washed off the product stains with degreasers with wash water recovered for safe disposal.
- Contaminated soil and vegetation were excavated from the highway embankment and surrounding environment into HD bags for safe disposal at an accredited landfill facility.
- Saturated and contaminated absorbent and booms were placed in HD bags for safe disposal.
- All generated waste, impacted soil, and slashed vegetation were removed from site for safe disposal at an accredited landfill facility.

Chemical mishandling
Two chemical mishandling were identified during 2024 which were not significant. No injuries or human harm and/or environmental adverse effect reported in both cases.

3.c Work related injuries and ill health
The health and safety of our employees is of the utmost priority to us as they constitute the foundation of our business. As a result, we apply a people-centric management style, which is also reflected in how we approach occupational health, safety and well-being. Our goal is to reduce occupational health risks for our employees by providing a safe work environment and tools, offering health and safety training and clear instructions on how to handle our products safely.

Work-related injuries and illnesses
'Zero' work-related injures and illness is our aspirational target at all times. All our employees, contractors or parties present at our premises, whether full or part-time, should be safe and healthy and be able to lead a balanced life.

Overall in 2024 we had 18 recordable work-related injuries and ill health cases, out of which 16 relates to reported cases of employee injuries, and 2 cases of ill health. The cause for injuries varied from slips, trips and falls in the office stairs or production room to incidents with employee finger cut in warehouses, on customer premises, commuting incidents and injuries due to sports activities with customers. Most injuries were reported in the Americas region (11 cases). Ill health cases were either voluntary reported or identified as occupational disease during the annual health check-up. None of the group companies reported any fatalities or injuries that prevented employees from working for more than six months in 2024. Please see the breakdown of recordable injuries per geography in the table below.

Lost time injuries (LTI)
The number of days lost due to work-related injuries,from work-related accidents, work-related ill health amounts to 601 days, of which 365 days are related to ill health.

Occupational health and safety
An occupational health and safety management policy (part of the IMCD HSEQR Policy) has been implemented across all companies in the Group in addition to adhering to local laws and regulations. It applies to all our employees and activities, with a focus on those that take place in laboratories, our own warehouses, and if we have them -operations-, as these by their nature involve a higher risk exposure than office sites. As part of our strategy, IMCD runs regional health and safety management systems that outline our dedication to offering a secure workplace and guaranteeing that all our visitors and employees, wherever they may be, can go home safely each day.

The Global HSEQR Director developed and is responsible for the occupational health and safety management system, which is continually reviewed by him, and covers all IMCD employees. Based on input from internal audit and recent incidents the policy is reviewed on a regular basis with lessons learned e.g. after a warehouse incident last year, additional employee awareness training was rolled out. Regional HSEQR Directors provide local support for the development of local HSEQR plans. Our local HSEQR managers ensure the implementation of and adherence to the policy. We are dedicated to achieving our health and safety objectives by prioritising safe work practices in all processes and operating procedures, by proactively identifying and managing exposure to risk, and by making sure that our business operations adhere to all applicable laws and regulations in the regions in which we operate.

Employee training on occupational health and safety is carried out by our local HSEQR managers. Each employee receives regular training in these topics, which emphasises the use of safety data sheets when handling hazardous products as well as evacuation, first aid, and emergency instructions. There is a certified first responder and, if needed, a fire fighter at every warehouse or site. Every work related incident at one of our locations is investigated by a qualified individual or, if necessary, a committee.

Recordable injuries per region

RECORDABLE WORK-RELATED INJURIES & ILL HEALTH	2024	2023
EMEA	4	3
Americas	11	-
Asia-Pacific	3	8
Total	**18**	**11**

In this process, the hazards are identified, the risks are evaluated, and the necessary improvements to the health and safety management system are determined. Employees are required to report hazards or circumstances at work that they believe could result in an injury or illness and to immediately remove themselves from the situation. For all our third-party logistics activities, we have established strict operating procedures. We track performance and non-conformances via our company-wide NCR management. We conduct annual audits of both internal and external facilities to check for adherence to health and safety policies in addition to our business reviews.

Based on 200,000 hours of labour, the rate of recordable work-related injuries was 0.36, which increased compared to last years 0.22 and slightly up versus the TRIR in 2022 of 0.31; the rate of high consequence work-related injuries remained at 0.00 in 2024 (0.00 in 2023), again based on 200,000 hours worked.

In 2024 IMCD had no fatalities as a results of work related injuries or incidents. Also IMCD had no injuries which took more than six months for recovery to pre-injury level.

Within the reporting year of 2024, zero incidents of non-compliance concerning either the health and safety of our products and services nor product and service information and labelling, have been recorded neither in form of warnings fines or penalties.

We held several training sessions and briefings on health and safety measures. OneIMCD publishes all of the most recent policies, standard operating procedures, and work instructions to keep all employees up to date. In addition, we provide medical insurance plans where legally required, as well as medical examinations where necessary, to promote overall well-being.

3.d Workforce ISO -certified

Following legal and market regulations, IMCD's operating companies have implemented reputable management systems such as Responsible Care or Responsible Distribution for quality management, ISO 14001 for environmental management (by year-end 2024, 32% of the total IMCD workforce worked at ISO 14001 certified sites; 2023: 46%). The decline was mainly driven by the newly acquired entities subject to the full integration into IMCD.

4 Sustainable Solutions

4.a General: management approach; policies, actions, metrics and targets

IMCD promotes Sustainable Solutions on the market when it champions the journey of its suppliers and decomplexifies the market and the sustainability landscape for its customers. 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.

Sustainable Solutions programme - Definition and methodology

IMCD has created and developed a global Sustainable Solutions programme to meet the progressive needs of the markets that we serve, supporting our customers to tackle their sustainability challenges and ensuring we offer the latest in sustainable product innovation, enabling us to strategically align with our principal suppliers and simultaneously supporting their sustainability goals. This programme applies to our global business, covering all of our eight Business Groups, meaning that the geographical boundary of this programme includes all countries where IMCD has operations. The current programme includes elements of third-party methodologies and standards such as the Portfolio Sustainability Assessment (PSA), a tool developed by the World Business Council for Sustainable Development (WBCSD). In the coming years, the methodology will be further enhanced to ensure alignment with globally recognised frameworks and specific regulatory development.

As described in our internal policy and guidance documentation, signed off by our Sustainability Director, sustainable solutions aim to help address societal challenges, from climate-change mitigation and adaptation to a transition towards a more circular economy. IMCD seeks to promote sustainable products and develop formulations through an evaluation of their sourcing, production, transformation process and application in the market, using local insights and technical expertise. In practical terms, sustainable solutions seek to tackle specific requirements, from the use of renewable raw materials to reducing waste and emissions, to enhanced process efficiencies and productivity, to simply a solution that promotes health & safety. In this process, close collaboration with both suppliers and customers is an essential driver to the success of the programme.

Each of our eight Business Groups is represented by a sustainability ambassador, and is supported by the respective Business Group Directors, and form the Sustainability Committee. This committee is chaired by the IMCD Group Corporate Sustainability team and meets on a monthly basis to discuss progress and developments to the Sustainable Solutions programme. Each Business Group is responsible for the effective assessment and tagging of sustainable solutions in our product data system. The IMCD Group Corporate Sustainability team is responsible for evaluating both the approach and the progress of the Sustainable Solutions programme across the Business Groups. In 2024, all Business Groups reviewed their global product portfolio, resulting in a solid baseline going forward. In terms of control procedures, the Group Sustainability team, together with the Business Groups ambassadors are responsible for the successful implementation of the internal policy and guidance documentation, as well as quality control.

Through our 82 technical laboratories, we go further, (co)-creating and developing innovative, high-performance sustainable formulations to create additional sustainable value. Products that meet the sustainability criteria (e.g. CO_2 reduction; recycling; biodegradable; compostable; end-of-life enhancement; waste reduction; and weight reduction) and have the relevant supporting scientific data for our suppliers' claims or from our laboratories, are tagged in our product data system. This enables our commercial teams to access this information directly and then facilitate constructive discussions with our customers on the options available to them to include more sustainable alternative products. Through this entire process IMCD is dedicated to supporting our customers and suppliers in making informed decisions on more sustainable product creation.

In close collaboration with our Group IT teams, we are exploring opportunities to build robust workflow and approval mechanisms to further improve the process and deliver enhanced analytical tools and controls. These initiatives are designed to drive continuous improvement, leading to efficient and effective steering and reporting of results.

Metrics and targets set to manage our Sustainable Solutions programme

In last year's Integrated Report, we published two qualitative targets regarding our Sustainable Solutions programme. These targets were set in the course of 2023 with deadline of 2024 and cover all of our global operations. The targets were not set with conclusive scientific evidence, but the methodology for our Sustainable Solutions programme includes elements of aforementioned third-party methodologies.

The targets were framed around defining marketing campaigns, as well as laboratory activities that lead to sustainable formulations. Those targets were not based on further scientific evidence and were not validated by other external parties. Monitoring of those targets took place at the end of the first half of 2024 and at the of the end of 2024.

- In 2024, define the criteria for marketing campaigns contributing to the UN Sustainable Development Goals and develop the baseline for monitoring and target setting as of 2025.
- In 2024, define the criteria for laboratory activities that lead to a sustainable formulation and develop the baseline for monitoring and target setting as of 2025.

All targets were achieved in 2024 and more information on Marketing Campaigns and Lab Activities are provided in Paragraph 2.3.b and 2.3.c below.

Below, we highlight the objectives and goals for 2025, and going forward:
- To continue the assessment of our product portfolio utilising the Sustainable Solutions criteria and parameters set per Business Group.
- IMCD will continue developing the corporate standard by tracking key sustainability trends, future regulations and societal developments such as consumer pressure, to ensure that we develop an effective and robust approach to the long-term management of our portfolio.
- We will also focus on the further training of our commercial teams, connected to our strategy, utilisation of the available tools and enhance knowledge and capabilities, to deliver a clear sustainable value proposition that benefits our customers.In line with this, every Business Group tracks its progress on a quarterly basis, aligning with our overall approach on ESG data collection and reporting.
- We will continue defining and monitoring KPIs and targets for Marketing Campaigns and Lab Activities to measure success of our Sustainable Solutions programme.

We are currently conducting an analysis to assess the financial resources required to implement our future action plans described above. This work is focused on ensuring a strong foundation for achieving our strategic objectives for our Sustainable Solutions programme. At the same time, we are reviewing the potential financial effects of material risks and opportunities, considering both their immediate and longer-term implications. While this assessment is ongoing, we remain committed to transparency and careful evaluation of any potential impacts.

As a note to the above, the impacts, risks, and opportunities (IROs) identified for sustainable solutions presented in Chapter 1 General Information are entity specific only and are therefore not considered a topical standard.

4.b Marketing campaigns promoting our Sustainable Solutions programme

One of the levers to drive sustainable solutions in our market segments is through our marketing campaigns. We aim to identify and track marketing campaigns which contribute to growing our sales of sustainable solutions at IMCD Group and promoting sustainability best practice. Any campaign conducted in the form of trade shows, seminars and webinars, as well as social media and external media content, and publications on IMCD's corporate website is tracked, inclusive of both global and local campaigns.

Referring back to our 2024 target on Marketing Campaigns, we developed the following definition. In terms of a marketing campaign, related to sustainability, this is defined as follows: explicitly promote sustainability and sustainable solutions. Sustainable solutions are linked to the SDGs. If a campaign claims to be linked to sustainability, and sustainable solutions, back-up proof and documentation needs to be available.

The Global Marketing Director of each Business Group leads the process, managing the evaluation and approval of the campaigns and information is consolidated on a group-wide basis, enabling us to report results effectively. For next year, we will develop further internal control procedures to improve data collection and quality of data. Targets are being further developed in 2025, following our baseline year performance. The objective for 2025 is to further optimise and increase the efficiency of tracking marketing campaigns through our IT platforms.

4.c Laboratory activities promoting our Sustainable Solutions programme

Our aim is to identify and track laboratory activities which contribute to growing our sales of sustainable solutions at IMCD Group. In terms of our 2024 target on defining criteria for laboratory activities, together with the Technical Directors of each Business Group, we successfully worked on developing a common definition. The outcomes of this is that laboratory activities are defined and comprised of internal laboratory work and technical requests.
- **Internal laboratory work** is sometimes conducted in partnership with our suppliers but is mainly driven by the IMCD technical teams to develop more sustainable product formulations.
- **Technical requests** are customer driven in the form of technical questions and enquiries, where we seek to help them achieve more sustainable product applications.

The Global Technical Director of each Business Group leads the process, ensuring there is an effective management of the evaluation and approval of the laboratory activity. Specific parameters and criteria are set per Business Group. As part of continuous improvement, the objective for 2025 is to further optimise the process of tracking laboratory activities through our IT platforms. Once this is in place, specific targets will be agreed and set for each Business Group.

5 EU Taxonomy

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 is a 'sustainable activity'.

The applicable Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (“Climate Delegated Act”) covers sustainable activities for climate change mitigation ('CCM') and climate change adaptation ('CCA') objectives of the EU Taxonomy. This Climate Delegated Act was modified by the Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 to include new activities. In addition, the Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 (“Environmental Delegated Act”) covers sustainable activities for the remaining four environmental objectives of the EU Taxonomy which are sustainable use and protection of water and marine resources (‘WTR’), the transition to a circular economy (‘CE’), pollution prevention and control (‘PPC’), and the protection and restoration of biodiversity and ecosystems (‘BIO’).

In 2024, IMCD performed the assessment based on all 6 climate and environmental objectives.

An activity is ‘Taxonomy-eligible’ when it is described in the Delegated Acts, irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated act. An activity is ‘Non-taxonomy-eligible’ when it is not described in the delegated acts.

An eligible activity is ‘Taxonomy-aligned’ when it complies with the requirements laid down in Article 3 of Regulation (EU) 2020/852, when the activity contributes substantially to at least one of the six environmental objectives, while Do No Significant Harm to the remaining objectives in accordance with the do no significant harm (DNSH) criteria, and complies with Minimum Safeguards.

Eligibility and alignment assessment based on the Climate Delegated Act and Environmental Delegated Act

Identification of economic activities

IMCD distinguishes four main economic activities.

- Sales & marketing of speciality chemicals and ingredients
- Product analysis and development
- Product manufacturing, and
- Customer, supplier, and employee development services (seminars, workshops and training sessions)

IMCD reviewed the activities in the Climate and Environmental delegated Acts of the economic activity of “Sales & marketing of speciality chemicals and ingredients” which not included in any of the annexes of the EU Taxonomy. The economic activity of “Product manufacturing” entails only a certain set of chemical products for Annex I and II of the Climate Delegated Act, none of which IMCD produces. This means that all turnover linked to these two activities is non-eligible for the EU Taxonomy.

IMCD’s two remaining activities, “Product analysis and development”, and “Customer, supplier and employee development services” could not be paired with activities in the Taxonomy.

With regards to the activity of ‘Product analysis and development,’ we analysed a link with our Sustainable Solutions programme. This is a programme that has the potential to be covered by all six of the environmental objectives of the EU Taxonomy. At this point in time, however, it is not possible for us to extract any separate turnover, CapEx, or OpEx linked to the activity ‘Product analysis and development’ or the Sustainable Solutions programme.

For the activity of ‘Customer, supplier and employee development services’ IMCD concludes that the service it provides for its client does not fall under the description as provided by the EU Taxonomy for the activity ‘Education’ of climate change adaptation. IMCD’s economic activity is aimed at, a.o., new product development in collaboration with our customers' R&D departments, facilitating customers to test product performance, internal training, and explaining the products to the client, which is in the core of every business. In our reading of the Taxonomy this activity does not explicitly make it to be an educational activity. Considering the NACE-code linked to the activity (P85), IMCD’s activity does not seem to be included there.

Hence, also for the economic activities of “Customer, supplier and employee development services”, and “Product analysis and development”, no eligible turnover could be identified.

Since IMCD does not have any eligible turnover for any of the six environmental objectives of the EU Taxonomy we cannot claim any eligible CapEx or OpEx associated with any eligible turnover. IMCD also does not have a CapEx plan in place to expand Taxonomy-aligned activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned. IMCD does, however, have CapEx and OpEx related to the purchase of output from Taxonomy-aligned economic activities. More specifically, IMCD has identified eligible CapEx and OpEx linked to the purchases of output of Taxonomy activities:

- 6.4 Operation of personal mobility devices, cycle logistics
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6 Freight transport services by road
- 7.1 Construction of new buildings
- 7.2 Renovation of existing buildings
- 7.3 Installation, maintenance and repair of energy efficiency equipment
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- 7.6 Installation, maintenance and repair of renewable energy technologies
- 7.7 Acquisition and ownership of buildings

To prevent double counting, we have ensured that our reported figures accurately reflect our activities without any risk of overlap. We have not identified any other risks of overlapping activities that could result in double counting.

Assessment of technical screening criteria

To conclude whether the eligible CapEx and OpEx related to the purchase output of economic activities is sustainable, IMCD firstly performed assessment of its economic activities to corresponding technical screening criteria (so called “TSCs”) laid down in the Delegate Acts.

Due to the nature of the economic activities are associated to IMCD’s purchase output, IMCD replies on the information provided by the product or service providers (e.g. lessors). As an international corporation, IMCD has economic activities in a non-EU country, where IMCD researches the most applicable environmental measures and deems that the economic activity meets technical screening criteria only if the domestic environment measures are more strict than these TSCs. When the received information is insufficient or does not meet the technical screening criteria set by the EU Taxonomy, or when IMCD is unable to identify an applicable measure in a non-EU country, IMCD concludes that the economic activity is not taxonomy-aligned.

To ensure a comprehensive evaluation, IMCD also considered the Do No Significant Harm (DNSH) criteria as outlined in the EU Taxonomy Regulation. When assessing DNSH, IMCD primarily relied on the environmental impact disclosures provided by suppliers and cross-referenced them with both EU standards and, in the case of non-EU activities, applicable domestic environmental regulations. If these disclosures were insufficient or if the environmental measures in non-EU countries did not explicitly address DNSH principles, IMCD deemed the activity as not meeting the DNSH requirements, and consequently, not taxonomy-aligned.

Compliance with minimum safeguards

The minimum safeguards consist of the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the Fundamental Conventions of the International Labour Organisation (ILO) and the International Bill of Human Rights. IMCD has assessed its compliance on the minimum social safeguards that EU Taxonomy requires in relation to human rights, anti-bribery, fair competition and taxation matters. The assessment included corporate governance and compliance in relation to these topics in formal policies and procedures. IMCD concludes that the Company met the minimum social safeguards criteria. More details about business conduct and integrity in general can be found in the Company's website, 13 Corporate governance and 14 Ethics and compliance

The purchase of output from Taxonomy-aligned economic activities is determined within the scope of CapEx and OpEx under the EU Taxonomy regulation, detailed in “accounting policy” of this section. In the following tables the turnover, CapEx and OpEx amounts and percentages are presented.

FINANCIAL YEAR	2024			SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ('DOES NOT SIGNIFICANTLY HARM')									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		**EUR '000**	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**-**	**0%**	-	-	-	-	-	-	-	-	**-**	**-**	**-**	**-**	**Y**	**0%**	**-**	**-**
Of which enabling		-	0%	-	-	-	-	-	-	-	-	-	-	-	-	Y	0%	-	-
Of which transitional		-	0%	-	-	-	-	-	-	-	-	-	-	-	-	Y	0%	-	-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0%	-	-	-	-	-	-										
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		-	0%	-	-	-	-	-	-										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**4,727,602**	**100%**														0%		
TOTAL		**4,727,602**	**100%**														**0%**		

FINANCIAL YEAR	2024			SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ('DOES NOT SIGNIFICANTLY HARM')									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		**EUR '000**	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	-	-	-	-	-	-	-	-	**-**	**.**	**.**	**-**	**Y**	**0%**	**-**	**-**
Of which enabling		0	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		0	0%	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Operation of personal mobility devices, cycle logistics	CCM 6.4	177	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	8,625	4%	EL	EL	N/EL	N/EL	N/EL	N/EL								3%		
Freight transport services by road	CCM 6.6	-	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction of new buildings	CCM 7.1	333	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								2%		
Renovation of existing buildings	CCM 7.2	5,867	3%	EL	EL	N/EL	N/EL	N/EL	N/EL								2%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	3	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	9	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	-	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	-	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	25,404	11%	EL	EL	N/EL	N/EL	N/EL	N/EL								14%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**40,418**	**18%**	**18%**	**18%**	**N/A**	**N/A**	**N/A**	**N/A**								**22%**		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**40,418**	**18%**	**18%**	**18%**	**N/A**	**N/A**	**N/A**	**N/A**								**22%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**188,605**	**82%**																
TOTAL		**229,023**	**100%**																

FINANCIAL YEAR	2024			SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ('DOES NOT SIGNIFICANTLY HARM')									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		**EUR '000**	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	-	-	-	-	-	-	-	-	-	-	-	-	**Y**	**0%**	-	-
Of which enabling		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	Y	0%	E	
Of which transitional		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Operation of personal mobility devices, cycle logistics	CCM 6.4	-	0%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	627	18%	EL	EL	N/EL	N/EL	N/EL	N/EL								24%		
Freight transport services by road	CCM 6.6	17	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								2%		
Renovation of existing buildings	CCM 7.2	-	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	41	1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	44	1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	14	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								1%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	20	1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	-	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**762**	**22%**	**22%**	**22%**	**N/A**	**N/A**	**N/A**	**N/A**								**27%**		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		**762**	**22%**	**22%**	**22%**	**N/A**	**N/A**	**N/A**	**N/A**								**27%**		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-non-eligible activities		**2,651**	**78%**																
TOTAL		**3,414**	**100%**																

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Qualitative information referred to in the Disclosures Delegated Act (Section 1.2 of Annex I)

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

Accounting policy

For the turnover, the numerator of each of the above-mentioned activities was compiled by taking the total eligible turnover for that activity for the reporting year 2024. The denominator definition should the net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator), divided by the net turnover (denominator) as defined in Article 2, point (5), of Directive 2013/34/EU. The turnover shall cover the revenue recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008 (1). Please refer to the Note 8 Revenue to the Consolidated financial statements 2024 for further disclosure on turnover.

For the CapEx, the total denominator covers additions to tangible assets, right-of-use assets and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments and resulting from business combinations, for the relevant financial year and excluding fair value changes. Reference is made to notes 17 Property, plant and equipment, 18 Intangible assets and 19 Leases.

For the CapEx, the numerator was compiled by taking the total eligible CapEx for the reporting year 2024. This is the CapEx that is 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 the activities 6.4, 6.5, 6.6, 7.1, 7.2, 7.4, 7.5 , 7.6 and 7.7.

For the CapEx, the total denominator (EUR 229.0 million) covers additions to tangible assets (EUR 22.8 million), right-of-use assets (EUR 35.9 million) and intangible assets (EUR 170.3 million) during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments and resulting from business combinations, for the relevant financial year and excluding fair value changes. Reference is made to notes 17 Property, plant and equipment, 18 Intangible assets and 19 Leases.

In total,18% of IMCD’s CapEx in 2024 is deemed to be eligible for the EU Taxonomy, in which 0% is aligned.

For the OpEx, the numerator (EUR 0.8 million) was compiled by taking the total eligible OpEx for the reporting period ended at 31 December 2024. This is the OpEx that relates to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become 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.

IMCD is an asset-light company. In 2024, IMCD’s eligible OpEx consists denominator of costs relating to short-term leases (EUR 1.4 million), buildings and renovations (EUR 1.9 mllion) and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment both by IMCD itself or any third party linked to the operations (EUR 0.1 million). In total, 22% of IMCD’s OpEx in 2024 is deemed to be eligible for the EU Taxonomy, of which 0% is aligned.

A qualitative explanation of OpEx KPI changes, as required by Annex 1:1.2.3.3, is not included in our disclosure, as we consider the in-scope OpEx immaterial to our business model.

Assessment of compliance with Regulation (EU) 2020/852

In our assessment of the eligibility of our business activities, we applied the definitions included in the Delegated Acts published by the European Commission on 9 December 2021 (Climate Delegated Act), 10 December 2021 (Disclosures Delegated Act) and 23 November 2023 (Environmental Delegated Act), applicable to all companies falling under the NFRD as of 1 January 2022.

A precise definition is provided for each activity included in the EU Taxonomy, that describes the economic activities that fall within the scope of this precise EU Taxonomy-eligible activity. We have acted in good faith and have rigorously followed the scope set out in the definitions. We have also considered further guidance of the EU in FAQs and other official policy documents to reach 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 future reporting years.

People and culture notes

1 General: management approach; policies and target setting

Management approach

The IMCD Management Board and Executive Committee are responsible for and committed to achieving the highest standards of talent attraction and retention, diversity, training, and labour practices. The Global Human Resources (HR) Director, who reports to the CEO, is responsible for developing and implementing people practices in dialogue with the Management Board and Executive Committee. The Global HR Director proposes annual People & Culture related goals and targets which are then discussed and agreed upon with the Management Board first and foremost. The Supervisory Board receives an annual update of progress against these corporate goals and targets. IMCD has a network of HR heads in big and medium-sized countries who know what is going on locally and based on this recommend and implement HR practices and policies in line with the company strategy and global people plans. Based on the DMA assessment in 2024 the targets for the material topics Talent Attraction, Retention and Development, and Diversity Equity and Inclusion were reviewed c.q. set by the Management Board, as per the procedure described above.

The overall People related goals for IMCD are described in the 'People value' section of this report. This describes what we want to achieve.

But as important as the "what" is the "how" we want to achieve our People goals. We have used various formal policies and documents describing the behaviours we expect from our people and the boundaries they need to respect. Firstly, The IMCD Code of Conduct and IMCD Business Principles. Secondly, IMCD's Management Instructions and thirdly, IMCD's values. The IMCD Code of Conduct and IMCD Business Principles apply to all our staff and describe commitments and standards of expected behaviours, working conditions, equal opportunities, and 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 toward customers and suppliers, but also toward co-workers. The values also serve as a good starting point to explain to employees in newly acquired businesses how things are done at IMCD and the type of behaviour we expect.

In the latest IMCD DMA assessment we decided to focus our people management approach on (1) Talent attraction, Retention & Development, (2) Diversity, Equity and Inclusion.

GENDER	NUMBER OF EMPLOYEES (HEAD COUNT)[1]
Male	2,418
Female	2,784
Other	-
Not reported	-
Total employees	**5,202**

1 In the reporting headcount, an estimation is applied, which inherently includes a degree of uncertainty. Given the minimal difference between FTE (5,126) and headcount (5,202), a proportional approach has been adopted. This estimation uncertainty is explicitly disclosed, ensuring transparency while maintaining the reliability of the reported data.

At IMCD, Full-Time Equivalent (FTE) is a standardised measure used to express the workload of both part-time and full-time employees as an equivalent of a full-time work schedule, ensuring consistent and comparable reporting across the organisation.

In summary, the tables provide an overview of FTE employees by contract type, gender FTE, and region (which is equal to the FTE mentioned in the Performance 2024:

	2024				
	Female	Male	Other	Not Disclosed	Total
Number of employees	2,743	2,383	-	-	**5,126**
Number of permanent employees	2,672	2,343	-	-	**5,015**
Number of temporary employees	72	39	-	-	**111**
Number of non-guaranteed hours employees	54	73	-	-	**127**
Number of full-time employees	2,611	2,358	-	-	**4,969**
Number of part-time employees	133	24	-	-	**157**

	2024			
	EMEA	Americas	Asia-Pacific	Total
Number of employees	2,161	1,486	1,479	**5,126**
Number of permanent employees	2,117	1,475	1,423	**5,015**
Number of temporary employees	44	11	56	**111**
Number of non-guaranteed hours employees	6	115	6	**127**
Number of full-time employees	2,020	1,482	1,467	**4,969**
Number of part-time employees	140	4	13	**157**

Managing material impacts, risks and opportunities related to IMCD employees

Dependencies on our own workforce is explained in the section Risk factors and risk management.

2 Talent attraction, retention and development

Employee learning and development

Training hours

IMCD records training delivered to all employees in one central Learning Management System (LMS), the 'IMCD Digital campus', powered by Cornerstone software. IMCD continued with risk mitigating online training such as antitrust, fraud prevention, anti-corruption and various cybersecurity trainings. IMCD also invested significant time and effort in commercial training to strengthen the commercial capabilities of sales, marketing and customer service staff. In the latter category, popular programmes were our proprietary 'Value Based Selling' and 'Commercial Excellence' training offerings. The third category is the proprietary technical training delivered by our Technical Directors and their teams in our 82 dispersed laboratories. They developed and delivered hundreds of technical training courses, product seminars, and formulation meetings to deploy the technical and formulation expertise for the benefit of customers, principal suppliers and to train IMCD's staff. Such Business Group-specific training is one of the core elements of our expertise driven business and underlines the knowledge that is present in the Company. Most of the various trainings mentioned above are conducted classroom style or blended with virtual delivery methods. Last category is employee skill based training. In our LMS we have a library of more than 21,000 courses with skill and capability based trainings, such as negotiation skills or soft skills for call centre staff. This library is freely accessible for all our employees, and no managerial approval is needed to follow one of this courses.

In 2024, we learned the importance of tracking our training efforts more comprehensively and transparently. To achieve this, we have integrated various data sources into a new global training dashboard, accessible to all country managing directors. The dashboard includes leaderboards by country and region, allowing managers to drill down into detailed training records at an individual level. By providing full transparency, this tool empowers leaders to monitor and track their teams' development progress more effectively.

Compared to last year, we stepped up our investment in training with the average employee spending 21 hours on personal training, both completed and in progress versus 14 hours in the year before and 5 hours average in 2022. The split of training hours per gender is slightly in favour of women (58,084 hours of training delivered) as they have followed more training hours than men (49,453 hours). As part of our enhanced training efforts, we initiated a search and successfully recruited an experienced Global Learning & Development Manager, who started at the beginning of January 2025.

Employee training

	2024	2023
Training hrs, average per employee	21	14

A detailed breakdown of the total number of training hours, across gender and specific employee functions categories in 2024. They are the following:

2024	FEMALE	MALE	TOTAL
Management	309	499	**809**
Finance	4,180	2,732	**6,912**
Inside sales	20,844	9,013	**29,857**
Outside sales	20,582	27,070	**47,652**
Warehouse	235	2,741	**2,976**
Production	154	341	**495**
Other	11,780	7,057	**18,837**
Total	**58,084**	**49,453**	**107,538**

Feedback mechanisms to capture development needs

We have formal mechanisms in place to promote an open feedback culture consisting of (1) global town halls and/or leadership videos aimed at all staff, (2) town halls in countries, and (3) town hall meetings for all staff globally but also (4) in the form of the global engagement survey, the IMCD Pulse Survey, covering all employees in all countries. In the fourth quarter of 2024 we conducted the last survey and had a very high participation rate of 88% with an overall engagement level of 69% (as in the favourable and very favourable answers combined) and even 92% if we include all favourable and the neutral responses. We specifically asked employees to score the Company on statements such as "I have a meaningful job" (84% favourable score) or "I am proud to work for IMCD" (80% favourable score). We presented and discussed the outcomes of the Pulse survey with the IMCD Management Board, the Executive Committee and the Supervisory Board in December. We also presented the overall results to all employees, as we believe that closing the feedback loop is key to keeping the engagement levels high. Next steps are for all countries and Business Groups to present and to discuss the results in smaller groups and make action plans to further improve the scores.

Performance and/or development review practices

In 2024, performance and development review practices continued to play a crucial role in assessing and enhancing employee growth across all country operations. For 2024, the latest data shows that 90% of female employees and 92% of male employees have completed their performance reviews, reinforcing IMCD's dedication to structured and equitable review practices. In some cases, the performance review period extends into January 2025, meaning that certain evaluations may still be in progress at the beginning of the year. Additionally, newly acquired companies are still in the process of aligning with IMCD's onboarding and performance management practices. As a result, their evaluation processes may not yet fully match the established systems in other country operations. These factors can temporarily impact the completeness and timing of performance review data.

In total, we conducted 5,363 performance reviews, ensuring at least one performance review per employee per year, resulting in a ratio of 1.03 relative to the total IMCD headcount. The table below provides a split by gender, noting that in some countries, due to acquisitions, newly integrated entities and performance timing delays, not all performance reviews have been completed yet.

	2024	
	Female	Male
Performance reviews completed in 2024	90%	92%

The employee base has grown but less than in previous years

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

Our workforce grew in 2024 by 8.2% to FTE 5,126 by the end of 2024 (2023: 4,736 FTE) due to acquisitions and organic growth. We had 1,346 new starters of which 493 due to acquired businesses and 949 leavers. Leavers include all employees that left the Company, both voluntary and non-voluntary. Reasons such as retirement, jobs elsewhere, or due to a post-acquisition business integration are part of this. We closed the year with EMEA still being the largest region with 2,161 FTE (42% of total), followed by the Asia-Pacific region where we employed 1,479 FTE (29%) and by the Americas with 1,486 FTE (29%). Compared to 2023 the regional weight shifted slightly reflecting higher growth in Asia-Pacific. In the following table we mention all new hires but excluding acquisitions. Even then, the biggest growth has been realised by the Asia-Pacific region.

	NEW HIRES - 2024				NEW HIRES -2023			
	Under 30	30-50	Over 50	Total	Under 30	30-50	Over 50	Total
EMEA	87	204	30	321	111	273	49	433
Americas	86	125	21	232	95	150	19	264
Asia-Pacific	77	200	23	300	59	163	28	249
Total	**250**	**529**	**74**	**853**	**265**	**585**	**96**	**946**

Most of our people are in customer or principal supplier facing roles

In 2024 3,123 FTE/61% of IMCD staff (2023: 2,951 FTE/62% of IMCD staff) worked in a supplier or customer-facing role, in inside sales, outside sales, customer service, digital, technical support or product management.

Education levels are high

Like in previous years the educational levels of our employees are high to very high. IMCD employs 1,231 (24% of total FTE) individuals with a completed Masters degree or higher and another 2,375 (46%) with a Bachelor degree or equivalent. Educational levels are especially high for our female employees, we employed (627 women (FTE) with a Master degree or higher compared to 604 men (FTE). These high education levels are critical for sustained business success.

Education level

	2024		2023	
	Female	Male	Female	Male
Master or higher	627	604	613	566
Bachelor or equivalent	1,323	1,052	1,170	984
Other	794	726	753	649
Total	**2,744**	**2,382**	**2,536**	**2,200**

Employee turnover and retention

IMCD's employee turnover levels are monitored continuously. In 2024, total turnover, for all reasons, calculated as the leavers divided by the average FTE over 2024 was 19% worldwide compared to 18% full year 2023, reflecting competitive labour markets in North America and Asia-Pacific/India in particular. The turnover figures include all leavers for all reasons, ranging from reduction in force, organisational changes, post-acquisition integrations, regretted and non-regretted, voluntary and involuntary leavers. Turnover in the IMCD sub-top was significantly lower with 12% and only 4% regretted.

Regional differences in overall employee turnover

Compared to 2023, the attrition rate rose most in the Americas. In EMEA the trend is downwards, the 13.2% attrition is lower than the full year before when it was 14.3%. The 2024 attrition rate in the Asia-Pacific region was 23.8% which is slightly higher than the full year 2023 (21.9%) The Americas region reported 23.8% turnover (versus 18.7% in 2023), an upward trend in a still challenging labour market in North America. Our management approach is to monitor turnover, per region and function, and to keep it flat or bring it down compared to the three-year average.

The many business acquisitions can sometimes temporarily distort the picture due to post-acquisition business integrations and elimination of double functions. Employee turnover is also driven by reorganisations to improve efficiencies, particularly in the Americas and Asia-Pacific region. Deducting these employer initiated terminations from the total would bring the overall adjusted global employee turnover down to a 15.6%. This gives a more realistic picture of employee turnover. The annual attrition would be 15.5% in the Americas and 19.2% in Asia-Pacific.

Employee turnover (leavers)

IN FTE	2024	2023
EMEA	281	284
Americas	318	231
Asia-Pacific	350	287
Total	**949**	**802**

Management turnover is low

In the global management sub-top of 460 individuals, we had 4% regretted leavers which was significantly below IMCD's overall attrition rate. We aim to keep the management turnover in this management group lower than the average company turnover and furthermore to keep the regretted leavers in this group below 6% annually. This underlines IMCD's ability to hold on to valuable management staff.

Management approach and lessons learned regarding employee attrition

IMCD operates in more than 60 countries and labour markets are very different. However, highly educated technical or professional workers are in high demand everywhere. IMCD has learned that especially in fast growing regions such as Asia and in regions with many newly acquired businesses employee retention is less stable and attrition can be higher than the company average.

To control the resignation risk of key staff, IMCD has put several initiatives in place. Firstly, IMCD senior management constantly monitors attrition levels by region, country, function, gender, and management level. We understand post-acquisition turnover and distinguish structural from incidental changes in turnover rates.

Part of the flight risk reduction was realised in 2024 by remunerating key staff in line with the market or slightly above. Merit increases were higher in 2023 and 2024 than in the years before due to increased inflation and employees were compensated accordingly.

Another key retention measure is that IMCD employs 98% of all global staff on permanent contracts. Temporary employees are less secure and present a higher flight risk. IMCD commits to and offers fixed employment contracts or arrangements to retain staff on all levels.

Turnover can be influenced by the male versus female mix. We specifically monitor the turnover of female and male employees and concluded that turnover among women is slightly lower than among men. Women make up 54% of IMCD's employee base, yet account for only 49% of the leavers.

Lastly, another lesson learnt is to strive for fast integrations of newly acquired businesses in order to reduce the uncertainty for employees. IMCD has appointed region specific integration managers who oversee these processes, timelines and integration success.

Labour practices and human rights

At IMCD, this topic covers the application of ethical labour practices and respect for human rights in our activities and business operations. When we engage with our business partners we ask them to adhere to and implement internationally-recognised 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 value 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 find 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 2024, 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 .

Human rights policy

In 2023, IMCD reinforced its commitment to human rights by implementing a Global Human Rights Policy, available on the company's website. This policy outlines IMCD's approach to managing human rights across its operations. Additionally, IMCD's Compliance Framework and Policies detail the Internal Alert Procedures, which are actively maintained and widely communicated to ensure awareness and accessibility. To date, IMCD has not received any employee or supplier complaints or grievances that could be classified as human rights violations. The policy has had a positive impact on all IMCD employees, suppliers, and business partners by clearly defining IMCD's stance on human rights. For more details, see Our Compliance Framework and Policies . ithin this framework, we define discrimination, including harassment, as well as the grounds on which discrimination may occur. Information on equal opportunities and other initiatives to promote diversity and inclusion can be found in 3 Diversity, equity and inclusion, along with the relevant documents referenced in this chapter.

For our policy concerning discrimination we refer to our Compliance framework and policies. For our policy to advance diversity and inclusion in general we refer to 3 Diversity, equity and inclusion. These grounds are covered.

Child & forced labour

IMCD has zero tolerance for forced labour and/or child labour. They have no place in IMCD. The chemical distribution industry is not high-risk in this respect, since most IMCD employees are highly-skilled workers active in office environments, we don't manufacture. We monitor and track employees under the age of 20, mainly students, interns, and other young learners and double check with country leaders that these young workers have the right to work in their country or location and concluded that there were no cases of child and forced labour. A prohibition on child labour is included in the IMCD Group Human Rights Policy and the ESG Standards for IMCD Business Partners.

Collective bargaining and employee representation

IMCD respects the right of employees to organise and to join trade unions and representative bodies such as works councils and Health Safety & Environment Committees. This is embedded in IMCD's internal policies and instructions (including in the IMCD Group Human Rights Policy) and communicated as well to business partners through the ESG Standards for IMCD Business Partners.

All employees have the right of collective bargaining. When IMCD acquires companies, these sometimes come with unionised employees and IMCD respects this and nurtures existing relationships. Management measures annually how many workers are covered by collective labour agreements (CLAs). Management has no specific goals or targets for the number of employees covered or not covered by a CLA since this is not a management decision but either mandatory by law or up to the individual, IMCD respects the right of all employees to organise themselves.

Employees covered or not-covered by CLA

	2024	2023
Employees covered by CLA	1,176	1,342
Employees not covered by CLA	3,950	3,394
Total	**5,126**	**4,736**

In 2024 IMCD employed 1,176 employees who were covered by some kind of collective labour agreement i.e. 23% of the total workforce. The percentage decreased from 28% last year. Management also annually tracks formal employee representation. In 2024, IMCD had 3,221 employees (63% of the workforce) worldwide who were represented in formal joint management and employee Health & Safety Committees and 1,300 employees (25% of workforce) covered by formally elected employee representatives such as works councils, most of them in the EMEA region. Country specific CLAs in the EMEA area are applicable to all employees in such a country. For the EMEA region 36% of its employees are covered by the CLA, against 23% in Americas and 2% in Asia region. IMCD is a non-unionised workplace, the Collective Labour Agreements are mainly sector agreements e.g. negotiated working conditions applicable for workers in the entire chemical sector of a country, mainly in European countries, these CLAs are not IMCD specific but cover entire industries.

In 2024, IMCD encountered zero employee strikes. No industrial action against the Company was reported. In 2024, we did not receive any complaints or grievances indicating that the freedom of association or collective bargaining was at risk in any of our countries, whether through management channels, our Internal Alert Procedure or the IMCD Ethics and Compliance Hotline. IMCD does not have a European Works council in place, the employee representation is organised on a country level where necessary.

Social dialogue and employee engagement remains strong

Dialogue between employees and management takes multiple forms. The IMCD management approach uses the following three communication channels: 1. Town hall meetings with all staff 2. Employee opinion surveys 3. Regular dialogue between management and employees. IMCD conducted several town halls in November/December. The topics on the agenda were: the strategy of the CEO, digitalisation, the sustainability strategy, the IMCD Culture & Pulse engagement survey and various other organisational topics. Staff from all countries participated in these town halls, which are live events with presenters from senior management such as the CEO, CFO, COO and IMCD's global HR director. All presenters made the town halls interactive and took a large number of questions live strengthening the direct communications and social dialogue. The Pulse employee engagement survey conducted end of 2024 measured and reported various factors and questions of employee engagement and provided tangible feedback from employee stakeholders about what works well in IMCD and what can improve. This survey serves as stakeholder input for local and Business Group people plans, targets and if applicable policies.

Lastly, due to our flat organisational structure and the relatively modest size of our business (in terms of FTE per country) our local managing directors and their HR teams are in daily contact with their colleagues and co-workers. Changes of department, positions or in job contents can be discussed in an early stage to make sure employees who are affected can engage in discussions. With regard to management of career endings, transition assistance programmes are set up in a case-by-case basis or when needed under local circumstances. If so, these programmes are tailored to local needs and aligned with local laws and regulations.

Flexible and remote work remain popular

Most of our countries have flexible working, remote working policies or instructions in place. It is also a recurring theme in discussions with job applicants who often expect some kind of flexibility in office presence although the differences between countries can be striking. In the US for instance this is an important topic and in some of our Asian countries less so. The contents of such flexible and remote work plans differ per function and geography, underlining the freedom to act -one of our values- of local management.

Special leave; parental, compassionate possibilities

In all our regions where we have operations, IMCD offers additional leave to employees for specific purposes such as maternity, paternity, studies, and compassionate leave. In general, both men and women are eligible for these leave categories. The most important special leave is parental leave. In 2024, 373 employees were entitled to parental leave, of which 186 women and 187 men. In total 192 indeed made use of the opportunity (a positive and high 51% take up rate). The take up rate is higher from men than from women. Already 126 have returned to work (66% voluntary return rate).

Employees that took parental leave

	2024			2023		
	Female	Male	Total	Female	Male	Total
EMEA	42	43	**85**	68	30	98
Americas	28	24	**52**	30	10	40
Asia-Pacific	31	24	**55**	23	31	54
Total	**101**	**91**	**192**	**121**	**71**	**192**

As a global organisation operating in over 60 countries, we embrace a highly decentralised approach to managing our business. This decentralisation empowers our country leadership teams to tailor employee benefits, including social protections such as parental leave and sick leave, to align with local market standards and regulatory requirements.

In many of our countries, particularly in Europe and North America, these benefits are governed by collective labour agreements or integrated into national social security systems. This localised approach ensures that we remain compliant with local regulations while addressing the unique needs of our diverse workforce.

Permanent and full-time contracts dominate

The overwhelming majority of IMCD's employment contracts are permanent: 5,016 or 98% of the year-end workforce. Only 111 employees (just 2%) were engaged on a temporary contract. This is similar than last year when we employed 2% of employees on such contract. IMCD believes that offering regular, indefinite contracts or job offers provides employees with more security and a decent living and this is what employees value most. It is also a distinguishing feature in competitive labour markets. There is very little difference between men and women in this respect. Per year-end, 39 of the 2,382 men(<2%) are employed on a temporary contract and 72 of the 2,744 women (<3%).

A comparable pattern applies to full-time versus part time staff. IMCD employed 4,969 or 97% full-timers (same percentage as the year before) and 157 or 3% part-time employees (measured in FTE). Employees who work part-time have generally requested flexible arrangements themselves, to accommodate work patterns that fit their work-life balance or family needs.

IMCD offers benefits for full-timers, part-timers, and temporary workers, whereby some benefits require a waiting or vesting period. One of the most important benefits is health/medical care. No less than 95% of our countries offer this to their employees, either via country specific health care systems or via private care.

Employees by employment contract / region

	2024					2024				
	Permanent		Temporary			Fulltime		Partime		
	Female	Male	Female	Male	Total	Female	Male	Female	Male	Total
EMEA	1,176	942	26	18	2,161	1,082	938	119	21	2,160
Americas	780	695	7	4	1,486	785	697	2	2	1,486
Asia Pacific	716	707	39	17	1,479	744.0	723	12	1	1,480
Total	**2,672**	**2,344**	**72**	**39**	**5,126**	**2,611**	**2,358**	**133**	**24**	**5,126**

Responsible restructuring remains an exception

Due to our flat organisational structure and the relatively modest size of our businesses (in terms of FTE 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 at an early stage. IMCD informs employees of upcoming changes in the business/organisation at an early stage and in detail, and we give people advance notice that 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 resulting from collective bargaining agreements.

In 2024, IMCD neither carried out any large-scale redundancies nor implemented workforce reductions/ restructuring/job cuts of more than 5% of the global employee base, In other words; there were no workforce transition plans with a material impact on the business.

Living wage and total remuneration

IMCD is committed to ensuring that all workers are paid a 'living wage' (i.e. the minimum wage in the EU or adequate wage elsewhere, remuneration to support basic needs) in accordance with applicable local laws. In its own operation, this is supported by the fact that 98% of employees are employed on permanent contracts (as referred to above). IMCD operates as a professional services firm in (distributing) speciality chemicals and ingredients and does not manufacture their own products. Hence, its employees are mostly highly skilled professionals and office workers. In 2024, IMCD's average salary and wages per employee were EUR 63,900, up from EUR 63,400 in 2023, representing a 1% year-on-year increase. This figure excludes social security, taxes, benefits, and pensions. The slight increase is the result of inflation correction on salary & wages, partly offset by business acquisitions in Asia-Pacific with relatively lower salary levels.

Pay gap

We are committed to pay equity and transparency. A key step is implementing a global Human Resource Information System (HRIS) to centralise compensation data and ensure fair comparisons across roles and regions. This system will account for differences between base salary-only roles and those with incentives, bonuses, or equity. Once in place, we will conduct a detailed analysis and report findings in future updates.

The gender pay gap is calculated as the percentage difference in average pay between male and female employees, based on:

- Base salary (annualised for full-time employment)
- Cash benefits (bonuses, commissions)
- Benefits in kind (lease cars, pensions, medical benefits)
- Annual long-term incentives

Notes: The base salary included in the calculation is based on the annualised base salary at year-end, assuming full-time employment. Benefits in cash, such as bonuses and sales commissions, are based on the actual payout during the year. The number of working hours used as the denominator in the calculation of average pay is based on the statutory working hours in each country, assuming full-time employment.We have used an aggregate approach for calculating the pay gap. This involved assessing salaries at the P&L level in relation to the average FTE across the last five quarters. This methodology provides a general overview of pay disparities, though more detailed insights at the individual level will become possible once a global HR system is implemented. Additionally, in line with the data available, the salaries of the highest-paid employees have been compared against the mean (Note 10 Personnel expenses) rather than the median, given the current limitations in data consolidation. The mean is used as an estimate for the median, which may result in a source of estimation uncertainty, in line with the ESRS guidelines.

Our best estimate of the reasons for the unadjusted pay gap is the fact that the women work more in functions such as customer service, administration and in laboratory roles and men more in roles such as outside sales that are higher compensated/come with incentives and commissions.

	NOTE	2024	2023
Unadjusted gender pay gap (%)		20.8%	n/a
Ratio of the annual total compensation for the organisation's highest-paid individual (CEO) to the median annual total compensation for all other employees		27.4	24.2

A cap on working hours

We believe that work should be organised efficiently and should be doable in a regular work week, and we abide to all local labour laws in this respect. When there is an absence of applicable laws or collectively bargained labour agreements, working hours including overtime may not exceed 60 hours per week, and a minimum of one rest day per week is provided in all our countries.

Regular Board discussions on people topics

People, culture, talent, training and development, engagement levels, management appointments, diversity & inclusion, compensation, succession, OHS, and other labour matters are discussed by the Global HR Director and/or the Executive Committee members on a frequent basis with the IMCD Management Board, but also with the Supervisory Board, throughout the year. These discussions may relate to specific individuals or to important people or social themes for the Company. The board involvement on these topics is high.

Non-employees / contingent workers

This group of people consist of individuals who are not employed by IMCD and are not on the IMCD payroll. They are not included in the reported employee headcount, but individuals who provide a service and send an invoice to IMCD. Often these persons provide services as IT implementation consultants. It remains a relatively modest group of 157 individuals at the end 2024, who provided their services for specific projects, versus 132 individuals last year (restated due to an incorrectly reported number of 280 individuals). The number of non-employees is just above 3% of our regular employee base.

Employer branding

We have launched a project to improve the IMCD employer branding and employee value proposition (EVP) in the second quarter of 2024. Materials have been developed and already been rolled out in pilot markets India and Brazil. Based on the experiences in these pilot markets we will fine-tune our message and roll out further to other countries. The objective is to ensure labour market communication is consistent all over the world, especially the online labour market communications on channels such as Linked-in. In the new campaign, real employees of IMCD are featuring prominently.

Impacts on the economy, environment and people

Talent attraction, retention and development are critical aspects of organisational success in our global dynamic and competitive landscape. The ability to attract and retain skilled individuals not only influences a company's performance but also has broader implications for the economy, environment, and people involved.

Economic growth

By attracting top talent and investing in their development, IMCD contributes to economic growth by fostering innovation and productivity within the speciality chemicals and food ingredients distribution industry. A skilled and engaged workforce can lead to increased efficiency, profitability, and competitiveness, benefiting not only the Company but also the broader economy.

Job creation

As the Company expands its operations and workforce, it creates job opportunities both directly within the Company and indirectly through its value chain and support services. This helps reduce unemployment rates and stimulates local economies, particularly in regions where the Company has a significant presence.

Environmental sustainability
IMCD can integrate sustainability practices into its operations. By training employees on environmentally friendly processes and products, the Company can reduce its environmental footprint and promote sustainable practices throughout its value chain, contributing positively to environmental conservation efforts. An example of an action here, is the roll out of the Global IMCD Company Car Policy in the second quarter of 2024, in which we instruct the various countries to focus company car vehicle selection on Electric Vehicles (EVs) and Hybrid ones with the aim to reduce the commenting emissions and to contribute to cleaner air in urban areas.

Social responsibility
IMCD's commitment to talent development often extends to corporate social responsibility initiatives, such as community engagement programmes, charitable partnerships, and diversity and inclusion efforts. These activities can have a positive impact on local communities, fostering goodwill and enhancing the Company's reputation as a responsible corporate citizen.

Workforce displacement
IMCD's adoption of technology or process improvements aimed at enhancing efficiency and productivity could lead, in some cases, to workforce displacement or job restructuring. While these changes may be necessary for the Company's competitiveness, they could have negative implications for employees who are not able to adapt or transition to new roles.

Social equity
Despite diversity and inclusion efforts, there may still be challenges related to social equity within IMCD's workforce, such as disparities in representation, pay equity, or access to opportunities for advancement. Addressing these issues requires ongoing attention and investment in diversity, equity, and inclusion initiatives.

Fair employment practices
IMCD's adherence to fair labour practices, including competitive wages, benefits, and opportunities for development, contributes to economic stability and prosperity. By treating employees ethically and providing a supportive work environment, IMCD fosters loyalty, productivity, and long-term commitment among its workforce.

Respect for human rights
IMCD's efforts to promote and uphold human rights standards, both within our own operations and throughout our value chain, helps protect the dignity and well-being of workers. By ensuring fair treatment, non-discrimination, and freedom from exploitation, IMCD promotes social justice and contributes to a more equitable society.

Employee empowerment
IMCD's emphasis on *Freedom to Act* enables workers to voice their concerns, advocate for their rights, and participate in decision-making processes. This fosters a culture of inclusivity, trust, and mutual respect, enhancing job satisfaction, morale, and overall well-being among IMCD's workforce.

Worker safety risks
In the chemicals distribution industry, there may be inherent risks to worker safety and health. Despite implementing safety protocols and training programmes, accidents and injuries can still occur, posing risks to employee well-being and potentially leading to reputational damage and legal liabilities for IMCD.

3 Diversity, equity and inclusion

A well-balanced workforce, near parity

Diversity, equity and inclusion shows strong progression towards goals

The basis for our diversity, equity and inclusion programmes, goals and actions is the IMCD Diversity and Inclusion policy . The main policies in place aimed at elimination of discrimination, including harassment, promotion of equal opportunities and other ways to advance diversity and inclusion, are also summarised in our public Diversity & Equal Opportunity Policy Statement. Both documents are available for download on our website.

We had several diversity goals and targets in 2024. Firstly, to maintain a balanced male and female employee base. We have achieved that near parity goal with 54% women and 46% men in the business.

Secondly, to ensure the **top management** layer, the Board and Executive Committee all have diversity in nationality. The Supervisory Board has 40% women and 60% men and consist of five individuals with three different nationalities (Dutch, American, Danish). The Management Board consists of three individuals of which 33% women and four different nationalities (Dutch, Swiss/German, British). The Executive Committee -excluding the Management Board members who also participate in the Executive Committee- consists of four men with three distinct nationalities (French, German, British) and a Dutch woman. Hence our Management Board and Executive Committee combined has 25% women.

Thirdly, our goal was to appoint a minimum of 40% women in all open **sub-top management** vacancies worldwide. Our own IMCD definition of the sub-top management can be found in chapter 10 People & culture value. We overachieved here with 44% of all senior appointments made by women in the last year. A secondary goal was to appoint a minimum of 33% women in sub-top management Commercial/P&L roles and to continue the specific development programme for up-and-coming commercial women to boost this internal talent pipeline. In 2024, we appointed women to 27 of the filled positions (36%) in these commercial roles. Our own IMCD definition of sub-top management Commercial/P&L roles can also be found in chapter 5, People & Culture.

These goals on diversity and inclusion were set by the Management Board and discussed and supported by the Supervisory Board. All members of the Management Board attended and presented multiple times in the 2023/2024 Women in Leadership programme. Fair to say that the diversity and inclusion topic has full leadership support-in words and actions. IMCD has no specific diversity targets or policy goals for other vulnerable groups, our focus is on improving female representation and it shows.

Lessons learned from IMCD's diversity plans and the DEI goals and targets are that with a near parity employee base the Company has strong momentum and filling roles with women in the management sub-top becomes easier as IMCD gets closer to parity. Finding women for senior commercial or P&L roles in some cases remains a challenge and, that is why we continued the specific plans to strengthen this talent pipeline. Another lesson learned is that with IMCD's success with a gender based diversity plan, other employee groups ask for plans as well, so we are contemplating broadening IMCD's diversity plans. Despite the above lessons learned, IMCD has not observed any negative impact from its diversity plans, policies and actions. On the contrary, the diversity achieved helps to strengthen IMCD's employer brand and reputation in the market place.

Employees by employment contract/gender

	2024			2023		
	Female	Male	Total	Female	Male	Total
Permanent employees	2,672	2,344	5,016	2,475	2,171	4,646
Temporary employees	72	39	111	60.9	29	90
Total	**2,744**	**2,382**	**5,126**	**2,536**	**2,200**	**4,736**
diversity %	54%	46%		54%	46%	

Women leadership

The share of women in our workforce was stable compared to last year at 54% by the end of 2024. Zooming in on women in management roles we observe that 45% of sub-top management positions are taken by women (our IMCD definition of this group is: all members of the various country management teams plus leaders of functions in regional head offices). IMCD employs 32% of women in commercial management roles (as in client or principal supplier facing management roles with a responsibility for profit or loss). The latter is important since this group is the feeder talent pool for senior leader and country managing director roles (directly reports to the countries managing director; the region headquarters in Asia-Pacific and Americas (i.e. Singapore and Miami); the leader of IMCD Group in headquarters in Rotterdam that directly report to the CEO, CFO and/or COO). With the appointment of Valerie Diele-Braun as new CEO, the female representation in IMCD's Management Board also increased to 33% in 2024.

Diversity in nationality
The various national origins at the top of the house (Management Board/Supervisory Board/Executive Committee) are explained above under "Diversity, equity and inclusion shows strong progression towards goals". Overall, the employee base includes more than 65 different nationalities spread across 60 country operations. In its Global HQ, IMCD employs 105 individuals with over 20 different nationalities.

Management approach to diversity
The IMCD diversity strategy and management approach aims on the one hand to maintain the positive near equal gender balance for the Company as a whole and on the other hand to accelerate the development of women in management roles and specifically in commercial management positions. IMCD's Management Board monitors female appointments in the management sub-top teams; from a pool of 460 positions in 2024 IMCD had a total of 128 openings and appointed 57 women (45%). The local country management teams, that form the management sub-top together with the senior staff in regional head offices, are key talent feeders for the future executive talent pipeline. IMCD is pleased with the balance of appointments in these key roles, we are close to gender parity in this.

Diversity in age groups
The age profile of IMCD employees also underlines the fact that IMCD is an equal opportunities company for all ages. IMCD had 6 employee younger than 20, 3 in the UK, 1 in Colombia and 1 in Chile. At the other end of the spectrum, IMCD employed 1,112 FTE older than 50 (22% of the total workforce, same as in 2023). The 773 FTE in the below 30 age group remained stable with 15% of the workforce. The vast majority (3,235 FTE or 63%) belonged to the 30 - 50 age group. This did not materially change from previous year(s).

	TURNOVER - 2024				TURNOVER - 2023			
	Under 30	30-50	Over 50	Total	Under 30	30-50	Over 50	Total
EMEA	60	169	53	281	43	180	61	284
Americas	70	185	63	318	49	131	51	231
Asia-Pacific	57	224	69	350	45	194	48	287
Total	**187**	**578**	**185**	**949**	**137**	**505**	**160**	**802**

The overall IMCD age distribution has remained nearly unchanged compared to 2023.

The process to report grievances such as discrimination or human rights impacts
For many years now we have set up a widely communicated and maintained an Internal Alert Procedure and an Ethics and Compliance Hotline where employees can report grievances, anonymously, if they wish so. In 2024, we received eight grievances that were investigated and followed up with appropriate action including a separation. Reported cases were mainly complaints about specific individuals, sexual harassment or their leadership style. However, no discrimination or human rights cases were reported. We had no pending cases from previous years. For the definition used for discrimination, please see note on Our compliance framework and policies to the Sustainability Statements. No sanctions, fines or compensation was forced on IMCD as a results of grievances.

Impacts on the economy, environment and people
At IMCD, embracing diversity, equity and inclusion isn't just about being fair- it's about boosting our business, environment, and our stakeholders. Within this material topic, IMCD has the potential to bring positive changes such as fostering creativity and promoting social cohesion. However, they may also come with implementation challenges.

Workforce effectiveness and creativity
Diversity in IMCD's workforce fosters a culture of effectiveness and creativity within the workforce. By bringing together individuals with diverse backgrounds, experiences, and perspectives, IMCD can generate new ideas, problem-solving approaches, and product innovations that drive business growth and competitiveness.

Talent attraction and retention
A strong focus on diversity, equity and inclusion enhances IMCD's attractiveness as an employer, helping to attract top talent from diverse talent pools. Furthermore, it fosters a sense of belonging and inclusion among employees, leading to higher job satisfaction, retention rates, and productivity. This ultimately contributes to a more skilled and engaged workforce, benefiting both the Company and the broader economy.

Market expansion and customer satisfaction
Diversity within IMCD's workforce enables the Company to better understand and serve diverse customer segments. By reflecting the diversity of its customer base, IMCD can develop products, services, and marketing strategies that resonate with a broader range of consumers, driving sales growth and market expansion.

Social cohesion and equality
IMCD's initiatives on diversity, equity and inclusion promote social cohesion and equality by creating opportunities for under represented groups to perform in the workforce. By fostering a culture of respect, fairness, and inclusion, IMCD contributes to a more equitable society and helps break down barriers to economic and social advancement.

Implementation challenges
Implementing effective diversity, equity and inclusion initiatives requires dedicated resources, leadership attention, and cultural transformation within IMCD. Overcoming resistance, addressing systemic barriers, and promoting inclusivity at all levels of the organisation can be challenging and require ongoing investment and effort.

Perception risks
Inadequate or insincere diversity, equity and inclusion efforts can damage the Company's reputation and brand image, particularly in an era where stakeholders increasingly value companies to make progress on diversity and inclusion. Negative publicity or allegations of discrimination could damage customer trust, investor confidence, and employee engagement, impacting IMCD's bottom line and long-term viability.

Unintended consequences
In some cases, well-intentioned diversity, equity and inclusion initiatives may have unintended consequences or reinforce existing inequalities. For example, diversity quotas or affirmative action policies could lead to tokenism or backlash from certain groups.

Annex

Voluntary external sustainability initiatives

IMCD engages in multiple external sustainability initiatives, networks, and platforms. It also receives ESG ratings from various rating agencies. Below are some examples. A full list of IMCD's industry and association memberships is available on our website.

1 Together for Sustainability (TfS)

Together for Sustainability (TfS) is a global sustainability initiative and network for the chemical industry. Established in 2011, it has grown into a recognised standard for ESG performance in chemical supply chains, with leading chemical companies as members.

Since joining TfS in 2022, IMCD has gained access to a procurement-driven network of global companies working together to develop solutions and tools that address sustainability challenges in the supply chain. TfS members benefit from shared assessments, increased efficiencies in sustainable procurement, and support in reaching their own sustainability goals. Suppliers, in turn, gain visibility among a network of chemical buyers with an annual purchasing power exceeding EUR 300 billion.

As a connector between suppliers and customers, IMCD contributes its expertise in market trends and customer needs - particularly in the small and medium-sized enterprise segment. We also support the advancement of sustainable logistics by providing carbon footprint data from our transport and logistics operations.

As part of our TfS membership, we contribute to the initiatives performance indicators related to EcoVadis assessments and TfS Audits. By the end of 2024, 1,055 suppliers - both upstream and downstream - held a valid EcoVadis scorecard. Among those reassessed, 63% improved their scores.

TFS KPI	DESCRIPTION	TARGET (2024)	ACHIEVED (2024)	TARGET (2025)
1 - Assessment	Number of companies with valid scorecards (3 years)	1,000	1,055	1,250
2 - Assessment	Number of companies who did assessment in calendar year	375	824	500
3 - Assessment	Percentage of reassessment with improved score in calendar year	50%	66%	52%
1 - Audits	Number of companies valid audits (3 years)	5	5	8
2 - Audits	Number of companies who did audit in calendar year	5	5	5

IMCD also participates in EcoVadis assessments at both group level and across various subsidiaries. Further details on our 2024 performance can be found in the EcoVadis section.

In 2024, we began conducting TfS site audits, completing five external supplier audits - four TfS audits and one non-TfS audit - across our upstream and downstream supply chain.

2 Ecovadis

IMCD Group and several subsidiaries undergo annual EcoVadis assessments, a globally recognised sustainability rating that promotes transparency and responsible practices across value chains. In 2024, IMCD achieved Gold recognition at the Group level for the third time, improving its score from 70 to 74.

Throughout the year, our subsidiaries continued to strengthen their ESG performance, with many increasing or maintaining their individual EcoVadis scores. The efforts of IMCD entities in the Benelux, Canada, France, Germany, Italy, and Poland were recognised with a Platinum rating, placing them among the top 1% of chemical distribution companies assessed by EcoVadis. IMCD subsidiaries in Brazil, Spain, the US, and the UK received Gold recognition.

Ongoing assessments for other IMCD entities, including Kenya, India, and South Africa, are expected to further increase the number of our recognised subsidiaries in 2025.

3 Sustainalytics' ESG Risk Rating

Sustainalytics, a Morningstar company, is a leading independent ESG research, ratings, and data firm that helps investors develop and implement responsible investment strategies. Its ESG Risk Ratings assess a company's exposure to industry-specific ESG risks and how effectively these risks are managed. In 2024, IMCD received an ESG Risk Rating of 12.6 (2023: 13.7), reflecting a low risk of material financial impacts from ESG factors.

4 Carbon Disclosure Project (CDP)

The Carbon Disclosure Project (CDP) is an international non-profit organisation that helps companies, cities, states, and regions measure and manage their environmental impact, with a particular focus on climate change. IMCD's participation in the CDP questionnaire for the first time in 2023 provided insights into our greenhouse gas emissions, climate governance, and activities. IMCD achieved a B-rating for its 2023 performance and maintained this score in 2024.

5 ISS ESG

ISS ESG, the environmental, social, and governance arm of Institutional Shareholder Services (ISS), evaluates companies based on their sustainability practices and corporate governance. It provides independent ratings to help investors assess ESG performance using publicly available data. In 2024, IMCD's ISS ESG rating improved from a C (non-Prime) to a C+ (Prime) level, positioning IMCD among industry leaders with lower ESG risks.

6 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 to develop and implement global standards for sustainable palm oil. In 2024, 46 IMCD entities were part of IMCD's group membership.

7 Responsible Care and Responsible Distribution

Most of IMCD's operating companies participate in the Responsible Care or Responsible Distribution programmes of the International Council of Chemical Associations (ICCA) through local associations. These companies are committed to the continuous development and adherence to the guidelines outlined in the global programme, which covers eight key principles to do responsible business.

The evaluation of these Responsible Care (RC) and Responsible Distribution (RD) guidelines is evaluated by independent third-party experts, in line with the relevant regional assessment systems. These experts also review and document the environmental performance and safe handling of chemicals by the operating companies.

8 United Nations Global Compact

IMCD supports the Ten Principles of the United Nations Global Compact, the world's largest corporate sustainability initiative focused on human rights, labour, environment, and anti-corruption. These principles are embedded in IMCD's culture and values and have been integrated into the Group's policies and procedures over the years. As of February 2022, IMCD is an official signatory to the UN Global Compact. Our company profile, letter of commitment, and the trajectory of our annual Communications on Progress (CoP) are available on the UNGC website.

ESRS content index

Statement of use

IMCD N.V. has reported in accordance with the ESRS for the reporting year 2024.
The present ESRS Content Index is based on CSRD regulations.

ESRS STANDARD	DISCLOSURE	DISCLOSURE REQUIREMENT (DR)	PAGE NUMBER OR URL
ESRS 2: General Disclosures	Basis for preparation	BP - 1 General basis for preparation of sustainability statements	General information - 2 Basis for preparation
		BP - 2 Disclosures in relation to specific circumstances	General information - 3 Disclosures in relation to specific circumstances
	Governance	GOV-1 – The role of the administrative, management and supervisory body	11.2 Composition, diversity and independence; 11.4 Topics of discussion and advice 13. Corporate Governance
		GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	11.4 Topics of discussion and advice- 'Strategy and sustainability matters'; 'Employee engagement & diversity' 13. Corporate Governance 11. Supervisory Board Report
		GOV-3 - Integration of sustainability-related performance in incentive schemes	12. Remuneration Report - 'Application of the policy in 2024' 'Non-financial STI criteria'; '(ii) Strategy & sustainability'
		GOV-4 - Statement on due diligence	General Information - 13 Statement on due diligence
		GOV-5 - Risk management and internal controls over sustainability reporting	15. Risk factors & risk management 'Risk management framework'; 'Risk management tasks and responsibilities'; 'Significant risks and uncertainties' General Information-Risk management and internal controls over sustainability reporting
	Strategy	SBM-1 – Strategy, business model and value chain	6.1 Our Strategy; 5.3 Our business environment; 5.4 Our business model 6.4 Our Value creation Model

ESRS STANDARD	DISCLOSURE	DISCLOSURE REQUIREMENT (DR)	PAGE NUMBER OR URL
		SBM-2 – Interests and views of stakeholders	6.2 Our Stakeholders; Notes to the sustainability statements - Strategy- 6. Stakeholder engagement
		SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	5.4 Our business model 6.1 Our Strategy; 6.4 Our Value creation Model General information - Strategy General information - 'Double Materiality assessment' People and culture notes- 2.1 General: management approach; policies and targets setting - 'Managing material impacts, risks and opportunities related to IMCD employees'
	Impact, risk and opportunity management	*Disclosure on materiality assessment process* IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities	General information -'Double Materiality assessment'; 'Description of the process to identify and assess material impacts, risks and opportunities'
		Disclosure on materiality assessment process IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	General information- 'Disclosure requirements in ESRS covered by sustainability statements'; 'ESRS Mapping'
		Minimum disclosure requirements Policies MDR-P – Policies adopted to manage material sustainability matters	Note Environment - 2 Logistic decarbonisation - Note 2.1 General approach;policies, actions, metrics and targets-'Policies' Note Environment -Note 3 Safe handling & distribution- Note 3.a General - 'Policies related to value chain workers and pollution' Note People and culture - 1. General:management approach;policies and targets setting - 'Human rights policy'; Note People and culture - Note 3 Diversity, equity and inclusion - 'Diversity, equity and inclusion shows strong progression towards goals' - 'IMCD Diversity & Inclusion Policy'

ESRS STANDARD	DISCLOSURE	DISCLOSURE REQUIREMENT (DR)	PAGE NUMBER OR URL
		Minimum disclosure requirements Actions MDR-A – Actions and resources in relation to material sustainability matters	Note People and culture - 1. General:management approach;policies and targets setting -'Managing material impacts, risks and opportunities related to IMCD employees' Note Environment - 1 Our approach to climate change -2 Logistic decarbonisation - 2.1 General: management approach; policies, actions, metrics and targets Note Environment - 3 Safe handling & distribution - 1. General:management approach;policies and targets setting -'Actions taken on material impacts' Note Environment - 4 Sustainable solutions - Note 4.a General: management approach; policies, actions, metrics and targets; - 'Sustainable Solutions programme - Definition and methodology'
	Metrics and targets	*Minimum disclosure requirements* Metrics MDR-M – Metrics in relation to material sustainability matters	Sustainability Statement -Environmental; Sustainability Statements - People; 2.2 Energy and emissions management: Scope 1, 2 and 3; 3.b Environmental incidents, significant spills and chemical mishandlings; 3.c Work related injuries and ill health; People and culture notes - 2 Talent attraction, development and retention; 3 Diversity, equity and inclusion

ESRS STANDARD	DISCLOSURE	DISCLOSURE REQUIREMENT (DR)	PAGE NUMBER OR URL
		Minimum disclosure requirements Targets MDR-T – Tracking effectiveness of policies and actions through targets	Sustainability Statements; - 'Column Targets' Other information - 'Our sustainability targets' 10 People & Culture value- 'People goals and targets achieved in 2024' 9 Environmental value Note Environment - 2 Logistic decarbonisation - 2.1 General approach;policies, actions, metrics and targets-'Targets going forward' Note Environment - Note 3 Safe handling & distribution - 3.a General: management approach; policies, actions, metrics and targets- 'Targets related to safe-handling and distribution of chemicals' Note Environment - 4 Sustainable solutions - Note 4.a General: management approach; policies, actions, metrics and targets;
ESRS E1 Climate change *Material topics: Logistic decarbonisation; Sustainable solutions*	Governance	ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	12. Remuneration Report - 'Application of the policy in 2024' 'Non-financial STI criteria'; '(ii) Strategy & sustainability'
	Strategy	E1-1 – Transition plan for climate change mitigation	Note Environment - 1 Our approach to climate change
		ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Note Environment -1 Our approach to climate change- 'The impact of climate-related risks and opportunities on IMCD's businesses, strategy, and financial planning'
	Impact, risk and opportunity management	ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Note Environment -1 Our approach to climate change - 'Board's oversight of climate-related risks and opportunities'; 'Management role in assessing and managing climate-related risks and opportunities'; 'Short, medium, and long term climate-related risks and opportunities'; 'The impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning'; 'Scenario analysis methodology based on TCFD'

ESRS STANDARD	DISCLOSURE	DISCLOSURE REQUIREMENT (DR)	PAGE NUMBER OR URL
		E1-2 – Policies related to climate change mitigation and adaptation	Note Environment - 2 Logistic decarbonisation - Note 2.1 Management approach; policies, actions, metrics and targets-'Policies'
		E1-3 – Actions and resources in relation to climate change policies	Note Environment -1 Our approach to climate change - 'Several financial planning elements have been influenced by climaterelated issuess'; 2 Logistic decarbonisation - 2.1 Management approach; policies, actions, metrics and targets
	Metrics & targets	E1-4 – Targets related to climate change mitigation and adaptation	Note Environment -1 Our approach to sustainability - 'Board's oversight of climate-related risks and opportunities' Note Environment -2 Logistic decarbonisation - 2.1 Management approach; policies, actions, metrics and targets - 'Targets going forward'
		E1-5 – Energy consumption and mix	Note Environment -2 Logistic decarbonisation - Note 2.2 Energy and emissions management: Scope 1, 2 and 3
		E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Note Environment -1 Logistic decarbonisation -Note 2.2 Energy and emissions management: Scope 1, 2 and 3
		E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	Note Environment -1 Logistic decarbonisation - Note 2.2.a Old methodology vs. New methodology
		E1-8 – Internal carbon pricing	Note Environment - 1. Our approach to climate change
		E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	phased-in
ESRS E2 Pollution *Material topic: Safe handling & distribution*	Impact, risk and opportunity management	ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Note 1 General information -'Double Materiality assessment'-'Description of the process to identify and assess material impacts, risks and opportunities' Note Environment - Note 3 Safe handling & distribution - 'Material impacts, risk and opportunities and their interaction with strategy and business model'
		E2-1 – Policies related to pollution	Note Environment - Note 3 Safe handling & distribution - Note 3.a General: management approach; policies, actions, metrics and targets- 'Policies related to value chain workers and pollution'

ESRS STANDARD	DISCLOSURE	DISCLOSURE REQUIREMENT (DR)	PAGE NUMBER OR URL
		E2-2 – Actions and resources related to pollution	Note Environment - Note 3 Safe handling & distribution - Note 3.a General: management approach; policies, actions, metrics and targets- 'Actions taken on material impacts'; 'Actions and resources related to pollution'
	Metrics & targets	E2-3 – Targets related to pollution	Note Environment - Note 3 Safe handling & distribution - Note 3.a General: management approach-'Targets related to safe-handling and distribution of chemicals'; 'Targets related to pollution'
		E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities	Phased -in
ESRS S1 Own workforce *Material topics: Talent attraction, retention, and development; Diversity, equity, and inclusion.*	Strategy	ESRS 2 SBM-2 – Interests and views of stakeholders	General information 'Stakeholder engagement'
		ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	General information -'Double Materiality assessment'-'Material impacts, risks and opportunities and their interaction with strategy and business model'
	Impact, risk and opportunity management	S1-1 – Policies related to own workforce	Note People and culture - Note 1 General: management approach; policies, actions, metrics and targets; Note 2 Talent attraction, retention development - Human rights policy; Note 3 Diversity, equity and inclusion - 'Diversity, equity and inclusion shows strong progression towards goals' - 'IMCD Diversity & Inclusion Policy
		S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	Note People and culture - Note 2 Talent attraction, retention development - 'Feedback mechanisms to capture development needs'; 'Management approach and lessons learned regarding employee attrition'; Note 3 Diversity, equity and inclusion - 'The process to report grievances such as discrimination or human rights impacts'
		S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	Note People and culture - Note 2 Talent attraction, retention development - 'Feedback mechanisms to capture development needs'

ESRS STANDARD	DISCLOSURE	DISCLOSURE REQUIREMENT (DR)	PAGE NUMBER OR URL
		S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Note People and culture - Note 1 General: management approach; policies, actions, metrics and targets;- 'Managing material impacts, risks and opportunities related to IMCD employees'
	Metrics & targets	S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Sustainability Statements - People- 'Column Targets' Chapter 10. People & Culture value - 'People goals and targets achieved in 2024' Note People and culture - Note 3 Diversity, equity and inclusion - 'Diversity, equity and inclusion shows strong progression towards goals'
		S1-6 – Characteristics of the undertaking's employees	Sustainability Statements - People Note People and culture - Note 2 Talent attraction, retention development - 'Management approach - Table with the types of employees'; 'The employee base has grown but less than in previous years'; 'Most of our people are in customer or principal facing roles'
		S1-7 – Characteristics of non-employees in the undertaking's own workforce	Note People and culture - Note 2 Talent attraction, retention development - 'Non employees/ Contingent workers' General information -3 Disclosures in relation to specific circumstances -'Reporting adjustments related to prior periods'
		S1-8 – Collective bargaining coverage and social dialogue	Note People and culture - Note 2 Talent attraction, retention development - 'Collective bargaining and employee representation'; 'Social dialogue and employee engagement remains strong'
		S1-9 – Diversity metrics	Sustainability Statements - People Note People and culture - Note 3 Diversity, equity and inclusion - 'A well-balanced workforce, near parity'; 'Women leadership'; 'Diversity in nationality'; 'Diversity in age groups';
		S1-10 – Adequate wages	Note People and culture - Note 2 Talent attraction, retention development - 'Living wage and total remuneration'; 'Pay gap'

ESRS STANDARD	DISCLOSURE	DISCLOSURE REQUIREMENT (DR)	PAGE NUMBER OR URL
		S1-11 – Social protection	Partially omitted; For parental leave - ref.Note People and culture - Note 2 Talent attraction, retention development - 'Special leave; parental, compassionate possibilities' For employment injury and acquired disability - ref. Note 3.c Work related injuries and ill health -'Recordable injuries'
		S1-12– Persons with disabilities	Omitted
		S1-13 – Training and skills development metrics	Sustainability Statements - People; Note People and culture - Note 2 Talent attraction, retention development - 'Employee learning and development' - 'Training hours'
		S1-14 – Health and safety metrics	Sustainability Statements - Environmental; Note 3.c Work related injuries and ill health
		S1-15 – Work-life balance metrics	Note People and culture - Note 2 Talent attraction, retention development- 'A cap on working hours'; 'Flexible and remote work remain popular'; 'Special leave; 'Parental, compassionate possibilities'
		S1-16 – Remuneration metrics (pay gap and total remuneration)	Note People and culture - Note 2 Talent attraction, retention development- 'Pay gap'; 12 Remuneration Report -'Internal pay ratio'
		S1-17 – Incidents, complaints and severe human rights impacts	Note People and culture - Note 2 Talent attraction, retention development- 'Labour practices and human rights'; Note People and culture - Note 3 Diversity, equity and inclusion'The process to report grievances such as discrimination or human rights impacts'
ESRS S2 Workers in the value chain *Material topic: Safe handling & distribution*	Strategy	ESRS 2 SBM-2 Interests and views of stakeholders	Note 8 Stakeholder input and feedback mechanism Note Environment - Note 3 Safe Handling & distribution-'Interests and views of stakeholders' General information - Stakeholder engagement

ESRS STANDARD	DISCLOSURE	DISCLOSURE REQUIREMENT (DR)	PAGE NUMBER OR URL
		ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Note Environment - Note 3 Safe Handling & distribution- 'Material impacts, risk and opportunities and their interaction with strategy and business model' General information - 'Double Materiality assessment'
	Impact, risk and opportunity management	S2-1 – Policies related to value chain workers	Note Environment - Note 3 Safe Handling & distribution- 'Policies related to value chain workers and pollution'
		S2-2 – Processes for engaging with value chain workers about impacts	Note Environment - Note 3 Safe Handling & distribution- 'Process of engaging with value chain workers about impacts'
		S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	Note Environment - Note 3 Safe Handling & distribution - 'Process to remediate negative impacts and channels for value chain workers to raise concerns'
		S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Note Environment - Note 3 Safe Handling & distribution - 'Actions taken on material impacts on value chain workers'
	Metrics & targets	S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Note Environment - Note 3 Safe Handling & distribution - 'Targets related to safe-handling and distribution of chemicals'
Entity Specific Disclosures *Material topic: Sustainable solutions*	*Minimum disclosure requirements*	Policies MDR-P – Policies adopted to manage material sustainability matters	Note Environment - Note 4 Sustainable solutions -'Sustainable Solutions programme' - 'Definition and methodology'
		Actions MDR-A – Actions and resources in relation to material sustainability matters	Note Environment - Note 4 Sustainable solutions -''Sustainable Solutions programme' - 'Definition and methodology'
		Metrics MDR-M – Metrics in relation to material sustainability matters	Note Environment - Note 4 Sustainable solutions -''Metrics and targets set to manage Sustainable Solutions'
		Targets MDR-T – Tracking effectiveness of policies and actions through targets	Note Environment - Note 4 Sustainable solutions -''Metrics and targets set to manage Sustainable Solutions' Note 4.b Marketing campaigns promoting Sustainable Solutions; Note 4.c Laboratory activities promoting Sustainable Solutions

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MANDATORY/ MATERIAL, YES/NO	SECTION IN SUSTAINABILITY STATEMENTS/CHAPTERS IN THE INTEGRATED REPORT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Mandatory	11.2 Composition, diversity and independence	x		x	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	Mandatory	11.2 Composition, diversity and independence			x	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Mandatory	General Information - 13 Statement on due diligence	x			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	No	N/A, IMCD is not involved in such activities	x	x	x	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	No	N/A, IMCD is not involved in such activities	x		x	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	No	N/A, IMCD is not involved in such activities	x		x	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	No	N/A, IMCD is not involved in such activities			x	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	Yes	Environment notes- 1 Our approach to climate change				x
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Yes	Environment notes- 1 Our approach to climate change		x	x	
ESRS E1-4 GHG emission reduction targets paragraph 34	Yes	Environment notes -2 Logistic decarbonisation - 2.1 Management approach; policies, actions, metrics and targets - 'Targets going forward'	x	x	x	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	No	N/A	x			
ESRS E1-5 Energy consumption and mix paragraph 37	Yes	Environment notes -2 Logistic decarbonisation - Note 2.2 Energy and emissions management: Scope 1, 2 and 3;	x			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	No	N/A	x			

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MANDATORY/ MATERIAL, YES/NO	SECTION IN SUSTAINABILITY STATEMENTS/CHAPTERS IN THE INTEGRATED REPORT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Yes	Environment notes -2 Logistic decarbonisation - Note 2.2 Energy and emissions management: Scope 1, 2 and 3; Appendix 6 Scope 1, 2 and 3 (methodology 2019-2024)	x	x	x	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Yes	Environment notes -2 Logistic decarbonisation - Note 2.2 Energy and emissions management: Scope 1, 2 and 3; Appendix 6 Scope 1, 2 and 3 (methodology 2019-2024)	x	x	x	
ESRS E1-7 GHG removals and carbon credits paragraph 56	Yes	N/A, IMCD does not use GHG removals or carbon credits				x
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Yes	Phased-in			x	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).	Yes	Phased-in		x		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	Yes	Phased-in		x		
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69	Yes	Phased-in			x	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Yes	Environment notes - 3 Safe handling and distribution - 3.b Environmental incidents, significant spills and chemical mishandling	x			
ESRS E3-1 Water and marine resources paragraph 9	No	N/A	x			
ESRS E3-1 Dedicated policy paragraph 13	No	N/A	x			
ESRS E3-1 Sustainable oceans and seas paragraph 14	No	N/A	x			
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	No	N/A	x			

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MANDATORY/ MATERIAL, YES/NO	SECTION IN SUSTAINABILITY STATEMENTS/CHAPTERS IN THE INTEGRATED REPORT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	No	N/A	x			
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Mandatory	General information -'Double Materiality assessment'-'Material impacts, risks and opportunities and their interaction with strategy and business model'	x			
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Mandatory	General information -'Double Materiality assessment'-'Material impacts, risks and opportunities and their interaction with strategy and business model'	x			
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Mandatory	General information -'Double Materiality assessment'-'Material impacts, risks and opportunities and their interaction with strategy and business model'	x			
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	No	N/A	x			
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	No	N/A	x			
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	No	N/A	x			
ESRS E5-5 Non-recycled waste paragraph 37 (d)	No	N/A	x			
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	No	N/A	x			
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Mandatory	General information -'Double Materiality assessment'-'Material impacts, risks and opportunities and their interaction with strategy and business model'	x			
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Mandatory	General information -'Double Materiality assessment'-'Material impacts, risks and opportunities and their interaction with strategy and business model'	x			
ESRS S1-1 Human rights policy commitments paragraph 20	Yes	People and culture notes - Note 2 Talent attraction, retention development - Human rights policy; Note 2 Talent attraction, retention development- 'Labour practices and human rights'; Note 3 Diversity, equity and inclusion - 'The process to report grievances such as discrimination or human rights impacts'	x			

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MANDATORY/ MATERIAL, YES/NO	SECTION IN SUSTAINABILITY STATEMENTS/CHAPTERS IN THE INTEGRATED REPORT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	Yes	People and culture notes - Note 2 Talent attraction, retention development - Human rights policy; Note 2 Talent attraction, retention development- 'Labour practices and human rights';			x	
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Yes	People and culture notes - Note 2 Talent attraction, retention development - Human rights policy; Note 2 Talent attraction, retention development- 'Labour practices and human rights'; Note 2 Talent attraction, retention development - Child & forced labour	x			
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Yes	Environment notes - Note 3 Safe Handling & distribution- 'Policies related to value chain workers and pollution'	x			
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Yes	People and culture notes - Note 3 Diversity, equity and inclusion - 'The process to report grievances such as discrimination or human rights impacts'	x			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Yes	Sustainability Statements - Environmental; Environment notes - Note 3.c Work related injuries and ill health	x		x	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Yes	Sustainability Statements - Environmental; Environment notes - Note 3.c Work related injuries and ill health	x			
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Yes	People and culture notes - Note 2 Talent attraction, retention development- 'Pay gap'; 12 Remuneration Report -'Internal pay ratio'	x		x	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Yes	People and culture notes - Note 2 Talent attraction, retention development- 'Pay gap'; 12 Remuneration Report -'Internal pay ratio'	x			
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Yes	People and culture notes - Note 2 Talent attraction, retention development- 'Labour practices and human rights';	x			
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Yes	People and culture notes - Note 2 Talent attraction, retention development- 'Labour practices and human rights'; People and culture notes -Note 3 Diversity, equity and inclusion 'The process to report grievances such as discrimination or human rights impacts'	x		x	

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MANDATORY/ MATERIAL, YES/NO	SECTION IN SUSTAINABILITY STATEMENTS/CHAPTERS IN THE INTEGRATED REPORT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Yes	Environment notes - Note 3 Safe Handling & distribution- 'Material impacts, risk and opportunities and their interaction with strategy and business model'; 'Process of engaging with value chain workers about impacts'	x			
ESRS S2-1 Human rights policy commitments paragraph 17	Yes	Environment notes - Note 3 Safe Handling & distribution- 'Policies related to value chain workers and pollution'; People and culture notes - Note 2 Talent attraction, retention development- 'Labour practices and human rights';	x			
ESRS S2-1 Policies related to value chain workers paragraph 18	Yes	Environment notes- Note 3 Safe Handling & distribution- 'Policies related to value chain workers and pollution'	x			
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Yes	Environment notes - Note 3 Safe Handling & distribution- 'Policies related to value chain workers and pollution'	x		x	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	Yes	Note 2 Talent attraction, retention development- 'Labour practices and human rights'			x	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Yes	Environment notes - Note 3 Safe Handling & distribution - 'Actions taken on material impacts on value chain workers'	x			
ESRS S3-1 Human rights policy commitments paragraph 16	No	N/A	x			
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	No	N/A	x		x	
ESRS S3-4 Human rights issues and incidents paragraph 36	No	N/A	x			
ESRS S4-1 Policies related to consumers and end-users paragraph 16	No	N/A	x			
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	No	N/A	x		x	
ESRS S4-4 Human rights issues and incidents paragraph 35	No	N/A	x			
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	No	N/A	x			
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	No	N/A	x			

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	MANDATORY/ MATERIAL, YES/NO	SECTION IN SUSTAINABILITY STATEMENTS/CHAPTERS IN THE INTEGRATED REPORT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	No	N/A	x		x	
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	No	N/A	x			

Other information

Alignment with the UN's SDGs

At the end of 2023, IMCD reviewed the alignment of its activities with the 17 Sustainable Development Goals (SDGs) formulated by the United Nations. The purpose of this exercise was to refresh the analysis of most relevant goals that IMCD can contribute to, influence and support. The re-assessment was undertaken by engaging key internal stakeholders and forming an SDG committee. The committee members gathered insights and followed specific training on the SDGs. Once the internal knowledge of the SDGs was refined, business impacts were assessed during a workshop where the SDG committee gave by-proxy insights for IMCD's stakeholders (customers, principal suppliers, employees and investors).

To become more familiar with the SDG goals and their targets, IMCD identified the ones most relevant based on two entry points:

1. Risk to people and the environment – negative impacts
2. Beneficial products, services or investments – positive impacts

To identify the most relevant goals for IMCD, we used a value chain analysis. In this analysis, the SDG committee documented all the inputs and outputs of IMCD along its value chain and summarised which stakeholders might be impacted. Once the impacts were identified, the most significant ones were prioritised and linked to an SDG.

The relevance of the SDGs to IMCD's context was assessed by prioritising the SDGs, using desk research on the material topics shown in IMCD's materiality assessment, the insights from the SDG Roadmap for the Chemical Industry and SDG Industry Matrix. To provide a comprehensive overview, the SDGs were mapped with the business impacts observed across IMCD's entire value chain. Consequently, the resulting figure illustrates how IMCD addresses both positive and negative impacts along its value chain, thereby showcasing its alignment with specific SDGs.

SDGs integrated in IMCD's value creation model

In the process described above, we identified 10 SDGs to which our activities contribute with varying intensity. The SDG committee classified these SDGs into the following categories:

- **SDGs to which IMCD contributes:** These are the SDGs that we actively contribute to with our business practices and operations. This involves, for example, our efforts towards occupational health and safety, eco-efficient operations, sustainable procurement, decarbonisation, safe handling and distribution of products, and the collaboration on research and knowledge-sharing with principal suppliers and customers, including on Sustainable Solutions.
- **SDGs which IMCD can influence:** These are the SDGs where IMCD can strive to leverage its influence on (business) partners to drive positive change, or mitigate potential negative effects. Means to influence partners for example are our efforts to collaborate on and promote formulations with reduced environmental impact together with our business partners.
- **SDGs IMCD would like to support:** These are the Sustainable Development Goals that align with our culture, values and long-term vision, but where our current activities may not yet have direct involvement or influence.

By refining our alignment with the UN's SDGs, and by communicating this alignment in our organisation, we strive to enable our teams both locally and on global level, to work in a more uniformed and effective way to make a meaningful contribution to the prioritised SDGs.

Approach to our positive impact

	Approach to our positive impact	Approach to our negative impact
Raw Materials	9: Support green chemistry 14, 15: Support resource protection	17: Join partnerships for sustainable raw materials
Suppliers	3: Endorse improving health and safety conditions, well-being 8: Screen for ethical labour practices and respect for human rights 12: Encourage responsible sourcing/ production 13: Promote reduction of CO_2 footprints and waste 17: Collaborate on research and knowledge sharing	12: Promote efficient packaging and sampling processes
Formulations	4: Share knowledge and training on formulations 9: Extend innovation resources 12: Reduce waste production in operations and extend life cycles 14, 15: Advance formulations with reduced environmental impact 17: Co-create formulations with business partners	12: Reduce waste production in laboratory operations
Inbound logistics	13: Optimise delivery and transport routes 17: Long term partnerships	9: Encourage sustainable transport alternatives
IMCD	3: Endorse improving health and safety conditions, well-being 4: Create employee development programs 8: Screen for ethical labour practices and respect for human rights 16: Contribute to institutional strength	13: Increase reporting for transparancy on emissions
Warehousing	3: Endorse improving health and safety conditions, well-being 8: Screen for ethical labour practices and respect for human rights 9: Geo weight warehouses, optimal location 17: Long term partnerships	9: Encourage sustainable warehousing alternatives 12: Promote efficient packaging and sampling processes
Distribution	3: Endorse improving health and safety conditions, well-being 8: Screen for ethical labour practices and respect for human rights 13: Optimise delivery and transport routes 17: Long term partnerships	9: Encourage sustainable transport alternatives 12: Promote reusable packaging
Product use	14, 15: Advance formulations with reduced environmental impact	12: Stimulate responsible consumption through sustainable solutions portfolio
Product end of life	14, 15: Advance formulations with reduced environmental impact	12: Stimulate waste reduction in our operation and product portfolio

Approach to our negative impact

Contribute: | **Influence** | **Support**

Our sustainability targets

Our sustainability targets are outlined alongside the corresponding ESRS standards for transparent reporting. Aligned with the SDGs, these targets reflect how IMCD aims to promote responsible practices and environmental stewardship. We collect data and information on a quarterly basis and present a report to the Supervisory Board to showcase our sustainability performance.

In the table below, please find sustainability targets linked to our material topics. Sustainability targets linked to ESG monitoring items, could be found in the Annex 5 ESG monitoring items.

● CONTRIBUTE ● INFLUENCE ● SUPPORT

TOPIC	TARGET	ESRS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
ENVIRONMENT																			
Logistic decarbonisation	15% reduction in Scope 1, 2 and 3 emissions intensity by 2024, compared to the baseline year 2019	E1-1; E1-2; E1-4; E1-6			●									●	●	●	●		
Safe handling & distribution of chemicals	Zero spills and chemical mishandling within our operations at all times	E2-1; E2-2; E2-4.			●					●				●	●	●	●		
Safe handling & distribution of chemicals	Zero environmental incidents at all times	E2-1; E2-4; S1-14;			●					●				●	●	●	●		
Safe handling & distribution of chemicals	80% of employees on IMCD operational sites work under an ISO 14001 certification by 2025[1]	E2-2			●					●				●	●	●	●		
Safe handling & distribution of chemicals	Zero severe and work-related injuries and illnesses at any time	S1-14			●					●									
Safe handling & distribution of chemicals	TRIR <0.2 (per 200 000 working hours) by the end of 2025	S1-14			●					●									
Sustainable Solutions	In 2024, define the criteria for laboratory activities that lead to a sustainable formulation and develop the baseline for monitoring and target setting as of 2025	ES - MDR								●				●	●	●	●		
Sustainable Solutions	In 2024, define the criteria for marketing campaigns contributing to the UN SDG's and develop the baseline for monitoring and target setting as of 2025	ES - MDR								●				●	●	●	●		

TOPIC	TARGET	ESRS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
PEOPLE																			
Talent attraction, retention and development	Achieve at least a 30 training hours average per employee by the end of 2030	S1-1; S1-2; S1-5; S1-9; S1-13				●	●			●									
	IMCD Global Pulse engagement scores at least 75% favourable by end of 2026	S1-2; S1-4; S1-8								●									
Diversity, equity and inclusion	Ensure > 40% of sub-top management positions are taken by women by end of 2025, and onwards	S1-9					●			●									
	Ensure > 33% of women in commercial roles or roles with P&L responsibilities by end 2025 and onwards	S1-9					●			●									
	Ensure 33% women on the Executive Committee by end of 2030	S1-9					●			●									

1 This definition and the scope of operational sites included for this target will be further reviewed in 2025, as we consider a three-years period for operational sites added through newly acquired companies.

About this report

Reporting period and frequency

Reporting is conducted annually, with the current report covering the full year of 2024, in alignment with the Company's financial reporting. There is 1 restatement reported due to data errors identified in the prior year. The number is reduced from 280 to 132 or the non-employees in the year 2023.

The Integrated Report has been prepared as IMCD's comprehensive report on both financial and non-financial performance as part of the Company's sustainability strategy.

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 Notes to the Sustainability and Financial Statements for more information). A full list of the entities can be found in the Company's consolidated financial statements. 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. Based on the ESRS Standards, material topics reflect IMCD's significant economic, environmental and social impacts and substantively influence the assessments and decisions of stakeholders. By the end of 2024, IMCD completed its double materiality assessment to define key focus areas for sustainability reporting and to comply with the ESRS Standards (see '2.3 Our Material Topics').

This report has been prepared with reference to the international standards for sustainability reporting – European Sustainability Reporting Standards (ESRS) Universal Standards 2023. The ESRS framework was used to provide a structured presentation of this content. A ESRS Content Index contrasts the ESRS 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. a limited assurance level.

For questions about the report or reported information, our contact details are specified in this report's Colophon and our website Contact us | IMCD (imcdgroup.com).

Release date: 5 March 2025

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Consolidated statement of financial position as of 31 December 2024

EUR 1,000	NOTE	31 DECEMBER 2024	31 DECEMBER 2023
Assets			
Property, plant and equipment	17	145,393	136,283
Goodwill		1,872,490	1,612,350
Other intangible assets		736,213	648,007
Intangible assets	18	**2,608,703**	**2,260,357**
Equity-accounted investees	21	50	53
Other financial assets	22	10,117	8,396
Deferred tax assets	23	45,272	41,530
Non-current assets		**2,809,535**	**2,446,619**
Inventories	24	722,136	581,485
Trade and other receivables	25	821,210	732,008
Cash and cash equivalents	26	525,380	394,462
Current assets		**2,068,726**	**1,707,955**
Total assets		**4,878,261**	**4,154,574**

The notes are an integral part of these consolidated financial statements

EUR 1,000	NOTE	31 DECEMBER 2024	31 DECEMBER 2023
Equity	27		
Share capital		9,457	9,118
Share premium		1,347,075	1,051,438
Reserves		(55,547)	(100,308)
Retained earnings		634,492	472,262
Unappropriated result		278,243	292,271
Total shareholders' equity		**2,213,720**	**1,724,781**
Non-controlling interests	28	1,375	1,404
Total equity		**2,215,095**	**1,726,185**
Liabilities			
Loans and borrowings	29	1,397,451	1,250,467
Employee benefits	30	22,470	21,012
Provisions	31	24,520	24,790
Deferred tax liabilities	23	173,312	153,469
Total non-current liabilities		**1,617,753**	**1,449,738**
Loans and borrowings	29	299,872	-
Short-term financial liabilities	29	109,651	429,552
Trade payables	32	477,729	391,230
Other payables	32	158,161	157,869
Total current liabilities		**1,045,412**	**978,651**
Total liabilities		**2,663,165**	**2,428,389**
Total equity and liabilities		**4,878,261**	**4,154,574**

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2024

EUR 1,000	NOTE	2024	2023
Revenue	8	4,727,602	4,442,642
Other income	9	20,139	27,532
Operating income		**4,747,741**	**4,470,174**
Cost of materials and inbound logistics	24	(3,525,206)	(3,320,073)
Cost of warehousing, outbound logistics and other services		(139,177)	(123,852)
Wages and salaries	10, 12	(317,176)	(288,897)
Social security and other charges	10	(84,729)	(78,040)
Depreciation of property, plant and equipment	17, 19	(41,411)	(33,289)
Amortisation of intangible assets	18, 19	(95,197)	(80,934)
Other operating expenses	13	(119,736)	(116,566)
Operating expenses		**(4,322,632)**	**(4,041,651)**
Result from operating activities		**425,109**	**428,523**
Finance income	14	45,097	35,127
Finance costs	14	(90,222)	(60,556)
Net finance costs		**(45,125)**	**(25,429)**
Share of profit of equity-accounted investees, net of tax	21	(2)	(19)
Result before income tax		**379,982**	**403,075**
Income tax expense	15	(101,768)	(110,851)
Result for the year		**278,214**	**292,224**
Result for the year attributable to the shareholders of the Company		**278,243**	**292,271**
Result for the year attributable to non-controlling interest	28	**(29)**	**(47)**
Result for the year		**278,214**	**292,224**

EUR 1,000	NOTE	2024	2023
Result for the year		**278,214**	**292,224**
Defined benefit plan actuarial gains/(losses)	30	(2,918)	(2,379)
Related tax	15	606	535
Items that will never be reclassified to profit or loss		**(2,312)**	**(1,844)**
Foreign currency translation differences related to foreign operations		47,233	(52,962)
Effective portion of changes in fair value of cash flow hedges		95	61
Related tax	15	(2,228)	915
Items that are or may be reclassified to profit or loss	14	**45,100**	**(51,986)**
Other comprehensive income for the period, net of income tax		**42,788**	**(53,830)**
Total comprehensive income for the period		**321,002**	**238,394**
Attributable to:			
Shareholders of the Company		321,031	238,441
Non-controlling interests	28	(29)	(47)
Total comprehensive income for the period		**321,002**	**238,394**
Weighted average number of shares	16	57,214,054	56,918,191
Basic earnings per share	16	4.86	5.13
Diluted earnings per share	16	4.86	5.13

The notes are an integral part of these consolidated statements.

Consolidated statement of changes in equity

for the year ended 31 December 2024

EUR 1,000	NOTE	SHARE CAPITAL	SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	RESERVE OWN SHARES	OTHER RESERVES	RETAINED EARNINGS	UNAPPRO-PRIATED RESULT	TOTAL SHAREHOLDERS' EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance as at 1 January 2024	27	**9,118**	**1,051,438**	**(110,808)**	**(149)**	**(9,345)**	**19,995**	**472,262**	**292,271**	**1,724,781**	**1,404**	**1,726,185**
Appropriation of prior year's result		-	-	-	-	-	-	164,618	(164,618)	**-**	-	**-**
		9,118	**1,051,438**	**(110,808)**	**(149)**	**(9,345)**	**19,995**	**636,880**	**127,653**	**1,724,781**	**1,404**	**1,726,185**
Result for the year		-	-	-	-	-	-	-	278,243	**278,243**	(29)	**278,214**
Total other comprehensive income		-	-	45,005	95	-	(2,312)	-	-	**42,788**	-	**42,788**
Total comprehensive income for the year		**-**	**-**	**45,005**	**95**	**-**	**(2,312)**	**-**	**278,243**	**321,031**	**(29)**	**321,002**
Cash dividend	27	-	-	-	-	-	-	-	(127,653)	**(127,653)**	-	**(127,653)**
Issue of shares minus related costs	27	339	295,637	-	-	-	-	-	-	**295,976**	-	**295,976**
Share based payments	27	-	-	-	-	-	(2,465)	(2,388)	-	**(4,853)**	-	**(4,853)**
Transfer of own shares	27	-	-	-	-	4,282	156	-	-	**4,438**	-	**4,438**
Changes in ownership interest without loss of control	27	-	-	-	-	-	-	-	-	**-**	-	**-**
Transfer		-	-	-	-	-	-	-	-	**-**	-	**-**
Non-controlling interest	28	-	-	-	-	-	-	-	-	**-**	-	**-**
Total contributions by and distributions to owners of the Company		**339**	**295,637**	**-**	**-**	**4,282**	**(2,310)**	**(2,388)**	**(127,653)**	**167,907**	**-**	**167,907**
Balance as at 31 December 2024		**9,457**	**1,347,075**	**(65,803)**	**(54)**	**(5,064)**	**15,373**	**634,492**	**278,243**	**2,213,720**	**1,375**	**2,215,095**

The notes are an integral part of these consolidated statements.

EUR 1,000	NOTE	SHARE CAPITAL	SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	RESERVE OWN SHARES	OTHER RESERVES	RETAINED EARNINGS	UNAPPRO-PRIATED RESULT	TOTAL SHAREHOLDERS' EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance as at 1 January 2023	27	**9,118**	**1,051,438**	**(58,761)**	**(210)**	**(13,580)**	**3,041**	**367,839**	**313,081**	**1,671,965**	**1,451**	**1,673,416**
Appropriation of prior year's result		-	-	-	-	-	-	178,020	(178,020)	-	-	-
		9,118	**1,051,438**	**(58,761)**	**(210)**	**(13,580)**	**3,041**	**545,859**	**135,061**	**1,671,965**	**1,451**	**1,673,416**
Result for the year		-	-	-	-	-	-	-	292,271	292,271	**(47)**	**292,224**
Total other comprehensive income		-	-	(52,047)	61	-	(1,844)	-	-	(53,830)	-	**(53,830)**
Total comprehensive income for the year		**-**	**-**	**(52,047)**	**61**	**-**	**(1,844)**	**-**	**292,271**	**238,441**	**(47)**	**238,394**
Cash dividend	27	-	-	-	-	-	-	-	(135,061)	(135,061)	-	**(135,061)**
Issue of shares minus related costs	27	-	-	-	-	-	-	-	-	-	-	-
Share based payments	27	-	-	-	-	-	544	(4,133)	-	(3,589)	-	**(3,589)**
Transfer of own shares	27	-	-	-	-	4,235	-	394	-	4,629	-	**4,629**
Changes in ownership interest without loss of control	27	-	-	-	-	-	-	(51,604)	-	(51,604)	-	**(51,604)**
Transfer		-	-	-	-	-	18,254	(18,254)	-	-	-	-
Non-controlling interest	28	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company		**-**	**-**	**-**	**-**	**4,235**	**18,798**	**(73,597)**	**(135,061)**	**(185,625)**	**-**	**(185,625)**
Balance as at 31 December 2023		**9,118**	**1,051,438**	**(110,808)**	**(149)**	**(9,345)**	**19,995**	**472,262**	**292,271**	**1,724,781**	**1,404**	**1,726,185**

The notes are an integral part of these consolidated statements.

Consolidated statement of cash flows

for the year ended 31 December 2024

EUR 1,000	NOTE	2024	2023
Cash flows from operating activities			
Result for the year		278,214	292,224
Adjustments for:			
Depreciation of property, plant and equipment	17	41,411	33,289
Amortisation of intangible assets	18	95,197	80,934
Net finance costs excluding currency exchange results	14	31,083	16,917
Currency exchange results	14	14,042	8,512
Cost of share based payments	12	3,573	4,823
Share of profit of equity-accounted investees, net of tax	21	2	19
Income tax expense	15	101,768	110,851
		565,289	**547,569**
Change in:			
Inventories	24	(100,397)	68,336
Trade and other receivables	25	(12,577)	1,245
Trade and other payables	32	29,612	(31,937)
Provisions and employee benefits	30, 31	(1,888)	(873)
Cash generated from operating activities		**480,040**	**584,339**
Interest paid		(61,241)	(40,366)
Income tax paid		(139,588)	(123,965)
Net cash from operating activities		**279,210**	**420,008**

The notes are an integral part of these consolidated statements.

EUR 1,000	NOTE	2024	2023
Net cash from operating activities		**279,210**	**420,008**
Cash flows from investing activities			
Payments for acquisition of subsidiaries, net of cash acquired and divestures	7, 33	(364,942)	(367,561)
Acquisition of intangible assets	18	(12,388)	(16,234)
Acquisition of property, plant and equipment	17	(14,064)	(21,239)
Proceeds from disposals of (in)tangible assets	17 , 18	3,647	11,587
Acquisition of other financial assets		(202)	(1,140)
Net cash used in investing activities		**(387,949)**	**(394,587)**
Cash flows from financing activities			
Proceeds from issue of share capital net of related costs	29	295,976	-
Dividends paid	29	(127,653)	(135,061)
Share based payments		(3,990)	(3,763)
Payment of transaction costs related to loans and borrowings	29	(2,444)	(4,696)
Movements in bank loans and other short-term financial liabilities	29	42,557	95,291
Proceeds from issue of current and non-current loans and borrowings	29	934,296	843,989
Repayment of loans and borrowings		(862,202)	(553,261)
Repayment of lease liabilities		(29,475)	(25,526)
Net cash from financing activities		**247,064**	**216,974**
Net increase in cash and cash equivalents		**138,325**	**242,395**
Cash and cash equivalents as at 1 January	26	394,462	222,005
Effect of exchange rate fluctuations		(7,407)	(69,938)
Cash and cash equivalents as at 31 December	26	**525,380**	**394,462**

Notes to the consolidated financial statements

for the year ended 31 December 2024

1 Reporting entity

IMCD N.V. (the 'Company') is a public limited company domiciled in the Netherlands and registered in The Netherlands Chamber of Commerce Commercial register under number 21740070. The address of the Company's registered office is Wilhelminaplein 32, Rotterdam. The consolidated financial statements of the Company as at and for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Company is acting as the parent company of the IMCD Group, a group of leading companies in sales, marketing and distribution of speciality chemicals and pharmaceutical and food ingredients. The Group has offices and warehouses in Europe, Asia-Pacific, Africa, and in North and Latin America.

2 Basis of preparation

2.a Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

The consolidated financial statements were authorised for publication by all members of the Management Board and the Supervisory Board on 4 March 2025.

2.b Basis of measurement

The consolidated financial statements are prepared on a going concern basis and on the historical cost principle, except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value
- non-derivative financial instruments at fair value through profit or loss are measured at fair value
- contingent considerations assumed in a business combination are measured at fair value
- the defined benefit asset/liability is recognised as the net total of the plan assets, less the present value of the defined benefit obligation and is adjusted for any effect of the asset ceiling

2.c Functional and presentation currency

These consolidated financial statements are presented in EUR, which is the Company's functional currency. All financial information presented in this report in EUR has been rounded to the nearest thousand, unless stated otherwise.

2.d Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated financial statements, management considered its climate change and sustainability ambitions. In light of this, management reviewed the material accounting estimates and judgements. This review did not lead to significant changes in these accounting estimates and judgements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

Information about judgements made in applying accounting policies that have the most material effect on the amounts recognised in the consolidated financial statements are included in the following notes:

- Notes 7, 28 and 35: whether the Group has (de facto) control over an investee and whether a non-controlling interest is recognised.
- Note 19 – lease term: whether the Group is reasonably certain to exercise extension options.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that bear a significant risk of resulting in a material adjustment in the financial year are included in the following notes:

- Note 7 – acquisition of subsidiaries: fair value measured on a provisional basis

- Note 18 – impairment test for intangible assets: key assumptions underlying recoverable amounts
- Note 23 – recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used
- Note 30 – measurement of defined benefit obligations: key actuarial assumptions
- Note 31 and 34 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 33 – measurement of deferred consideration as part of the financial instruments: key assumptions about the future cash flows and expected returns

Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values for both financial and non-financial assets and liabilities.

The Group has a structured control framework in place with respect to the measurement of fair values. This includes a dedicated team that has responsibility for overseeing all significant fair value measurements, including Level 3 fair values, which reports directly to the CFO.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet IFRS requirements, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- **level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 7: acquisition of subsidiaries
- Note 12: share-based payment arrangements
- Note 30: employee benefits
- Note 33: financial instruments

2.e Changes in accounting policies

The Group has consistently applied the accounting policies set out in Note 3 to all periods presented in these consolidated financial statements.

Standards and amendments to IFRS effective as of 1 January 2024

The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

The following new standards and amendments became effective as of 1 January 2024:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements;
- Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback;
- Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants;

The amendments do not have a material impact on the financial statement of the Group. The Group disclosed its non-current liabilities with covenants in Note 5 Financial risk management, and Note 29 Loans and borrowings.

New standards and amendments not yet effective

Below, the standards and amendments that are issued, but not yet effective as of 31 December 2024, are listed. The Group intends to adopt these standards and amendments, if applicable, when they become effective:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, effective as of 1 January 2025, but not endorsed in the EU;
- Amendments to the Classification and Measurement of Financial Instruments, effective as of 1 January 2026, but not endorsed in the EU;
- Annual Improvements Volume 11 published by IASB, effective as of 1 January 2026, but not endorsed in the EU.

The Group is reviewing the impact of these standards and amendments on the Group's consolidated financial statements. The changes to those standards are not expected to have a material impact on the Group's financial statements.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

3.a Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. An exception on this are deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Any contingent consideration payable is initially measured at fair value at the acquisition date. If contingent consideration is initially classified as equity, then the amount payable is not remeasured and the related settlement is accounted for as a change in equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss as finance income or costs. Upon exercising of any related call and put option, changes in the fair value are recognised as a change in equity.

Written put options to acquire a non-controlling interest are accounted for by the anticipated-acquisition method. The fair value of the consideration payable is included in financial liabilities; future changes in the carrying value of the put option are recognised in profit or loss throughout the reporting periods. Any change in carrying value at settlement date compared to the previous reporting period is recognised within equity as transaction between equity holders.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred;
- Plus the recognised amount of any non-controlling interest in the acquiree;
- Plus, if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree;
- Less the net recognised amount (at fair value) of the identifiable assets acquired and liabilities assumed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as at that date.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Interests in equity-accounted investees

The Group’s interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but no control over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.b Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of financial liabilities designated as qualifying cash flow hedges, which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro at an average rate for the month in which the transactions occurred. However, if exchange rates fluctuate significantly, the use of the average rate for a period is inappropriate and exchange rates at the date of transactions are used.

Foreign currency differences on the translation of foreign operations to the functional currency of the Group are recognised in other comprehensive income, and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and are presented in the translation reserve in equity.

The Group operates in two economies that are considered hyperinflationary, Argentina and Türkiye, and applies IAS 29 Financial Reporting in Hyperinflationary Economies for these countries.

3.c Financial instruments

Non-derivative financial assets

Financial assets are classified on the basis of the business model within which they are held and their contractual cash flow characteristics.

The Group initially recognises trade and other receivables that qualify as financial assets and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets:
- Trade and other receivables;
- Cash and cash equivalents;
- Other financial assets.

Trade and other receivables
Trade and other receivables are financial assets held to collect the contractual cash flows. Trade receivables are recognised initially at transaction price minus expected credit losses. Other receivables are recognised initially at fair value plus any directly attributable transaction costs minus expected credit losses. Subsequent to initial recognition trade and other receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Non-derivative financial liabilities
The Group initially recognises debt securities issued and subordinated liabilities on the date that they originate. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, other short-term financial liabilities, and trade and other payables that qualify as financial liabilities.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

Share capital
Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented within share premium.

Derivative financial instruments, including hedge accounting
The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the following conditions are met:
- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio is the same as that resulting from actual quantities of hedged items and hedging instruments used for risk management.

For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value at trading date; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges
When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity.

Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the hedge ratio will be adjusted so that it meets the qualifying criteria again. If the hedging instrument ceases to meet the qualifying criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecasted transaction is no longer expected to occur, the balance in equity is reclassified to profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedging relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

3.d Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is an integral part of the functionality of the related equipment is capitalised as part of that equipment.

If major components of an item of property, plant and equipment have different useful lives, these components are accounted for separately.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Right of use assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

Buildings	: 20 - 40 years
Reconstructions and improvements	: 5 - 12 years
Hardware and software	: 3 - 5 years
Other non-current tangible assets	: 3 - 5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3.e Intangible assets

Goodwill

Goodwill arising on the acquisition of subsidiaries is included in intangible assets. Goodwill is measured at cost less accumulated impairment losses. On disposal of a business, business segment or cash generating unit, the attributable amount of goodwill is assessed and included in the determination of the profit and loss on disposal.

Other intangible assets
Supplier relations
At acquisition date, the supplier relations are recognised at fair value based on the excess earnings method. For all material supplier bases the initial valuation has been performed by an external valuator. Subsequent measurement is based on costs less amortisation. The estimation of the useful life of each supplier base is usually based on a cut-off calculation that excludes future years from the remaining useful life that account for less than 5% of the total present value of the excess earnings, unless this leads to a calculated useful life not being a proper representation of the actual useful life of the supplier relations.

Intellectual property rights, distribution rights, brand names and other intangible assets
In addition to supplier relations, intangible assets include intellectual property rights, distribution rights, brand names, order books acquired and non-compete rights. Other intangible assets acquired as part of business combinations are measured on initial recognition at their fair value on the date of acquisition. Intangible assets acquired separately are measured at cost, where intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses. Subsequently, intangible assets which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation
Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

IMCD brand name	: indefinite
Intellectual property rights	: 7 years
Supplier relations acquired through business combinations	: 4- 16 years
Other distribution, non-compete rights and order books	: (initial) contract term

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.f Leases
The Group assesses at inception of the contract whether a contract is or contains a lease. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee except for short-term leases (defined as leases with a lease term of 12 months or less) and low-value leases. For these leases the Group recognises the lease payments as operating expenses on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercising a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount

rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. They are subsequently measured at cost less accumulated depreciation or amortisation and impairment losses.

Right-of-use assets are amortised or depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated or amortised over the useful life of the underlying asset. The depreciation or amortisation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 3.h.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other operating expenses” in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group presents right–of–use assets that do not meet the definition of investment property in ‘property, plant and equipment’ and 'intangible assets' and lease liabilities in ‘loans and borrowings’ in the statement of financial position.

3.g Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method and includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.h Impairment

Financial assets

An allowance for expected credit losses (ECL) is recognised for all financial assets not carried at fair value through profit or loss.

An ECL is determined as the difference between the contractual cash flows and the estimated expected cash flows to be collected, considering the potential risk of default.

An ECL is provided for a credit loss that results from a loss event possible within the next 12 months (a 12-month ECL). For credit exposures with a significant increase in credit risk a lifetime ECL is recognised and assessed at each reporting date to determine whether there is objective evidence that it is impaired.

Objective evidence that financial assets require an ECL can include the default of or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers or observable data indicating that there is a measurable decrease in expected cash flows from a group of financial assets.

A simplified approach is used to determine the ECL for trade receivables, contract assets and lease receivables. A loss allowance is determined based on lifetime ECL on each reporting date.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

A provision matrix is used to determine the expected credit loss based on the Group's historical trends of incurred losses, allocated to each ageing category, adjusted for specific debtor provisions, insurance coverage and general economic developments. Management judges whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Equity accounted investees

An impairment loss in respect of an equity accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and other intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at the reporting date.

An impairment loss is recognised if the carrying amount of an asset or its related cash generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss and recorded as part of amortisation of intangible assets in the consolidated statement of profit or loss and other comprehensive income. Subsequently, impairment losses are separately disclosed in the intangible assets movement schedule in Note 18. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.i Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The obligation arising from these defined benefit plans are determined on the basis of projected unit credit method. The calculation of the defined benefit obligations is performed annually by qualified actuaries.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value.

The calculation of the other long-term employee benefits is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then these benefits are discounted.

Share based payment transactions

The grant date fair value of equity-settled share based payment awards granted to employees is recognised as personnel expenses, with a corresponding increase in equity, over the vesting period of the awards. The grant date fair value is generally equal to the share price at the grant date, adjusted for:

1. expected dividends
2. marketability discounts for restriction periods (using the Finnerty model)
3. market conditions (using Monte Carlo simulations)

The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.j Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

3.k Revenue

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is recognised when the performance obligation is satisfied and transfer of control is established. The amount recognised is the amount of the transaction price allocated to the performance obligation.

If the consideration promised in a contract includes a variable amount, such as discounts and/or rebates, the Group estimates the amount of consideration to which the Group will be entitled in exchange for the sale of goods.

The timing of the transfer of control varies depending on the individual terms of the sales agreement.

Commissions

When the Group arranges to provide goods from the supplier to the customer and does not obtain control over the goods, the Group acts in the capacity of an agent rather than as the principal supplier. The revenue arising from such a transaction is recognised as the net amount of commission made by the Group.

3.l Finance income and expenses

Finance income comprises interest income on funds invested and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, impairment losses recognised on financial assets (other than trade receivables) and losses on hedging instruments that are recognised in profit or loss.

Finance income and expenses includes results of changes of the fair value of contingent considerations classified as financial liabilities.

Borrowing costs that are not directly attributable to the acquisition of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.m Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Global minimum top-up tax

The Group has determined that the global minimum top-up tax - which it is required to pay under Pillar II legislation - is an income tax in the scope op IAS 12. The Group has adopted the Amendments to IAS 12 on the temporary exception from the accounting requirements for deferred taxes. As a result, the Group neither recognises taxes nor discloses information about deferred tax assets and liabilities related to Pillar II income taxes.

3.n Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The segmentation used by the Group is based on geography, organisation and management structure and commercial interdependencies.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities and are presented in a separate reporting unit 'Holding companies'.

The reporting segments used are defined as follows:
- EMEA: all operating companies in Europe, Türkiye, Israel, Egypt, United Arab Emirates, Saudi Arabia and Africa;
- Americas: all operating companies in the United States of America, Canada, Brazil, Puerto Rico, Chile, Argentina, Uruguay, Colombia, Mexico, Peru, Costa Rica, Dominican Republic, Ecuador, Guatemala and El Salvador;
- Asia-Pacific: all operating companies in Australia, New Zealand, India, Bangladesh, China, Malaysia, Indonesia, Philippines, Thailand, Singapore, Vietnam, Japan and South Korea;
- Holding companies: all non-operating companies, including the head office in Rotterdam and the regional offices in Singapore and in the USA.

4 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability and in Note 33.

Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an at arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably. The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate. Depreciated replacement cost estimates reflect adjustments for physical deterioration as well as functional and economic obsolescence.

Intangible assets

The fair value of other intangible assets acquired in a business combination is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Forward exchange contracts and interest rate swaps

The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on quotes acquired from financial institutions. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

Other non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Contingent considerations

The fair value of contingent considerations is calculated using the income approach based on the expected payment amounts and their associated probabilities (i.e. probability-weighted). Contingent considerations with a term longer than one year are discounted to present value.

Defined benefit plans

The fair value of the plan assets is based on the actuarial assumptions determined by certified actuaries.

5 Financial risk management

5.a Risk management framework

Risk management tasks and responsibilities

The IMCD risk management policy is aimed at optimising the balance between maximisation of business opportunities within the framework of the Group's strategy, while managing the risks involved.

Although the Group benefits from geographical, market, client and product portfolio spread, the Group's well-structured risk management process should manage its residual risks in a transparent and controlled manner.

The Group's risk management and control systems are established to identify and analyse the risks faced by the Group at various levels, to set appropriate risk controls, and to monitor risks and the way the risks are controlled.

Key activities within the Group's risk management and control systems are:
- Identification of key business risks, based on likelihood of occurrence and their potential impact;
- Setting controls for managing these key risks.

Risk management elements

The elements of IMCD's risk management system are the following:

Control environment, including:
- Organisational culture based on ethical conduct and compliance, clear responsibilities and short and open communication lines;
- IMCD's policies including business principles, management instructions and manuals;
- Continuous compliance training of employees;
- Risk management embedded in the business processes on all organisational levels;
- Internal financial reviews and risk assessments performed by the Group;

Risk assessment and control procedures, including:
- Identification of risks via risk self-assessments coordinated by Corporate Control and Corporate Health, Safety, Environment, Quality and Regulatory (HSEQR);
- Implementing and optimisation of effective and efficient control procedures on various levels in the organisation;

Information, communication and monitoring, including:
- Harmonised reporting on operations, financial results and positions and risks;
- Periodical reviews of financial results and risk management by the Management Board and Corporate Control;
- Periodical reviews on HSEQR management by Corporate HSEQR;
- Regular review meetings between Group and local management.

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

5.b Overview financial risks

The Group has exposure to the following financial risks:
- Credit risk;
- Liquidity risk;
- Market risk;
- Operational risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

5.c Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The Group has established a credit policy in which each new customer is analysed individually for creditworthiness before the Group's payment and delivery terms and conditions are offered. The Group's review includes the use of external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount. These limits are reviewed periodically.

Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that are expected but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets, adjusted for forward-looking information.

To mitigate the counterparty risk with financial institutions the Group's policy is to make use of financial institutions which are investment grade. The Group's main financial institutions are systemically important and are under close supervision by their respective financial regulatory bodies.

5.d Liquidity risks

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group typically ensures that it generally has sufficient cash on demand to meet expected operational expenses for the next twelve months, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

In addition, the Group maintains the following lines of credit:

- EUR 600 million multi-currency revolving credit facility with a maturity date of 8 February 2030 and can be drawn in EUR and USD as well as, to an agreed sublimit, in AUD and GBP. The revolving credit facility has an interest margin dependent on external credit ratings (Moody's and Fitch). As of 31 December 2024, the Group had an undrawn revolving facility of EUR 600 million;
- Several credit facilities available to the subsidiaries, mainly in United States, China, Spain, Italy, India, Indonesia and South Africa.

The following are the contractual maturities of financial liabilities, including estimated interest payments. The contractual cash flows are undiscounted.

31 DECEMBER 2024

EUR 1,000		CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	12 MONTHS OR LESS	1 - 2 YEARS	2 - 5 YEARS	>5 YEARS
Non-derivative non-current financial liabilities							
Bond loan	EUR	298,313	319,350	6,450	6,450	306,450	-
Bond loan	EUR	494,543	597,500	24,375	24,375	548,750	-
Bond loan	EUR	493,389	590,625	18,125	18,125	554,375	-
Contingent consideration	USD	15,859	17,326	-	17,326	-	-
	GBP	11,940	13,736	-	236	13,500	-
	AUD	1,912	1,912	-	1,912	-	-
Lease liabilities	[1]	80,864	87,287	-	28,561	47,237	11,489
Other liabilities	EUR	632	632	-	143	489	-
Total		**1,397,451**	**1,628,368**	**48,950**	**97,127**	**1,470,801**	**11,489**
Non-derivative current financial liabilities							
Bond loan	EUR	299,872	299,872	299,872	-	-	-
Contingent consideration	INR	21,037	21,037	21,037	-	-	-
	CNY	24,723	24,723	24,723	-	-	-
	IDR	19,098	19,098	19,098	-	-	-
	AUD	2,987	2,987	2,987	-	-	-
	EUR	1,000	1,000	1,000	-	-	-
Lease liabilities	[1]	28,039	32,667	32,667	-	-	-
Other short-term financial liabilities	[1]	12,766	12,766	12,766	-	-	-
Trade payables	[1]	477,729	477,729	477,729	-	-	-
Other payables	[1]	158,161	158,161	158,161	-	-	-
Total		**1,045,412**	**1,050,040**	**1,050,040**	**-**	**-**	**-**

1 Various currencies

31 DECEMBER 2023

EUR 1,000		CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	12 MONTHS OR LESS	1 - 2 YEARS	2 - 5 YEARS	>5 YEARS
Non-derivative non-current financial liabilities							
Bond loan	EUR	299,359	315,000	7,500	307,500	-	-
Bond loan	EUR	297,374	325,800	6,450	6,450	312,900	-
Bond loan	EUR	491,368	621,875	24,375	24,375	573,125	-
Contingent consideration	CNY	47,487	48,650	-	48,650	-	-
	IDR	25,465	26,400	-	26,400	-	-
	GBP	9,516	10,700	-	-	10,700	-
Lease liabilities	[1]	78,498	85,082	-	24,187	47,988	12,906
Other liabilities	EUR	1,400	1,400	-	288	1,112	-
Total		**1,250,467**	**1,434,907**	**38,325**	**437,850**	**945,825**	**12,906**
Non-derivative current financial liabilities							
Contingent consideration	INR	7,489	7,489	7,489	-	-	-
	CNY	4,588	4,588	4,588	-	-	-
	EUR	2,334	2,334	2,334	-	-	-
	ZAR	2,212	2,212	2,212	-	-	-
	GBP	2,014	2,014	2,014	-	-	-
	KRW	1,744	1,744	1,744	-	-	-
	AUD	24	24	24	-	-	-
Lease liabilities	[1]	24,743	28,141	28,141	-	-	-
Other short-term financial liabilities	[1]	384,404	384,404	384,404	-	-	-
Trade payables	[1]	391,230	391,230	391,230	-	-	-
Other payables	[1]	157,869	157,869	157,869	-	-	-
Total		**978,650**	**982,047**	**982,047**	**-**	**-**	**-**

1 Various currencies

Estimated interest payments are based on the EURIBOR, term SOFR and BBSW rates and margins prevailing at 31 December 2024 and 2023. Further details of the non-derivative financial liabilities can be found in Note 29.

5.e Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. Group management focuses on managing and controlling market risk exposures within acceptable parameters, while optimising the operating result.

The Group buys derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by Group Management. The Group generally seeks to use hedging instruments to manage volatility in profit or loss.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Euro (EUR), United States of America Dollar (USD) and the Pound Sterling (GBP).

The Group uses forward exchange contracts to hedge its currency risk, mainly by using contracts having a maturity of less than one year from the reporting date.

Interest on borrowings is denominated in the currency of the borrowing. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily EUR and USD. This provides an economic hedge without derivatives being entered into. Hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The Group's net exposure to foreign currency risk based on notional and hedged amounts of monetary assets and liabilities was as follows:

31 DECEMBER 2024

EUR 1,000	USD	CAD	BRL	AUD	INR	CNY	KRW	MXN	GBP	IDR	OTHER	TOTAL
Non-current assets	226	236	-	-	4,169	512	554	501	355	137	1,023	**7,712**
Current assets	255,673	6,695	42,473	37,504	151,637	68,222	15,936	6,951	34,273	23,589	209,706	**852,658**
												-
Non-current liabilities	(17,371)	(8,103)	(1,716)	(4,540)	(8,072)	(1,961)	(103)	(1,313)	(13,827)	(2,543)	(24,593)	**(84,140)**
Current liabilities	(207,005)	(10,818)	(23,122)	(12,695)	(54,542)	(45,049)	(2,765)	(8,281)	(28,692)	(24,336)	(76,775)	**(494,081)**
Net statement of currency risk exposure	**31,522**	**(11,990)**	**17,635**	**20,269**	**93,192**	**21,724**	**13,621**	**(2,143)**	**(7,891)**	**(3,153)**	**109,362**	**282,148**

31 DECEMBER 2023

EUR 1,000	USD	CAD	BRL	AUD	INR	CHF	KRW	ZAR	GBP	IDR	OTHER	TOTAL
Non-current assets	160	242	-	-	2,254	614	592	978	-	143	996	**5,979**
Current assets	227,006	15,818	51,651	40,212	141,447	47,192	17,958	2,827	29,523	37,827	172,326	**783,787**
												-
Non-current liabilities	(9,412)	(10,878)	(2,505)	(3,778)	(4,420)	(49,887)	(2,015)	(2,179)	(10,081)	(27,931)	(12,245)	**(135,332)**
Current liabilities	(291,692)	(12,278)	(14,143)	(16,692)	(276,085)	(17,865)	(6,776)	(4,909)	(37,338)	(4,322)	(61,703)	**(743,801)**
Net statement of currency risk exposure	**(73,938)**	**(7,096)**	**35,003**	**19,742**	**(136,804)**	**(19,947)**	**9,759**	**(3,283)**	**(17,897)**	**5,718**	**99,375**	**(89,367)**

There are no mitigating effects of hedged net liability positions in USD (2023: nil).

The following significant exchange rates applied during the year:

	2024	2023	2024	2023
	AVERAGE RATE		REPORTING DATE SPOT RATE	
USD	0.923189	0.925037	0.962557	0.904977
CAD	0.674750	0.684542	0.668986	0.682967
BRL	0.171351	0.185151	0.155392	0.186905
AUD	0.610013	0.613367	0.597400	0.618100
INR	0.011035	0.011203	0.011244	0.010881
CNY	0.128472	0.130588	0.131869	0.127374
KRW	0.000678	0.000706	0.000653	0.000698
MXN	0.050617	0.052288	0.046969	0.053506
GBP	1.181276	1.150166	1.206011	1.150682
IDR	0.000058	0.000061	0.000059	0.000059

Sensitivity analysis

A 10% strengthening of the EUR, as indicated below, against the USD, CAD, BRL, AUD, INR, CNY, KRW, MXN, GBP and IDR at 31 December 2024 and 2023 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	2024	2024	2023	2023
EUR 1,000	EQUITY	PROFIT OR LOSS	EQUITY	PROFIT OR LOSS
USD	(55,313)	(299)	(51,229)	13,862
CAD	(6,657)	(7)	(7,793)	(8)
BRL	(9,191)	-	(10,954)	-
AUD	(11,206)	(87)	(10,305)	(69)
INR	(77,765)	-	(42,976)	-
CNY	(24,145)	-	(20,395)	-
KRW	(4,003)	-	(3,780)	-
MXN	(8,154)	-	(7,768)	-
GBP	(10,317)	(511)	(8,444)	(34)
IDR	(12,812)	-	(13,215)	-

A 10% weakening of the EUR against the above currencies at 31 December 2024 would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group pursues a policy of ensuring that a substantial part of its exposure to changes in interest rates on long-term financing is on a fixed rate basis, taking into account assets with exposure to changes in interest rates. If required, the Group makes uses of interest rate swap contracts.

Interest rate profile

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

EUR 1,000	2024	2023
Carrying amounts		
Fixed rate instruments		
Financial liabilities	(1,586,117)	(596,734)
Total	**(1,586,117)**	**(596,734)**
Variable rate instruments		
Financial assets	525,380	394,462
Financial liabilities	(191,146)	(1,000,817)
Total	**334,234**	**(606,355)**

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial asset and liability at fair value through profit and loss.

Fair value sensitivity analysis for variable rate instruments

Note 29 details the variable interest rates applicable for the non-current loans.

5.f Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

5.g Capital management

The primary objective when managing capital is to safeguard the Group's ability to continue as a going concern by means of optimising the debt and equity balance. The Company does not have an explicit return on capital policy. There have been no changes in the capital management policies during the year. The Group is not subject to any externally imposed capital requirements. Capital is considered by the Company to be equity as shown in the statement of financial position.

The Group's net liabilities and adjusted equity at the reporting date are as follows:

EUR 1,000	2024	2023
Total liabilities	2,663,165	2,428,389
Less: Cash and cash equivalents	(525,380)	(394,462)
Net liabilities	**2,137,785**	**2,033,927**
Total equity	2,215,095	1,726,185
Less: Amounts accumulated in equity relating to cash flow hedges	54	149
Adjusted equity	**2,215,149**	**1,726,334**

6 Operating segments

In presenting information on the basis of operating segments, segment revenue is based on the geographical location of the Group´s operations. Segment assets are based on the geographical location of the assets with the exception of assets related to holding companies, which are presented in a separate reporting unit.

Transactions between companies within an operating segment have been eliminated. Transactions between operating segments are based on arm's-length principle and are not included in the reported revenue per segment as the reported revenue per segment relates to revenue with third parties.

A key performance indicator for controlling the results of the operating segments is Operating EBITA.

Operating EBITA is defined as the sum of the result from operating activities, amortisation of intangible assets, and acquisition costs and results related to one-off adjustments to the organisation. The acquisition costs and results related to one-off adjustments to the organisation items, as disclosed in Note 11, include:

- Income related to divestments;
- Cost of corporate restructurings and reorganisations;
- Cost related to realised and non-realised acquisitions.

While the amounts included in Operating EBITA are derived from the Group's financial information, it is not a financial measure determined in accordance with adopted IFRS and should not be considered as an alternative to operating income or result from operating activities as a sole indicator of the Group's performance or as an alternative to cash flows as a measure of the Group's liquidity. The Group uses Operating EBITA as a key performance indicator in its business operations in order to, among other things, develop budgets, measure its performance against those budgets and evaluate the performance of its operations.

The bridge from result from operating activities to operating EBITA is as follows:

EUR 1,000	2024	2023
Result from operating activities	**425,109**	**428,523**
Amortisation of intangible assets	95,197	80,934
Acquisition costs and results related to one-off adjustments to the organisation	10,579	5,076
Operating EBITA	**530,885**	**514,533**

The acquisition costs and results related to one-off adjustments to the organisation income and expenses included in the result from operating activities of 2024 and 2023 mainly relate to income from divestments of business and assets, costs of acquisitions of businesses and costs related to one-off adjustments to the organisation.

Operating expenses of non-operating companies are reported in the segment Holding companies. Inter-segmented amounts receivable and amounts payable are not considered in the value of the total assets and total liabilities of each segment. The results of the operating segments are as follows:

EMEA

EUR 1,000	2024	2023
Revenue	1,990,086	1,942,612
Gross profit	553,100	529,689
Operating EBITA	241,336	241,984
Result from operating activities	213,674	220,060
Total Assets	1,231,681	1,152,439
Total Liabilities	381,039	364,379

AMERICAS

EUR 1,000	2024	2023
Revenue	1,457,709	1,413,152
Gross profit	360,720	340,380
Operating EBITA	158,338	154,982
Result from operating activities	131,475	136,910
Total Assets	997,886	827,048
Total Liabilities	288,777	228,921

ASIA-PACIFIC

EUR 1,000	2024	2023
Revenue	1,279,807	1,086,878
Gross profit	288,576	252,501
Operating EBITA	170,297	150,604
Result from operating activities	122,077	110,225
Total Assets	1,847,274	1,609,501
Total Liabilities	359,048	570,464

HOLDING COMPANIES

EUR 1,000	2024	2023
Operating EBITA	(39,087)	(33,000)
Result from operating activities	(42,117)	(38,672)
Total Assets	801,420	565,586
Total Liabilities	1,634,301	1,264,625

Consolidated

EUR 1,000	2024	2023
Revenue	4,727,602	4,442,642
Gross profit	1,202,396	1,122,570
Operating EBITA	530,885	514,533
Result from operating activities	425,109	428,523
Equity	2,215,095	1,726,185
Total Assets	4,878,261	4,154,574
Total Liabilities	2,663,165	2,428,389

Reported revenue per segment relates to revenue with third parties, hence no inter-segment revenues are included. IMCD and its operating segments have a diverse customer base of over 68,000 customers in many countries and of various sizes. IMCD and its segments do not rely on a single customer or a single group of customers for its operations. With a supplier base of approximately 3,400 suppliers and product portfolio of about 52,000 products, the same applies with regard to the reliance on a single supplier or a single group of suppliers and a single product or range of products.

7 Acquisition of subsidiaries

As a group we remain focused on aligning ourselves with industry leaders, grow our market share organically and through selected acquisitions, and continue to optimise our business model. The Group completed 12 acquisitions and signed two acquisition agreements during the financial year 2024 (all numbers are based on local GAAP).

7.1 Transactions closed in 2024

On 9 January 2024, IMCD acquired 70% of the shares of Valuetree Ingredients Private Limited ("Valuetree") to expand its beauty and personal care footprint in India. Valuetree employs a team of 44 employees and generated revenues of approximately EUR 48 million in the financial year that ended on 31 March 2023. The remaining 30% will be acquired in 2025.

On 14 February 2024, IMCD acquired the distribution business of Joli Foods S.A.S. ("Joli Foods") to expand its food and nutrition business and product portfolio in Colombia. Joli Foods is based in Bogota and generated revenues of approximately USD 14 million in 2023 and added eleven employees to the IMCD Colombian team.

On 27 February 2024, IMCD acquired two business lines from CJ Shah & Company ("CJ Shah") with chemicals primarily for paints, coatings, adhesives and life science applications. With 20 employees, the two business lines generated revenues of approximately EUR 27 million in 2023.

On 29 February 2024, IMCD acquired 100% of the shares of speciality distribution company Euro Chemo-Pharma Sdn Bhd ("Euro Chemo-Pharma") and its wholly owned subsidiary, Biofresh Green Sdn Bhd ("Biofresh") in Malaysia. With 124 employees, Euro Chemo-Pharma and Biofresh are offering a wide range of products, mainly for food, pharmaceutical and personal care applications, and generated revenues of approximately EUR 58 million in the financial year ended on 30 June 2023.

On 1 May 2024, IMCD acquired the 100% of the shares of the speciality distribution company ResChem Technologies Pty Ltd and ResChem Trust in Australia and New Zealand ("ResChem"). ResChem specialises in products for use in inks, coatings, adhesives and construction applications. ResChem headquartered in Sydney, Australia, generated revenues of approximately EUR 15 million in 2023 with 15 employees.

On 13 May 2024, IMCD acquired 100% of the shares of Bretano Costa Rica, S.A., Bretano El Salvador, S.A de C.V., Bretano Guatemala, S.A., and Grupo Bretano México, S. de R.L. de C.V. (jointly “Bretano”). Bretano is a speciality ingredients distributor for the food industry and supplies chemicals to construction and other industrial markets in Latin America. With 101 employees, Bretano generated revenues of approximately USD 48 million in 2023.

On 18 July 2024, IMCD acquired 100% of the shares of Cobapharma, S.L.U (“Cobapharma”), a Spanish distributor in the pharmaceutical and nutraceutical industry. With 20 employees, Cobapharma generated revenues of approximately EUR 19 million in 2023.

On 6 November 2024, IMCD acquired 100% of the shares in Importadora y Distribuidora Blumos SpA, Transportes Blumos SpA, Comercial e Industrial Solutec SpA, all in Chile, Sonutra Blumos SAC in Peru and Blumos S.A. in Argentina (jointly: “Blumos Group”). Blumos Group distributes a comprehensive portfolio of speciality ingredients and chemicals for the food, pharmaceutical, and industrial markets across Latin America. With approximately 160 employees, Blumos Group generated revenues of approximately USD 54 million in 2023.

Besides the aforementioned transactions, IMCD also completed the acquisition of four smaller companies and business asset deals during 2024: Gova in the Benelux, RBD in China, Selechimica in Italy and Arena in the UK. Together, these four acquisitions generated a total revenue of approximately EUR 27 million in 2023.

The aforementioned transactions added EUR 209.5 million of revenue and EUR 13.6 million of result for the year to the Group’s results in 2024. If the acquisitions had occurred on 1 January 2024, management estimates that the consolidated revenue would have been EUR 4,818.4 million and the consolidated net profit would have been EUR 285.9 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2024 The total consideration related to the aforementioned transactions, transferred in cash in 2024, amounts to EUR 367.6 million. As of 31 December 2024, the deferred and contingent considerations payable amount to EUR 49.3 million.

7.2 Transactions signed in 2024 and 2025

In addition to the transactions closed in 2024, IMCD signed two additional agreements and exercised its call option:

- On 13 December 2024, IMCD has signed an agreement to acquire the business of the food and nutraceutical ingredient distributor: Daoqin Biological Technology (Shanghai) Co., Ltd., Longyu International Trade (Shanghai) Co., Ltd. and Long'en Biotechnology (Guangzhou) Co., Ltd. in China (jointly "Daoqin"). With 21 employees, Daoqin generated a revenue of approximately EUR 16 million in 2023. The closing of the transaction is subject to customary closing conditions and is expected to take place in the second quarter of 2025.
- On 17 December 2024, IMCD has signed an agreement to acquire the personal care and pharmaceutical business of YCAM Corporation, a distributor based in South Korea ("YCAM"). With 8 employees, YCAM generated a revenue of approximately EUR 17 million in 2023. The closing of the transaction is subject to customary closing conditions and is expected to take place in the second quarter of 2025.
- On 23 January 2025, IMCD exercised its call option to acquire the remaining 30% interest of the shares from the minority shareholders of PT Megasetia Agung Kimia (Megasetia). The completion of the acquisition of the remaining 30% was executed on the basis of the share purchase agreement of November 2021. As IMCD obtained full control over Megasetia as per November 2020, this purchase price obligation was included in IMCD's reported net debt position and results of Megasetia are consolidated in full into the IMCD figures since the November 2021 acquisition date.

7.3 Identifiable assets recognised and liabilities assumed

The identifiable assets recognised and liabilities assumed are recognised on the basis of provisional purchase price allocation. Based on the information currently available we do not anticipate significant adjustments to the purchase price allocation. At the acquisition dates the recognised amounts are as follows:

EUR 1,000	NOTE	EURO CHEMO-PHARMA SDN BHD	BLUMOS GROUP	VALUETREE INGREDIENTS PVT LTD	OTHER ACQUISITIONS	TOTAL
Property, plant and equipment	17	3,212	998	685	3,349	**8,244**
Intangible assets	18	40,532	33,496	21,447	59,004	**154,479**
Deferred tax assets	23	701	39	858	989	**2,588**
Other financial assets		29	-	1,397	2	**1,428**
Inventories		5,910	9,368	8,499	16,965	**40,741**
Trade and other receivables		7,617	9,279	6,073	12,420	**35,388**
		-	-	-	-	
Cash and cash equivalents		5,488	2,960	53	13,863	**22,364**
Loans and borrowings		(389)	(52)	(340)	(3,266)	**(4,047)**
Other short-term financial liabilities		(212)	(415)	(5,139)	(562)	**(6,329)**
Employee benefits and other provisions	30,31	(34)	(1,834)	(41)	(1,776)	**(3,685)**
Deferred tax liabilities	23	(10,694)	(7,957)	(5,473)	(6,863)	**(30,987)**
Trade and other payables		(5,719)	(8,111)	(5,428)	(15,521)	**(34,779)**
Total net identifiable assets		**46,440**	**37,771**	**22,592**	**78,603**	**185,406**

The intangible assets recognised primarily relate to the supplier relationships acquired. Notably, the acquisition of CJ Shah, which focused on business lines and supplier contracts, resulted in a significant recognition (EUR 26.8 million) of intangible assets and is presented under the "Other" category.

The supplier relations have been determined by applying the multi-period excess earnings method. This method considers the present value of net cash flows expected to be generated by the supplier relationships, by excluding any cash flows related to contributory assets. The cash flows which have been used as input were based on the projections made by the sellers, adjusted for future supplier losses due to exclusivity conflicts, projected market developments based on external sources and our own expectations based on our extensive market knowledge. Furthermore, attrition rates are determined based on the annual decrease in revenues related to suppliers (when applicable) in the most recent financial years, adjusted for annual inflation. These attrition rates have been applied in the projections.

The gross contractual value of the trade and other receivables acquired amounts to EUR 38.5 million of which EUR 9.5 million relates to Euro-Chemo, EUR 8.6 million relates to Blumos Group and EUR 6.6 million relates to Valuetree.

7.4 Goodwill

Goodwill recognised as a result of the acquisitions in the financial year is as follows.

EUR 1,000	NOTE	EURO CHEMO-PHARMA SDN BHD	BLUMOS GROUP	VALUETREE INGREDIENTS PVT LTD	OTHER ACQUISITIONS	TOTAL
Total considerations		117,077	104,571	61,481	133,693	416,823
Less: Fair value of identifiable net assets		46,440	37,771	22,592	78,603	185,406
Goodwill	18	**70,637**	**66,801**	**38,890**	**55,091**	**231,418**

Goodwill recognised as a result of the acquisitions in the financial year relates to Valuetree (India), Joli Foods (Colombia), Cj Shah (India), Euro Chemo-Pharma, Biofresh (Malaysia), Gova (Benelux), Selechimica (Italy), RBD (China), Reschem (Australia and New Zealand), Bretano (Latin America), Arena (UK), Cobapharma (Spain) and Blumos Group (Latin America). The goodwill is mainly attributable to the skills and technical talent of the workforce, the commercial relationships, the international network and the synergies expected to be achieved from integrating the acquired companies into the Group's existing distribution business.

Of the total recognised goodwill, 31% relates to Euro-Chemo, 29% to Blumos Group, 17% to Valuetree and 23% to the other acquired businesses.

Amortisation of the related goodwill is not eligible for deduction from taxable income.

7.5 Acquisition-related costs

In 2024, the Group incurred acquisition-related costs of EUR 4.3 million (2023: EUR 7.2 million) predominantly related to external legal fees and due diligence costs for completed and non-completed acquisitions. The acquisition-related costs are included in other operating expenses.

8 Revenue

The Group generates revenue primarily from the sale and distribution of speciality chemicals and ingredients. Other sources of revenue include revenue from commission where the Group acts as agent in the sale and distribution of speciality chemicals and ingredients.

EUR 1,000	2024	2023
Sales of goods	4,716,473	4,430,812
Commissions	11,129	11,830
Total Revenue	**4,727,602**	**4,442,642**

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The nature and timing of the fulfilment of performance obligations is disclosed in contracts with customers upon the sale and distribution of speciality chemicals and ingredients. The Group recognises revenue when control is transferred which is at the moment that ownership is transferred to the customer, primarily based on agreed incoterms.

In the following tables, revenue from contracts with customers is disaggregated by primary geographical market and their market segments, being Life Science and Industrial.

8.1 Geographical market

The breakdown of revenue by geographical market is as follows:

EUR 1,000	2024	2023
Netherlands	67,509	69,165
Rest of EMEA	1,922,577	1,873,447
EMEA	**1,990,086**	**1,942,612**
North America	995,213	990,691
Latin America	462,497	422,460
Asia-Pacific	1,279,807	1,086,878
Total Geographical Market	**4,727,602**	**4,442,642**

8.2 Market segments

IMCD's business model is based on long lasting relationships with suppliers of speciality chemicals and ingredients. In order to provide more insight in the segmentation per market, IMCD has decided to break down the sales in the market segments Life Science and Industrial.

Life Science consists of the following lines of business: Pharmaceuticals, Beauty & Personal Care, Food & Nutrition and Home Care and I&I. In general, the lines of business within Life Science historically have been less sensitive to economic fluctuations. Furthermore, the Life Science segment consists of lower order volumes and higher margins than the Industrials market segment.

The Industrial segment contains the lines of business of Coatings & Construction, Lubricants & Energy, Industrial Solutions and Advanced Materials. This segment has a more cyclical nature as the performance is dependent on the developments of, amongst others, the housing and real estate, automotive and oil & gas markets.

The breakdown of sales of goods per market segment is as follows:

EUR 1,000	2024	2023
Life Science	2,487,921	2,328,782
Industrial	2,228,551	2,102,030
Total Market Segments	**4,716,473**	**4,430,812**

9 Other income

EUR 1,000	2024	2023
Other income	20,139	27,532
Total Other income	**20,139**	**27,532**

Other income primarily relates to logistic and other services charged separately to customers. In 2024, other income included acquisition costs and results related to one-off adjustments to the organisation income of EUR 0.9 million, which mainly consists of a real estate tax refund related to the sale of building in Israel. Other income of 2023 includes acquisition costs and results related to one-off adjustments to the organisation income of EUR 7.2 million, of which EUR 6.3 million is related to the sale of a warehouse in the US.

10 Personnel expenses

EUR 1,000	NOTE	2024	2023
Wages and salaries		317,176	288,897
Social security contributions		45,350	42,715
Contributions to defined contribution plans		16,000	11,453
Expenses related to defined benefit plans	30	513	1,148
Expenses related to termination and other long-term employee benefit plans	30	2,001	1,860
Other personnel expenses		20,865	20,863
Total Personnel expenses		**401,905**	**366,936**

The personnel expenses 2024 include acquisition costs and results related to one-off adjustments to the organisation costs of EUR 4.5 million (2023: EUR 3.0 million).

The average number of employees in the financial year by region and by function, measured in full-time equivalents, is as follows:

FTE	2024	2023
The Netherlands (excluding Dutch Holding companies)	86	78
Rest of EMEA	1,947	1,823
EMEA	2,033	1,901
Americas	1,361	1,256
Asia-Pacific	1,443	1,289
Holding companies	129	113
Total average FTE	**4,966**	**4,559**
Management and administration	596	717
Sales	3,364	2,872
ICT/HSEQR/Warehouse/Other	1,006	970
Total average FTE	**4,966**	**4,559**

11 Acquisition costs and results related to one-off adjustments to the organisation

Acquisition costs and results related to one-off adjustments to the organisation are recognised in profit or loss and are summarised as follows:

EUR 1,000	NOTE	2024	2023
Other income	9	915	7,169
Personnel expenses and other operating expenses	10,13	(11,494)	(12,246)
Finance costs		(2)	0
Impact on result before income tax		**(10,582)**	**(5,077)**
Acquisition costs/one-off adjustments income tax expenses	23,41	2,331	(299)
Impact on result for the year		**(8,250)**	**(5,376)**

The other income for 2024 mainly includes a real estate tax refund related to the sale of building in Israel. The other income for 2023 includes income related to the sale of a warehouse in the US of EUR 6.3 million.

The personnel expenses and other operating expenses for 2024 include severance costs of EUR 4.5 million (2023: EUR 3.0 million) and other operating expenses of EUR 7.0 million (2023: EUR 9.2 million). The other operating expenses mainly relate to professional services fees incurred during acquisition projects and subsequent integration processes.

12 Share based payment arrangements

Description of the share based payment arrangement

As of 1 January 2015, the Group established a long-term incentive plan (LTIP) for the Management Board, the Executive Committee and certain senior managers. Under this equity settled LTIP, performance shares are awarded based on certain performance conditions. The aims of the LTIP are to drive long-term value creation, incentivise performance through shared success, and retain key employees.

The applicable performance conditions for the Management Board are:
- 50%: relative Total Shareholder Return performance (TSR), a market-related condition, compared with a selected group of peer companies and
- 50%: cash earnings per share (internal performance condition).

The performance period starts every year on 1 January and lasts three financial years. After vesting, the unconditional shares are subject to a holding period of two years and become unrestricted five years after grant date.

The performance conditions for the Executive Committee and for senior managers are solely internal performance conditions and include:
- 20%: growth in cash earnings per share (only for the Executive Committee);
- 50%: operating EBITA;
- 30% (Executive Committee) or 50% (senior managers): discretionary assessment by the Management Board.

The performance period for the Executive Committee and for senior managers starts every year on 1 January and lasts one year. The shares become unconditional after a service period of three years, i.e. two years after the performance period. All performance share plans are equity-settled.

The fair value of the TSR performance shares is determined as of the date of each grant, and based on a Monte Carlo simulation model. The Management Board members are not allowed to sell the delivered shares until five years after the date of the conditional award, i.e. just over two years after vesting. The level of this marketability discount is calculated by using the Finnerty Model and represents the compensation that a risk-averse investor would require for holding the shares for this extra period. The inputs for determining the marketability discount are:
- The volatility of the underlying shares (2024: 28%)
- The length of restriction period (2024: 2 years)
- The dividend yield of the underlying shares (2024: 1.4%)

The marketability discount for the LTIP 2024 is determined at 10% and the fair value of the TSR hurdle shares granted in 2024 is EUR 114.32 per share.

The fair value of the operating EBITA/Cash earnings per share related performance share granted to Executive Committee and senior managers in 2024, is determined by discounting the share price at grant date (EUR 142.25, discounted: EUR 136.50). The fair value of the cash earnings per share related performance share granted to the Management Board in 2024 is EUR 152.05 (discounted: EUR 145.94). The applied discount rates is based on a risk-free interest rate and caters for the missed dividends during the period between the grant date and the settlement date, using the historical dividend yield.

The fair value is charged to the profit or loss during the vesting period, based on the on-target awards of the TSR part and the expected cash earnings per share and operating EBITA outcome.

At each balance sheet date, the non-market conditions (operating EBITA and cash earnings per share) and the employee attrition, are reassessed. Any adjustment required is charged to the income statement.

The shares yet to be vested of a LTIP member who resigns from the Group within the three-year vesting period will, in principle, be forfeited.

Reconciliation of outstanding performance shares

The number of performance shares granted is as follows.

	2024		2023	
	NUMBER OF SHARES	BASED ON SHARE PRICE	NUMBER OF SHARES	BASED ON SHARE PRICE
Shares granted to the Management Board	14,059	150.69	14,774	140.83
Shares granted to Executive Committee and certain senior managers	30,823	150.69	24,488	140.83

The total number of performance shares granted in 2024 is based on a target performance (100 per cent) with an upward and downward potential for the Management Board and the Executive Committee. The expected total number of performance shares is 85,949 with vesting dates in 2025, 2026 and 2027.

The weighted average share price and the number of performance shares are as follows:

	2024		2023	
	WEIGHTED AVERAGE SHARE PRICE	NUMBER OF SHARES	WEIGHTED AVERAGE SHARE PRICE	NUMBER OF SHARES
Outstanding as at 1 January	**127.02**	**104,882**	**102.56**	**134,329**
Forfeited during the year	146.24	(890)	-	-
Exercised during the year	110.53	(52,367)	74.66	(60,706)
Granted during the year	134.66	44,882	135.22	39,262
Performance adjustment	-	(10,558)	-	(8,003)
Outstanding as at 31 December	**134.78**	**85,949**	**127.02**	**104,882**

The weighted average share price of granted shares is equal to the share price at the grant date adjusted for the expected retention and expected dividends, based on the Company's dividend policy, during the vesting period. In addition, the weighted average share price of shares granted to the Management Board is adjusted for market-related performance conditions and for the impact of the restriction period.

Expenses recognised in profit or loss

EUR 1,000	2024	2023
Shares granted	3,573	4,823

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13 Other operating expenses

The other operating expenses are as follows:

EUR 1,000	2024	2023
Accommodation and other rental costs	10,289	10,776
Other office expenses	42,215	38,660
Car expenses	9,104	8,380
Business travel and representation expenses	20,815	21,708
Professional service fees	22,419	22,000
Credit sales expenses	1,431	1,318
Insurance costs	6,258	5,542
Other operating expenses	7,205	8,182
Total Other operating expenses	**119,736**	**116,566**

The other operating expenses include an amount of EUR 7.0 million (2023: EUR 9.2 million) related to acquisition costs and results related to one-off adjustments to the organisation. Theacquisition costs and results related to one-off adjustments to the organisation items in 2024 and 2023 include professional services fees incurred during acquisition projects and subsequent integration processes and costs related to one-off adjustments to the organisation. These items are disclosed in Note 11.

14 Net finance costs

The following finance income and finance costs are recognised in profit or loss:

EUR 1,000	2024	2023
Interest income on loans and receivables	5,664	3,798
Change in fair value of contingent considerations	39,433	31,329
Finance income	**45,097**	**35,127**
Interest expenses on financial liabilities measured at amortised cost	(67,484)	(46,484)
Interest expenses on provisions for pensions and similar obligations	(395)	(420)
Interest expenses on lease liabilities	(4,667)	(3,098)
Change in fair value of contingent considerations	(3,634)	(2,042)
Currency exchange results	(14,042)	(8,512)
Finance costs	**(90,222)**	**(60,556)**
Net finance costs recognised in profit or loss	**(45,125)**	**(25,429)**

The net finance costs recognised in profit or loss include the results of the fair value adjustments of deferred considerations. These mainly relate to Sanrise (income of EUR 25.9 million) and Megasetia (income of EUR 7.7 million). In 2023, the main fair value adjustments were related to Sanrise (income of EUR 15.6 million) and Megasetia (income EUR 12.0 million). Costs resulting from changes in fair value of contingent considerations in 2024, relate to accrued interest on the recognised liability.

Finance income and expenses recognised in other comprehensive income are as follows:

EUR 1,000	2024	2023
Foreign currency translation differences of foreign operations	47,233	(52,962)
Effective portion of changes in fair value of cash flow hedges	95	61
Tax on foreign currency translation differences and changes in fair value of cash flow hedges recognised in other comprehensive income	(2,228)	915
Finance income recognised in other comprehensive income, net of tax	**45,100**	**(51,986)**

15 Income tax expense

Income tax expenses recognised in profit or loss

EUR 1,000	2024	2023
Current tax expense		
Current year	120,250	117,815
Adjustment for prior years	(904)	1,368
	119,346	**119,183**
Deferred tax expense		
Reduction in tax rate	543	30
Origination and reversal of temporary differences	(13,608)	(8,761)
Recognition of previously unrecognised tax losses	(31)	(259)
Recognition of current year tax losses	(4,699)	(1,547)
Derecognition of previously recognised tax losses	217	2,205
	(17,578)	**(8,332)**
Total income tax expense	**101,768**	**110,851**

The reported tax expenses include an amount of negative EUR 10.5 million (2023: negative EUR 8.7 million) related to temporary differences regarding amortisation of intangible assets.

IMCD is subject to Pillar II tax legislation as of 1 January 2024, establishing that the Group pays tax on its profits at an effective tax rate of at least 15% within each jurisdiction. IMCD applies the temporary Country-by-Country (CbCR) Safe Harbours to the largest extent possible. To the extent the CbCR Safe Harbours are not available, the Group prepares the detailed calculation, to determine whether a current tax expense relating to the top-up tax must be recognised.

For 2024, a current tax expense of EUR 606 thousand (2023: nil) is recognised, which fully relates to the activities in Puerto Rico. As such, the top-up tax calculated over the year 2024 does not have a material tax impact on the Group.

As Puerto Rico has not yet enacted new tax legislation to implement a qualified domestic top-up tax, the Group has recognised the Pillar II current tax expense at the level of the ultimate parent company in the Netherlands.

The Group is continuing to assess the impact of the Pillar II rules on its future financial performance.

Income tax recognised in other comprehensive income and expenses

	2024			2023		
EUR 1,000	BEFORE TAX	TAX BENEFIT/ (EXPENSE)	NET OF TAX	BEFORE TAX	TAX BENEFIT/ (EXPENSE)	NET OF TAX
Foreign currency translation differences for foreign operations	47,233	(2,228)	**45,005**	(52,962)	935	**(52,027)**
Cash flow hedges	95	-	**95**	61	(20)	**41**
Defined benefit plan actuarial gains/(losses)	(2,918)	606	**(2,312)**	(2,379)	535	**(1,843)**
	44,410	**(1,622)**	**42,788**	**(55,280)**	**1,450**	**(53,829)**

The reconciliation between the Company's domestic income tax rate and related tax charge and the effective income tax rate and related effective income tax charge is as follows:

Reconciliation effective tax rate

EUR 1,000	2024		2023	
	%		%	
Profit for the year		278,214		292,223
Total income tax expense	26.8%	101,768	27.5%	110,851
Profit before income tax		**379,982**		**403,075**
Income tax using the Company's domestic tax rate	25.8%	98,035	25.8%	103,993
Effect of tax rates in foreign jurisdictions	2.0%	7,730	1.0%	3,873
Effect of change in tax rate and pillar 2 top-up tax	0.1%	543	0.0%	30
Tax effect of:				
Income and non-deductible expenses	(1.0%)	(3,859)	(0.4%)	(1,724)
Tax incentives and tax exempted income	(0.2%)	(740)	(0.2%)	(765)
Utilisation of tax losses	(0.1%)	(476)	(0.0%)	(143)
Recognition of previously unrecognised tax losses	- %	(31)	(0.1%)	(259)
Derecognition of previously recognised tax losses	0.1%	217	0.5%	2,205
Current year losses for which no deferred tax asset was recognised	0.3%	964	1.1%	4,575
(De)recognition of previously (un)recognised temporary differences	0.1%	288	(0.6%)	(2,301)
Under provided in prior years	(0.2%)	(904)	0.3%	1,367
	26.8%	**101,768**	**27.5%**	**110,851**

The following countries within the IMCD Group were subject to changes in the applicable corporate income tax rates in the financial year compared with the previous financial year: Czech Republic 21% (2023: 19%), Morocco 33% (2023: 31%), South Africa 27% (2023: 28%), Türkiye 25% (2023: 20%) and Austria 23% (2023: 24%).

16 Earnings per share

Basic earnings per share

The basic earnings per share of EUR 4.86 (2023: EUR 5.13) is determined by dividing the result for the year due to the owners of the Company of EUR 278.2 million (2023: EUR 292.3 million) by the weighted average number of shares in circulation amounting to 57.2 million (2023: 56.9 million). As of 31 December 2024, the number of ordinary shares outstanding was 59.1 million (31 December 2023: 57.0 million).

Profit attributable to ordinary shareholders

EUR 1,000		2024	2023
Profit/(loss) for the year, attributable to the owners of the Company (basic)	(A)	278,243	292,271

Weighted average number of ordinary shares

IN THOUSAND SHARES	NOTE		2024	2023
Issued ordinary shares as at 1 January	27		56,987	56,987
Effect of shares issued	27		266	-
Effect of purchase or transfer of own shares	27		(39)	(69)
Weighted average number of ordinary shares as at 31 December		(B)	**57,214**	**56,918**
Earnings per share (A/B)			4.86	5.13

Diluted earnings per share

The calculation of the diluted earnings per share of EUR 4.86 (2023: EUR 5.13) is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares.

The total number of shares granted based on the Group's share based payment scheme are included in the calculation of the diluted weighted average number of shares.

Weighted average number of ordinary shares (diluted)

IN THOUSAND SHARES	NOTE		2024	2023
Weighted average number of ordinary shares (basic) as at 31 December	27		57,214	56,918
Effect of share based payments			54	78
Weighted average number of ordinary shares (diluted) at 31 December		(C)	**57,268**	**56,996**
Diluted earnings per share (A/C)			4.86	5.13

17 Property, plant and equipment

Property, plant and equipment comprises of owned and leased assets:

EUR 1,000	NOTE	2024	2023
Property, plant and equipment owned		42,152	36,159
Right-of-use assets	19	103,241	100,124
		145,393	**136,283**

The movements for the financial year of the property, plant and equipment are as follows:

EUR 1,000	NOTE	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	HARDWARE & SOFTWARE	OTHER ASSETS	TOTAL
Cost						
Balance as at 1 January 2024		**22,130**	**27,461**	**14,573**	**20,776**	**84,940**
Acquisitions through business combinations	7	3,616	2,008	725	2,411	**8,760**
Additions for the year		4,675	5,551	2,130	1,708	**14,064**
Disposals		(755)	(3,756)	(4,381)	(5,803)	**(14,695)**
Effect of movements in exchange rates		240	267	246	172	**925**
Balance as at 31 December 2024		**29,906**	**31,531**	**13,293**	**19,264**	**93,994**
Depreciation and impairment losses						
Balance as at 1 January 2024		**7,976**	**16,171**	**11,285**	**13,348**	**48,780**
Acquisitions through business combinations	7	863	929	506	1,815	**4,113**
Depreciation for the year		2,491	3,679	1,997	1,140	**9,307**
Disposals		(620)	(3,674)	(4,272)	(2,482)	**(11,048)**
Effect of movements in exchange rates		190	177	181	141	**689**
Balance as at 31 December 2024		**10,900**	**17,282**	**9,697**	**13,962**	**51,841**
Carrying amounts						
As at 1 January 2024		**14,154**	**11,290**	**3,288**	**7,428**	**36,160**
As at 31 December 2024		**19,006**	**14,249**	**3,596**	**5,302**	**42,153**

EUR 1,000	NOTE	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	HARDWARE & SOFTWARE	OTHER ASSETS	TOTAL
Cost						
Balance as at 1 January 2023		**21,883**	**18,150**	**12,741**	**16,986**	**69,760**
Acquisitions through business combinations		3,440	3,793	840	2,439	**10,512**
Additions for the year		3,091	7,945	5,003	5,200	**21,239**
Disposals		(5,568)	(2,012)	(3,801)	(3,671)	**(15,052)**
Effect of movements in exchange rates		(716)	(415)	(210)	(178)	**(1,519)**
Balance as at 31 December 2023		**22,130**	**27,461**	**14,573**	**20,776**	**84,940**
Depreciation and impairment losses						
Balance as at 1 January 2023		**7,241**	**10,933**	**9,397**	**11,804**	**39,375**
Acquisitions through business combinations		545	2,841	687	2,082	**6,155**
Depreciation for the year		2,135	2,444	1,827	1,167	**7,573**
Disposals		(1,617)	249	(474)	(1,623)	**(3,465)**
Effect of movements in exchange rates		(328)	(296)	(152)	(81)	**(857)**
Balance as at 31 December 2023		**7,976**	**16,171**	**11,285**	**13,348**	**48,781**
Carrying amounts						
As at 1 January 2023		**14,642**	**7,217**	**3,344**	**5,182**	**30,385**
As at 31 December 2023		**14,154**	**11,290**	**3,288**	**7,428**	**36,159**

18 Intangible assets

The movements of the intangible assets are as follows:

EUR 1,000	NOTE	GOODWILL	INTELLECTUAL PROPERTY RIGHTS	DISTRIBUTION RIGHTS	BRAND NAMES	SUPPLIER RELATIONS	OTHER INTANGIBLES	TOTAL
Cost								
Balance as at 1 January 2024		**1,617,672**	**104**	**49,374**	**25,713**	**1,025,238**	**39,131**	**2,757,232**
Acquisitions through business combinations	7	-	-	-	664	153,546	645	**154,855**
Additions for the year		231,418	-	9,717	-	319	5,378	**246,832**
Disposals		-	-	(4,203)	-	(1)	(2,220)	**(6,424)**
Effect of movements in exchange rates		28,760	-	779	50	22,147	(89)	**51,647**
Balance as at 31 December 2024		**1,877,850**	**104**	**55,667**	**26,427**	**1,201,249**	**42,845**	**3,204,142**
Amortisation and impairment losses								
Balance as at 1 January 2024		**5,322**	**67**	**28,988**	**36**	**433,020**	**29,442**	**496,875**
Acquisitions through business combinations	7	-	-	-	-	-	377	**377**
Amortisation for the year		-	-	7,273	207	82,501	5,216	**95,197**
Impairment loss		-	-	-	-	-	-	**-**
Disposals		-	-	(1,203)	-	155	(2,350)	**(3,398)**
Effect of movements in exchange rates		38	-	1,121	5	5,312	(89)	**6,387**
Balance as at 31 December 2024		**5,360**	**67**	**36,179**	**248**	**520,988**	**32,596**	**595,438**
Carrying amounts								
As at 1 January 2024		**1,612,350**	**37**	**20,386**	**25,677**	**592,218**	**9,689**	**2,260,357**
As at 31 December 2024		**1,872,490**	**37**	**19,488**	**26,179**	**680,261**	**10,249**	**2,608,704**

EUR 1,000	NOTE	GOODWILL	INTELLECTUAL PROPERTY RIGHTS	DISTRIBUTION RIGHTS	BRAND NAMES	SUPPLIER RELATIONS	OTHER INTANGIBLES	TOTAL
Cost								
Balance as at 1 January 2023		**1,391,861**	**104**	**40,602**	**25,000**	**874,492**	**41,229**	**2,373,288**
Acquisitions through business combinations		-	-	-	723	170,097	1,565	**172,385**
Additions for the year		253,477	-	10,269	-	33	5,932	**269,711**
Disposals		-	-	(898)	-	-	(9,365)	**(10,263)**
Effect of movements in exchange rates		(27,666)	-	(599)	(10)	(19,384)	(230)	**(47,889)**
Balance as at 31 December 2023		**1,617,672**	**104**	**49,374**	**25,713**	**1,025,238**	**39,131**	**2,757,232**
Amortisation and impairment losses								
Balance as at 1 January 2023		**5,309**	**67**	**24,465**	**-**	**369,631**	**32,712**	**432,184**
Acquisitions through business combinations		**-**	**-**	**-**	**-**	-	-	**-**
Amortisation for the year		-	-	5,717	36	69,566	5,615	**80,934**
Impairment loss		-	-	-	-	-	-	**-**
Disposals		-	-	(897)	-	-	(8,662)	**(9,559)**
Effect of movements in exchange rates		13	-	(297)	-	(6,177)	(223)	**(6,684)**
Balance as at 31 December 2023		**5,322**	**67**	**28,988**	**36**	**433,020**	**29,442**	**496,875**
Carrying amounts								
As at 1 January 2023		**1,386,552**	**37**	**16,137**	**25,000**	**504,861**	**8,517**	**1,941,104**
As at 31 December 2023		**1,612,350**	**37**	**20,386**	**25,677**	**592,218**	**9,689**	**2,260,357**

Goodwill impairment testing

For the purpose of goodwill impairment testing, goodwill is allocated to the following cash generating units.

EUR 1,000	2024	2023
EMEA	471,042	444,897
Americas	501,767	421,491
Asia-Pacific	899,681	745,962
	1,872,490	**1,612,350**

A cash generating unit (CGU) represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

Key assumptions used in discounted cash flow projections

The recoverable amount per CGU is based on its value in use and is determined by discounting the future cash flows to be generated from the continued use of the CGUs. The cash flow forecasts were derived from the budget for 2025 and the plan years 2026 and 2027 which were established at the legal entity level and approved by Management Board and Supervisory Board. The forecasted cash flows have been extrapolated to the years 2028 and 2029. For the period 2030 and after a growth rate equal to the weighted average of the forecasted annual real GDP growth rate for the period 2030-2055 is taken into account.

The pre-tax weighted average cost of capital (WACC) is estimated per CGU and varies mainly due to differences in risk free rates. The risk-free rates per CGU are equal to the weighted average of the rate of return on local sovereign bonds or strips. The WACC has predominately decreased due to lower risk-free rates. The main assumptions used to determine the WACC were assessed by an external certified valuation expert.

The key assumptions for 2024 and 2023 for each CGU are as follows:

	2024		2023	
	PRE-TAX WACC	TERMINAL GROWTH RATE	PRE-TAX WACC	TERMINAL GROWTH RATE
EMEA	14.1%	2.5%	14.5%	2.8%
Americas	16.5%	2.4%	16.7%	2.7%
Asia-Pacific	14.4%	3.4%	15.0%	3.5%

Sensitivity to changes in assumptions

No impairment of goodwill was necessary following impairment tests on all cash generating units within the Group. The discounted future cash flows from all cash generating units exceed the value of the goodwill and other relevant net assets.

It is inherent in the method of computation used that a change in the assumptions may lead to a different conclusion. Therefore, a sensitivity analysis is performed based on a change in a key assumption while keeping all other assumptions unchanged.

The following changes in assumptions are assessed:

- Decrease of the average growth rate 2025-2029 to the terminal growth rate;
- Decrease of the terminal growth rate by 1.0%;
- Increase of the WACC by 1.0%.

The conclusion based on the sensitivity analysis performed is that any reasonable change in the key assumptions would not lead to an impairment. For Asia-Pacific the break-even point is reached earlier than the other segments, but taking into account the considerable growth of the region and the expansion by means of the recent acquisitions this scenario is highly unlikely.

Amortisation and impairment testing of supplier relationships

The supplier relationships consist of supplier bases within the following regions and remaining useful lives (RUL):

EUR 1,000	RUL	2024	2023
EMEA	4-13	108,418	115,586
Americas	5-16	177,029	151,953
Asia-Pacific	4-16	394,814	324,679
		680,261	**592,218**

The remaining useful lives of supplier bases are assessed at each reporting date and adjusted if appropriate. Furthermore, triggering events for a possible impairment are evaluated annually by means of assessing the potential impact of available internal and external information sources.

Impairment testing for cash-generating units containing intangible assets with indefinite useful lives other than goodwill

Brand names relate to the IMCD brand. As no assumption can be made about the durability of its economic use, the brand name has an indefinite useful life. The IMCD brand name is considered as a corporate asset and hence allocated to the individual CGUs for goodwill impairment testing purposes. The carrying amount of the brand name has been allocated to the CGUs as follows: EMEA: EUR 10.5 million (2023: EUR 10.9 million), Asia-Pacific: EUR 6.8 million (2023: EUR 6.1 million) and Americas: EUR 7.7 million (2023: EUR 7.9 million).

19 Leases

Right-of-use assets

Right-of-use assets carrying amounts comprise:

		PROPERTY, PLANT AND EQUIPMENT			
EUR 1,000	NOTE	LAND AND BUILDINGS	CARS	OTHER ASSETS	TOTAL
Balance as at 1 January 2024		**87,476**	**11,856**	**792**	**100,124**
Acquisitions through business combinations	7	3,244	82	272	**3,598**
Depreciation and amortisation for the year		(25,104)	(6,663)	(336)	**(32,103)**
Additions for the year		23,447	8,494	391	**32,332**
Disposals		(666)	(677)	(54)	**(1,397)**
Effect of movements in exchange rates		410	317	(40)	**687**
Balance as at 31 December 2024		**88,807**	**13,409**	**1,025**	**103,241**

	PROPERTY, PLANT AND EQUIPMENT			
EUR 1,000	LAND AND BUILDINGS	CARS	OTHER ASSETS	TOTAL
Balance as at 1 January 2023	**73,393**	**8,996**	**553**	**82,942**
Acquisitions through business combinations	4,109	24	54	**4,187**
Depreciation and amortisation for the year	(19,683)	(5,662)	(370)	**(25,715)**
Additions for the year	31,483	9,047	573	**41,103**
Disposals	(1,143)	(417)	(29)	**(1,589)**

	PROPERTY, PLANT AND EQUIPMENT			
EUR 1,000	LAND AND BUILDINGS	CARS	OTHER ASSETS	TOTAL
Effect of movements in exchange rates	(683)	(132)	11	**(804)**
Balance as at 31 December 2023	**87,476**	**11,856**	**792**	**100,124**

The Group leases several assets including offices, warehouses and cars.

Lease liabilities

The balance sheet shows the following lease liabilities:

EUR 1,000	NOTE	2024	2023
Current	29	28,039	24,743
Non-current	29	80,864	78,498
Total lease liabilities		**108,903**	**103,241**

The undiscounted lease liabilities are as follows:

EUR 1,000	2024	2023
Less than one year	32,667	28,140
One to five years	75,798	72,175
More than 5 years	11,489	12,907
Total undiscounted lease liabilities at 31 December	**119,954**	**113,222**

The weighted average discount rate as of 31 December 2024 is 4.78% (2023: 3.99%).

If it is reasonably certain that enforceable extension options will be used, these have been included in the lease.

Amounts recognised in profit and loss

EUR 1,000	2024	2023
Depreciation	32,103	25,715
Interest on lease liabilities	4,667	3,098
Variable lease payments not included in the measurement of lease liabilities	118	390
Income from sub-leasing right-of-use assets	-	5
Expense related to short-term leases	1,725	1,561
Expense related to leases of low-value assets, excluding short-term leases of low-value assets	277	423

Amounts recognised in the statement of cash flows

EUR 1,000	2024	2023
Total cash flows for leases (including short-term and low-value leases)	**29,475**	**25,526**

20 Non-current assets by geographical market

The non-current assets other than goodwill, financial instruments, deferred tax assets and post-employment benefit assets, comprise property, plant and equipment, other intangible assets and equity-accounted investees. The aforementioned non-current assets by geographical location are as follows:

EUR 1,000	PROPERTY, PLANT AND EQUIPMENT	OTHER INTANGIBLE ASSETS	EQUITY-ACCOUNTED INVESTEES
Netherlands	4,677	92,829	-
Rest of EMEA	55,652	67,643	50
EMEA	**60,329**	**160,472**	**50**
Americas	46,232	179,071	-
Asia-Pacific	38,832	396,670	-
Total	**145,393**	**736,213**	**50**

21 Equity-accounted investees

The equity accounted investees relates to the 49% share in SARL IMCD Group Algerie. The following table analyses the carrying amount and share of profit and OCI of the equity interest.

EUR 1,000	2024	2023
Balance as at 1 January	**53**	**71**
Result for the year	(2)	(19)
Effect of movements in exchange rates	(1)	1
Balance as at 31 December	**50**	**53**

The net assets of SARL IMCD Group Algerie consist of total assets amounting to EUR 862 thousand (2023: EUR 354 thousand) and current liabilities of EUR 740 thousand (2023: EUR 246 thousand). The net result for the year 2024 is a loss of EUR 2 thousand (2023: EUR 19 thousand loss). As at 31 December 2024, the net equity value of SARL IMCD Group Algerie was EUR 123 thousand (2023: EUR 107 thousand).

Transactions with associates

At 31 December 2024, the Group has outstanding receivables from SARL IMCD Group Algerie of EUR 495 thousand (2023: EUR 255 thousand).

22 Other financial assets

The other financial assets relate to receivables with a remaining term exceeding one year and includes rent and other deposits.

23 Deferred tax assets and liabilities

Unrecognised deferred tax assets

The Group has unrecognised deferred tax assets of EUR 15.1 million (2023: EUR 14.5 million), consisting of unrecognised deferred tax asset of entities in EMEA EUR 5.5 million (2023: EUR 4.6 million) and entities in Asia-Pacific EUR 9.6 million (2023: EUR 9.9 million). The amount in EMEA mainly relates to unrecognised interest losses in the Netherlands with an infinite carry forward period and the amount in Asia-Pacific mainly relates to unrecognised capital losses in Australia with an infinite carry forward period.

Unrecognised deferred tax liabilities

As of 31 December 2024, the Group has unrecognised deferred tax liabilities to the amount of EUR 56.1 million (2023: EUR 51.5 million) for potential withholding tax liabilities related to investments in subsidiaries. The liabilities are not recognised because the Company controls the dividend policy of the subsidiaries and does not foresee reversal of the temporary differences in the foreseeable future.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

EUR 1,000	2024	2023	2024	2023	2024	2023
	Assets		Liabilities		Net	
Property, plant and equipment	273	1,026	1,436	959	**(1,163)**	67
Intangible assets	880	1,618	169,350	146,949	**(168,470)**	(145,331)
Right-of-use assets	616	375	17,366	19,810	**(16,751)**	(19,435)
Financial fixed assets	4,901	985	233	173	**4,668**	812
Trade debtors and other receivables	3,268	3,873	580	746	**2,689**	3,128
Inventories	8,284	7,936	403	407	**7,881**	7,529
Share based payment reserve	758	753	(9)	82	**767**	671
Loans and borrowings	471	255	9	219	**462**	36
Lease Liabilities	16,087	18,921	(2,176)	(1,946)	**18,262**	20,867
Employee benefits and other provisions	5,144	4,999	1,841	1,726	**3,303**	3,273
Trade and other payables	6,841	7,282	633	85	**6,207**	7,197
Other items	4,200	3,850	315	1,748	**3,885**	2,102
Tax loss carry-forwards	10,142	6,586	(77)	(561)	**10,219**	7,148
Tax assets/(liabilities)	**61,864**	**58,458**	**189,905**	**170,396**	**(128,040)**	**(111,939)**
Set-off of tax	(16,592)	(16,928)	(16,592)	(16,928)	**-**	-
Net tax assets/(liabilities)	**45,272**	**41,530**	**173,312**	**153,469**	**(128,040)**	**(111,939)**

The unused tax losses and unused tax credits include EUR 6.1 million of tax credits (2023: EUR 5.3 million) related to foreign withholding taxes.

Movement in temporary differences during the year

EUR 1,000	BALANCE AS AT 1 JANUARY 2024	RECOGNISED IN PROFIT OR LOSS	RECOGNISED DIRECTLY IN EQUITY	RECOGNISED IN OTHER COMPREHENSIVE INCOME	ACQUIRED IN BUSINESS COMBINATIONS (NOTE 7)	OTHER	BALANCE AS AT 31 DECEMBER 2024
Property, plant and equipment	**67**	(439)	-	-	(827)	36	**(1,163)**
Intangible assets	**(145,331)**	9,738	-	(442)	(31,505)	(930)	**(168,470)**
Right-of-use-assets	**(19,435)**	2,497	-	-	(89)	276	**(16,751)**
Financial fixed assets	**812**	3,901	-	-	-	(46)	**4,668**
Trade debtors and other receivables	**3,128**	(960)	-	-	928	(407)	**2,689**
Inventories	**7,528**	(1,123)	-	-	2,327	(851)	**7,881**
Share based payment reserve	**671**	74	-	-	-	23	**767**
Loans and borrowings	**36**	481	-	690	-	(745)	**462**
Lease liability	**20,867**	(2,336)	-	-	21	(290)	**18,263**
Employee benefits and other provisions	**3,273**	(31)	-	582	342	(861)	**3,304**
Trade and other payables	**7,197**	1,660	-	(2,723)	308	(235)	**6,207**
Other items	**2,102**	1,092	-	273	72	346	**3,885**
Tax losses carried forward	**7,147**	3,024	-	-	24	23	**10,219**
Net tax assets/(liabilities)	**(111,940)**	**17,578**	**-**	**(1,620)**	**(28,399)**	**(3,659)**	**(128,040)**

The Group utilised deferred tax assets related to unused tax losses and unused tax credits to an amount of EUR 0.5 million in the financial year (2023: EUR 0.1 million).

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Movement in temporary differences during the year (continued)

EUR 1,000	BALANCE AS AT 1 JANUARY 2023	RECOGNISED IN PROFIT OR LOSS	RECOGNISED DIRECTLY IN EQUITY	RECOGNISED IN OTHER COMPREHENSIVE INCOME	ACQUIRED IN BUSINESS COMBINATIONS	OTHER	BALANCE AS AT 31 DECEMBER 2023
Property, plant and equipment	**(427)**	596	-	-	(93)	(10)	**67**
Intangible assets	**(127,328)**	9,454	-	1,004	(33,367)	4,907	**(145,331)**
Right-of-use assets	**(15,028)**	(4,548)	-	-	-	141	**(19,435)**
Other financial assets	**1,116**	(302)	-	-	-	(2)	**812**
Trade and other receivables	**2,038**	(17)	-	-	1,167	(61)	**3,128**
Inventories	**3,655**	844	-	-	3,079	(50)	**7,529**
Share-based payment reserve	**506**	157	-	-	-	8	**671**
Loans and borrowings	**272**	(1,814)	-	(69)	-	1,647	**36**
Lease liabilities	**15,868**	5,176	-	-	-	(177)	**20,867**
Employee benefits and other provisions	**3,544**	(237)	-	536	(134)	(436)	**3,273**
Trade and other payables	**7,704**	(218)	-	(20)	153	(423)	**7,197**
Other items	**3,329**	1,491	-	-	-	(2,719)	**2,102**
Unused tax losses and unused tax credits	**9,545**	(2,251)	-	-	-	(147)	**7,147**
Net tax assets/(liabilities)	**(95,205)**	**8,331**	**-**	**1,451**	**(29,194)**	**2,678**	**(111,939)**

Deferred tax assets and liabilities related to Pillar II income taxes

The Group has adopted the Amendments to IAS12 as released by the IASB in May 2023 on the temporary exception from the accounting requirements for deferred taxes that arises from Pillar II legislation. As a result, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar II income taxes.

24 Inventories

The value of the inventory is as follows:

EUR 1,000	2024	2023
Trade goods	722,136	581,485
Total Trade goods	**722,136**	**581,485**

Cost of materials and inbound logistics included in profit or loss of 2024 amounted to EUR 3,525.2 million (2023: EUR 3,320.1 million). This cost includes write-downs of inventories to net realisable value of EUR 11.2 million (2023: EUR 16.6 million). The reversal of write-downs amounted to EUR 12.7 million (2023: EUR 5.4 million). The write-down of inventories is mainly due to inventories past their expiration dates or inventories which are not marketable.

25 Trade and other receivables

All trade and other receivables are current.

EUR 1,000	2024	2023
Trade receivables	746,633	686,849
Other receivables	74,578	45,160
Total Trade and other receivables	**821,211**	**732,008**

The composition of the other receivables is as follows:

EUR 1,000	2024	2023
Taxes and social securities	26,004	19,791
Current income tax receivable	19,196	-
Prepaid expenses	19,806	17,038
Receivables from employees	340	293
Derivatives used for hedging	1,694	122
Other receivables	7,537	7,916
Total other receivables	**74,578**	**45,160**

The Group's exposure to currency risks related to trade and other receivables is disclosed in note 5.

The ageing of trade and other receivables at the reporting date was as follows:

EUR 1,000	2024		2023	
	Gross	**Impairment**	**Gross**	**Impairment**
Current 0 - 30 days past due	796,823	5,811	710,931	4,007
Past due 30 - 60 days	20,548	1,444	17,887	1,365
Past due 60 - 90 days	6,820	780	5,482	1,173
More than 90 days	15,064	10,010	19,034	14,779
Total	**839,256**	**18,045**	**753,333**	**21,325**

Impairment losses

The movement in the allowance for impairment losses in respect of trade and other receivables during the year was as follows:

EUR 1,000	2024	2023
Balance at 1 January	**21,325**	**15,829**
Acquisitions through business combinations	4,432	6,075
Impairment loss recognised	3,046	5,551
Impairment loss reversed	(5,860)	(4,704)
Trade receivables written-off	(4,703)	(1,307)
Currency exchange result	(195)	(119)
Total	**18,045**	**21,325**

As at 31 December 2024, the total impairment includes an amount of EUR 2,436 thousand (2023: EUR 1,796 thousand) related to customers declared insolvent. The remainder of the impairment loss as at 31 December 2024 relates to several customers who are expected to be unable to pay their outstanding balances, mainly due to economic circumstances, and the general provision for expected credit losses for trade and other receivables. The Group believes that the majority of the receivables that are past due by more than 30 days are still collectable, based on historic payment behaviour and analyses of the underlying customers' creditworthiness.

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was as follows:

EUR 1,000	2024	2023
Carrying amount		
EMEA	317,252	299,278
Americas	236,143	202,584
Asia-Pacific	267,816	230,146
Total Carrying amount	**821,211**	**732,008**

26 Cash and cash equivalents

The cash and cash equivalents are as follows:

EUR 1,000	2024	2023
Cash and cash equivalents	525,380	394,462
Cash and cash equivalents in the statement of cash flows	**525,380**	**394,462**

A total amount of EUR 2.6 million from IMCD Rus LLC, IMCD Ukraine LLC, IMCD Tunisia Srl, IMCD Argentina S.r.l. and IMCD Bangladesh PVT Ltd. is not freely available for use by the Group. The remaining cash and cash equivalent balances are available for use by the Group.

27 Capital and reserves

Share capital and share premium

On 15 November 2024, IMCD N.V. issued 2,120,141 new ordinary shares via an accelerated bookbuild offering at an offer price of EUR 141.50 per ordinary share. The net incremental costs (EUR 4.0 million) directly attributable to the issue of the additional equity, are deducted from the share premium.

At 31 December 2024, the authorised share capital comprised 150,000,000 ordinary shares of which 59,107,999 shares (31 December 2023: 56,987,858) have been issued. All shares have a par value of EUR 0.16 each and are fully paid. All shares rank equally with regard to the Company's residual assets.

The shareholders are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. Following the resolution of the Annual General Meeting in 2024, the Company distributed a dividend in cash of EUR 127.7 million (2023: EUR 135.1 million).

The share premium as of 31 December 2024 amounted to EUR 1,347.1 million (31 December 2023: EUR 1,051.4 million).

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in foreign subsidiaries.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Reserve own shares

The reserve own shares comprises the cost of the Company's shares held by the Group to fund its long-term incentive plan. At 31 December 2024, the Group held 38,653 of the Company's shares (as at 31 December 2023: 67,774 shares). During 2024 the Group transferred 29,121 shares (EUR 4.3 million) to fulfil its annual obligation from the long-term incentive plan.

Other reserve

Other reserves include reserves related to the accumulated actuarial gains and losses recognised in other comprehensive income (EUR -8.0 million), share based payments (EUR 7.3 million), legal reserves related to 'group companies' (EUR 15.1 million) and to capitalised development costs (EUR 0.9 million).

The item 'group companies' relates to the 'wettelijke reserve deelnemingen', which is required by Dutch law. This reserve relates to any legal or economic restrictions on the ability of affiliated companies to transfer funds to the parent company in the form of dividends.

Other comprehensive income

EUR 1,000	ATTRIBUTABLE TO OWNERS OF THE COMPANY			
	Translation reserve	Hedging reserve	Other reserves	Total other comprehensive income
2024				
Foreign currency translation differences for foreign operations, net of tax	45,005	-	-	**45,005**
Effective portion of changes in fair value of cash flow hedges, net of tax	-	95	-	**95**
Defined benefit plan actuarial gains and losses net of tax	-	-	(2,312)	**(2,312)**
Total other comprehensive income	**45,005**	**95**	**(2,312)**	**42,788**
2023				
Foreign currency translation differences for foreign operations, net of tax	(52,047)	-	-	**(52,047)**
Effective portion of changes in fair value of cash flow hedges, net of tax	-	61	-	**61**
Defined benefit plan actuarial gains and losses net of tax	-	-	(1,844)	**(1,844)**
Total other comprehensive income	**(52,047)**	**61**	**(1,844)**	**(53,830)**

Retained earnings

Retained earnings are the cumulative net earnings or profits of a company after accounting for dividend payments.

28 Non-controlling interest

The non-controlling interest relates to IMCD Arabia Trading LLC. IMCD has 75% share and the non-controlling party has 25% share in IMCD Arabia Trading LLC. Profit sharing is determined on a 90%-10% basis, respectively.

As at 31 December 2024, the non-controlling interest amounts to EUR 1,375 thousand. The net loss for the financial year attributed to the non-controlling interest amounts to EUR 29 thousand.

29 Loans and borrowings

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings, which are measured at amortised cost. In addition, this note also includes deferred & contingent considerations, which are measured at fair value to profit and loss. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see Note 5.

Non-current liabilities

EUR 1,000	NOTE	2024	2023
Bond loans		**1,286,245**	**1,088,101**
Deferred and contingent considerations	7, 33	29,710	82,468
Lease liabilities		80,864	78,498
Other liabilities		632	1,400
Total non-current liabilities		**1,397,451**	**1,250,467**

Terms and debt repayment schedule

The terms and conditions of outstanding non-current loans are as follows:

EUR 1,000	CURR	NOTE	NOMINAL INTEREST RATE	YEAR OF MATURITY	FACE VALUE 2024	CARRYING AMOUNT 2024	FACE VALUE 2023	CARRYING AMOUNT 2023
Bond loan (fix rate)	EUR		2.50%	2025	-	-	300,000	299,359
Bond loan (fix rate)	EUR		2.13%	2027	300,000	298,313	300,000	297,374
Bond loan (fix rate)	EUR		4.88%	2028	500,000	494,543	500,000	491,368
Bond loan (fix rate)	EUR		3.63%	2030	500,000	493,389	-	-
Profit sharing arrangements	EUR		1.53%	2025-2028	632	632	1,400	1,400
Lease liabilities[1]			0.0% - 239.20%	2025-2055	87,287	80,864	85,082	78,498
Total interest-bearing liabilities					**1,387,919**	**1,367,740**	**1,186,482**	**1,167,999**
Deferred and contingent considerations		7, 33			32,938	29,710	85,750	82,468
Total non-current liabilities					**1,420,857**	**1,397,451**	**1,272,232**	**1,250,467**

1 Various currencies

The total non-current lease liabilities face value of EUR 87.3 million consist of lease liabilities denominated in various currencies, of which EUR 26.8 million in EUR, EUR 18.1 million in USD, EUR 8.9 million in INR, EUR 8.6 million in CAD. The remaining amount of EUR 24.9 million is denominated in various currencies.

On 8 February 2023, IMCD concluded a multi-currency revolving credit facility. The facility amounts to EUR 600 million and can be drawn in EUR and USD as well as, to an agreed sublimit, in AUD and GBP. The maturity date is 8 February one year extended 2030, based on two successful extensions of one year. The revolving credit facility has an interest margin dependent on external credit ratings. For the new revolving credit facility a maximum leverage of 3.75 times EBITDA (with a spike period maximum of 4.25), tested semi-annually is applicable.

On 5 September 2024, IMCD N.V. issued EUR 500 million of fixed-rate notes in the form of a publicly listed, rated bond. This long five-year senior unsecured bond loan matures on 30 April 2030 and has a fixed coupon of 3.625%. The bond loan is traded on the EURO MTF market of the Luxembourg Stock Exchange. The proceeds of the bond loan issue will be used for general corporate purposes, including the refinancing of existing indebtedness.

The first senior unsecured fixed rate notes, issued by IMCD N.V. on 26 March 2018, had a closing price of EUR 99.87 on 31 December 2024. The second senior unsecured fixed rate notes, issued by IMCD N.V. on 31 March 2022, had a closing price of EUR 97.56 on 31 December 2024. The third senior unsecured fixed rate notes, issued by IMCD N.V. on 18 September 2023, had a closing price of EUR 104.95 on 31 December 2024. The fourth senior unsecured fixed rate notes, issued by IMCD N.V. on 5 September 2024, had a closing price of EUR 100.04 on 31 December 2024.

The bonds are listed on the Luxembourg Euro MTF market and matures on respectively 26 March 2025, 31 March 2027, 18 September 2028 and 30 April 2030.

The Group is obliged to meet requirements from the covenants in connection with the interest bearing loan facilities. These requirements relate to ratios for maximum leverage.

The following leverage covenants apply to the Group as at 31 December 2024:

- For the revolving credit facility of EUR 600 million, a maximum leverage of 3.75 times EBITDA applies (with a spike period maximum of 4.25), tested semi-annually.

	2024		2023	
	OUTCOME	COVENANT	OUTCOME	COVENANT
Reported leverage	2.2		2.3	
Leverage including pro-forma results	2.2		2.3	
Leverage loan documentation	2.1	max. 3.75	1.7	max. 3.75

The actual reported leverage ratio as at 31 December 2024 was 2.2 times EBITDA (31 December 2023: 2.3 times EBITDA). Including the full year impact of acquisitions completed in 2024, the leverage at the end of the financial year is 2.2 times EBITDA (31 December 202: 2.3 times EBITDA). The leverage ratio calculated on the basis of the definitions used in the loan documentation applicable as at 31 December 2024 was 2.1 times EBITDA (31 December 2023: 1.7 times EBITDA), which is well below the defined maximum of 3.75 times EBITDA.

For details of the contractual maturities of financial liabilities, reference is made to Note 5.

Current liabilities

EUR 1,000	NOTE	2024	2023
Loans and borrowings		**299,872**	-
Deferred and contingent considerations	7, 33	68,845	20,404
Lease liabilities		28,039	24,743
Other short term financial liabilities		12,766	384,404
Total Short-term financial liabilities		**109,651**	**429,552**

Other short-term financial liabilities include bank overdrafts, other short-term credit facilities, including discounted bills and discounted notes and the amount payable to the minority shareholders of Megasetia and Sanrise.

The following table provides an overview of the cash flow and non-cash flow movements of the non-current and current financial liabilities.

Movements financial liabilities

EUR 1,000	2023	CASH FLOW	ACQUISITIONS	RECLASSES	OTHER NON-CASH MOVEMENTS	EFFECT OF MOVEMENTS IN EXCHANGE RATES	2024
Non-current							
Bond loans	1,088,101	497,631	-	(299,487)	-	-	1,286,245
Deferred and contingent considerations	82,468	-	43,449	(99,167)	3,555	(595)	29,710
Lease liabilities	78,498	-	2,366	(21,222)	20,700	522	80,863
Other liabilities	1,400	(696)	1,764	(1,746)	(59)	(31)	632
Total non-current	**1,250,467**	**496,935**	**47,580**	**(421,622)**	**24,196**	**(104)**	**1,397,450**
Current							
Bond loans	-	385	-	299,487	-	-	299,872
Deferred and contingent considerations	20,404	(19,740)	5,809	99,167	(39,354)	2,560	68,845
Lease liabilities	24,743	(29,475)	1,229	21,222	10,775	(455)	28,039
Other liabilities[1]	384,404	(384,728)	5,016	1,746	697	5,632	12,766
Total current	**429,551**	**(433,558)**	**12,054**	**421,622**	**(27,882)**	**7,736**	**409,522**

1 This includes the payment of the EUR 250 million consideration for the remaining 30% of the shares in Signet.

The net finance costs recognised in profit or loss include the results of the fair value adjustments of deferred considerations. These mainly relate to Sanrise (income of EUR 25.9 million) and Megasetia (income of EUR 7.7 million). In 2023, the main fair value adjustments were related to Sanrise (income of EUR 15.6 million) and Megasetia (income EUR 12.0 million).

Movements financial liabilities

EUR 1,000	2022	CASH FLOW	ACQUISITIONS	RECLASSES	OTHER NON-CASH MOVEMENTS	EFFECT OF MOVEMENTS IN EXCHANGE RATES	2023
Non-current							
Bond loans	594,867	492,750	1,510	(1,518)	484	8	1,088,101
Deferred and contingent considerations	250,316	-	81,725	(219,195)	(19,142)	(11,236)	82,468
Lease liabilities	65,782	-	2,855	(14,248)	24,718	(610)	78,498
Other liabilities	1,923	(733)	165	-	-	45	1,400
Total non-current	**912,889**	**492,017**	**86,256**	**(234,961)**	**6,060**	**(11,793)**	**1,250,467**
Current							
Bond loans	40,000	(41,518)	-	1,518	-	-	-
Deferred and contingent considerations	23,294	(23,150)	5,194	26,975	(10,145)	(1,762)	20,404
Lease liabilities	20,028	(25,526)	1,164	14,248	15,192	(363)	24,743
Other liabilities	252,722	(110,693)	16,510	192,220	51,604	(17,959)	384,404
Total current	**336,043**	**(200,887)**	**22,868**	**234,961**	**56,651**	**(20,084)**	**429,551**

30 Employee benefits

The liabilities associated with employee benefits consist of net defined benefit liabilities (pension schemes), termination benefits and other long-term employee benefits.

EUR 1,000	2024	2023
Net defined benefit liability	8,810	8,322
Termination benefits and other long-term employee benefits	13,660	12,690
Total employee benefit liabilities	**22,470**	**21,012**

The Group supports defined benefit plans in Austria, Canada, Germany, India, South Korea, Switzerland, The Netherlands, The Philippines, The United Kingdom and The United States.

The net defined benefit liability has increased as a result of the decrease in the discount rates.

Movement in net defined benefit liability/(asset)

EUR 1,000	2024	2023	2024	2023	2024	2023
	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability/(asset)	
Balance as at 1 January	**65,938**	**57,636**	**57,615**	**49,971**	**8,323**	**7,665**
Included in profit or loss						
Current service cost	1,375	1,297	-	-	1,375	1,297
Past service cost	77	56	-	-	77	56
Settlements	(1,173)	(331)	(234)	(128)	(939)	(204)
Interest cost/(income)	2,286	2,290	2,105	2,093	181	198
	2,565	**3,312**	**1,871**	**1,965**	**694**	**1,347**
Included in OCI						
Remeasurement; loss/(gain):						
Actuarial loss/(gain) arising from changes in:						
- Demographic assumptions	(76)	(252)	-	-	(76)	(252)
- Financial assumptions	95	3,054	-	-	95	3,054
- Experience	427	1,260	-	-	427	1,260
Return on plan assets excluding interest income	-	-	(1,247)	2,453	1,247	(2,453)
Asset ceiling	-	-	(1,678)	(490)	1,678	490
Effect of movements in exchange rates	528	1,029	594	1,159	(66)	(130)
	974	**5,091**	**(2,331)**	**3,122**	**3,305**	**1,969**
Other						
Business combinations	40	860	-	359	40	501
Contributions paid by the employer	-	-	3,150	3,069	(3,150)	(3,069)
Contributions paid by the plan members	582	2,101	582	2,102	-	(1)
Benefits paid	(5,929)	(3,062)	(5,527)	(2,973)	(403)	(89)
	(5,307)	**(100)**	**(1,794)**	**2,557**	**(3,513)**	**(2,658)**
Balance as at 31 December	**64,170**	**65,938**	**55,361**	**57,615**	**8,810**	**8,323**

Plan assets

EUR 1,000	2024	2023
Equity securities	8,174	8,037
Government bonds	4,290	2,646
Qualifying insurance policies	25,108	26,895
Other plan assets	22,767	23,182
Asset Ceiling	(4,976)	(3,146)
Total plan assets	**55,362**	**57,614**

The Government Bonds in the UK are moved in 2020 into Liability Driven Investments (LDIs) and the LDIs are considered as other defined benefit plan assets.

Due to the asset ceiling applicable to the UK pension plan, in 2024 the actual fair value of the plan assets (EUR 57.0 million) exceeded the recognised plan assets (EUR 55.4 million) by EUR 1.6 million.

Expense recognised in profit or loss

EUR 1,000	2024	2023
Current service costs	1,375	1,297
Past service costs	77	56
Settlements	(939)	(204)
Expense recognised in the line item 'Social security and other charges'	**513**	**1,148**
Interest cost	181	199
Expense recognised in the line item 'Finance costs'	**181**	**199**
Total expense recognised in profit or loss	**694**	**1,347**

Actuarial assumptions

Principal actuarial assumptions at the reporting date, expressed as weighted average:

	2024	2023
Discount rate as at 31 December	3.55%	3.48%
Future salary increases	1.38%	1.57%
Future pension increases	1.24%	1.20%
Price inflation	2.04%	2.02%

The four significant defined benefit plans are the schemes in The Netherlands, The United Kingdom, Switzerland and Canada. Assumptions regarding future mortality are based on published statistics and mortality tables. The following tables have been used:

- The Netherlands: AGPrognose2022Hoog 7 based on income class high-middle
- The United Kingdom: before retirement and after retirement - S4PXA_L CMI 2023 model
- Canada: CPM 2014 Public & Private with 2D projections using Scale B
- Switzerland: BVG/LPP 2020 Generation Tables

The Group expects EUR 3.388 thousand in contributions to be paid to its defined benefit plans in 2025. The Canadian pension plans are partially unfunded. The duration of the funded obligation based on expected cash flows is 11 years, the unfunded plans have an expected duration of 12 years.

Sensitivity analysis

The defined benefit plans in Austria, Germany, India, South Korea, the Philippines and The United States relate to a limited number of (retired) employees. For that reason, sensitivity analyses for these plans are not provided. The four significant defined benefit plans are the schemes in The Netherlands, The United Kingdom, Switzerland and Canada.

The plan in the Netherlands was an average salary defined benefit plan until 31 December 2016. The plan is financed through an insurance policy. There are no specific material entity risks to which the plan is exposed and the plan assets are not invested in a single class of investments. From 2016 onwards, no additional retirement benefits accrue in the defined benefit plan. The retirement benefits related to employee services in 2017 and onwards accrued in a new pension plan, effective from 1 January 2017. As a result of the parameters in the new pension contract, it classifies as a defined contribution plan.

The plan in the United Kingdom has 29 members and is a final salary defined benefit plan. The plan is financed through a pension fund. The plan assets are not invested in a single class of investments.

The plan in Canada consists of three separate plans: a pension and supplementary retirement pension plan for certain (former) executive members (9 members) and a non-pension post-retirement benefit plan providing extended health, dental, life insurance and accidental death and dismemberment benefits. The supplementary plan and non-pension plan are unfunded.

The pension plan of IMCD Switzerland has 64 active members. The plan is financed through a pension fund and the plan assets are not invested in a single class of investments.

The obligations arising from the defined benefit plans mentioned above are determined using the projected unit credit method. The projected unit credit method determines the expected benefits to be paid after retirement, taking dynamic measurement parameters into account and spreading them over the entire length of service of the employees participating in the plan. For this purpose, an actuarial valuation is obtained every year. The actuarial assumptions for the discount rate, salary growth rate, pension trend and life expectancy, which are used to calculate the defined benefit obligation are established on the basis of the respective economic circumstances.

The plan assets measured at fair value are deducted from the present value of the defined benefit obligation (gross pension obligation). Plan assets are assets where the claim to said assets has, in principle, been assigned to the beneficiaries. This results in a net liability or a net asset to be recognised.

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations of the three significant defined benefit plans by the amounts shown below:

EUR 1,000	2024		2023	
	Increase	Decrease	Increase	Decrease
Defined benefit plan The Netherlands				
Discount rate (1% point movement)	2,204	(2,772)	(2,268)	2,866
Defined benefit plan The United Kingdom				
Discount rate (1% point movement)	(1,930)	2,412	(2,186)	2,762
Future salary growth (1% point movement)	48	(48)	46	(46)
Future pension growth (1% point movement)	1,206	(1,568)	2,531	(2,071)
Future inflation (1% point movement)	1,447	(1,688)	2,071	(2,071)
Future mortality (1 year)	362	(482)	460	(460)
Defined benefit plan Canada				
Discount rate (1% point movement)	(849)	1,009	(876)	1,045
Future salary growth (1% point movement)	-	-	16	(14)
Future inflation (1% point movement)	298	(158)	271	(142)
Future mortality (1 year)	(231)	226	(221)	217
Defined benefit plan Switzerland				
Discount rate (1% point movement (2022: 0.5%))	(2,499)	3,141	(1,108)	2,246
Future salary growth (1% point movement (2022: 0.5%))	550	(614)	65	(59)
Future mortality (1 year)	251	(251)	(218)	217

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Termination benefits and other long-term employee benefits

The movements in the termination benefits and other long-term employee benefits are as follows:

EUR 1,000	NOTE	2024	2023
Liabilities as at 1 January		**12,690**	**14,589**
Assumed in business combinations	7	134	317
Additions (excluding interest cost)		2,299	2,042
Interest cost			-
Withdrawals		(844)	(4,181)
Releases		(298)	(182)
Actuarial results		(274)	440
Effect of movement in exchange rates		(46)	(335)
Liabilities as at 31 December		**13,660**	**12,690**

The termination and other long-term employee benefits comprises statutory imposed obligations for long or after-service benefits. The main obligations relate to the IFC retirement indemnity benefits in France and the legally required leaving-service indemnity TFR in Italy.

31 Provisions

The movements in provisions are as follows:

EUR 1,000	NOTE	2024	2023
Balance as at 1 January		**24,790**	**13,814**
Assumed in business combinations	7	3,508	9,731
Provisions made during the year		845	2,783
Provisions used during the year		(3,209)	(1,256)
Provisions released during the year		(1,181)	(182)
Effect of movement in exchange rates		(234)	(101)
Balance as at 31 December		**24,520**	**24,790**

The provision used in 2024 mainly relates to organisational changes and a closing of a warehouse in the US due to the continued outsourcing of logistics operations. The majority of the provisions as at 31 December 2024 were recognised during the purchase price allocation for business combinations in situations where it was concluded that the acquired company had a legal or constructive present obligation as a result of a past event for which payment is probable and for which the amount can be reliably estimated.

32 Trade and other payables

The trade and other payables are as follows:

EUR 1,000	2024	2023
Trade payables	477,729	391,230
Total Trade payables	**477,729**	**391,230**

EUR 1,000	2024	2023
Derivatives used for hedging	50	1,627
Taxes and social securities	28,601	34,096
Pension premiums	2,029	2,052
Current tax liability	16,604	14,515
Other creditors	5,107	4,729
Accrued interest expenses	23,416	18,211
Liabilities to personnel	52,050	49,710
Other accrued expenses	30,303	32,928
Total Other payables	**158,161**	**157,869**

At 31 December 2024, with the exception of some derivatives used for hedging, all trade and other payables have a term of less than one year.

The Group's exposure to currency risk related to trade and other payables is disclosed in Note 5.

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33 Financial Instruments

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 DECEMBER 2024		CARRYING AMOUNT					FAIR VALUE			
EUR 1,000	NOTE	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	AMORTISED COST	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Forward exchange contracts used for hedging	25	1,694	-	-	-	1,694	-	1,694	-	1,694
Forward exchange contracts used for hedging	32	-	-	50	-	50	-	50	-	50
Contingent consideration	29	-	-	98,555	-	98,555	-	-	98,555	98,555

31 DECEMBER 2023		CARRYING AMOUNT					FAIR VALUE			
EUR 1,000	NOTE	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	AMORTISED COST	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Forward exchange contracts used for hedging	25	122	-	-	-	122	-	122	-	122
Forward exchange contracts used for hedging	32	-	-	1,627	-	1,627	-	1,627	-	1,627
Contingent consideration	29	-	-	102,872	-	102,872	-	-	102,872	102,872

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	*Discounted cash flows:* The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast EBITDA, the amount to be paid under each scenario and the probability of each scenario.	• Forecast EBITDA margin • Risk-adjusted discount rate	The estimated fair value would increase/(decrease) if: • the EBITDA margins were higher/(lower); or • the risk-adjusted discount rates were lower/(higher).
Forward exchange contracts and interest rate swaps	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable	Not applicable

Financial instruments not measured at fair value

There were no financial instruments that are measured at amortised cost but for which fair value was disclosed classified as Level 3 either in the current year or in the prior year.

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

EUR 1,000	NOTE	CONTINGENT CONSIDERATION
Balance as at 1 January 2024		**102,872**
Assumed in a business combination	7	49,258
Paid contingent consideration		(19,740)
Loss/(Gain) included in profit or loss		(35,799)
Loss/(Gain) included in equity		-
Effect of movement in exchange rates		1,964
Balance as at 31 December 2024		**98,555**
Balance as at 1 January 2023		**273,610**
Assumed in a business combination		86,920
Paid contingent consideration		(23,150)
Reclassification to other liabilities		(243,827)
Loss/(Gain) included in profit or loss		(29,287)
Loss/(Gain) included in equity		51,604
Effect of movement in exchange rates		(12,998)
31 December 2023		**102,872**

The amount assumed in business combinations relates to the deferred purchase prices for the acquisitions of Valuetree, Blumos Group, and some smaller earn-outs.

The net gain included in profit and loss of EUR 35.799 thousand (2023: gain of EUR 29,287 thousand) is the result of remeasuring contingent considerations. The main fair value adjustments in 2024 relate to a reduction in the estimated deferred consideration, consisting of Sanrise (China) of EUR 25.9 million (2023: EUR 15.6 million), Megasetia (Indonesia) of EUR 7.7 million (2023: EUR 12.0 million) and Valuetree (India) of EUR 5.9 million. The reductions are the consequence of the actual lower level of profitability of the acquired entities, compared with the assumptions used in the previous fair value determination.

Sensitivity analysis

The fair value of contingent considerations is subject to two principal assumptions. The effects of reasonable changes to these assumptions, keeping other assumptions constant, are set out below.

31 DECEMBER 2024	PROFIT OR LOSS	
EUR 1,000	INCREASE	DECREASE
EBITDA margin (10% movement)	(4,971)	5,700
Risk-adjusted discount rate (discount rate 1% point movement)	735	(796)

31 DECEMBER 2023	PROFIT OR LOSS	
EUR 1,000	INCREASE	DECREASE
EBITDA margin (10% movement)	(8,430)	8,272
Risk-adjusted discount rate (discount rate 1% point movement)	1,146	(1,183)

Offsetting financial assets and liabilities

Gross amounts of financial assets and liabilities are offset on the basis of offsetting arrangements or are subject to enforceable master netting arrangements or similar agreements that do not meet the requirements for offsetting in the balance sheet.

31 DECEMBER 2024

EUR 1,000	GROSS AMOUNT OF FINANCIAL ASSETS AND LIABILITIES	OFFSETTING	GROSS CARRYING AMOUNTS IN THE BALANCE SHEET	31 DECEMBER 2024 NET AMOUNT
Trade and other receivables	836,592	(15,382)	821,210	821,210
Cash and cash equivalents	525,380	-	525,380	525,380
Other financial assets	10,117	-	10,117	10,117
Trade payables	481,465	(3,736)	477,729	477,729
Other payables	169,807	(11,646)	158,161	158,161
Other short term financial liabilities	109,651		109,651	109,651

31 DECEMBER 2023

EUR 1,000	GROSS AMOUNT OF FINANCIAL ASSETS AND LIABILITIES	OFFSETTING	GROSS CARRYING AMOUNTS IN THE BALANCE SHEET	31 DECEMBER 2023 NET AMOUNT
Trade and other receivables	762,672	(30,664)	732,008	732,008
Cash and cash equivalents	394,462	-	394,462	394,462
Other financial assets	8,396	-	8,396	8,396
Trade payables	394,757	(3,527)	391,230	391,230
Other payables	185,005	(27,136)	157,869	157,869
Other short term financial liabilities	429,552		429,552	429,552

34 Off-balance sheet commitments

Operating leases

Commitments for minimum lease payments, which include short-term lease payments, in relation to operating leases are payable as follows:

EUR 1,000	2024	2023
Within one year	814	1,189
Later than one year but not later than five years	1,540	8,028
Later than five years	4,302	1,604
Total Operational leases	**6,656**	**10,820**

Guarantees

As at 31 December 2024, the Group has granted guarantees of EUR 98.0 million (31 December 2023: EUR 87.3 million) in total. Those guarantees mainly consist of bank guarantees to customs and tax authorities of EUR 2.5 million (31 December 2023: EUR 3.3 million), office rental guarantees of EUR 3.8 million (31 December 2023: EUR 3.6 million), guarantees for goods and services of EUR 83.5

million (31 December 2023: EUR 67.8 million), letters of credit EUR 7.1 million (31 December 2023: EUR 11.8 million) and other guarantees of EUR 1.1 million (31 December 2023: EUR 0.6 million).

Claims

The Group is a party to a limited number of legal proceedings incidental to its business. As is the case with other companies in similar industries, the Company faces exposures from actual or potential claims and legal proceedings. Although the ultimate result of legal proceedings cannot be predicted with certainty, it is the opinion of the Company's management that the outcome of any claim which is pending or threatened, either individually or on a combined basis and considering the insurance cover available, will not have a material effect on the financial position of the Company, its cash flows and result of operations.

35 Related parties

Identity of related parties

The Group has related party relationships with its shareholders, subsidiaries, Management Board and Supervisory Board and post-employment benefit plans. For an overview of the group companies, reference is made to the List of group companies as per 31 December 2024 .

Transactions with subsidiaries

The financial transactions between the Company and its subsidiaries comprise financing related transactions and operational transactions in the normal course of business. Transactions within the Group are not included in these disclosures, as these are eliminated in the consolidated financial statements.

Transactions with key management personnel

The members of the Management Board and the Supervisory board are considered key management personnel as defined in IAS 24 'Related party disclosures'. For details on their remuneration, reference is made to Note 53.

Transactions with associates

At 31 December 2024, the Group has outstanding receivables from SARL IMCD Group Algerie of EUR 495 thousand (2023: EUR 255 thousand).

Transactions with post-employment benefit plans

The Group's main post-employment benefit plans are the defined benefit plans in the United Kingdom, Canada and The Netherlands. For details on all post-employement benefits plans, reference is made to Note 30.

In the financial year, the contributions to the defined benefit plans were EUR 3,150 thousand (2023: EUR 3,069 thousand). The outstanding payable to the defined benefit plans as at the year-end 2024 is nihil (2023: nihil).

36 Subsequent events

On 23 January 2025, IMCD exercised its call option to acquire the remaining 30% interest of the shares from the minority shareholders of PT Megasetia Agung Kimia (Megasetia). The completion of the acquisition of the remaining 30% was executed on the basis of the share purchase agreement of November 2021. As IMCD obtained full control over Megasetia as per November 2020, this purchase price obligation was included in IMCD's reported net debt position and results of Megasetia are consolidated in full into the IMCD figures since the November 2021 acquisition date.

Apart from the aforementioned transactions, there were no material events after 31 December 2024 that would have changed the judgement and analysis by management of the financial condition at 31 December 2024 or the result for the year of the Company.

Company balance sheet as of 31 December 2024

before profit appropriation

EUR 1,000	NOTE	31 DECEMBER 2024	31 DECEMBER 2023
Fixed assets			
Participating interest in group company	42	3,518,187	2,825,717
Deferred tax assets	43	8,152	6,936
Total fixed assets		**3,526,339**	**2,832,653**
Current assets			
Trade and other receivables	44	139	146
Accounts receivable from subsidiary	45	73,545	1,898
Cash and cash equivalents		227,238	450
Total current assets		**300,922**	**2,494**
Total assets		**3,827,261**	**2,835,147**
Shareholders' equity	46		
Issued share capital		9,457	9,118
Share premium		1,347,075	1,051,438
Translation reserve		(65,803)	(110,808)
Hedging reserve		(54)	(149)
Other reserves		10,310	10,650
Retained earnings		634,492	472,262
Unappropriated result		278,243	292,271
Total shareholders' equity		**2,213,720**	**1,724,781**
Non-current liabilities	47	1,287,167	1,089,188
Loans and borrowings	48	299,872	-
Accounts payable to subsidiaries	48	742	1,514
Other current liabilities	48	25,760	19,664
Current liabilities		**326,374**	**21,178**
Total equity and liabilities		**3,827,261**	**2,835,147**

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Company income statement

for the year ended 31 December 2024

EUR 1,000	NOTE	2024	2023
Operating income	39	3,226	3,640
Wages and salaries	40	(3,373)	(3,864)
Social security and other charges	40	(437)	(293)
Other operating expenses		(1,485)	(2,712)
Operating expenses		**(5,295)**	**(6,869)**
Net finance costs		(46,776)	(25,070)
Share in results from participating interests, after taxation	42	324,147	324,678
Result before income tax		**275,302**	**296,379**
Income tax expense	41	2,941	(4,108)
Result for the year		**278,243**	**292,271**

Notes to the Company financial statements

for the year ended 31 December 2024

37 General

The company financial statements are part of the 2024 financial statements of IMCD N.V. (the 'Company').

38 Principles for the measurement of assets and liabilities and the determination of the result

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company financial statements, the Company makes use of the option provided in Section 2:362 (8) of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company financial statements of the Company are the same as those applied for the consolidated EU-IFRS financial statements. These consolidated EU-IFRS financial statements are prepared according to the standards laid down by the International Accounting Standards Board and endorsed by the European Union (hereinafter referred to as EU-IFRS). Reference is made to the notes to the consolidated financial statements.

Participating interests are valued on the basis of the equity method.

The share in results from participating interests, after taxation consists of the share of the Company in the results of these participating interests. Results on transactions, where the transfer of assets and liabilities is between the Company and its participating interests and mutually between participating interests themselves, are not incorporated insofar as they can be deemed to be unrealised.

39 Operating income

Other operating income predominantly relates to management service fees charged to IMCD Group B.V.

40 Personnel expenses

The personnel expenses 2024 comprise the wages and salaries including bonuses, cost related to the employee benefit plan and social security expenses. Further details are provided in Note 53.

By the end of 2024, the Company had 2 employees (2 FTE) and the average number of employees in 2024 was 2.3 (due to retirement of the former CEO). Both employees reside in the Netherlands.

41 Income tax expenses

The reconciliation between the Company's domestic income tax rate and related tax charge and the effective income tax rate and related effective income tax charge is as follows:

Reconciliation effective tax rate

EUR 1,000	2024		2023	
	%		%	
Profit for the year		278,214		292,223
Total income tax expense	(1.1)%	(2,941)	1.4	4,106
Profit before income tax		**275,273**		**296,329**
Income tax using the Company's domestic tax rate	25,8	71,021	25.8	76,453
Adjustments in respect of tax exempt income	(23.9)	(65,673)	(26.3)	(78,055)
Pillar 2 top-up tax	0.2	606	-	-
Tax effect of:				
Income and non-deductible expenses	0.3	770	0.3	777
Current year losses for which no deferred tax asset was recognised	0.3	937	1.5	4,559
(De)recognition of previously (un)recognised temporary differences	0.0	4	0.2	676
Tax charge other members fiscal unity	(3.9)	(10,606)	(0.1)	(311)
Under provided in prior years	-	-	0.0	7
	(26.9)	**(2,941)**	**1.4**	**4,106**

Adjustments in respect of tax exempt income include non-recoverable withholding taxes amounting to EUR 8.6 million (2023: EUR 1.1 million).

Except for withholding taxes, corporate income tax expenses of the Dutch subsidiaries are allocated to the Company as head of the fiscal unity.

42 Participating interest in group companies

The movements of the participating interest in group companies can be shown as follows:

EUR 1,000	2024	2023
Balance as at 1 January	**2,825,717**	**2,310,547**
Changes:		
Investments in participating interests	468,750	450,000
Share in results from participating interest after taxation	324,147	324,678
Dividends declared	(144,087)	(157,160)
Movement hedging reserve	95	61
Exchange rate differences	45,005	(52,047)
Movement other reserves	(1,440)	(50,362)
Balance as at 31 December	**3,518,187**	**2,825,717**
Accumulated impairments at 31 December	-	-

The Company, statutorily seated in Rotterdam, owns the Group through a 100% share in the issued capital of IMCD Finance B.V., statutorily seated in Rotterdam.

43 Deferred tax assets

In 2024, the Company did not recognise previously unrecognised deferred tax assets related to tax losses carried forward (2023: nil). Out of the total deferred tax asset movement in the financial year, the Company utilised deferred tax assets related to tax losses and tax credits of EUR 1.6 million (2023: EUR 2.1 million), recognised EUR 1.9 million new tax credits (2023: EUR 1.0 million), and did not release anything resulting from prior year adjustments (2023: EUR 2.0 million).

The deferred tax asset relates to unused tax losses, unused tax credits and share issuance expenses.

EUR 1,000	NOTE	2024	2023
Balance as at 1 January		6,936	10,218
Movements during the year	41	1,216	(3,282)
Balance as at 31 December		**8,152**	**6,936**

44 Trade and other receivables

The trade and other receivables primarily relate to prepaid insurance premiums.

45 Accounts receivable from subsidiary (current)

The accounts receivable from subsidiary includes a receivable from IMCD Group B.V. for management service fees and recharged costs of EUR 1.6 million, a corporate income tax receivable of EUR 4.0 million and a cash deposit of EUR 68.0 million.

46 Shareholders' equity

Reconciliation of movement in capital and reserve

EUR 1,000	ISSUED SHARE CAPITAL	SHARE PREMIUM	TRANSLATION RESERVE	HEDGING RESERVE	RESERVE OWN SHARES	OTHER RESERVES	RETAINED EARNINGS	UNAPPRO-PRIATED RESULT	TOTAL SHAREHOLDERS' EQUITY
Balance as at 1 January 2024	**9,118**	**1,051,438**	**(110,808)**	**(149)**	**(9,345)**	**19,995**	**472,262**	**292,271**	**1,724,781**
Appropriation of prior year's result	-	-	-	-	-	-	164,618	(164,618)	-
	9,118	**1,051,438**	**(110,808)**	**(149)**	**(9,345)**	**19,995**	**636,880**	**127,653**	**1,724,781**
Total recognised income and expense	-	-	-	-	-	-	-	278,243	278,243
Share based payments	-	-	-	-	-	(2,465)	(2,388)	-	(4,853)
Issue of shares minus related costs	339	295,637	-	-	-	-	-	-	295,976
Transfer of own shares	-	-	-	-	4,282	156	-	-	4,438
Cash dividend	-	-	-	-	-	-	-	(127,653)	(127,653)
Changes in ownership interest without loss of control	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-
Movement in other reserves	-	-	45,005	95	-	(2,312)	-	-	42,788
Balance as at 31 December 2024	**9,457**	**1,347,075**	**(65,803)**	**(54)**	**(5,063)**	**15,373**	**634,492**	**278,243**	**2,213,720**
Balance as at 1 January 2023	**9,118**	**1,051,438**	**(58,761)**	**(210)**	**(13,580)**	**3,041**	**367,839**	**313,081**	**1,671,965**
Appropriation of prior year's result	-	-	-	-	-	-	178,020	(178,020)	-
	9,118	**1,051,438**	**(58,761)**	**(210)**	**(13,580)**	**3,041**	**545,859**	**135,061**	**1,671,965**
Total recognised income and expense	-	-	-	-	-	-	-	292,271	292,271
Share based payments	-	-	-	-	-	544	(4,133)	-	(3,589)
Issue of shares minus related costs	-	-	-	-	-	-	-	-	-
Transfer of own shares	-	-	-	-	4,235	-	394	-	4,629
Cash dividend	-	-	-	-	-	-	-	(135,061)	(135,061)
Changes in ownership interest without loss of control	-	-	-	-	-	-	(51,604)	-	(51,604)
Transfer	-	-	-	-	-	18,254	(18,254)	-	-
Movement in other reserves	-	-	(52,047)	61	-	(1,844)	-	-	(53,830)
Balance as at 31 December 2023	**9,118**	**1,051,438**	**(110,808)**	**(149)**	**(9,345)**	**19,995**	**472,262**	**292,271**	**1,724,781**

Share capital and share premium

EUR 1,000	2024	2023
In issue at 1 January	**1,060,556**	**1,060,556**
Issue of shares minus related cost	295,976	-
In issue at 31 December - fully paid	**1,356,532**	**1,060,556**

Ordinary shares

On 15 November 2024, IMCD N.V. issued 2,120,141 new ordinary shares via an accelerated bookbuild offering at an offer price of EUR 141.50 per ordinary share. The net incremental costs (EUR 4.0 million) directly attributable to the issue of the additional equity are deducted from the share premium.

At 31 December 2024, the authorised share capital comprised 150,000,000 ordinary shares of which 59,107,999 shares (31 December 2023: 56,987,858) have been issued. All shares have a par value of EUR 0.16 each and are fully paid.

The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Translation reserve

The translation reserve (legal reserve) comprises all exchange rate differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in foreign subsidiaries.

Hedging reserve

The hedging reserve (legal reserve) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Reserve own shares

The reserve own shares comprises the cost of the Company's shares held by the Group. At 31 December 2024, the Group held 38,653 of the Company's shares (31 December 2023: 67,774 shares).

Other reserves

Other reserves include reserves related to the accumulated actuarial gains and losses recognised in other comprehensive income (EUR -8.0 million), share based payments (EUR 7.3 million), legal reserves related to 'group entities' (EUR 15.1 million) and to capitalised development costs (EUR 0.9 million).

The item 'group companies' relates to the 'wettelijke reserve deelnemingen', which is required by Dutch law. This reserve relates to any legal or economic restrictions on the ability of affiliated companies to transfer funds to the parent company in the form of dividends.

Unappropriated result

At the Annual General Meeting, the following appropriation of the result for 2024 will be proposed: an amount of EUR 127.2 million to be paid out as dividend (EUR 2.15 per share) and EUR 151.0 million to be added to the retained earnings.

47 Non-current liabilities

The movement in the non-current liabilities during 2024 is as follows:

EUR 1,000	2024	2023
Balance as at 1 January	**1,089,188**	**595,948**
Additions	494,476	490,534
Classified as current liability	(299,487)	-
Transaction and other finance costs paid	1,401	914
Amortisation of transaction and other finance costs	1,589	1,792
Balance as at 31 December	**1,287,167**	**1,089,188**

The non-current liabilities consist of the carrying value of the Bond loans issued in 2022, 2023 and 2024, net of capitalised finance costs.

EUR 1,000	CURR	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	12 MONTHS OR LESS	1 - 2 YEARS	2 - 5 YEARS	>5 YEARS
Bond loan	EUR	1,286,245	1,507,475	48,950	48,950	1,409,575	-
Loans from subsidiaries	EUR	922	-	488	434	-	-
Total		**1,287,167**	**1,507,475**	**49,438**	**49,384**	**1,409,575**	**-**

IMCD has the following four unsecured fixed rates note:

1. **2.5% 26/03/2025 Unsecured Fixed Rate Notes (XS1791415828) -** Issued on 26 March 2018, with a closing price of EUR 99.87 as of 31 December 2024 (31 December 2023: EUR 98.42)
2. **2.125% 31/03/2027 Unsecured Fixed Rate Notes (XS2457469547)** -Issued on 31 March 2022, with a closing price of EUR 97.56 as of 31 December 2024 (31 December 2023: EUR 95.55)
3. **4.875% 18/09/2028 Unsecured Fixed Rate Notes (XS2677668357) -** Issued on 18 September 2023 with a closing price of EUR 104.95 as of 31 December 2024 (31 December 2023: EUR 104.78)
4. **3.625% 30/04/2030 Unsecured Fixed Rate Notes (XS2884003778)** - Issued on 5 September 2024 with a closing price of EUR 100.034as of 31 December 2024

Further details of the bond loans are provided in Note 29 of the consolidated financial statements.

48 Current liabilities

The Company's current liabilities as of 31 December 2024 amount to EUR 326.4 million (31 December 2023: EUR 21.2 million) and consists of the carrying value of the unsecured fixed rate note maturing on 26 March 2025, a short-term liability to IMCD Finance B.V. and other current liabilities.

EUR 1,000	2024	2023
Loans and borrowings	299,872	-
Accounts payable to subsidiaries	742	1,514
Other current liabilities		
Creditors	1,325	574
Liabilities to personnel	675	600
Accrued interest expenses	23,001	17,548
Other accrued expenses	759	942
	25,760	**19,664**
Current liabilities	**326,374**	**21,178**

49 Financial instruments

The Company has exposure to the following risks:
- credit risk
- liquidity risk
- market risk
- operational risk

In Note 5 to the consolidated financial statements information is included about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

These risks, objectives, policies and processes for measuring and managing risk, and the management of capital apply also to the company financial statements of IMCD N.V.

50 Off-balance sheet commitments

The Company is head of a tax entity for corporate income tax. The Company, together with other Dutch group companies, form part of this fiscal unity. As a consequence, the Company is jointly and severally liable for the corporate income taxes due by these tax entities.

Pursuant to section 403, Book 2 of the Dutch Civil Code the Company has issued a 403 liability statement for IMCD Finance B.V., IMCD Group B.V. and IMCD Participations II B.V. Pursuant to section 403, the Company has assumed joint and several liability for the debts arising out of the legal acts of these subsidiaries.

51 Fees of the auditor

With reference to Section 2:382a(1) and (2) of The Netherlands Civil Code, the following fees for the financial year have been charged by Deloitte Accountants B.V. and other Deloitte member firms and affiliates to the Company, its subsidiaries and other consolidated entities.

EUR 1,000	2024			2023		
	Deloitte Accountants B.V.	Other Deloitte member firms and affiliates	Total Deloitte	Deloitte Accountants B.V.	Other Deloitte member firms and affiliates	Total Deloitte
Statutory audits of annual reports	1,138	2,093	3,231	1,062	1,805	2,868
Other assurance services	292	-	292	204	2	206
	1,429	**2,093**	**3,522**	**1,267**	**1,807**	**3,074**

52 Related parties

Transactions with key management personnel

The members of the Management Board and the Supervisory board are considered key management personnel as defined in IAS 24 'Related party disclosures'. For details on their remuneration, reference is made to Note 53.

Other related party transactions

The Company, as service provider, maintains a management service agreement with IMCD Group B.V. for services rendered by the Management Board to the Group. The total management service fees charged in 2024 amounted to EUR 3,227 thousand (2023: EUR 3,640 thousand). All related party transactions were priced on an at arm's-length basis.

53 Compensation of the Management Board and the Supervisory Board

The remuneration policies for the Management Board and Supervisory Board are summarised in the Remuneration Report (see 12.2 Summarised overview of policy and application).

The Management Board and Supervisory board members' compensation, including pension obligations as intended in Section 2:383(1) of The Netherlands Civil Code, which were charged in the financial year to the Company and group companies is as follows:

As a result of the retirement of Piet van der Slikke in 2024, and termination of his services contract as of 1 April 2024, the share based payment entitlements were settled in the second quarter of 2024, on pro rata basis. The early settlement of the share based payment entitlements of Piet van der Slikke resulted in a release of EUR 274 thousand to the profit or loss statement.

As of 31 December 2024, the total number of shares conditionally granted to the Management Board is as follows:

- V. Diele- Braun: 7,957 (31 December 2023: 2,263)
- H.J.J. Kooijmans: 12,273 (31 December 2023: 13,350)
- M.C. Jordan: 11,051 (31 December 2023: 12,528)

Further details of the Management Board compensation are provided in the Remuneration report.

Compensation Supervisory Board

EUR 1,000	2024	2023
J. Smalbraak	109	105
S.R. Nanninga	85	75
A.E. Hebert	83	72
W. Eelman	80	70
D. Mikkelsen[1]	71	5
V. Diele-Braun	-	14
Total	**428**	**341**

1 Remuneration costs since 27/11/2023

Compensation Management Board

EUR 1,000	YEAR	SALARY[1]	BONUS[2]	SHARE BASED PAYMENT[3]	PENSION[4]	OTHER[5]	TOTAL[6]
V. Diele-Braun[7]	**2024**	**858**	**489**	**355**	**250**	**251**	**2,203**
	2023	213	159	28	63	1,157	1,620
H.J.J. Kooijmans	**2024**	**680**	**387**	**566**	**138**	**53**	**1,824**
	2023	610	211	476	64	51	1,412
M.C. Jordan	**2024**	**581**	**331**	**313**	**116**	**197**	**1,538**
	2023	521	180	543	66	198	1,508
P.C.J. van der Slikke[8]	**2024**	**-**	**-**	**(274)**	**-**	**-**	**(274)**
	2023	764	264	806	45	45	1,924
Total	**2024**	**2,119**	**1,207**	**960**	**504**	**501**	**5,291**
	2023	2,108	814	1,853	238	1,451	6,464

1 Reported salary fully classifies as short-term employee benefits as defined in IAS 19 - Employee benefits
2 Reported bonus fully classifies as short-term employee benefits as defined in IAS 19 - Employee benefits
3 Reported share based payments fully classifies as share based payment as defined in IFRS 2 - Share based payment
4 Reported Pension fully classifies as post-employment benefits as defined in IAS 19 - Employee benefits
5 Reported Other include items as health insurance premiums, business expense allowances, social security premiums, housing and schooling allowances, company car expenses and for Valerie Diele-Braun specifically a contractually agreed compensation payment of EUR 1,000,000 for the loss on her personal investment in CABB upon leaving the company. The category 'other' fully classifies as short-term employee benefits as defined in IAS 19 – Employee Benefits
6 Reported Total does not include any other long-term benefits or termination benefits as defined in IAS 19 – Employee Benefits
7 Remuneration costs since 1/10/2023
8 P.C.J. van der Slikke retired from the Management Board as of January 2024, remuneration costs until 31/12/2023

In addition to the aforementioned compensation, the Management Board and Supervisory Board members receive reimbursements for out-of-pocket expenses. Since these benefits serve to cover actual costs incurred and are not considered to form part of the remuneration as such, they have not been included in the above totals.

54 Provision regarding the appropriation of profit

At the Annual General Meeting the following appropriation of the result for 2024 will be proposed: an amount of EUR 127.2 million to be paid out as dividend in cash (EUR 2.15 per share) and EUR 151.0 million to be added to the retained earnings.

55 Subsequent events

On 23 January 2025, IMCD acquired the remaining 30% interest of the shares from the minority shareholders of PT Megasetia Agung Kimia.

Apart from the aforementioned transaction, there were no material events after 31 December 2024 that would have changed the judgement and analysis by management of the financial condition at 31 December 2024 or the result for the year of the Company.

Rotterdam, 4 March 2025

The Management Board:
V. Diele-Braun
H.J.J. Kooijmans
M.C. Jordan

The Supervisory Board:
J. Smalbraak
S.R. Nanninga
A.E. Hebert
W. Eelman
D. Mikkelsen

List of group companies as per 31 December 2024

The list of group companies is as follows (100% owned unless mentioned otherwise):

ENTITY	CITY	COUNTRY
IMCD N.V.	Rotterdam	The Netherlands
IMCD Finance B.V.	Rotterdam	The Netherlands
IMCD Group B.V.	Rotterdam	The Netherlands
IMCD Participations II B.V.	Rotterdam	The Netherlands
Internatio Special Products B.V.	Rotterdam	The Netherlands
IMCD Benelux B.V.	Rotterdam	The Netherlands
IMCD Benelux N.V.	Mechelen	Belgium
Gova BV[1]	Mechelen	Belgium
IMCD France Investments S.A.S.	Paris	France
IMCD France S.A.S.	Paris	France
IMCD Espanã Especialidadis Quimicas S.A.	Madrid	Spain
Cobapharma S.L.U.[2]	Barcelona	Spain
IMCD Portugal Produtos Quimicos Lda	Lisbon	Portugal
IMCD Maroc S.a.r.l.	Casablanca	Morocco
IMCD Tunisia S.a.r.l.	Tunis	Tunisia
S.a.r.l. IMCD Group Algerie (49% of the shares)	Algiers	Algeria
IMCD Deutschland GmbH	Cologne	Germany
Otto Aldag Handel GmbH	Cologne	Germany
IMCD UK Acquisitions Ltd.	Sutton	United Kingdom
IMCD Holding UK Ltd.[3]	Sutton	United Kingdom
IMCD UK Investments Ltd.[4]	Sutton	United Kingdom
IMCD UK Ltd.	Sutton	United Kingdom
Evenlode Foods Ltd.[5]	Milton Keynes	United Kingdom
Orange Chemicals Ltd.[6]	Sutton	United Kingdom
O&3 Limited (90% of the shares)	Sutton	United Kingdom
Pethel Marali Ltd.[2]	Sutton	United Kingdom
Arena Pharmaceuticals Ltd.[2]	Sutton	United Kingdom
IMCD Ireland Ltd.	Dublin	Ireland
IMCD Italia S.p.A.	Milan	Italy
Selechimica S.r.l.[7]	Milan	Italy
IMCD Norway AS	Ski	Norway

ENTITY	CITY	COUNTRY
IMCD Nordic AB	Malmö	Sweden
IMCD Sweden AB	Malmö	Sweden
IMCD Finland Oy	Helsingfors	Finland
IMCD Danmark AS	Helsingør	Denmark
IMCD Baltics UAB	Vilnius	Lithuania
IMCD South East Europe GmbH	Vienna	Austria
IMCD Czech Republic s.r.o.	Prague	Czech Republic
IMCD Romania srl	Bucarest	Romania
IMCD Croatia d.o.o.[8]	Zagreb	Croatia
IMCD Hungary Kft	Budaörs	Hungary
IMCD Bulgaria EOOD	Sofia	Bulgaria
IMCD Switzerland AG	Zürich	Switzerland
IMCD Polska Sp.z.o.o.	Warsaw	Poland
O&3 Polska Sp. Z.o.o (90% of the shares)	Warka	Poland
O&3 Poland Sp. Z.o.o (90% of the shares)	Warka	Poland
IMCD Rus LLC	Saint-Petersburg	Russia
IMCD Ukraine LLC	Kiev	Ukraine
IMCD Ticaret, Pazarlama ve Danişmanlik Limited Şirketi	Istanbul	Turkey
IMCD Israel Speciality Chemicals and Ingredients Ltd	Rishon LeZion	Israel
KOI Products Solutions & Engineering Ltd[9]	Maalot Tarshiha	Israel
Internatio Special Products Egypt LLC	Cairo	Egypt
IMCD Egypt LLC	Cairo	Egypt
IMCD Middle East FZCO	Dubai	United Arab Emirates
IMCD Middle East Trading LLC	Dubai	United Arab Emirates
IMCD FZ-LLC	Dubai	United Arab Emirates
IMCD Arabia Trading LLC (75% of the shares)	Riyadh	Saudi Arabia
IMCD South Africa Pty. Ltd.	Isando	South Africa
Chemimpo South Africa Pty. Ltd.	Randburg	South Africa
IMCD Oiltech Pty. Ltd.[10]	Durban	South Africa
IMCD Kenya Ltd.	Nairobi	Kenya
IMCD Uganda SMC Ltd.	Kampala	Uganda

ENTITY	CITY	COUNTRY
IMCD Holdings US, Inc.	Miami	United States of America
IMCD US LLC	Cleveland	United States of America
IMCD US Food Inc.[11]	Washington	United States of America
Andes Chemical LLC	Miami	United States of America
Promaplast USA Inc.[12]	Houston	United States of America
O&3 Inc. (90% of the shares)	Delaware	United States of America
IMCD Puerto Rico Inc.[13]	Cayey	Puerto Rico
IMCD Puerto Rico Inc.[14]	Caguas	Puerto Rico
IMCD Canada Limited	Brampton	Canada
IMCD Mexico S.A. de C.V.	Miguel Hidalgo	Mexico
International Chemical Product Services Mexico S. de RL de CV	Miguel Hidalgo	Mexico
Materias Químicas de México S.A. de C.V.	Mexico City	Mexico
Pluralmex S.A de C.V.	Mexico City	Mexico
Proveedora de Materiales Plásticos S.A. de C.V.	Lerma	Mexico
Promaplast Resinas S.A. de C.V.	Lerma	Mexico
Grupo Bretano Mexico S. de R.L. de C.V.[15]	Mexico City	Mexico
IMCD Dominicana SRL	Santo Domingo	Dominican Republic
Quelaris Dominicana SRL	Santo Domingo	Dominican Republic
IMCD Costa Rica SA	Cartago	Costa Rica
IMCD Costa Rica Free Trade Zone SA[16]	Alajuela	Costa Rica
Bretano Costa Rica SA[15]	Santo Domingo	Costa Rica
IMCD Brasil Comércio e Indústria de Produtos Quimicos Ltda.	São Paulo	Brazil
IMCD Brasil Farmacêuticos Importação, Exportação e Representações Ltda	São Paulo	Brazil
Vitaqualy Comercio de Ingredientes LTDA	São Paulo	Brazil
Polyorganic Tecnologia Ltda[17]	São Paulo	Brazil
IMCD Chile SpA	Santiago	Chile
Quelaris Chile SPA[18]	Santiago	Chile
Representaciones de Materias Primas Industriales SpA[18]	Santiago	Chile

ENTITY	CITY	COUNTRY
Comercial e Industrial Solutec SpA[19]	Santiago	Chile
Importadora y Distribuidora Blumos SpA[19]	Santiago	Chile
Transportes Blumos SpA[19]	Santiago	Chile
IMCD Argentina SRL	Buenos Aires	Argentina
Blumos S.A.[19]	Buenos Aires	Argentina
IMCD Uruguay SA	Montevideo	Uruguay
IMCD Ecuador SAS	Quito	Ecuador
IMCD Colombia SAS	Bogota	Colombia
Allianz Group International S.A.S.[20]	Bogota	Colombia
IMCD Perú SRL	Lima	Peru
Quelaris Peru SAC[21]	Lima	Peru
Sonutra Blumos S.A.C.[19]	Lima	Peru
IMCD Guatemala SRL	Guatemala City	Guatemala
Bretano Guatemala SA[15]	Guatemala City	Guatemala
IMCD El Salvador S.A. de C.V.[22]	San Salvador	El Salvador
IMCD Australasia Investments Pty. Ltd	Melbourne	Australia
IMCD Australia Pty Ltd.	Melbourne	Australia
RPL Trading Pty Ltd[23]	Melbourne	Australia
ResChem Technologies Pty Ltd[24]	Mulgrave	Australia
IMCD New Zealand Ltd.	Auckland	New Zealand
RPL Trading NZ Ltd.[25]	Auckland	New Zealand
IMCD Asia Pacific Sdn Bhd	Shah Alam	Malaysia
IMCD Malaysia Sdn Bhd	Shah Alam	Malaysia
Euro Chemo-Pharma Sdn Bhd[26]	Butterworth	Malaysia
Biofresh Green Sdn Bhd[26]	Butterworth	Malaysia
IMCD Asia Pte. Ltd.	Singapore	Singapore
IMCD Singapore Pte. Ltd.	Singapore	Singapore
Brylchem Pte. Ltd.[27]	Singapore	Singapore
IMCD (Thailand) Co., Ltd.	Bangkok	Thailand
IMCD (China) Co. Ltd.	Shanghai	China
IMCD International Trading (Shanghai) Co. Ltd.	Shanghai	China
IMCD Plastics (Shanghai) Co. Ltd.	Shanghai	China
IMCD Speciality Chemicals (Shanghai) Co.,Ltd.	Shanghai	China
Aquatech Speciality (Shanghai) International Trading Co. Ltd	Shanghai	China
Guangzhou Aquatech Speciality Trading Co. Ltd	Guangzhou	China

ENTITY	CITY	COUNTRY
Shanghai Syntec Additive Limited	Shanghai	China
Shanghai Weike Additive Limited	Shanghai	China
Shanghai Sanrise Industries and development Co.,Ltd. (70% of the shares)	Shanghai	China
IMCD Technical Service (Shanghai) Co., Ltd.[19]	Shanghai	China
Yuanhe HK Ltd.	Hong Kong	Hong Kong
IMCD International Trading (Hong Kong) Ltd.	Kowloon	Hong Kong
IMCD Taiwan Ltd[2]	Taipei City	Taiwan
IMCD Korea Co., Ltd.	Seoul	South Korea
Needfill Co., Ltd.[28]	Seoul	South Korea
IMCD Japan Godokaisha	Tokyo	Japan
Kuni Chemical Co. Ltd.[29]	Osaka	Japan
IMCD Vietnam Company Ltd	Ho Chi Minh City	Vietnam
IMCD Philippines Corporation	Manila	Philippines
PT IMCD Indonesia	Jakarta	Indonesia
PT Sapta Permata	Surabaya	Indonesia
PT Megasetia Agung Kimia (70% of the shares)	Jakarta	Indonesia
IMCD India Pvt. Ltd.	Mumbai	India
Signet Excipients Pvt. Ltd	Mumbai	India
Parkash Dyechem Pvt. Ltd[30]	Delhi	India
Tradeimpex Polymers (India) Pvt Ltd[31]	Gurgaon	India
Valuetree Ingredients Pvt Ltd (70% of the shares)[32]	Mumbai	India
IMCD Bangladesh Pvt. Ltd.	Dhaka	Bangladesh

1 Since March 2024
2 Since July 2024
3 Dissolved July 2024
4 Dissolved February 2024
5 Dissolved October 2024
6 In liquidation
7 Since June 2024
8 Formerly known as IMCD d.o.o.
9 Since April 2024 merged with IMCD Israel Speciality Chemicals and Ingredients Ltd
10 Formerly known as CPS Chemical Oil-Tech Pty. Ltd.
11 Since April 2024 merged with IMCD US LLC
12 Since February 2024 merged with IMCD US LLC
13 Since November 2024 merged with Sachs Chemical, Inc.
14 Before December 2024 known as Sachs Chemical, Inc.
15 Since May 2024
16 Formerly known as SCI Chemical Logistics SA
17 Since August 2024 merged with IMCD Brasil Farmacêuticos Importação, Exportação e Representações Ltda
18 Since December 2024 merged with IMCD Chile SPA
19 Since November 2024
20 Since May 2024 merged with IMCD Colombia SAS
21 Since May 2024 merged with IMCD Perú SRL
22 Since May 2024, formerly known as Bretano El Salvador S.A. de C.V.
23 Since May 2024 merged with IMCD Australia Pty Ltd.
24 Since May 2024, since November 2024 merged with IMCD Australia Pty Ltd.
25 Since May 2024 merged with IMCD New Zealand Ltd.
26 Since February 2024
27 Since November 2023
28 Since May 2024 merged with IMCD Korea., Ltd.
29 Since July 2024 merged with IMCD Japan Godokaisha
30 Since January 2024 merged with IMCD India Pvt. Ltd.
31 Since April 2024 merged with IMCD India Pvt. Ltd.
32 Since January 2024

Other information

Provisions in the Articles of Association governing the appropriation of profit

Article 22 of the Company's articles of association stipulates the following with regard to the appropriation of the profit: The Management Board, with the approval of the Supervisory Board, decides how much of the freely distributable profit will be reserved. The remaining profit shall be at the free disposal of the Annual General Meeting.

Independent auditor's report

To the shareholders and the Supervisory Board of IMCD N.V.

Report on the audit of the financial statements for the year ended 31 December, 2024 included in the Integrated Report

Our opinion

We have audited the financial statements for the year ended 31 December, 2024 of IMCD N.V. ("the company"), based in Rotterdam. The financial statements comprise the consolidated and company financial statements.

In our opinion:
- The accompanying consolidated financial statements give a true and fair view of the financial position of IMCD N.V. as at 31 December, 2024, and of its result and its cash flows for the year ended 31 December, 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of IMCD N.V. as at 31 December 2024, and of its result for the year ended 31 December, 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:
1. The consolidated statement of financial position as at 31 December, 2024.
2. The following statements for the year ended 31 December, 2024: the consolidated statement of profit and loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statement of cash flows.
3. The notes comprising material accounting policy information and other explanatory information.

The Company financial statements comprise:
1. The company balance sheet as at 31 December, 2024.
2. The company income statement for the year ended 31 December, 2024.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of IMCD N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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 for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 26.5 million (2023: EUR 28 million). The materiality is based on 7% of profit before tax from continuing operations. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

Component audits are performed using materiality levels determined by the judgement of the group audit team, considering materiality for the consolidated financial statements as a whole and the reporting structure for the Group. Component materialities did not exceed EUR 12.3 million.

We agreed with the Supervisory Board that misstatements in excess of EUR 1.3 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

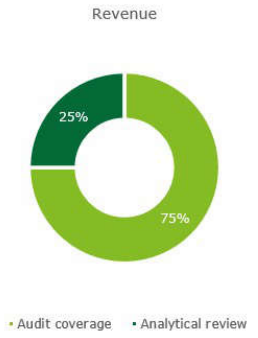
Scope of the group audit

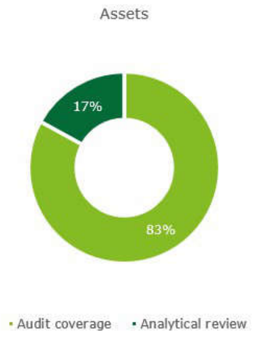
IMCD N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of IMCD N.V.

As we are ultimately responsible for the opinion, we are directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for components. The extent of the procedures has been determined based on the financial significance of components and a number of qualitative considerations such as the maturity of markets these components are operating in.

We selected 9 components for the audit of financial information and 19 components for the audit of one or more account balances and/or transactions. For the remaining components we have carried out analytical review procedures on the component financial information. For those components we performed, among others, analytical procedures to corroborate our assessment that there were no significant risks of material misstatement within those components.

The above approach resulted in a coverage of 75% of the total revenue by direct substantive audit procedures and a coverage of assets is 83% by direct substantive audit procedures.





We have used the work of component audit teams for all component entities in scope. The group audit team provided detailed written instructions to all component auditors to communicate requirements and significant audit areas and (fraud) risks related to management override of controls. Furthermore, we developed a plan for overseeing each component audit team based on its relative significance to the group and other risk characteristics. Our oversight included regular update meetings, performing file reviews, performing on-site visits in Brazil, South Africa, Spain, Australia, and China, attending management closing meetings and reviewing component audit team deliverables.

We have performed audit procedures ourselves at IMCD N.V. corporate entities and operations in the Netherlands. Among others we have assessed group-wide internal controls that have been implemented by the Management Board to monitor and manage the financial and operating performance of the various operating segments. Furthermore, the group audit team performed audit procedures on the consolidation, the IT environment, impairment testing for goodwill and impairment (trigger) testing for supplier relations, purchase price allocation of acquisitions, sales and cost of goods sold for entities using the centralised IT system, loans and borrowings, and designed the testing approach of manual journal entries. Specialists were involved among others in the areas of valuations, information technology, forensics, accounting, and tax.

By performing the procedures mentioned above at components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the Group's financial information to provide an opinion on the financial statements.

Audit approach fraud risks

In accordance with Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements, whether due to fraud or error.

Inherent to our responsibilities for the audit of the financial statements, there is an unavoidable risk that material misstatements go undetected, even though the audit is planned and performed in accordance with Dutch law.

The risk of undetected material misstatements due to fraud is even higher, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Also, we are not responsible for the prevention and detection of fraud and non-compliance with all laws and regulations. Our audit procedures differ from a forensic or legal investigation, which often have a more in-depth character.

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We refer to section Risk factors and Risk management of the integrated report for management's fraud risk assessment and section Audit Committee of the Supervisory Board report in which the Supervisory Board reflects on this fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

Following these procedures, and the presumed risks under the prevailing audit standards, we considered fraud risks related to management override of controls. Our audit procedures to respond to these fraud risks include, amongst others, an evaluation of relevant internal controls and supplementary substantive audit procedures, including detailed testing of journal entries and post-closing adjustments based on supporting documentation. Data analytics, including selection of journal entries based on risk-based characteristics, form part of our audit approach to address the identified fraud risks.

We identified the following fraud risks and performed the following specific procedures:

- We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.
- We considered available information and made enquiries of the Management Board and the Supervisory Board.
- We have had a central fraud brainstorm session with the component auditors and our forensic specialists and evaluated which fraud risks were present. We worked closely with the forensic specialists when any new fraud indications were identified.
- In case of any fraud indications, we have had close co-operation with our forensic specialists to determine the appropriate approach.
- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- We evaluated whether the selection and application of accounting policies by the Group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.
- We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in Note 2 of the financial statements. We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Impairment testing of intangible and fixed assets is a significant area to our audit as the determination whether these assets are not carried at more than their recoverable amounts is subject to significant management judgement. If applicable. Reference is made to the section 'Our key audit matters'.

For significant transactions such as various business combinations during the year we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations
We assessed the laws and regulations relevant to the company through discussion with amongst others, management, corporate general counsel and those charged with governance, reading minutes of board meetings, and reading reports of internal audit.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognised to have a direct effect on the financial statements.

Apart from these, IMCD N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of IMCD N.V.'s business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations. In addition, we considered major laws and regulations applicable to listed companies.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to IMCD N.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Supervisory Board, the Executive Board and others within IMCD N.V. as to whether IMCD N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern
Our responsibilities, as well as the responsibilities of the Management Board and the Supervisory Board, related to going concern under the prevailing standards are outlined in the “Description of responsibilities regarding the financial statements” section below. In fulfilling our responsibilities, we performed procedures including evaluating management’s assessment of the Company’s ability to continue as a going concern and considering the impact of financial, operational, and other conditions. Based on these procedures, we did not identify any reportable findings related to the entity’s ability to continue as a going concern.

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

In determining our key audit matters, we have reconsidered those included in the previous years and whether these are still relevant for the current year. Furthermore, we have evaluated whether new key audit matters should be included as well based on current year considerations. Below identified key audit matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter description	How our audit responded to the key audit matter
Impairment of goodwill and supplier relations – Refer to Note 18 of the financial statements IMCD N.V. ("IMCD") grows its business organically and through acquisitions. As a result of these acquisitions, the balance sheet as at 31 December, 2024 carries goodwill of EUR 1.9 billion and supplier relations of EUR 680 million. In 2024, goodwill and supplier relations increased 13.6% due to acquisitions, with the acquisition of Euro Chemo-Pharma Sdn Bhd, Blumos Group and Valuetree Ingredients Private Limited (see key audit matter 'Business Combinations') being the most substantial ones for the year. For purposes of impairment testing, IMCD allocates goodwill to three cash-generating units (CGUs). Supplier relations are grouped to the smallest CGUs. For goodwill, IMCD tests its CGUs annually and upon the existence of a triggering event, by comparing the recoverable amounts of the individual CGUs, being the higher of value-in-use and fair value less cost of disposal, to the carrying amounts in accordance with IAS 36. For supplier relations, the recoverable amounts are assessed upon the existence of a triggering event since these are definite life time assets. No triggering event was identified during FY 2024. IMCD discloses the key assumptions used in determining the recoverable amounts and the sensitivity of the impairment test for changes in those assumptions in Note 18 of the financial statements. We identified the risk of impairment of goodwill and supplier relations as a key audit matter because of the amounts involved, the complexity of the assessment process and the significance of management estimates for key assumptions used, including projections of future cash flows, discount rates and (terminal) growth rates. In addition, macro-economic developments related to inflation and interest rates are adding uncertainty to the projection of these key assumptions. .	As part of our audit, we conducted a risk assessment by identifying and assessing risk of material misstatements for each of the CGUs. We also evaluated the historical accuracy of budgeting and the sensitivities in management estimates for key assumptions, including projections of future cash flows, discount rates and long term growth rates. We focused our substantive audit procedures on the assumptions to which the value in use is most sensitive and for which a change could potentially cause a material decline in headroom and trigger an impairment. We obtained an understanding of management's process over the impairment test and the impairment trigger test. We verified whether projections were based on internal budgets and financial plans approved by the Supervisory Board. Furthermore, we challenged and compared revenue projections to, for example, external economic outlook data and expected inflation rates in which we focused on those estimates that could cause a change in the outcome of impairment testing. With the involvement of Deloitte valuation experts, we evaluated the appropriateness and accuracy of the impairment models used by IMCD, the discount rates and long term growth rates applied and compared the methodology and outcomes to relevant industry and capital market information. Additionally, we assessed the various scenarios applied in impairment testing as disclosed in Note 18 to the consolidated financial statements in view of the current market conditions, trends in financial performance and the uncertainty around recovery of the industries in which IMCD operates in view of the current economic developments. **Key observations** Within the context of our audit on the financial statements as a whole and based on the materiality applied, we have no observations regarding the assumptions used in the impairment calculations. Furthermore, we have no observations regarding the disclosure (Note 18 to the consolidated financial statements) of the sensitivity of the impairment test to changes in the most critical assumptions used.

Key audit matter description	How our audit responded to the key audit matter
Business combinations– Refer to Note 7 of the consolidated financial statements IMCD N.V. (“IMCD”) completed 12 business combinations throughout the year. The largest acquisitions were Euro Chemo-Pharma Sdn Bhd, Blumos Group, and Valuetree Ingredients Private Limited. IFRS 3 requires management to determine the fair value of identified assets and liabilities and to determine the resulting goodwill and supplier relations to be recognised, along with any applicable deferred consideration. This requires management to apply judgement and to use assumptions. Business combinations in 2024 resulted in a total increase of goodwill, other intangible assets by EUR 231 million, and EUR 154 million, respectively. We identified the allocation of the purchase price and the valuation of these assets to be an audit area of focus considering the amounts involved, prevailing uncertainties in global economies and the extent of management judgement involved to estimate the fair values of assets and assumptions such as the discount rate, attrition rate and (terminal) growth rate.	The Management Board of IMCD engaged a valuation expert to assist them in performing the purchase price allocations for the acquisitions of Chemo-Pharma Sdn Bhd, Blumos Group and Valuetree Ingredients Private Limited. We evaluated competence and objectivity of the management’s expert and used their work in our audit. We also obtained an understanding of management’s process and controls over their assessment and performed testing on the reliability of the key assumptions used in the purchase price allocation, data and outputs used by the management expert. Furthermore, we performed substantive audit procedures on the purchase price allocation. We evaluated whether the preparation of the purchase price allocation was in line with IFRS 3. We inspected the Share Purchase Agreement and other relevant legal documents, evaluated management’s identification of assets and liabilities acquired, tested the reliability of data used and challenged management’s key assumptions in determining the fair value of the supplier relations. For a certain business combination, we involved a Deloitte valuation expert to help us evaluate the work prepared by the management’s expert in terms of appropriateness and accuracy of the models used, discount rates/ growth rates/ attrition rates applied and benchmark certain assumptions (including cash flow projections). In addition, we validated the appropriateness and completeness of disclosures related to IMCD’s acquisitions, as included in Note 7 to the consolidated financial statements. **Key observations** Based on our materiality and procedures performed and in the context of the audit of the consolidated financial statements as a whole, we have no observations regarding management’s application of IFRS 3 for the recognition and valuation of assets and liabilities resulting from the allocation of purchase prices for the business combinations completed in 2024. The business combinations are appropriately disclosed in Note 7 to the consolidated financial statements.

Report on the other information included in the Integrated Report

The Integrated Report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Report of the Management Board.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Other information included in the Integrated Report.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the Supervisory Board as auditor of IMCD N.V. on 26 April 2023, as of the audit for the year 2024. Since 2016 we have operated as statutory auditor.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Format (ESEF)

IMCD N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report, prepared in XHTML format, including the (partly) marked-up consolidated financial statements, as included in the reporting package by IMCD N.V. complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of the company's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance and the XBRL extension

taxonomy files has been prepared in accordance with the technical specifications as included in the RTS on ESEF;
- examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. If applicable, supplement with other applicable laws and regulations, such as WNT. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error, during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 4 March, 2025

Deloitte Accountants B.V.

C. Binkhorst

Limited assurance-report of the independent auditor on IMCD N.V.'s sustainability statement

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

Our conclusion

We have performed a limited assurance engagement on the (consolidated) sustainability statement for 2024 of IMCD N.V. based in Rotterdam (hereinafter: “the company” or “IMCD”) in the chapter “Sustainability Statements” of the accompanying integrated report including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- Prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS.
- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) ’Assurance engagements other than audits or reviews of historical financial information’.

Our responsibilities in this regard are further described in the section ‘Our responsibilities for the limited assurance engagement on the sustainability statement’ 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 for Professional Accountants).

The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code).

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

Emphasis of matter

Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts

We draw attention to section “Sources of estimation and outcome uncertainty” in the sustainability statement that identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

Emphasis on the use of third-party information

We draw attention to section “Sources of estimation and outcome uncertainty” in the sustainability statements that indicates that certain metrics and calculations are (partly) based on assumptions and sources from third parties. The assumptions and sources (“third-party information”) used are disclosed in the relevant sections of the sustainability statements. Validation of such third-party information and certifications is not a common market practice.

Our conclusion is not modified in respect of these matters.

Comparative information not subject to assurance procedures

In the sustainability statement prepared in accordance with ESRS, the comparative information has not been subject to reasonable or limited assurance.

Our conclusion is not modified in respect of this matter.

Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, management of the company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

The references to external sources or websites in the sustainability statement are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect of these matters.

Responsibilities of the Management Board and the Supervisory Board for the sustainability statement

Management is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, management is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Management is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

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

The Supervisory Board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the company.

Our responsibilities for the limited assurance engagement on the sustainability statement

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

Our assurance engagement is aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NV KM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance information about the implementation, or testing the operating effectiveness, of controls.
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further

assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis.
- Considering whether the description of the double materiality assessment process in the sustainability statement made by management appears consistent with the process carried out by the company.
- Determining the nature and extent of the procedures to be performed for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive.
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends in the information submitted for consolidation at corporate level.
- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends; however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate management's estimates.
- Analysing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures.
- Reading the other information in the integrated report to identify material inconsistencies, if any, with the sustainability statement.
- Considering whether:
  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the company and are consistent or coherent with the sustainability statement;
  - appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met; and
  - whether the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEAOB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024 and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented.
- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statement as a whole is free from material misstatements and prepared in accordance with the ESRS.

Amsterdam, 4 March 2025

Deloitte Accountants B.V.

C. Binkhorst

Appendices

1 Abbreviations

ABBREVIATION	DESCRIPTION
3PL	Third party logistic service providers
AC	Audit Committee (committee of the Supervisory Board)
AGM	Annual General Meeting
AI	Artificial Intelligence
CHP	Combined Heat and power
CIT	Corporate Income Tax
CLA	Collective Labour Agreement
CNG	Compressed Natural Gas
COA	Certificate of Analysis
CRRO	Climate Related Risks and Opportunities
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DGD	Dangerous Goods Declaration
DMA	Double Materiality Assessment
EGM	Extraordinary General Meeting
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
Flight risk	Likelihood of employees quitting their jobs and leaving the company.
GDP	Good Distribution Practices
GHG	Greenhouse Gas
GJ	Gigajoules
GMP	Good Manufacturing Practices
GRI	Global Reporting Initiative
GWP	Global Warming Potential)
HACCP	Hazard Analysis and Critical Control Points

ABBREVIATION	DESCRIPTION
HSEQR	Health, Safety, Environment, Quality and Regulatory
ICCA	International Council of Chemical Associations
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
KPI	Key Performance Indicator
LMS	Learning Management System
LPG	Liquefied Petroleum Gas
MB	Management Board
MWH	Megawatt Hour
NAC	Nomination and Appointment Committee (committee of the Supervisory Board)
NCR	Non-Conformance Report
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
PCF	Product Carbon Footprint
PMI	Process Mass Intensity
QMS	Quality Management System
RC	Remuneration Committee (committee of the Supervisory Board)
SB	Supervisory Board
RSPO	Roundtable on Sustainable Palm Oil
SDGs	United Nations Sustainable Development Goals
SDS	Safety Data Sheet
SME	Small and medium-sized enterprises
SVHC	Substance of very high concern
TCFD	Task force on Climate-related Financial Disclosures
TfS	Together for Sustainability®
TRIR	Total Recordable Injury Rate
UNGC	United Nations Global Compact

2 Alternative performance measures (APMs)

In presenting and discussing the financial position, operating results and net results and cash generation, certain Alternative Performance Measures (APMs) are used. APMs, also known as non-IFRS measures, are financial metrics used by IMCD management to monitor the Company's performance and are disclosed to provide additional insights into its performance beyond what is reported using standard accounting principles.

APM	DESCRIPTION	PURPOSE FOR IMCD
Adjusted leverage ratio	Net debt divided by last twelve months EBITDA, whereby EBITDA includes the pre-closing EBITDA for businesses acquired year-to-date	The adjusted leverage ratio measures the net debt relative to EBITDA, including pre-closing EBITDA for acquisitions completed year-to-date. This metric helps to manage debt levels and maintain financial resilience.
Adjusted EBITDA	Operating EBITDA plus non-cash share-based payment costs minus lease payments	IMCD uses adjusted EBITDA to monitor operational performance and for strategic decision making and is also used for calculating the cash conversion margin.
Cash conversion margin	Free cash flow as a percentage of adjusted operating EBITDA	Cash conversion margin measures the ability of converting operational results into cash.
Cash earnings per share	Result for the year before amortisation (net of tax) divided by the weighted average number of outstanding shares	IMCD uses cash earnings per share for monitoring profitability per share, correcting for the impact of the non-cash amortisation expenses and hence providing an indication for the cash generation per share.
Central cost allocation charges	The costs charged out by the head office to operating companies worldwide for costs incurred centrally on behalf of the wider group	Central cost allocation is used to ensure a fair share of head office service costs is allocated to the group entities.
Constant currency basis	Historical results translated at current year's foreign currency exchange rates	IMCD uses constant currency basis to eliminate currency fluctuation effects when comparing current year's results with last year results.
Conversion margin	Operating EBITA as a percentage of gross profit	IMCD uses the conversion margin to manage operational efficiency and cost management.
EBITA	Result from operating activities before amortisation of intangible assets, and before acquisition costs and results related to one-off adjustments to the organisation	EBITA and EBITDA are metrics used by IMCD and its peers in the market to evaluate and manage its operational performance.
EBITDA	Result from operating activities before depreciation of property plant and equipment, amortisation of intangible assets, and before acquisition costs and results related to one-off adjustments to the organisation	

APM	DESCRIPTION	PURPOSE FOR IMCD
Free cash flow	Operating EBITDA excluding non-cash share-based payment expenses, less lease payments, plus/less changes in working capital, less capital expenditures	IMCD uses free cash flow as a performance indicator for operational cash generation. Free cash flow provides insight into the available funds for financing related payments, tax payments, distribution of dividends and for funding strategic initiatives.
Gross profit	Revenue minus costs of materials and inbound logistics	IMCD uses Gross Profit and the Gross Profit % to measure profitability to assess commercial performance and support sustainable growth.
Gross profit %	Gross profit as a percentage of revenue	
Leverage ratio	Net debt divided by last twelve months EBITDA	The leverage ratio is used to assess the financial health and risks of the group, and supports investment and financing decisions.
Net capital expenditure	Acquisition of property, plant and equipment minus proceeds from disposals of property, plant and equipment and intangible assets	Net capital expenditure supports IMCD to effectively manage and optimise capital spending for funding and strategic initiatives.
Net debt	The total of current and non-current loans and borrowings, short term financial liabilities minus cash and cash equivalents	Net debt is used to manage liquidity effectively and assess financial risks accurately, ensuring financial resilience.
Operating EBITA	EBITA excluding central cost allocation charges (on consolidated level equal to EBITA)	Operating EBITA and Operating EBITDA are measures that IMCD uses to evaluate its operational profitability and analyse operational performance. In these metrics the impacts of central cost allocation charges are excluded.
Operating EBITDA	EBITDA excluding central cost allocation charges (on consolidated level equal to EBITDA)	
Operational working capital	Working capital excluding accrued interest expenses and excluding current tax liabilities	Operational working capital is used in managing short-term liquidity, cost optimisation and managing operational risks.
Organic growth/decline	The remaining change in the results as compared with the prior period, after changes in results attributable to acquired businesses and the effect of fluctuations in foreign currency exchange rates	Organic growth/decline, which excludes the impacts of acquisitions and currency fluctuations, provides insight into IMCD's core business performance.
Own Cost	Cost (excluding acquisition costs and results related to one-off adjustments to the organisation) related to wages and salaries, social security and other charges, depreciation of property, plant and equipment, and other operating expenses	Own cost supports in optimising organisational cost structures effectively and enhancing operational efficiency.
Working capital	Inventories, trade and other receivables less trade payables and other payables	IMCD monitors its working capital ensuring effective resource allocation and operational liquidity for sustaining daily operations.

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3 Ten-year summary

EUR MILLION	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
RESULTS										
Revenue	4,727.6	4,442.6	4,601.5	3,435.3	2,774.9	2,689.6	2,379.1	1,907.4	1,714.5	1,529.8
Year on year revenue growth	6%	(3%)	34%	24%	3%	13%	25%	11%	12%	13%
Gross profit	1,202.4	1,122.6	1,147.1	836.3	647.5	599.3	536.1	428.7	381.6	332.8
Gross profit as a % of revenue	25.4%	25.3%	24.9%	24.3%	23.3%	22.3%	22.5%	22.5%	22.3%	21.8%
Result from operating activities	425.1	428.5	461.7	305.5	190.4	176.1	162.6	125.2	107.5	91.2
Operating EBITDA	572.3	547.8	584.5	401.0	268.8	246.8	207.5	166.0	152.1	131.8
Operating EBITA	530.9	514.5	554.5	373.6	243.2	224.8	202.1	161.7	147.8	128.3
Year on year Operating EBITA growth	3%	(7%)	48%	54%	8%	11%	25%	9%	15%	17%
Operating EBITA as a % of revenue	11.2%	11.6%	12.0%	10.9%	8.8%	8.4%	8.5%	8.5%	8.6%	8.4%
Conversion margin	44.2%	45.8%	48.3%	44.7%	37.6%	37.5%	37.7%	37.7%	38.7%	38.5%
Net result	278.2	292.2	313.0	207.2	120.1	108.0	100.1	77.3	73.0	61.8
CASH FLOW										
Free cash flow	449.7	554.2	434.4	278.9	277.4	222.2	166.5	161.3	140.4	119.3
Cash conversion margin	82.7%	105.3%	76.9%	72.6%	109.4%	97.4%	79.3%	97.2%	92.3%	90.5%
BALANCE SHEET										
Working capital	907.5	764.4	770.1	612.5	443.7	435.9	399.8	314.3	248.4	227.8
Total equity	2,215.1	1,726.2	1,673.4	1,461.4	1,252.4	866.5	786.3	729.2	722.1	653.8
Net debt	1,281.6	1,285.6	1,026.9	940.0	727.0	735.2	610.7	490.0	397.6	437.5
Adjusted leverage ratio	2.2	2.3	1.7	2.3	2.3	2.8	2.8	2.8	2.6	2.9
EMPLOYEES										
Number of full time employees end of period	5,126	4,736	4,323	3,740	3,298	2,991	2,799	2,265	1,863	1,746
SHARES										
Number of shares issued at year-end (x 1,000)	59,069	56,988	56,988	56,988	56,988	52,592	52,592	52,592	52,592	52,592
Weighted average number of shares (x 1,000)	57,214	56,918	56,929	56,940	53,750	52,475	52,443	52,425	52,477	51,612
Earnings per share	4.86	5.13	5.50	3.64	2.24	2.06	1.91	1.47	1.39	1.20
Cash earnings per share	6.34	6.41	6.78	4.64	3.03	2.85	2.53	2.06	2.01	1.79
(Proposed) dividend per share	2.15	2.24	2.37	1.62	1.02	0.90	0.80	0.62	0.55	0.44

For definitions, reference is made to section 2 Alternative performance measures (APMs) of the appendices.

4 GRI & SDG content index

Statement of use
IMCD N.V. has reported in accordance with the GRI standards for the reporting year 2024.

The present GRI Content Index is based on GRI 1: Foundation 2021, and no current GRI Sector Standard was considered in this report due to their non-applicability to IMCD's business model.

GRI STANDARD	DISCLOSURE	PAGE NUMBER OR URL	REMARKS	UNGC	SDG
ABOUT IMCD					3, 12, 13, 14, 15
GRI 2: General Disclosures 2021	2-1 Organisational details	14, 13, 238, 306			
	2-6 Activities, value chain and other business relationships	14, 15, 138, IMCD Group Code of Conduct		10	
	2-7 Employees	79, 137, 195, 197, 205		6	8, 10
	2-8 Workers who are not employees	137, 197		6	8
	2-9 Governance structure and composition	83, 107	IMCD does not track the number of governance body members that belong to under-represented social groups. None of IMCD's Supervisory Board members represent stakeholder groups.		5, 16
	2-10 Nomination and selection of the highest governance body	107			5, 16
	2-11 Chair of the highest governance body	107			16
	2-12 Role of the highest governance body in overseeing the management of impacts	142			16
	2-13 Delegation of responsibility for managing impacts	142			
	2-14 Role of the highest governance body in sustainability reporting	310, , 230			

GRI STANDARD	DISCLOSURE	PAGE NUMBER OR URL	REMARKS	UNGC	SDG
	2-15 Conflicts of interest	115			16
	2-16 Communication of critical concerns	107, 87			
	2-17 Collective knowledge of the highest governance body	26, 87			
	2-18 Evaluation of the performance of the highest governance body	107			
	2-19 Remuneration policies	93, 304			
	2-20 Process to determine remuneration	93			
	2-21 Annual total compensation ratio	93, 263, 304			
	2-23 Policy commitments	5, 138, List of memberships of industry and other associations		8	16
	2-24 Embedding policy commitments	26			
	2-25 Processes to remediate negative impacts	138			
	2-26 Mechanisms for seeking advice and raising concerns	26, 138			16
	2-27 Compliance with laws and regulations	118			
	2-28 Membership associations	138, List of memberships of industry and other associations			
	2-29 Approach to stakeholder engagement	25, 138			10
	2-30 Collective bargaining agreements	197		3	8
SUSTAINABILITY TOPICS					
GRI 2: General Disclosures 2021	2-2 Entities included in the organisation's sustainability reporting	230			
	2-3 Reporting period, frequency and contact point	14, 230, 138			
	2-4 Restatements of information	230			
	2-5 External assurance	310			
	2-22 Statement on sustainable development strategy	5			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	26, 138, 146			
	3-2 List of material topics	26			
ENVIRONMENT					
Logistics decarbonisation					
GRI 3: Material Topics 2021	3-3 Management of material topics	26, 146, 226			

GRI STANDARD	DISCLOSURE	PAGE NUMBER OR URL	REMARKS	UNGC	SDG
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	136, 167	Steam consumption and selling energy is not applicable to IMCD's business model.	7, 8	7, 8, 12, 13
	302-3 Energy intensity	136, 167		8	7, 8, 12, 13
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	136, 167	No significant changes in 2024 emissions triggered any recalculation of base year emissions.	7, 8	3, 12, 13, 14, 15
	305-2 Energy indirect (Scope 2) GHG emissions	136, 167	No significant changes in 2024 emissions triggered any recalculation of base year emissions.	7, 8	3, 12, 13, 14, 15
	305-4 GHG emissions intensity	136, 167		8	13, 14, 15
	305-5 Reduction of GHG emissions	136, 167	Partially omitted: Information is unavailable. IMCD is still retrieving the total GHG emissions reductions from its ongoing reduction initiatives. Disclosures 305-5 2.9.2 and 2.9.3 expected to be shared in IR 2025.	8, 9	13, 14, 15
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	136, 167, 336	In *old* methodology - taken into account only third party transportation, see more on that: 336 No significant changes in 2024 emissions triggered any recalculation of base year emissions.	7, 8	3, 12, 13, 14, 15
	305-4 GHG emissions intensity	167, 136		8	13, 14, 15
	305-5 Reduction of GHG emissions	167		8, 9	13, 14, 15
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	157			13

Sustainable Solutions

GRI STANDARD	DISCLOSURE	PAGE NUMBER OR URL	REMARKS	UNGC	SDG
GRI 3: Material Topics 2021	3-3 Management of material topics	26, 186			
	Topic specific disclosure in development	186			
Safe handling & distribution					
GRI 3: Material Topics 2021	3-3 Management of material topics	26, 177			
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	136,(ref. to Sustainable solutions), 186			12
GRI 306: Effluents and Waste 2016	306-3 Significant spills	136, 183			
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	177, 184			
	403-8 Workers covered by an occupational health and safety management system	177			
	403-9 Work-related injuries	136, 184			3, 8, 16
	403-10 Work-related ill health	136, 184			3, 8, 16
PEOPLE					
Talent attraction, retention & development					
GRI 3: Material Topics 2021	3-3 Management of material topics	26, 79, 137, 195			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	197		6	5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	197	Partially omitted: Information is unavailable (401-2a iii). We currently don't track disability and invalidity coverage at a global level. Expected for the upcoming reporting year. Partially omitted: Information is not applicable (401-2a vi). IMCD does not offer stock ownership plans for employees.		
	401-3 Parental leave	137, 197	Partially omitted: Information is unavailable. We are developing the system to track disclosure 401-3d in 2025.		

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GRI STANDARD	DISCLOSURE	PAGE NUMBER OR URL	REMARKS	UNGC	SDG
GRI 402: Labour/Management relations 2016	402-1 Minimum notice periods regarding operational changes	195	IMCD informs employees of upcoming changes in the business/organisation at an early stage and in great detail, while complying with local regulation and granting social dialogue where collective agreements are present.	3	8
GRI: 404: Training and Education 2016	404-1 Average hours of training per year per employee	197		6	4, 5, 8, 10
	404-2 Programmes for upgrading employee skills and transition assistance programmes	197		6	8
	404-3 Percentage of employees receiving regular performance and career development reviews	197	Partially omitted: Information is unavailable (404-3a). Breakdown of employees receiving regular performance and career development reviews per employee category to be reported in upcoming year.	6	5, 8, 10
Diversity, Equity and Inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	26, 79, 205, 226			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	107, 205	As of 2024, all IMCD Supervisory board members are over 50+ years old. Management board and Executive committee members are also above 50 years of age, with the exception of Marcus Jordan (both MB and EC member), and Fenna van Zanten who is between 30-50 years old.	6	5, 8
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	205, 118		6	5, 8

5 ESG monitoring items

In IMCD Context ESG monitoring items - are sustainability matters which considered important but not material. As such, we have integrated several ESG monitoring metrics into our internal reporting framework. These monitoring items provide insights into of developments throughout the reporting period, allowing us to track progress, identify areas for improvement, and ensure alignment with our corporate sustainability goals.

ESG MONITORING ITEMS	2024	2023	CHANGE
Safe handling & distribution			
Workforce in an IS0-9001 certified site (%)	67%	78%	(11%)
Downstream suppliers committed to IMCD's ESG Standards for Business Partners (%)	96%	95%	1%
Upstream suppliers CSR or in process of being rated via Ecovadis (TfS) (%)	91%	91%	(0%)
Downstream suppliers CSR or in process of being rated via Ecovadis (TfS) (%)	89%	88%	1%
Ethics & Compliance			
Numbers of employees that IMCD's anti-corruption policies and procedures have been communicated to (%)	100%	100%	- %
Number of business partners received anti-corruption policies and procedures (%)	100%	-[1]	n/a
Number of employees have been trained on anti-corruption (%)	94%	-[1]	n/a
% of revenue covered by internal audit risk assessment	98%	90%	8%
Incidents confirmed breach of corruption, antitrust laws and policies at all times	-	2	100%
Number of substantiated security incidents	4	2	100%
Number of employees trained in cybersecurity awareness (%)	98%	89%	9%
Other metrics			
Number of reported discrimination cases	1	-	100%
Number of reported breaches in customer privacy	1	-	100%
Number of reported environmental and socio-economic non-compliances	-	-	0%
Responsible operations			
Water consumption, 1.000 m^3	6.5	6.3	2%
Water consumption intensity l/tonne sold	5.3	6.1	(14%)
Hazardous waste generation, tonne	792	523	51%
Non-hazardous waste generation, tonne	1,710	1,869	(8%)

ESG MONITORING ITEMS	2024	2023	CHANGE
Total waste intensity, kg/tonne sold	2.0	2.3	(12%)
Hazardous waste intensity, kg/tonne sold	0.6	0.5	20%
Non-hazardous waste intensity, kg/tonne sold	1.4	1.8	(22%)
Total materials, tonne	1,095	974	12%
incl. renewable, tonne	427	306	40%
Electric and hybrid vehicles, %	25%	20%	5%
Offices on renewable energy, %	14%	15%	(1%)

1 not reported

5.1 Sustainability Targets over ESG monitoring items

ESG monitoring items are not material but still important for IMCD. We set the following targets linked to our ESG monitoring items. Please find in the table below. Respective tracking of the performance applied as for the sustainability targetslinked to material topics.

● CONTRIBUTE ● INFLUENCE ● SUPPORT

TOPIC	TARGET	SDG 1	SDG 2	SDG 3	SDG 4	SDG 5	SDG 6	SDG 7	SDG 8	SDG 9	SDG 10	SDG 11	SDG 12	SDG 13	SDG 14	SDG 15	SDG 16	SDG 17
RESPONSIBLE OPERATIONS																		
	By end of 2025, 50% of diesel and petrol company cars replaced by EV (or HEV if infrastructure does not allow)			Contribute					Contribute				Contribute	Contribute	Influence	Influence		
	All IMCD premises consume renewable energy by 2030			Contribute					Contribute				Contribute	Contribute	Influence	Influence		

TOPIC	TARGET	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
PEOPLE																		
	Train 100% of new employees in offices on good OHS practices by end of 2025 ongoing			●					●									
	Ensure continuation of having trained first aid responders at every IMCD own site location by end of 2025[1]			●					●									
	Zero child and forced labour in IMCD at any time					●			●								●	
SUPPLIERS SCREENING AND SUSTAINABLE PROCUREMENT																		
	95% new and existing downstream suppliers (LSPs) based on spend signed or verified by alternative means, the ESG Standards for IMCD Business Partners (our Supplier Code of Conduct)					●			●				●					
	90% new and existing upstream suppliers (Principals) based on revenue signed or verified by alternative means the ESG standards for IMCD Business Partners or IMCD standards are met in their own code of conduct					●			●				●					
	90% of suppliers (based on revenue/ spend) CSR rated or in process of being rated via EcoVadis, on an annual basis					●			●				●					
	Define an action plan to drive improvement of overall score of complete pool of suppliers in scope based on revenue by end of 2024					●			●				●					
	Sustainable Procurement Policy distributed and embedded in SCM and HSEQR policy					●			●				●					
ETHICS AND COMPLIANCE																		
	Zero substantiated compliance incidents concerning corruption, bribery, fraud or antitrust violations at all times																●	
	100 % of employees trained in IMCD's global compliance training programme by end of 2024																●	
	Annually, cover at least 80% of operations, measured by revenue, in internal audit risk assessments																●	
	Zero material security incidents at all times[2]																●	
	100% of employees trained in IMCD's cybersecurity awareness programme by end of 2024																●	

1 For integration of acquisitions we ensure locations have been trained within 12 months.
2 A security incident is an unwanted or unexpected event in which IMCD's systems or data have been compromised or that measures put in place to protect them have failed. For this KPI incidents are considered material if the loss of confidential data and/ or costs of corrective actions result in financial damages that are significant, meaning EUR 100.000 or more.

6 Scope 1, 2 and 3 (methodology 2019-2024)

Energy consumption within the organisation and direct emissions (Scope 1)
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, i.e. stationary combustion), and own transport (mobile combustion). Stationary combustion energy consumption data was collected from the sites for 2019-2024 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 used the following estimations:
- 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.

With regard to own transport, two lines of assessments were used depending on the available data:

1. For the sites that reported 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 reported vehicles according to the use specified by the reporting locations, or when not available - calculated as assumed for other sites for each of the modes of transport. 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 (relevant for 2019-2024). The following estimations have been made for these cases:

- For passenger cars, fuel consumption is estimated based on the reported number of vehicles and type of fuel used (primary data), and the average distance driven (estimation or primary data). 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. For Scope 1 emissions calculations, the upstream processes were excluded. The same dataset was used to extract the GHG emissions factor balanced using the IPCC (2013) GWP 100a method. For hybrid passenger cars, fuel is used as the predominant consumed energy.
- For diesel, petrol or LPG-fuelled in-house transport vehicles (warehouse transport), energy use is estimated based on the reported number of vehicles (primary data), average hours of operation per day (estimation) and fuel use per hour of operation (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 transport by trucks, energy consumption is 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 IPCCC guidance 2006 (3%). Fugitive emissions of refrigerant from small refrigeration units in own warehouses were assessed to be negligible.

Estimated GHG gases include CO_2 , 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 (IFRS16) leased facilities. 2019 is used as base year in the target setting towards 2024.

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

Relevant energy consumption inside the organisation and the associated emissions relate to 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 is provided in GJ.
- Emissions associated with supplied heat consumption were estimated flat for all locations. Emission factors are retrieved from https://www.co2emissiefactoren.nl/. 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 databased 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. Due to lack of market-specific emission factors, the gross market-based energy indirect GHG emissions are reported on the location-based level. Emissions 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.
- 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, 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 CO_2, 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. 2019 is used as base year in the target setting towards 2024.

To avoid double counting of fuel consumption, IMCD considers self-generated electricity consumption only under fuel consumption. In 2024, IMCD did not generate energy for self-consumption.

Scope 1 and 2 GHG emissions quantification

IMCD data collection

Data sources and data processing: All activity data used for Scope 1 and 2 calculations is collected by IMCD via its quarterly reporting process and includes all IMCD entities. This data collection process is managed by the Group Control team, collecting the information for the Group's non-financial reporting. The table below provides a quick description of the data points collected by entity and for which type of emissions they are used.

DATAPOINT	SOURCE	SCOPE 3 CATEGORY CALCULATED WITH THIS DATA
Country of operations of the entity	Quarterly Integrated report of all IMCD entities	Scope 2 evaluation
Quantity of fuels purchased for mobility in litres		Scope 1 emissions from mobile sources
Quantity of fuels purchased for fixed combustion in MWh		Scope 1 emissions from fixed sources
Quantity of electricity purchased in MWh		Scope 2 emissions in location-based methodology
Quantity of district heating or cooling purchased, in MWh		Scope 2 emissions in location-based methodology
Share of renewable electricity in the electricity purchased, in %		
Total air-conditioned surface in m²		Scope 1 emissions from fugitive gases

Minimal processing is required before the calculation of emissions. In some cases, physical units have to be converted to match that of the emission factor.

Estimated data: Inside the reporting questionnaire, entities have the possibility to differentiate primary data collected directly by the entity and estimated data. The sum of the two is used to compute emissions.

REFRIGERANTS (KG)	
Applicable sites	81 entities
Estimation Method / Assumption	To estimate the refrigerant gas leakage associated with each unit, the estimation method of US EPA was used (https://www.epa.gov/sites/default/files/2015-09/fed-hfc-reporting-tool-v1.0.xlsm), which considers the site type, types of multiple refrigerants, the occupied floor area and calculates the associated emissions with global warming potentials from the IPCC. The estimation was made for 9 months, from January – September.
Reason for Estimation	IMCD was not able to obtain annual leakage of refrigerants from its physical sites where A/C and other HVAC units are used.

Emission factors
For direct emissions (Scope 1), fuel-specific emission factors for CO_2, CH_4, N_2O are used for all sites using the 2024 UK Department for Environment, Food and Rural Affairs (DEFRA) emission dataset (adjusted with GWP values from IPCC AR5), while refrigerant-specific emission factors are taken from IPCC AR5.

For indirect emissions (Scope 2), district heating and steam are calculated using emission factors from DEFRA (adjusted with GWP values from IPCC AR5), while district cooling is calculated using US EIA Emission Factors for Steam and Chilled Water - 1605 – Attachment N. The emission factors used in the Location based approach are presented in the table below. A

INVENTORY		LOCATION-BASED
Scope 1	Fuels & Refrigerants	DEFRA (adjusted with GWP values from IPCC AR6)
Scope 2	District Heating	DEFRA (adjusted with GWP values from IPCC AR6)
	District Cooling	US EIA Emission Factors for Steam and Chilled Water - 1605 – Attachment N
	Electricity	IEA National Emission Factors
	Renewable Electricity	IEA National Emission Factors

Other indirect GHG emissions (Scope 3)
Following the old methodology, Scope 3 reporting of emissions is based on the combination of detailed transactional data about the transportation assignments and expert assumptions of our group supply chain management team. Other Scope 3 categories were excluded as they were negligible, irrelevant, or in case reliable data was not available. The new methodology for Scope 3 includes all relevant categories.

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, as well as mode of transportation. 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 group supply chain management team).
- When mode of transportation is not specified, an assumption is made. 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, Faeroe Islands, Malta and Cyprus). 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 by sea (transoceanic ship).
- Rail transportation was calculated with the road transportation, to keep the consistency with the calculation methodologies of previous years, when rail transportation was utilised but not specified.
- Distances for the road transport are calculated as distance by roads (including roads with tolls) from geolocation of starting point to geolocation of the destination, using AWS Location Services. The process involves checking for the combination of postal code, city, country, and account name. If no match is found, the system checks for the combination of postal code, city, and country. If there is still no match, the system returns a default location of (0,0). Additionally, if a 3-letter country code is available, it is added as a region filter to enhance precision. The few shipments without distance were added to "mass lost".
- For air shipments, we use the standardised distance formulation to return the direct line distance between the ship from and ship to geolocations.
- Sea freight distance is calculated as a straight-line distance, similar to air freight distances, but adjusted on the coefficient of 2.1516. The coefficient is extracted based on the analysis of the relation between straight-line distance in AWS Location Services and marine navigation distance 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 contribute less than 3% of the total emissions for the indicators for 2023.
- 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, calculated using the IPCC (2013) GWP 100a method.

In 2024, the geographical scope of reporting Scope 3, was expanded by two companies in Mexico, one addition in China, one addition in South Africa, Vietnam, Argentina and Indonesia.

Specific notes for the calculations of Scope 3 emissions:
- For the companies acquired during each reporting cycle, the FTE as at the end of the year is used, while transport transactions and EBITDA are only included as from the acquisition date onwards. This should be taken into account when looking at the intensity KPIs per FTE;
- 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. If transport transactions for these merged entities cannot be included in the calculations, this could lead to possible higher FTE and EBITDA values than actually associated with the included logistics transactions.

The organisational scope consists of group entities with a full year of transactional data in IMCD's global ERP system (scoped-in companies). For the Scope 3 emission calculation, the following transactions are included:
- Sales with delivery from the stock to a customer and sales with direct delivery from supplier to the customer;
- Purchases with delivery from a supplier to the stock.

Sales volumes based on transactional data are reconciled with sales volumes as used in the financial records. Discrepancies were insignificant in 2024.

Estimated GHG gases include CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, and others. Biogenic emissions are not relevant as all transportation is assumed to be performed on fossil fuels. GHG trades are excluded from the calculation of other indirect (Scope 3) GHG emissions. The financial control consolidation approach was consistently applied in reporting. 2019 is used as base year in the target setting towards 2024.

Energy intensity and GHG emissions intensity

Scope 1 and 2 along with Scope 3 total GHG emissions intensity is used to measure progress on our targets communicated in the Environment Value chapter. In this note we explain the developments in Scope 1, 2 and 3 emissions in 2024 and our plans for further reductions.

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. Four intensity bases are used throughout the report for Scope 1 and 2 intensity and for Scope 1, 2 and 3 intensity calculations:

1. FTE: based on the primary data. In 2024, IMCD has 5,126 FTE
2. Mass of product sold: based on the primary data (2024: 1,233,962 tonnes)
3. Net revenue: EUR 4,728 million
4. Operating EBITDA:
   a. For emission intensity calculations, operating EBITDA is adjusted to exclude the impact of the IFRS 16 implementation. The IAS17 based lease expenses are deducted from the reported EBITDA of 2020-2024. This ensures a consistent comparison with the base year 2019.
   b. Total operating EBITDA is taken based on primary data on the Group level. In 2024, operating EBITDA is EUR 540 million.
   c. 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. In 2024, the following operating EBITDA are used for EMEA: EUR 229 million, Asia-Pacific: EUR 162 million, Americas: EUR 150 million.

For Scope 3 emission intensity calculation, the operational boundaries are different as we consider group entities with a full year of transactional data in IMCD's global ERP system. For 2024, the FTE, mass product sold, and operating EBITDA are as follows:
- FTE: 4,129 FTE (2023: 3,766 FTE)
- Mass of product sold: 1,064,396 tonnes (2023: 933,769 tonnes)
- Operating EBITDA: EUR 462 million (2023: EUR 470 million)

Note that for the total emission intensity (Scope 1, 2 and 3) calculation, Scope 1 and 2 emissions include all group entities, whereas the Scope 3 emissions only relate to the group entities with a full year transactional data in IMCD's global ERP system. The divider used for the total emission intensity calculation, comprises all group entities.

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Energy consumption and energy-related emissions in Scope 1, 2 and 3 GHG emissions intensity

Overall, 2024 showed positive results in terms of emission intensity for Scope 1 and 2 with a reduction of 48% compared to our baseline year of 2019. Regarding Scope 3 we note a negative trend, compared to our baseline year 2019 of -5%.

Scope 1, 2 and 3 GHG emissions Intensity per million euro operating EBITDA[1]

	2024	2023	2024/2023 CHANGE	2022	2021	2020	2019	2024/2019 CHANGE
Direct energy carriers use (Scope 1) - global	6,329	5,855	8%	5,589	4,762	5,751	7,384	(14%)
Provided energy (Scope 2) - global	8,659	6,501	33%	6,273	5,688	6,062	5,879	47%
Third parties logistics (Scope 3) - in available geographical scope	412,754	374,797	10%	337,744	339,430	259,079	155,400	166%
Total estimated emissions, tCO_2eq	**427,742**	**387,153**	**10%**	**349,606**	**349,880**	**270,892**	**168,663**	**154%**
Scope 1 and 2 emissions intensity per EUR m of operating EBITDA[2]	**28**	**24**	**17%**	**21**	**28**	**47**	**54**	**(48%)**
Scope 3 emissions intensity per EUR m of operating EBITDA[2]	**893**	**798**	**12%**	**777**	**1,302**	**1,483**	**938**	**(5%)**

1 The emission intensity results for Scope 1 and 2, and Scope 3 are reported separately. The intensity for Scope 1 and 2 is based on the group's consolidated operating EBITDA, whereas Scope 3 intensity is calculated using the emissions and operating EBITDA of only those entities integrated into IMCD's ERP system.
2 2020-2024 figures are adjusted for the impact of the implementation of IFRS16

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Direct energy consumption and energy related emissions (Scope 1 and 2)

Scope 1: Increased with 7% compared with 2023. This increase is mainly caused by an increase in Petrol, Diesel and partly offset by a decrease in Natural gas and LPG.

Scope 2: Increased with 27% compared with 2023. This increase is mainly caused by electricity consumption of 29%. This is mainly driven by the relocation to larger offices and the opening of new laboratories. The share of renewable energy consumed across IMCD Group is equal to 14% in 2024 (2023: 15%).

Energy consumption within IMCD Scope 1 and 2, GJ

ENERGY CARRIER	2024	2023	2024/2023 CHANGE	2022	2021	2020	2019	2024/2019 CHANGE
Direct energy carriers use (Scope 1)	**91,688**	**85,459**	**7%**	**82,787**	**71,959**	**87,600**	**112,643**	**(19%)**
Natural gas	16,544	17,297	(4%)	21,775	25,883	33,237	40,199	(59%)
Petrol	39,302	36,673	7%	29,333	16,638	13,350	22,574	74%
Diesel	33,946	29,300	16%	29,826	27,565	37,996	45,425	(25%)
LPG	1,298	1,951	(33%)	1,440	1,479	2,300	2,772	(53%)
Fuel oil	598	238	151%	413	394	717	1,674	(64%)
Fugitive emissions	-	-	-	-	-	-	-	-
Provided energy (Scope 2)	**54,313**	**42,728**	**27%**	**40,530**	**39,779**	**43,880**	**44,065**	**23%**
Electricity	49,621	38,359	29%	35,314	34,607	38,999	40,492	23%
Supplied heating	4,027	3,640	11%	3,773	3,845	3,848	3,198	26%
Supplied cooling	666	729	(9%)	1,443	1,327	1,033	376	77%
TOTAL energy consumption within organisation (Scope 1 and 2)	**146,001**	**128,186**	**14%**	**123,317**	**111,738**	**131,480**	**156,708**	**(7%)**
Intensity per tonne merchanded	0.12	0.12	(4%)	0.11	0.10	0.14	0.16	(27%)
Intensity per FTE	28	27	5%	29	30	40	52	(46%)
Intensity per EUR m of operating EBITDA[1]	270	246	10%	220	295	528	635	(57%)
Intensity per EUR m of net revenue	31	29	7%	27	33	47	58	n/a
Direct energy carriers use (biogenic)	**172**	**751**	**(77%)**	**1,068**	**2,232**	**3,825**	**4,097**	**(96%)**
Biodiesel	172	751	(77%)	1,068	2,232	3,825	4,097	(96%)

1 2020-2024 figures are adjusted for the impact of the implementation of IFRS16

Energy related emissions Scope 1 and 2, tCO_2eq

ENERGY CARRIER	2024	2023	2024/2023 CHANGE	2022	2021	2020	2019	2024/2019 CHANGE
Direct energy carriers use (Scope 1)	**6,329**	**5,855**	**8%**	**5,589**	**4,762**	**5,751**	**7,384**	**(14%)**
Natural gas	931	973	(4%)	1,225	1,456	1,870	2,261	(59%)
Petrol	2,733	2,550	7%	2,040	1,140	915	1,551	76%
Diesel	2,349	2,028	16%	2,038	1,913	2,639	3,153	(26%)
LPG	76	114	(34%)	88	90	140	169	(55%)
Fuel oil	44	18	151%	31	29	53	124	(64%)
Fugitive emissions	197	172	14%	167	134	133	126	56%
Provided energy (Scope 2)	**8,659**	**6,501**	**33%**	**6,273**	**5,688**	**6,062**	**5,879**	**47%**
Electricity	8,430	6,275	34%	5,976	5,414	5,820	5,754	47%
Supplied heating	131	118	11%	123	125	125	104	26%
Supplied cooling	98	107	(9%)	174	149	117	21	372%
TOTAL energy related emissions (Scope 1 and 2)	**14,988**	**12,355**	**21%**	**11,862**	**10,450**	**11,813**	**13,263**	**13%**
Intensity per tonne merchanded	0.01	0.01	2%	0.01	0.01	0.01	0.01	(12%)
Intensity per FTE	3	3	12%	3	3	4	4	(34%)
Intensity per EUR m of operating EBITDA[1]	28	24	17%	21	28	47	54	(48%)
Intensity per EUR m of net revenue	3	3	14%	3	3	4	5	(36%)
Direct energy carriers use (biogenic)	**12**	**53**	**(77%)**	**75**	**157**	**268**	**287**	**(96%)**
Biodiesel	12	53	(77%)	75	157	268	287	(96%)

1 2020-2024 figures are adjusted for the impact of the implementation of IFRS16

In the period 2019 till 2024, energy consumption decreased by 7%. The most significant decrease was shown in the Americas (-37%), followed by EMEA with a relatively small decrease of (-6%), whereas Asia-Pacific showed an increase of 256% in energy consumption mainly due to organic growth and acquisitions.

Energy consumption by region (Scope 1 and 2), GJ

	2024	2023	2024/2023 CHANGE	2022	2021	2020	2019	2024/2019 CHANGE	PORTION, %
EMEA	57,256	55,581	3%	54,590	49,445	48,524	60,838	(6%)	39%
Asia-Pacific	34,758	22,471	55%	21,680	13,724	12,866	9,775	256%	24%
Americas	53,988	50,134	8%	47,048	48,570	70,090	86,095	(37%)	37%
Total	**146,001**	**128,186**	**14%**	**123,317**	**111,738**	**131,480**	**156,708**	**(7%)**	**100%**

Energy-related GHG emissions (Scope 1 and 2) by region, tCO_2eq.

	2024	2023	2024/2023 CHANGE	2022	2021	2020	2019	2024/2019 CHANGE	PORTION, %
EMEA	5,133	4,631	11%	4,524	4,096	4,077	4,684	10%	34%
Asia-Pacific	6,043	4,024	50%	4,029	2,771	2,414	1,917	215%	40%
Americas	3,812	3,701	3%	3,309	3,584	5,322	6,662	(43%)	25%
Total	**14,988**	**12,355**	**21%**	**11,862**	**10,450**	**11,813**	**13,263**	**13%**	**100%**

The emission intensity development by region for the period 2019 - 2024 is as follows.

GHG Emissions (Scope 1 and 2) intensity by region eur per million operating EBITDA

	2024	2023	CHANGE 2024/2023	2022	2021	2020	2019	2024/2019 CHANGE
EMEA	22	20	12%	19	24	34	36	(38%)
Asia-Pacific	37	28	33%	29	27	50	52	(28%)
Americas	25	25	2%	18	34	66	83	(69%)
Total	**28**	**24**	**17%**	**21**	**28**	**47**	**54**	**(48%)**

Transport activities accounted for 51% of IMCD's energy consumption, primarily driven by business trips using company vehicles, followed by transport and warehousing activities. The remaining 49% of energy usage originated from facility operations, mainly attributed to electricity usage and natural gas consumption for heating purposes.

Energy consumption by type, GJ

	2024	2023	2022	2021	2020	2019	PORTION, %
Facilities	71,903	60,828	56,241	60,422	73,277	80,838	49%
Transport	74,099	67,358	67,076	51,317	58,203	75,870	51%
Total	**146,001**	**128,186**	**123,317**	**111,738**	**131,480**	**156,708**	**100%**

With regard to the GHG emissions within the organisation, operating the companies' facilities contributed 65% to total Scope 1 and 2 emissions, while transport activities accounted for 34%, with fugitive emissions from cooling and air conditioning contribute 1%.

GHG emissions by type (Scope 1 and 2), tCO_2eq.

	2024	2023	2022	2021	2020	2019	PORTION, %
Facilities	9,663	7,530	6,574	6,516	7,551	7,736	65%
Transport	5,129	4,653	5,121	3,800	4,129	5,401	34%
Process and fugitive emissions	197	172	167	134	133	126	1%
Total	**14,988**	**12,355**	**11,862**	**10,450**	**11,813**	**13,263**	**100%**

Energy efficiency classes of assets

The information of IMCD assets with the EPC label class or energy efficiency classes is not available at the moment.

We have analysed IMCD assets based on the energy consumption in kWh per square meter. A breakdown of energy consumption into three groups can be found in the table below:

Energy consumption ranges, kWh/m2

	# OF ENTITIES	PORTION
Total entities in the scope of energy consumption	81	100%
entities consuming <100 kWh/m2	69	85%
entities consuming from 100-200 kWh/m2	10	12%
entities consuming >200 kWh/m2	2	2%

Emissions from third-party transportation (Scope 3)

Third-party transportation emissions totalled 412.754 ktCO_2eq in 2024 (2023: 374.797 ktCO_2eq), reflecting a 10% increase from 2023 emissions, primarily driven by the expanded scope of entities included in the calculation.

Transportation within the Americas continent is the largest contributor, accounting for about 43% of total emissions, due to the longer distances travelled, followed by EMEA of 31%, and Asia-Pacific of 26%.

Scope 3 GHG emissions per geo, ktCO2eq

	2024	2023	CHANGE, %	PORTION, %
EMEA	128,314	114,587	12%	31%
Asia-Pacific	106,768	80,934	32%	26%
Americas	177,672	179,277	(1%)	43%
Total Scope 3 GHG emissions, ktCO2eq	**412,754**	**374,797**	**10%**	**100%**

Emission intensity per million euro of operating EBITDA, increased by 12% in 2024 from 2023. Between 2019 and 2024, this intensity figure decreased by 5%, primarily driven by a combination of organic growth, logistics optimisation efforts, the inclusion of new entities in the scope, and relatively strong EBITDA development over the period.

Scope 3 GHG emissions, ktCO_2eq

	2024	2023	2024/2023 CHANGE	2022	2021	2020	2019	2024/2019 CHANGE
Third parties logistics (in established scope)	**413**	**375**	**10%**	**338**	**339**	**259**	**155**	**166%**
Road freight	279	263	6%	267	268	213	114	145%
Sea freight	40	33	19%	21	21	33	12	223%
Air freight	93	78	19%	50	50	14	29	223%
Emissions intensity per FTE (in established scope)	**100**	**100**	**0%**	**110**	**128**	**106**	**74**	**35%**
Emissions intensity per ton of sold product (in established scope)	**0.388**	**0.401**	**(3)%**	**0.374**	**0.381**	**0.331**	**0.285**	**36%**
Emissions intensity per EUR m of operating EBITDA (in established scope)[1]	**893**	**798**	**12%**	**813**	**1,302**	**1,483**	**938**	**(5)%**

1 2020-2024 figures are adjusted for the impact of the implementation of IFRS16

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