



THE ARCHROMA WAY
TO A SUSTAINABLE WORLD

Sustainability report
Fiscal year 2020





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The sustainability topics are presented by alphabetical order for convenience.

MESSAGE FROM OUR CEO

I am delighted to present you with the Archroma Sustainability Report for our fiscal year 2020.

As the world continues to navigate through the COVID-19 pandemic, we at Archroma have contributed to - and continue to contribute to - fighting the virus in many different ways.

Our solid foundation as a leader in sustainable, R&D-enabled chemistry has allowed us to deliver the solutions and expertise needed in times like these.

Helping the medical and health care sectors has of course been our priority since the beginning of the pandemic. We assisted customers who converted production from apparel to medical textiles, face masks and other personal protective equipment (PPE), not just with our reliable barrier-, antiviral and antimicrobial technologies, but also with the expertise, technical know-how and application support that they needed to produce textile applications that were new to them.

In Brazil and Pakistan, we even developed hand sanitizers and thickeners to support customers who were in desperate need of essential products like these.

“The Archroma Way to a Sustainable World”

The pandemic has opened the eyes of people around the world who count on us to develop safe, high quality and durable products that help preserve our planet.

In this context, we, as industry leaders, must continue to push our agenda to make our industry, and the industries we serve, safe and sustainable. That is why, in September 2020, Archroma signed the UN Global Compact Statement from Business Leaders for Renewed Global Cooperation, and the WWF Global Coalition Call for Sustainability to be Central to Post-COVID Recovery in the Fashion Apparel and Textile Sector.

Everyone at Archroma is committed to the principles of “The Archroma Way to a Sustainable World”, aiming to develop products that are safe and designed to reduce the consumption of natural resources, thereby decreasing our customers' environmental footprint.

During our fiscal year 2020, we launched nearly 30 solutions and systems designed along these principles for end-products such as loungewear, denim, sportswear, packaging and tissues.

In parallel, Archroma continues to engage with relevant stakeholders in order to identify and foster initiatives that bring concrete and ambitious solutions and innovations.

In October 2019 we formalized our commitment to the textile industry as a ZDHC contributor and in August 2020 we were awarded the EcoVadis Gold Rating for our CSR performance.

I hope this report will provide you an insight into what we do, how we do it and, most importantly, why we do it: because, after all, it's our nature!



Heike van de Kerkhof
CEO

ABOUT THE REPORT

- **This report covers Archroma's fiscal year 2020 (FY2020), from 1st October 2019 to 30th September 2020.**
- **The report covers Archroma's sustainability approach and strategy, summarizing the sustainability performance and associated activities.**
- **The scope of the report covers all wholly owned subsidiaries and any joint ventures in which Archroma has a majority shareholding and significant influence on operations.**
- **The data and information presented in this report come from Archroma's official documents, both those publicly available and internal reports.**
- **The report has been prepared in accordance with the Global Reporting Initiative (GRI): Core option.**
- **This report has also been prepared to be the Communication on Progress (COP) for the United Nations Global Compact initiative for the calendar year 2020.**

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

OUR COMPANY



WHO WE ARE

93
Markets served.

4 320 + 1
Number of shades in the inspirational Color Atlas by Archroma®
+
the custom shade specific for you.

52
Locations in 34 countries.

42%
Of our employees are located in Asia, aligned with our customer base.

| Region | Percentage |
|----------|------------|
| Americas | 23% |
| EMEA | 35% |
| Asia | 42% |

59
Nationalities.

6 179
Number of products delivered to customers.

1 3 4
Years of chemical and colorant manufacturing experience.

WHAT WE ACHIEVED IN FY2020

61%
Sales into the textile industry.

| Category | Percentage |
|---|------------|
| Brand & Performance Textile Specialties | 61% |
| Packaging & Paper Specialties | 30% |
| Coatings, Adhesives & Sealants | 9% |

0.20
The total reportable incident rate per 200 000 hours worked.

16
Sustainable solution systems launched.

467 K
Tons sold.

> 10 000
Ecological compliance certificates issued to customers.

A YEAR OF CARING

17 JUNE 2020

Partnered with Liberty Textile Mill Limited to produce **LIFE-SAVING PPE** (personal protective equipment) in Pakistan



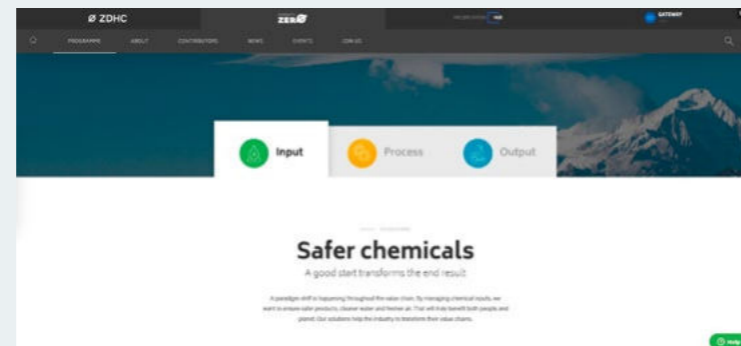
26 FEBRUARY 2020

Tianjin site named **'GREEN FACTORY'**



2 OCTOBER 2019

Confirmed industry commitment as a **ZDHC CONTRIBUTOR** with first upload of 1020+ products



7 APRIL 2020

Started production of new thickener for **SANITIZING GELS** to address global shortage



18 AUGUST 2020

Awarded **ECOVADIS GOLD RATING** for its CSR performance

17 JUNE 2020

ESPRIT adopts **PLANT WASTE-BASED EARTHCOLORS®** by Archroma



13 JULY 2020

Started production of **HAND SANITIZERS** in Pakistan



23 JULY 2020

SOORTY created denim collection with Archroma's **ECO-ADVANCED COLORS** and solutions for **HYGIENE & PROTECTION**

WHAT THEY SAY ABOUT US

Over the years, Archroma has been selected and recognized as a leader in sustainable innovations by major brands, partners and certifiers. Here is a collection of their statements.

Jeanologia[®] THE SCIENCE OF FINISHING

"This association is another step to change traditional, more polluting and water consuming processes in the textile industry for new ones using technology, improving, and boosting subsequent production stages up to the finishing of the garment, making them more efficient and allowing companies to be more competitive, increase productivity and offer a product that is completely sustainable with high quality."

Institute of Public Environmental Affairs

"We congratulate Archroma for its excellent acceleration of supply chain oversight during 2020, and we are delighted to welcome them into our Top 50 in their very first year. We hope that companies sourcing chemicals for manufacturing take note of this leadership in sustainability, as it is so rare to see in the chemical sector."

ESPRIT

"Colors traditionally made with plants come with some limitations in terms of color reproducibility, fastness and they require huge amounts of plants to produce the quantities needed at industrial scale. So when Archroma presented us their EarthColors[®], we were excited to have found a technology that would allow us to explore authentic colors synthesized from plants rather than petroleum."



G-STAR RAW

"As denim innovators we're always striving to challenge conventions - in terms of style but also in the way we impact the planet. The introduction of EarthColors into G-Star's jeans' collection represents a successful collaboration with Archroma and the embodiment of our sustainable mindset which guides our product design from start to finish."

Kathmandu[®]

"We have been using recycled materials for over 20 years and we are constantly looking for new technologies to develop more sustainable outdoor gear. Archroma's EarthColors (...) is probably the first technology allowing colors to be synthesized from plants rather than petroleum while keeping similar performance."

TERNUA[®]

"These are our most sustainable tee-shirts and sweatshirts we have made since our creation. Using recycled material is one step into creating recycled clothes with a soul. Colorants from nature, on the other hand, are quite the holy grail for conscious brands. We were so excited when we found an innovation partner like Archroma to help us convert humble natural biomass source into warm earthy colors."

- Sources:
- ☑ <https://www.archroma.com/press/releases/archroma-and-jeanologia-join-forces-to-launch-pad-ox-g2-cold-a-new-water-saving-dyeing-process-for-denim-and-casual-wear>
 - ☑ <https://www.archroma.com/press/releases/esprit-selects-earthcolors-by-archroma-for-its-newest-i-am-sustainable-capsule-collection>
 - ☑ <https://www.archroma.com/press/releases/g-star-raw-selects-archromas-earth-colors-for-capsule-collection-of-its-signature-hoodies>
 - ☑ <https://www.archroma.com/press/releases/kathmandu-selects-archromas-earth-colors-for-capsule-collection-of-its-signature-hoodies>
 - ☑ <https://www.archroma.com/press/releases/ternua-and-archroma-join-efforts-on-recycling-and-upcycling-nutshell-waste-into-fashion>
 - ☑ <https://www.archroma.com/press/releases/archroma-tops-institute-of-public-environmental-affairs-ipe-list-of-industrial-chemical-companies-driving-supply-chain-transparency>

ARCHROMA IN A NUTSHELL

Archroma is a global, diversified provider of specialty chemicals serving the branded and performance textiles, packaging and paper, and coatings, adhesives and sealants markets. Headquartered in Reinach, Switzerland, Archroma operates in over 100 countries, with more than 2 900 employees located in 34 countries and 26 production sites.

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

The company is committed to the principles of "The Archroma Way to a Sustainable World: Safe, Efficient, Enhanced. It's our nature!"; an approach reflected in its innovations, world-class quality standards, high service levels, cost-efficiency and resource saving solutions.

OUR HISTORY

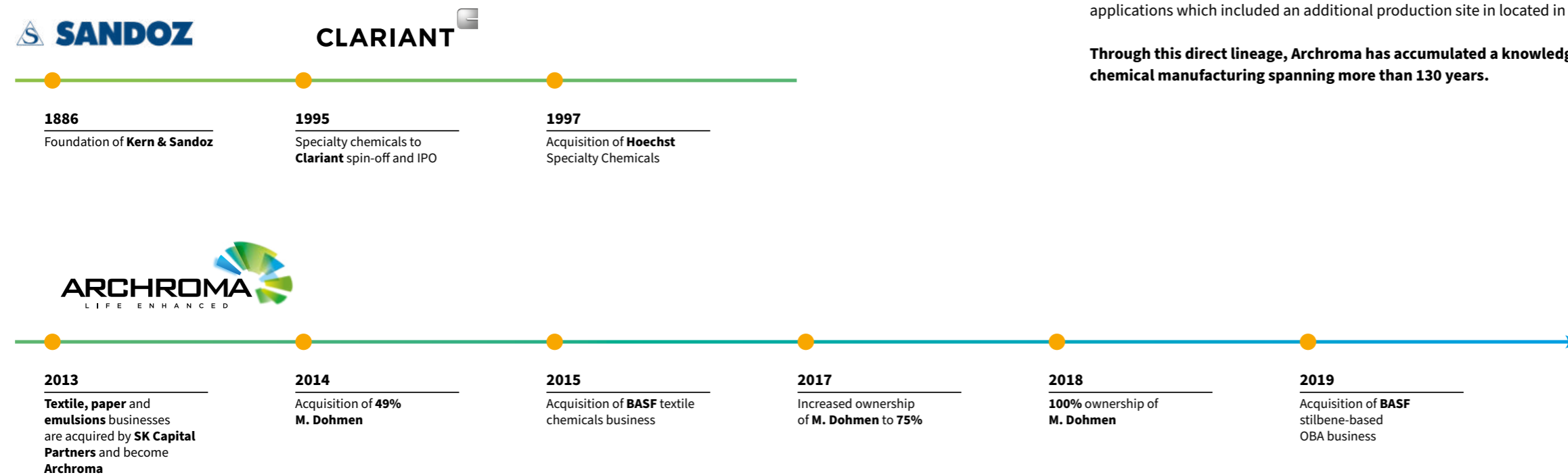
The heritage of our company dates back to 1886, when Kern & Sandoz was founded in Basel, to produce textile dyes. In 1995 Clariant was formed, as a spin-off from Sandoz, and in 1997 acquired the specialty chemicals business of Hoechst.

In September 2013, SK Capital acquired the Textile Chemicals, Paper Specialties, and Emulsions businesses of Clariant AG. The three divisions were combined into an integrated, market-focused, and collaborative company and was renamed Archroma upon becoming an independent entity.

SK Capital targets investments in the specialty materials, chemicals and pharmaceuticals sectors, working collaboratively with management to support the realization of their strategic, operational, financial, and sustainability objectives. Its portfolio companies currently generate revenues of approximately USD 11 billion annually and employ approximately 15 000 people globally. As of March 2020, SK Capital had approximately USD 4.86 billion of assets under management.

Archroma continues to grow with additional acquisitions. We made a first move in this direction when we acquired the textile chemicals business of BASF in 2015. In 2018, Archroma completed the acquisition of the M. Dohmen SA group and its three production sites in Germany, Switzerland and South Korea. In December 2019, we acquired BASF's stilbene-based OBA business for paper and powder detergent applications which included an additional production site in located in India.

Through this direct lineage, Archroma has accumulated a knowledge and expertise of specialty chemical manufacturing spanning more than 130 years.



OUR MARKETS

Archroma is organized into 3 business units:

BRAND & PERFORMANCE TEXTILE SPECIALTIES



From fiber to finish, Archroma's Brand & Performance Textile Specialties Business plays a key role throughout the entire textile supply chain, with special chemicals for pretreatment, dyeing, printing and finishing of textiles. Our system packages enhance the properties of apparel and other textiles in applications as diverse as high fashion, home textiles, automotive and special technical textiles.

- Textile value chain**
Archroma offers systems to brands, manufacturers and processors of yarn, fabrics and garments
- Significant systems & services**
The Archroma Way; 47 Systems for 6 market sectors:
Automotive & Transport Workwear & Uniforms
Denim & Casual Wear Outdoor & Activewear
Fashion & Formal Wear Home & Intimate Textiles
ONE WAY Process Simulator and Calculator software
Color Atlas by Archroma®, color books, specifications and standards
- Significant brands**
Fiber: Afilan®, Arkofil®
Whiteness: Kieralon®, Leucophor®
Coloration: Drimaren®, Foron®, Dorospense®, Nylosan®, Denisol®, EarthColors®, Diresul®
Performance finishing: Arkofix®, Nuva® N, Sanitized®, Smartrepel®

PACKAGING & PAPER SPECIALTIES



Archroma's Packaging & Paper Specialties Business provides expertise in the management of whiteness, coloration, special coatings and strength for all kinds of papers. By combining our focused product systems with the application services of our paper experts around the globe, we enhance both the optical and functional properties of packaging, paper and tissue.

- Paper value chain and key markets**
Archroma offers systems to packaging and paper manufacturers
- Significant systems & services**
Color management
- Significant brands**
Coloration: Carta®, Cartosol®, Cartazine®, Diresul®, Cartaren®, Flexonyl
Whiteness: Leucophor®
Surface & coating: Cartabond®, Cartaguard®, Cartaseal®, Cartacoat®
Process: Cartafix®, Cartaspers®, Cartafen®, Antimusso®

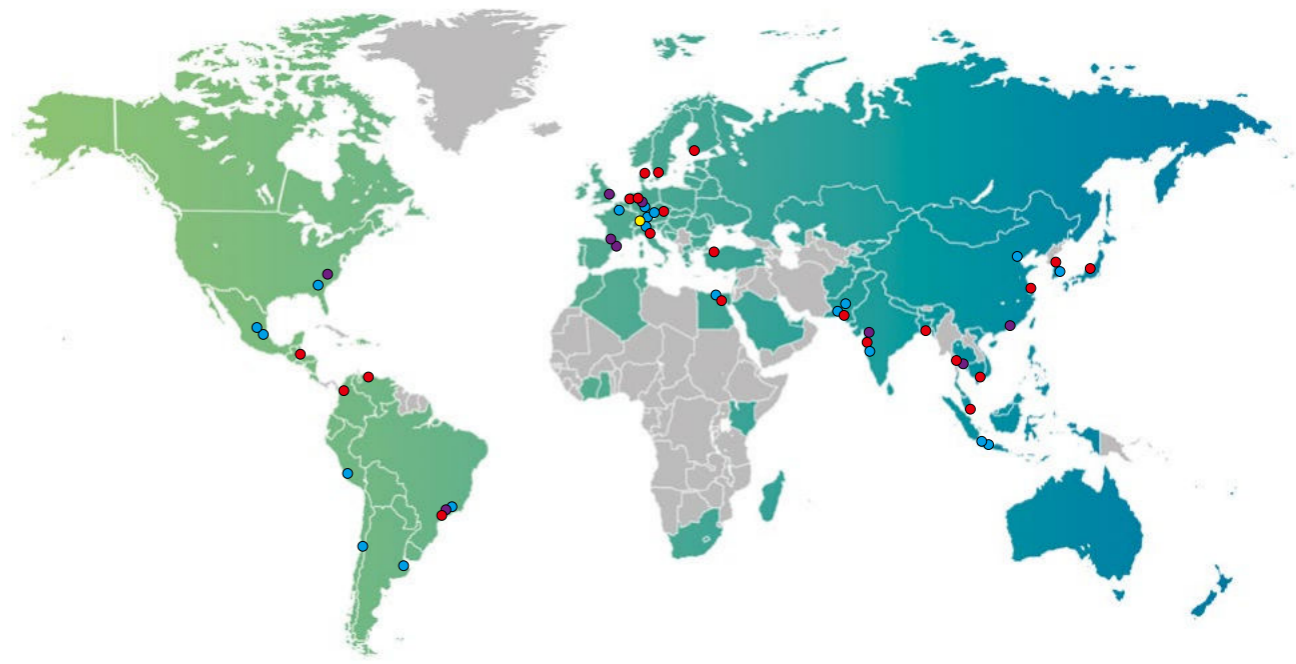
COATINGS, ADHESIVES & SEALANTS



From paints, adhesives and construction to the textile and paper industries, Archroma's Coatings, Adhesives & Sealants Business provides solutions for a wide range of applications. Literally thousands of satisfied customers have been a witness to the outstanding success of Archroma's Mowilith® emulsions since its first patent obtained in 1912.

- Coatings, adhesives and sealants value chain and key markets**
Paints - Decorative interior/exterior, primers, varnishes, industrial applications
Construction - Concrete applications, roofing, tiling, sealants, primers, mortars admixtures
Adhesives - Wood, paper, lamination, packaging and Pressure sensitive adhesives
- Significant brands**
Mowilith®, Mowicoll®

Global presence 101 Markets, 51 locations thereof 26 production sites



Archroma production & sales sites ● HQ, sales, innovation ● Innovation/production site/sales office ● Production & sales office ● Sales office

Markets served

We currently serve 93 markets worldwide. During the reporting period, we have reorganized these markets into seven Business Clusters: Asia-Pacific, India, Pakistan, Latin America, North America, Europe, and Middle East and Africa (MEA).

Scale of operations

Archroma has 52 office and production sites in 34 countries worldwide. Eight of these locations are shared sites, where the sales organization is located on the same site as one of the 26 production facilities, and 26 are offices with additional service centers.

OUR GOVERNANCE

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

The main executive decision-making body is the Executive Committee (ExCo). The ExCo possesses a wide range of competencies, business and financial skills, chemistry and market knowledge and international experience, and is responsible for determining the strategy and structure to set the pace for current operations and future development. The ExCo consists of six senior executives of the company and is responsible for the execution of the strategy and direction approved by the Board of Directors (BoD). This includes reviewing and evaluating current and future threats and opportunities, threats the strengths and weaknesses of the current and future threats and organization and resultant risk to the business, and to decide upon the strategic options and the means required to implement and support them. The ExCo structure incorporates all the key management functions.

The ExCo is supported by a Sales Leadership Council that is responsible for the governance and global alignment of the seven geographical Business Clusters of Archroma (Asia-Pacific, Europe, Middle East & Africa, Latin America, North America, India, and Pakistan). Archroma also operates with Global Marketing Competence Centers that are responsible for global marketing, innovation and business development, with Global Functional Competence Centers that are responsible for the governance and global processes in their functional areas (HR, Finance, etc.), and with a global Sales, Inventory and Operation Planning process.

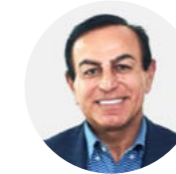
The BoD supervises the ExCo, on behalf of the main shareholder, and has two levels of operation. Its primary function is to liaise with the ExCo and review and approve the proposed strategy, the underlying tactics to achieve the strategy, and financial planning including targets. Remuneration and risk management also falls within the BoD responsibility.

Its secondary function is to actively support specific projects within Archroma, this being dependent upon the competencies of the individual directors appointed to the board. Thus, the BoD has a two-tier working principle equivalent to a traditional single tier board.

Third party quality management auditing of Archroma to international standards falls within the responsibility of the Quality Management team, reporting directly to the Senior Vice President of Operations.

Furthermore, Archroma has a Group Compliance Committee, which has the responsibility to ensure an ethical business culture in line with the Archroma Code of Conduct and incorporates a Whistleblower Policy. It is led by the Chief Digital & Sustainability Officer with our Chief Human Resources Officer and General Counsel as members.

Archroma Holdings Sarl Board of Directors



Barry Bahram Siadat
President



Miguel Kohlman
Member



Alexander Roeland Wessels
Vice-President



Jared Kramer
Member



Isabelle Lambert
Member



Nikola Kalezic
Member



Lorenzo Barcaglioni
Member

Archroma Executive Committee



Heike van de Kerkhof
Chief Executive Officer
(CEO)



Danielle Blomert
Chief Digital & Sustainability
Officer (CDSO)



Simon Clementson
Chief Human Resources
Officer (CHRO)



Marcos Furrer
Chief Operating Officer
(COO)



Roland Waibel
Chief Financial
Officer (CFO)



Silke Wischeropp
General Counsel,
Secretary of the BoD

OUR INTEGRATED QUALITY MANAGEMENT

Archroma and all its subsidiaries operate according to global standardized management systems:

- SN EN ISO 9001:2015 Quality Management Systems Standard
- SN EN ISO 14001:2015 Environmental Management Systems Standard
- SN EN ISO 45001:2018 Occupational Health and Safety Management System Standard

Initial third party audit and certification was obtained in 2014, re-certified in 2017 and 2020 with a current validity until 8th July 2023. Internal audits are made throughout the year on Archroma sites by the quality management team.

Ownership of the quality management system is by our Head of Integrated Quality Management reporting functionally to the Chief Executive Officer. Management reviews are held bi-annually with the Executive Committee to monitor progress on system development and corrective action plans. During the reporting period, we successfully conducted a quality management review in May 2020.



Archroma has successfully migrated over from OHSAS 18001:2007 to the ISO 45001:2018 standard during the reported period. ISO 45001 requires the incorporation of health and safety aspects into the overall management system of the organization. Organizations are required to consider what their interested parties expect from them regarding health and safety. The standard requires organizations to identify and control risks rather than hazards, as well as to consider how suppliers and contractors are managing their risks.

The new standard brings a more holistic approach to the overall goal, which is to reduce unacceptable risks and ensure the safety and wellbeing of everyone involved in an organization's activities.

Quality Management plays a critical role in our activities, in particular quality assurance and subsequent control to prevent either the introduction of, or the production of, unwanted hazardous substances in our commercial products.

Documents are a key asset of any company – they are a critical process information source for now and for the future, and as such they must be correct, relevant, and readily available. Quality Management as frame owner has implemented a new document management system in 2020, which allows improved security and compliance, better collaboration, as well as easy backup and recovery. Its goal is to ensure that the latest version of approved documents is stored and can be retrieved anytime anywhere by all employees and documents are protected against unintended alterations.

OUR RISK MANAGEMENT

Archroma is committed to a strong risk management throughout the company, supported by the Executive Committee and Board of Directors. The risk management function is under the responsibility of the Head of Risk Management & Internal Audit, reporting on risk management topics to the Chief Finance Officer in his capacity as member of the Executive Committee.

The company has a Risk Management Policy in place since 2015 and has been undergoing regular risk evaluation reviews.

Since 2019, a new full risk mapping is performed and reviewed the Executive Committee twice per year. These reviews include a rating of risks in terms of impact and likelihood as well as establishing action plans and persons responsible for execution.

The results of every update to the risk mapping are shared with the Audit Committee of the Board of Directors.

Archroma initiated the risk management project with the primary objective to have an overview of the main risks. Risk management is a very broad topic and therefore requires to be prioritized to identify the areas that require attention.

The only risks specifically mentioned by the GRI criteria are focused on societal risk or climate change, but we know from a commercial perspective there are many other risks, and Archroma has identified about 45 areas of potential risks, for example environmental risk, credit risk, raw material supply etc., that we monitor and assess on a regular basis. In FY2020 Archroma also incorporated pandemics in its risk portfolio, which has been considered as a 'black swan', and performed actions to limit its impact, as well as provide sustainable solutions that contributed to overcome the crisis.

The data is gathered on a standalone platform, "TeamRisk", a professional software which supports risk management.

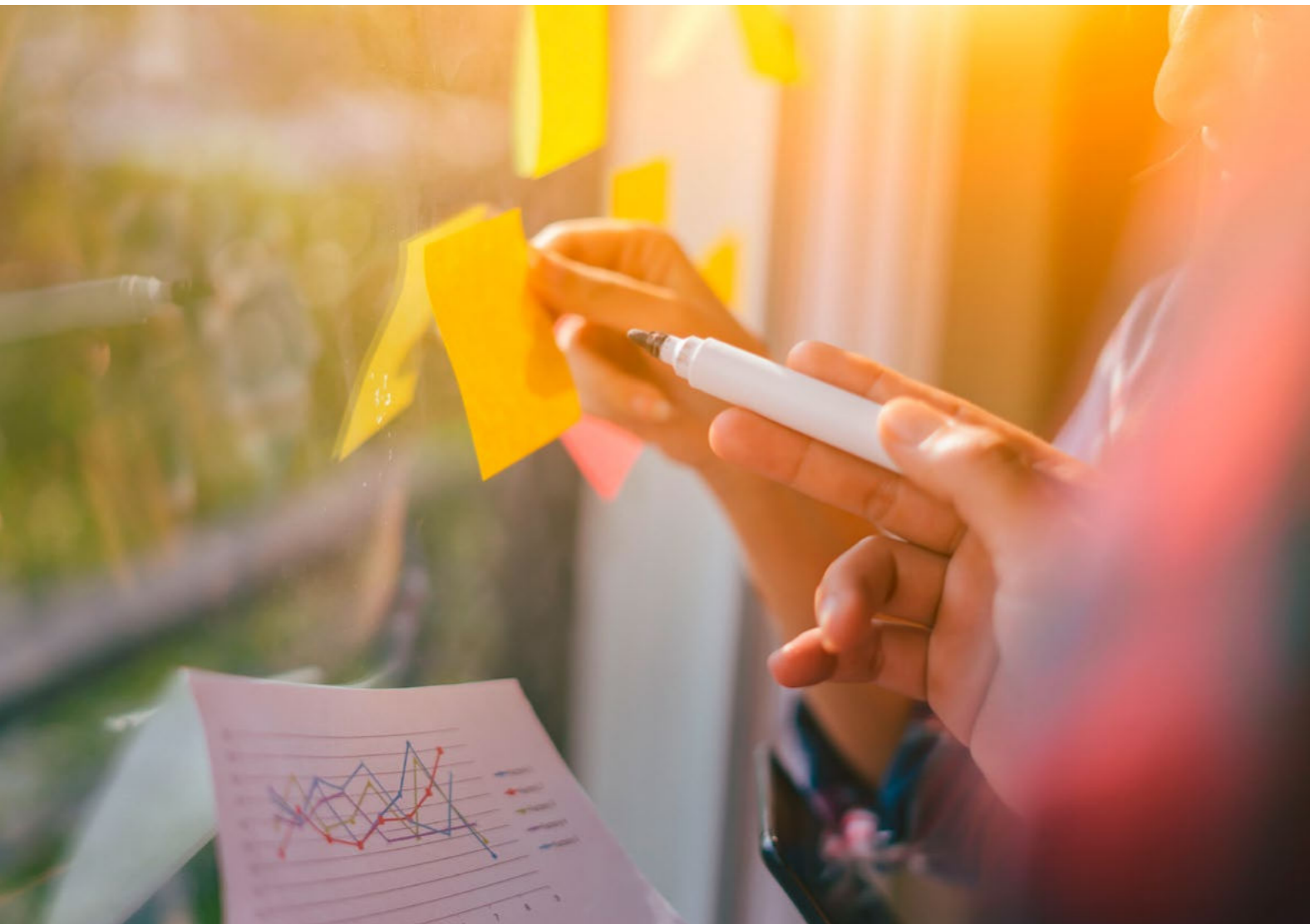
Archroma is in the process of also integrating in this platform the risk owners of occupational risk, health and safety, IT security, etc., so the management of risks will be consolidated, centralized, and monitored, providing a comprehensive overview of risk management at all levels in terms of likelihood and impact. This will allow to consolidate the results, and to set the action plan and the overall company audit plan considering the risk elements.

In order to better support its risk management going forward, we also decided to implement a tool allowing to map and rate risk in terms of likelihood and impact. This will allow to consolidate the results, and to set the action plan and the overall company audit plan considering the risk elements.

The need for stronger focus on risk management was supported by the Audit Committee of the Board of Directors of Archroma, as managing proactively Archroma's risk portfolio is key to minimize their impact and convert risks into opportunities. Our approach to risk management was well perceived by our external stakeholders, such as our external auditors.

Internal audits are also used as a source of risk identification and mitigation, one that allows to avoid unidentified risks which the team may have missed in periodical reviews.

The company is keen to raise awareness about risk management across the organization. The most effective factors in doing so are the frequency of the risk assessment, as well as action planning and execution. The effectiveness of the approach is demonstrated by the fact that our insurance and financial partners are taking Archroma's risk-mitigating efforts in account when calculating our insurance premium level.



OUR AFFILIATIONS AND MEMBERSHIPS

Archroma engages with relevant stakeholders in order to support and drive initiatives that are bringing concrete and ambitious solutions and innovations.

We feel that only through active positive participation will we be able to bring about measurable change.

In particular, in November 2020 Archroma joined Together for Sustainability (TfS), a joint initiative and global network of 30 chemical companies, the de facto global standard for environmental, social and governance performance of chemical supply chains.



Archroma was one of the 7 leading chemical companies who founded SCTI (Sustainable Chemistry for the Textile Industry) in October 2020, aiming to drive transformational change in the textile and leather industries.

In September 2020, Archroma was among the signatories of the WWF global coalition call for sustainability to be central to post-COVID-19 recovery in fashion, apparel and textile sector, as well as the UN Global Compact Statement from Business Leaders for Renewed Global Cooperation.



Archroma is a member of the United Nations Global Compact, a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support the United Nations Sustainable Development Goals. A requirement of this commitment is the annual submission of a “Communication of Progress” (COP). In previous years a separate document was prepared for this purpose – for 2020 onwards we have incorporated the COP within the annual Sustainability Report.



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



Archroma is an active member of the European Chemical Industry Council (CEFIC), a non-profit organization which represents large chemical companies across Europe. CEFIC is devoted to promoting a thriving European chemical industry that is broadly recognized to provide sustainable, safe and resource efficient solutions to meet the challenges for future generations.



Archroma is a bluesign® technologies system partner, an independent organization that represents the vision and mindset of responsible and sustainable manufacturing of textile consumer products, that acts as an independent verifier to secure trust and transparency. Archroma has over 1000 products which have been bluesign® approved for the use in manufacturing textiles.



Archroma is a member of, and is represented on the board of, the Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturers (ETAD), an independent international association for colorant-producing companies. ETAD provides a voluntary framework within which the member companies and their value chain can promote responsible care principles and product stewardship and cooperate with authorities to harmonize health and environmental regulations.



Archroma is also a member of the Association of Manufacturers of Process and Performance Chemicals TEGEWA (Textil, Gerbstoff u. Waschmittel). TEGEWA is an organization that fosters pre-competitive dialogue and collaboration of manufacturers of process and performance chemicals for industrial users.

As a member of TEGEWA and ETAD Archroma has advised towards the ZDHC Joint Roadmap (Zero Discharge of Hazardous Chemicals) programs.



Archroma is a contributor of the ZDHC (Zero Discharge of Hazardous Chemicals) Foundation, a global multi-stakeholder initiative of more than 160 contributors within the fashion and footwear industry. ZDHC oversees the implementation of sustainable chemical management best practice across the value chain through collaborative engagement, standard setting, and implementation.



TfS is a joint initiative that delivers the de facto global standard for environmental, social and governance performance of chemical supply chains.

THE ARCHROMA WAY
TO A SUSTAINABLE WORLD:
SAFE, EFFICIENT, ENHANCED.
IT'S OUR NATURE.



THE ARCHROMA WAY TO A SUSTAINABLE WORLD: IT'S OUR NATURE

In 2018 we redefined our internal and external approach to our business. This ensures that we are consistent in the way we operate and behave, and communicate our core values to the market. It also helps our organization to focus on those aspects of our business, from research and development, production all the way through to sales, which positively affects our footprint and that of our suppliers and customers. In this way we are motivated to identify and address current deficiencies in the value chains that we serve, and positively challenge the status quo.

This we termed the “The Archroma Way to a Sustainable World”. The Archroma Way is articulated around three elements: safety, efficiency and enhanced value. We examine how we influence these three elements both from an internal and external perspective; what we do and how we do it, how we impact and enable third parties.

As a global manufacturer and supplier of specialty chemicals and colorants to the textiles, paper and coatings industries, the impacts of Archroma products extend far beyond our own operations. The dyes, auxiliaries, and functional finishes that serve as raw materials for a broad variety of products, positively impacting the cost, production time, resource requirements, product quality and overall value of our customers' products.

As it travels through the supply chain, the impact of a single kilogram of an Archroma product can grow exponentially as it helps, for example in the textile industry, transform fiber to yarn to textile to finished product. Throughout our own operations, we strive to ensure that these indirect impacts are positive and always improving the overall value along the supply chains we serve.

We believe that sustainability does not have to come at a higher cost. We are committed to demonstrate this to our partners by using our ONE WAY Process Simulator & Calculator software. This is a tool designed to provide our customers and partners with an accurate estimate of their process costs, resource utilization, effluent discharge quality, and CO₂ emissions of the existing production process and of the newly evaluated system. This is how we validate, quantify and support the “Efficient” pillar of The Archroma Way. Further details can be found on page 84 of this report.

These indirect impacts are critical to our ability to succeed as a manufacturer and supplier. Many chemical and raw materials are bought and sold based only on the cost per kilogram without regard for their impacts on quality, safety, or the environment. In addition, the growth of many of the industries we serve was built on cheap (often free) and easy access to clean fresh water with no requirements of how that water would be used or returned to the environment. The result has been that these industries were able to grow and prosper by purchasing inexpensive low quality materials and chemicals and polluting huge volumes of water that was supplied to them at little or no cost. As we have learned more about the harmful effects and impacts of this business model and about the scarcity and value of water, it has become obvious that the only way for these industries to sustain their business will be with raw materials and chemicals that are safe, efficient, and that add value.

At Archroma, we believe that we can make our industry more sustainable, and that we will do this by providing products that are higher quality, safer, more efficient and that provide resource savings for our customers all along the value chain.

Innovation at Archroma is a collaborative effort to get inputs from multiple stakeholders in order to identify problems to solve, prioritize them and align them with solutions. We engage with internal expertise and also with our externally facing teams, in order to get their input on imminent challenges and opportunities facing our key mill customers and their key brand customers. These insights enable us to focus on our customers, and to prioritize the projects that will have the greatest impact for them.

Our product stewardship organization provides insights into the dynamic landscape of public concerns and government regulations pertaining to the chemical industry. This collaboration ensures that Archroma is leading in our efforts to produce chemicals that are safe to use in a responsible manner.

External collaboration is also an important part of our approach, and we have strong relationships with leading raw material suppliers and the technology providers who make the machinery necessary for our customers to use our products. This collaborative and engaging foundation ensures that our approach to innovation is strategic, intentional, and purposeful.

SAFE – It's our nature to protect

A solid core: Our deeply rooted goal to protect people and our planet.
Safe to use, safe to release and also safe to wear.

EFFICIENT – It's our nature to rethink sustainable manufacturing

Innovating application processes that minimize resources and maximize productivity, both in our and our customers' manufacturing as well as by setting ourselves ambitious sustainability goals.

ENHANCED – It's our nature to add another level of value

Innovation is critical. With it, we create additional effects, functionalities and aesthetics and sustainable differentiation to bring additional value, helping consumers to achieve their goals, for a life enhanced.

After all, **it's our nature....**



OUR MATERIAL TOPICS

Driven by our commitment to make our industry sustainable, and by engaging our stakeholders, Archroma identifies the sustainability topics most material to our business, and prioritizes them according to the following methodology:

Methodology



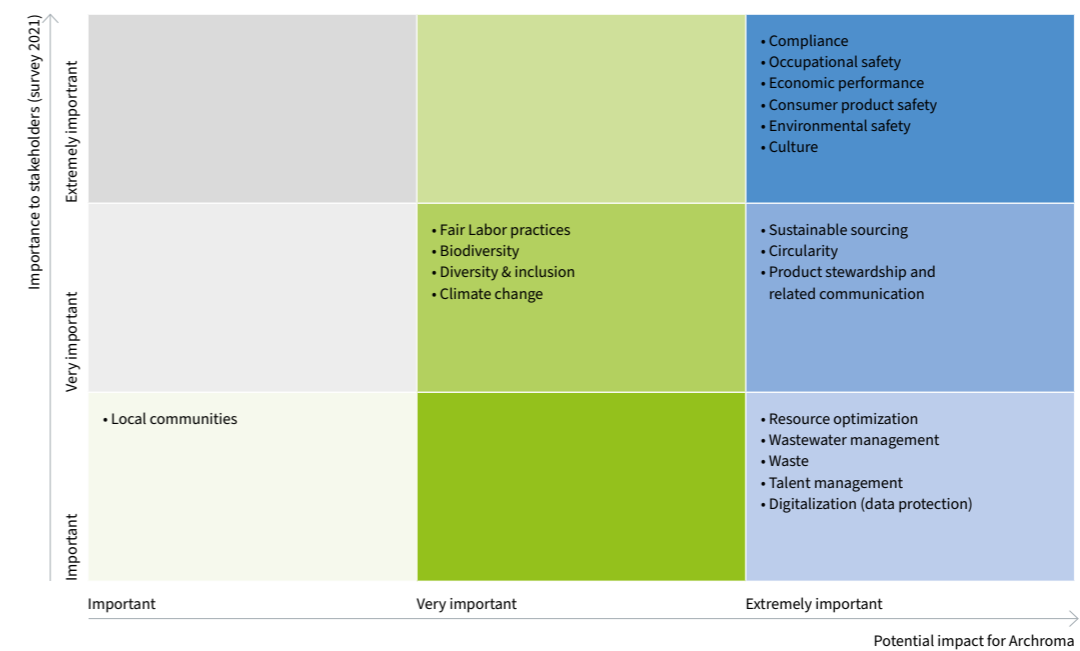
- 1. Define purpose and scope:** The purpose and scope of the materiality matrix are defined according to the standards of the Global Reporting Initiative, Core option and the UNGC Sustainable Development Goals, within the Archroma Sustainability Taskforce, which has been created in FY2020 to define and ensure cross-functional focus and execution of the Archroma sustainability objectives and projects.
- 2. Identify:** The Archroma Sustainability Taskforce creates an exhaustive list of topics with direct or indirect impact to our business and stakeholders' interests, based on business knowledge, existing literature and specialized organizations (UNGC, Bloomberg). During the 2020 review, Archroma identified and appraised two new material topics: Circularity and Digitalization.
- 3. Assess:** In January 2021, Archroma conducted for the first time a quantitative survey to identify and appraise the most critical topics for its internal and external stakeholders. A similar survey will be conducted every 2 years.
- 4. Prioritize:** The relevant key topics identified by the survey are rated according to their potential impact on our activity and their importance for the stakeholders. The matrix on the right shows the 2 dimensions against which these topics were prioritized, the topics occupying the top right quadrant having the greatest priority.
- 5. Seek management endorsement:** The resulting materiality index is reviewed by the Archroma Executive Committee.
- 6. Seek stakeholder feedback:** Archroma continuously collaborates with its stakeholders to evaluate how we follow up on the reported topics.

Stakeholder inclusiveness

The first quantitative survey conducted in January 2021 showed high engagement as illustrated by the number of participants, 983 in total. The strong participation of our employees, including our top 100 global leaders (25% of the participating employees) shows that sustainability is deeply rooted in Archroma's organization. Archroma also recorded a good participation of customers, suppliers, brands and retailers for this first survey.

From a geographical perspective, we noted a strong representation of countries where Archroma has a significant presence, both in our number of participants and sites, in particular Pakistan, India, China, Thailand, the United States, Indonesia, Mexico, Spain, and Germany.

Materiality matrix



All topics identified by our external/internal stakeholders as being material to our business, are presented in the following pages according to the Global Reporting Initiative: Core option. They are presented in alphabetical order for convenience.

The material references can be found in the GRI Content Index in the Appendices beginning on page 106.

OUR COMMITMENT AROUND THE GLOBE



Beate Plueckhan, Senior Vice President, Business Cluster Europe

Europe is considered by many as the birthplace of sustainability, due to the early and widespread ecological awareness in countries such as Germany, Switzerland and the Nordics. Tremendous progress was made in the past 20 years under the influence of the European Union, for example with the registration, evaluation, authorization and restriction of chemicals (REACH) and the current discussions around the 'Green Deal'. The pandemic has also accelerated the realization that we need to change the way we produce and consume, and Governments are in turn taking the measure of the expectations of their populations in this respect. All this makes us very optimistic that more and more brands and manufacturers will adopt our sustainable solutions and innovations.



Michel Zumstein, Senior Vice President, Business Cluster Asia Pacific

As China emerged as an economic superpower, its ever-growing middle class demands cleaner air and water, and the authorities have taken the problem into their hands with undeniable progress. Meanwhile, with the rising labor costs in China, some of the textile and paper production is moving to countries such as Bangladesh, Vietnam and Thailand. Even though eco-standards are not yet always established in these countries, more and more customers there are willing to explore safer and more sustainable products and processes, and this makes me very optimistic for the future.



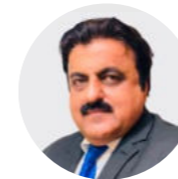
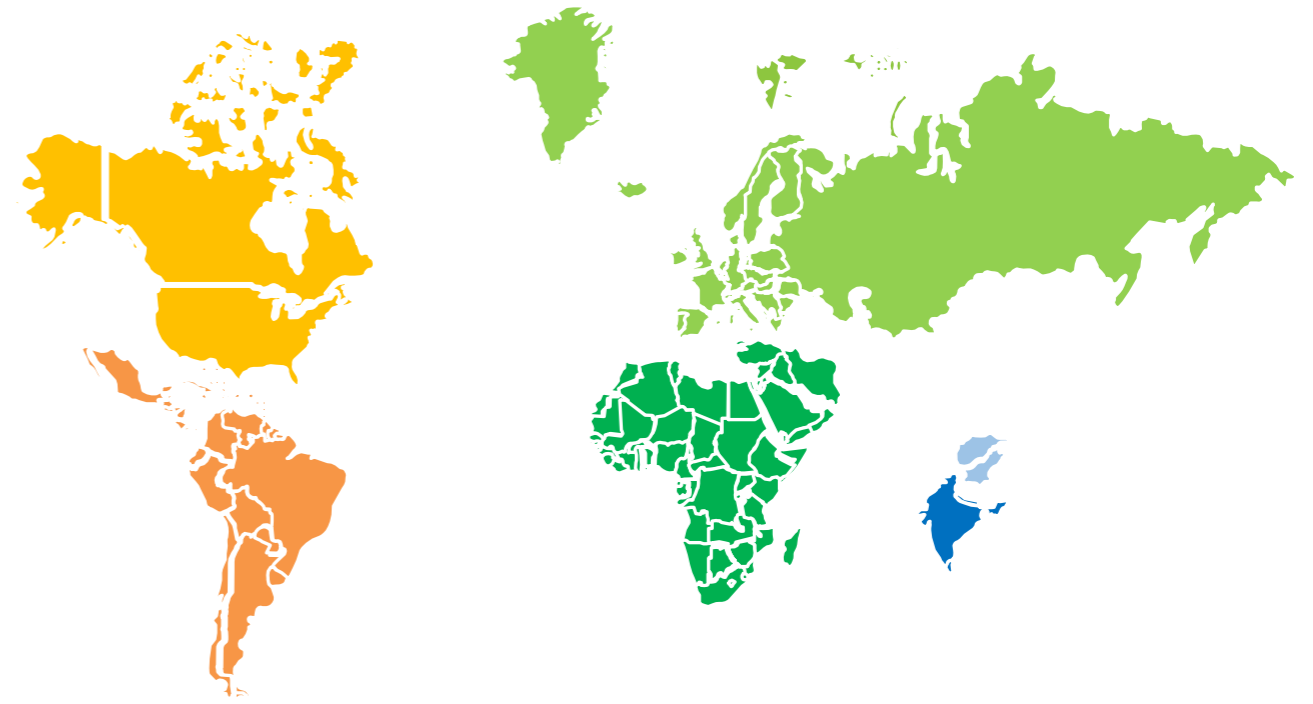
Emrah Esder, Vice President, Business Cluster Middle East & Africa

Archroma has witnessed a dynamic market in Turkey and Middle East countries in the past few years. Production in such sectors as textiles and especially denim have returned strong and stable, and helped support local expertise and creativity. As the demand remains tightly interwoven with the highly regulated European market, our customers are very acutely aware that sustainability is necessary if they want to remain competitive. We bring them that, as well as our expertise to combine eco-advanced solutions with innovation and creativity.



Mujtaba Rahim, Vice President, Business Cluster Pakistan

For us in Pakistan, sustainability is not optional. Our country ranks fifth in the list of countries most vulnerable to climate change according to the Global Climate Risk Index 2020 published by the environmental think tank Germanwatch, and we take issues such as water and energy scarcity very seriously as the impact on our populations is very real. That is why industry leaders such as Archroma and many of our customers in the textile and denim industry, are actively scouting for, and implementing, innovations and processes that allow water saving, more efficient manufacturing.



Anjani Prasad, Vice President, Business Cluster India

India's economy is expected to get back on its fast-growth path in spite of the COVID-19 slowdown. That path is however not without its challenges. The young population in India is eager to access goods such as fashion and technology, and that brings huge challenges in terms of sustainability. India has adopted the UN SDGs as our guidelines, and we have made progress for instance in the area of waste reduction. Awareness is also growing in the textile industry, and we see massive interest for our systems and innovations that bring more safety, efficiency and ecology into the equation.



John Jansen, Senior Vice President, Business Cluster Latin America & North America

The COVID-19 crisis has created a shockwave in the Americas that is probably even bigger than in other regions on the Planet. Whilst in Europe and Asia, advances were made in favor of addressing the challenges of climate change, countries, such as the United States, Canada, and Brazil, have been prioritizing economic growth. The pandemic has clearly allowed the conversation to shift more in favor of policies aimed at addressing the very real threats on our health and on nature. Our customers are, for the most part, already a step ahead when it comes to adopting solutions to make applications such as textile, paper, packaging, paints, etc. safer for their workers, for consumers and ultimately for the environment.

On the other hand, as many countries especially in Central and Latin America are and will be dealing with the impact of the pandemic on their already fragile economies, the risk is high that they will not perceive the urgency of the fight against global warming. This is where industry leaders such as Archroma have a role to play, I would even say a duty, to help them realize that economic recovery and growth will have to go hand in hand with necessary efforts on preserving natural resources and the health of all beings.



BIODIVERSITY

The potential impact of our activities on biodiversity in our various locations is important to us and other stakeholders such as NGOs. None of our production sites are within biodiversity areas, as identified by the World Database of Key Biodiversity Areas (<http://www.keybiodiversityareas.org/home>).

However we are sensitive to biodiversity and as such we know that 7 Archroma sites are within a 10 kilometer proximity to biodiversity sites:

| Production Site | Key Biodiversity Area |
|-----------------------------|----------------------------|
| La Motte, France | Forêt de Compiègne |
| El Prat de Llobregat, Spain | Llobregat Delta |
| Ameriya, Egypt | Wadi El Natrun |
| Roha, India | Phansad Wildlife Sanctuary |
| Bangpoo, Thailand | Inner Gulf of Thailand |
| Wiesbaden, Germany | Rheinaue Bingen-Ingelheim |
| Zarate, Argentina | Reserva Natural Otamendi |

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

CIRCULARITY

Archroma recognizes the importance of fostering a circular economy, and evolving from linear (take, make, discard) to circular (reduce, reuse, recycle) manufacturing.

Please refer to pages 96 and 98, where we report our commitments and impacts on circularity along the 'GRI 306: Waste 2020', the reporting standard for companies to provide a complete picture of waste impacts along their value chain.





CLIMATE CHANGE

Greenhouse gas (GHG) emission management is included in our overall environmental management process. Results per production site are consolidated into tons of carbon dioxide equivalent (tCO₂e) in both absolute amounts and in terms of intensity (emission per unit of production). Data are gathered and consolidated monthly centrally from our production sites, forming the basis for monitoring against, and if necessary corrective actions for, the annual targets. Conversion and emission factors used for the report were developed in consultation with the Greenhouse Gas Protocol developed by World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). As the GHG emissions are directly related to energy consumption, operational targets are expressed in energy intensity (GJ/t produced). Further details can be found in this report under “Resource efficiency”.

For this reporting period we have not considered non-production sites (offices, off-site warehousing etc.). We have initiated steps to include these metrics in future reports, although our expectation is that the impact on our total emissions will be relatively low.

Scope 1 and scope 2 GHG emissions for FY2020 amounted to 90 191 tCO₂e. This represents a 4.2% increase compared to FY2019 (88 985 tCO₂e). The increase results from the addition of the newly acquired Ankleshwar plant in India (see under “Our history”).

Scope 1 emissions amount to 42 113 tCO₂e, representing 47% of the total scope 1 & scope 2 emissions. Of this amount, 39 091 (93%) is derived from the combustion of natural gas, the remainder consisting of diesel and heating oil. None of the Archroma sites use coal as a fuel for on-site generation of energy.

Scope 2 emissions amount to 48 078 tCO₂e, representing 53% of the total scope 1 & 2 emissions. Of this amount, 39 725 tCO₂e (82%) is derived from purchased electricity, the remaining 8 353 tCO₂e from purchased steam.

Our target is to achieve carbon neutrality for scope 1 and scope 2 emissions in 2023, defining intermediate annual targets to reduce emission levels, and offset any remaining absolute GHG emissions.

Scope 3 emissions have not been calculated or estimated for the reporting period, due to the complexity of our upstream and downstream supply chains. This will be an area of focus going forward.

For the required fossil fuel based emission factors, we have used the 2019 Defra Greenhouse Gas Emission Factors, developed by the UK Department for Business, Energy & Industrial Strategy and the UK Department for Environment, Food and Rural Affairs (Defra). Electricity emissions factors have been determined based on the data supplied by the respective energy provider.



COMPLIANCE

Archroma fully supports and complies with the 1948 United Nations Universal Declaration of Human Rights. Archroma does not undertake any business with any country or regime with known human rights abuses. Archroma fully supports and complies with United States Sanctions Laws and the European Union Restrictive Measures and regulations.

For Archroma, there is no other way to do business than in a sustainable and responsible way. Archroma is therefore committed to act with integrity and in strict compliance with the law.

Archroma has a Code of Conduct for employees, signed by the Chief Executive Officer and publicly available, which sets out the binding rules and guidelines for the employees and officers of Archroma. This enables employees to rely on the Code as a navigation guide, and one another's good judgement, to uphold a high standard of integrity for the individual and Archroma.

Each employee is required to make a personal commitment to meeting the Code of Conduct when joining the group. As a general rule, Archroma conducts re-training on the Code of Conduct for all employees on an annual basis. In addition, compliance topics are included in all meeting agendas to reinforce awareness throughout the organization.

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

The Archroma Code of Conduct links all Archroma employees around the world in a collective commitment to integrity and excellence in all they do, by providing tools that will guide them in making consistent, sustainable decisions.

Archroma also has a Whistleblowing Policy in place that allows the anonymous reporting of any suspicious situation of violations of our Code of Conduct or the law.

In addition, Archroma and its affiliated companies are committed to integrity and an open culture where everybody feels secure in seeking advice or raising concerns, and has confidence that reports are handled in a professional and transparent way. To help in its ability to provide advice and enable employees to report concerns or misconduct, the Archroma Code of Conduct and Whistleblower Policy are essential elements of integrity in the commitment to an open culture where people feel secure in seeking advice and in raising concerns. Archroma ensures a retaliation-free environment to anyone who comes forward in good faith to ask questions or report violations.

Archroma strictly prohibits all forms of corruption and any business conduct that could create the appearance of improper influence. Archroma applies a zero tolerance policy regarding bribery in every kind of commercial setting.

These principles are summarized in three rules:

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

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

Archroma has set up a Compliance Committee and a Compliance Officer holding regular meetings and responsible for investigating any potential violations in a professional and consistent manner, while safeguarding fundamental legal principles such as confidentiality, fairness and objectivity.

Any breach of the Code of Conduct has been reported to the Compliance Committee, investigated and, if necessary, prosecuted according to the company's disciplinary procedure and/or criminal action, should the case apply.

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



CONSUMER PRODUCT SAFETY

Of high importance to our value chains, increasing focus is being given to ensure that products used in manufacture do not pose a health and safety risk to the users and final consumers. Environmental health is referred to under the other topics of “Climate change”, “Resource optimization”, “Waste (solid)” and “Wastewater management”.

The Product Stewardship organization is fully integrated within Archroma’s processes in order to ensure that hazardous chemical risks are identified and controlled. Deep knowledge of current and future regulatory requirements, often specific to countries and regions, is essential. In addition, other value chain stakeholders (consumers, brands, NGOs) influence market demand and specifications in order to manage the risk of chemistry which may pose a hazard to consumers and the environment. All these requirements have to be gathered, consolidated and communicated to all internal stakeholders to ensure that product design, innovation, registration, production and the resultant application conforms to these changing requirements. The Product Stewardship organization has the gatekeeper function for raw material sourcing and production processes. In this respect, an essential process required in specialty chemical manufacturing is a competent chemical inventory management system incorporated in master data management systems.

The Archroma Product Stewardship organization has two dedicated testing laboratories at its disposal in order to control and confirm product compliance to market-related restricted substance lists in addition to regulatory requirements. These laboratories are located in Pakistan and India. In order to support the necessary regulatory support processes and market required compliance certifications, we have invested in a dedicated global team, trained and qualified with the necessary scientific knowledge in order to deliver the highest standard of product stewardship in the industry.

In particular, Archroma is committed to develop our products in compliance with the major eco-labels or other third party certification requirements of our industries, such as bluesign® (985 compliant products), Global Organic Textile Standard (GOTS, 577 compliant products), ZDHC (2 973 products compliant with ZDHC MRSL 2.0), Cradle to Cradle Certified™ (97 compliant products), Nordic Swan (151 compliant products), Blue Angel (189 compliant products). In addition, we currently have 325 products suitable for food contact applications.

Eco-labels and certifications:

- <https://www.bluesign.com/>
- <https://www.global-standard.org/the-standard.html>
- <https://www.roadmaptozero.com>
- <https://www.c2ccertified.org/>
- <https://www.nordic-ecolabel.org/product-groups/>
- <https://www.blauer-engel.de/en>

It’s our nature to protect

For our innovation efforts, this means making chemical products that are safe to manufacture, safe to use by our customers, safe for consumers using our products, and safe for our environment at every stage of their products lifecycle.

In the face of the rapid spread of the coronavirus, Archroma mobilized our R&D experts and developed two products to support urgent needs in sanitizing products, even though this is not our usual scope of business. The first one, Mowiplus® HPC 9600, is a thickener for sanitizing gels that Archroma developed in April 2020 to address shortages in Brazil. The second one is Kieralon® HS, a range of hand sanitizers introduced in July 2020 in Pakistan, where dramatic shortages were experienced in the health and manufacturing sectors.

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



IMPACT STUDY: BREAKING NEWS

As explained earlier in this report, our purpose and core values, “The Archroma Way to a Sustainable World”, are based on 3 pillars: Safety, efficiency and enhanced value.

When it comes to the **EFFICIENT** pillar, we strive to rethink sustainable manufacturing with innovating application processes that minimize resources and maximize productivity, both in our and our customers' manufacturing.

A good illustration is **BREAKING NEWS**, a system for optimized production of odorless high quality newsprint grades, and with lower chemical load.

The **BREAKING NEWS** system will allow a **much lower chemical load** compared to conventional processes.

More information on <https://www.archroma.com/systems/breaking-news>



BREAKING NEWS

A system for optimized production of odorless high quality newsprint grades and lower chemical load

BREAKING NEWS / Main benefits in a nutshell

- Safe products from a reliable global partner who applies international safety standards
- Sulfide-free with no odor concerns
- Reduced effluent loading from replacement of dithionite by OBA
- Optimized and efficient process owing to reduction of grade transition times
- Improved grade efficiency owing to reduction of out-of-specification production

'SAFE' WITH:
Archroma's BRAKING NEWS system



'EFFICIENT' WITH:
Archroma's BRAKING NEWS system



'ENHANCED' WITH:
Archroma's BRAKING NEWS system



BREAKING NEWS / Performance components of the system

Leucophor® ACK or AFCN
Wet enddisulfonated optical brightener

- Highly concentrated
- Urea-free*
- Highest whiteness with FDA food contact approval

Cartarex® NT or 2L
Wet-end OBA quenchers

- Capable of practically eliminating fluorescence in paper with little or no yellowing
- Minimal impact on system charge (zeta potential)
- Greater ability to quench disulfonated optical brighteners



Cartazine®
Wet end tinting colorants

- Cost efficient tinting colorant
- Optimized for newsprint

CULTURE

Archroma has 4 cultural pillars, collectively known as the “ACTS”, that guide the organization to foster trust and sustainable relationships with all our stakeholders. These pillars are:

ACCOUNTABILITY FOR PERFORMANCE

Working with clear, defined targets – aligned to the overall business strategy of Archroma but broken down to the area of responsibility of individual employees.



ACCOUNTABILITY
 FOR PERFORMANCE

CUSTOMER & MARKET FOCUS

Growing through customer and market focus – based on quality, cost, delivery, availability, service and innovation.



CUSTOMER &
 MARKET FOCUS

TEAMWORK & COLLABORATION

Engaging through collaboration – one team, one company, one agenda, one focus.



TEAMWORK &
 COLLABORATION

SPEED & SIMPLICITY

Winning through speed and simplicity – with the right mindset, organizational design, decision processes and our work efficiency.



SPEED &
 SIMPLICITY

Archroma continually reinforces these culture pillars within the organization. Each aspect of the culture pillars is integrated in every employee job specification and form a part of the annual performance appraisal. The ACTS culture pillars are also the foundation for Archroma’s policies.



DIGITALIZATION (DATA PROTECTION)

Digitalization allows faster, more reliable and efficient global business operations, and at the same time, secure processes and data management.

Since its inception in 2013, Archroma has therefore been implementing new digital technologies and information technologies (IT) systems and infrastructures, with the goal to eventually operate with end-to-end, state-of-the-art digitalized processes.

In the reporting period, we completed the implementation of a new upgraded document management system (DMS), transformed our infrastructure to next generation of software-defined networks (SDN), finalized the migration of our IT systems to “Microsoft Azure” cloud solutions, and continued expanding our data analytics capabilities.

Our digital workplace strategy has allowed Archroma employees to transition smoothly and efficiently to a work-from-home setup, whenever needed to keep them safe in the context of the COVID-19 pandemic.

Confidentiality, security and data protection

Archroma is strongly committed to the protection of the information and data of its employees, customers, and partners in general. Whilst Archroma needs to have access to the information and data that is required to operate its business and better serve the needs of its customers, the company is also extremely careful to comply with the laws and regulations related to data privacy, fair competition or intellectual property, as well as with the expectations of its customers and partners in this respect.

To achieve the objectives related to data protection, Archroma has appointed a Data Protection Officer and applies active accountability policies to ensure compliance.

Likewise, the Archroma Code of Conduct contains rules and guidelines aiming to protect sensitive and confidential customer information. All our employees are trained to the Archroma Code of Conduct to ensure that awareness is high on compliance issues, via an annual online training as well as regular live or web-based meetings.

Archroma has a Whistleblowing Policy and a Compliance Officer in place to ensure that suspected non-compliance incidents can be signaled, even anonymously, and properly investigated.

Archroma’s IT systems, including internet and intranet management systems, databases, customer relations management (CRM) tools, enterprise resource planning (ERP) system, end-user computing applications, and other operating systems, are protected by solid firewalls and password-protected with multifactor authentication accesses.

The company also has an Information Security Officer in place.

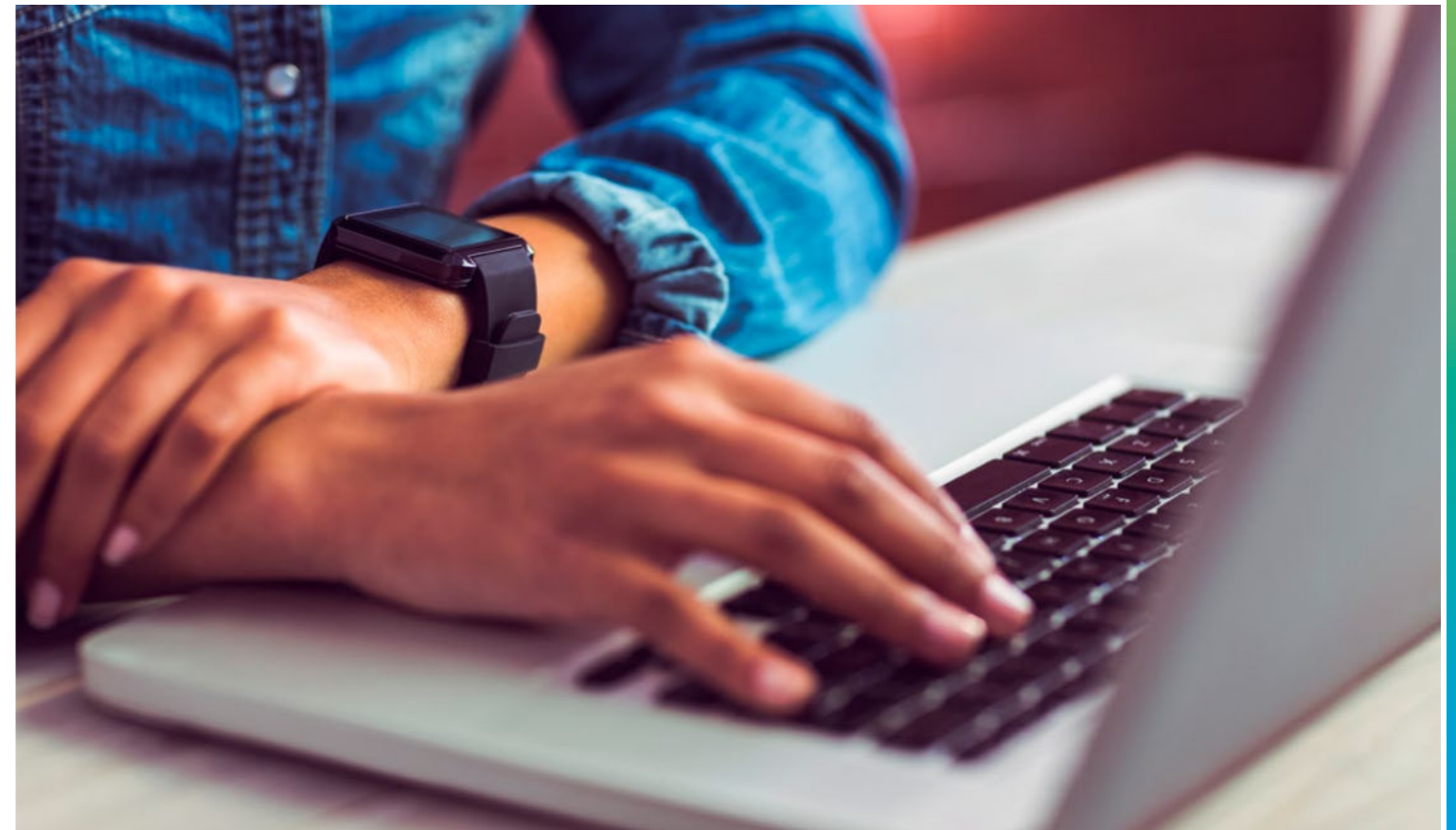
Archroma continuously invests in technology security initiatives as part of its digital agenda to effectively manage our business operations with best-in-class industry standards. We rely across our operations on 100% cloud-ready IT “eco-systems” with certified information security platforms which provide us high levels of reliability and capacity to protect our daily processes and transactions, as well as the company’s intellectual property and other sensitive business information.

We take threats seriously and continue to work to improve our systems and processes, which are constantly monitored and regularly updated so they provide the most effective security to protect our technology systems, processes and data.

As cybersecurity is continuously evolving, education is another essential part of our approach to protection, and we strive to reinforce a cybersecurity-aware culture at Archroma. Our employees are required to complete cybersecurity and data protection e-learning courses which are regularly updated based on the latest types of attacks and security best practices.

For the most sensitive and confidential cases, projects are handled in secure online data rooms that can be accessed only after the Archroma employees involved in the project have agreed to a non-disclosure and confidentiality obligation.

In the reported period, Archroma recorded no incidents nor complaints related to the theft, loss, or leaks of customer information, and no incidents of breaches of confidentiality.



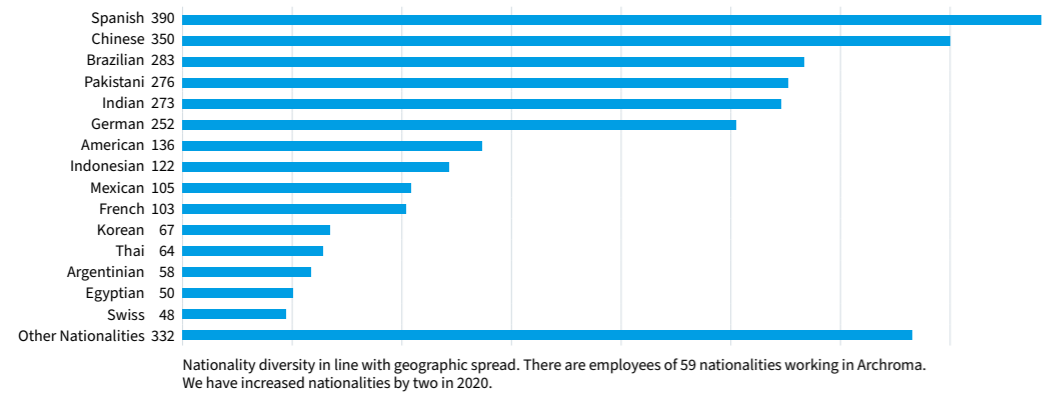


DIVERSITY & INCLUSION

Archroma recognizes the dignity, privacy and personal rights of all individuals, working together with various ethnic backgrounds, cultures, religions, ages, disabilities, races, sexual identity, worldview and gender. Archroma does not tolerate discrimination against anyone based on these characteristics or any other comparable offensive behavior.

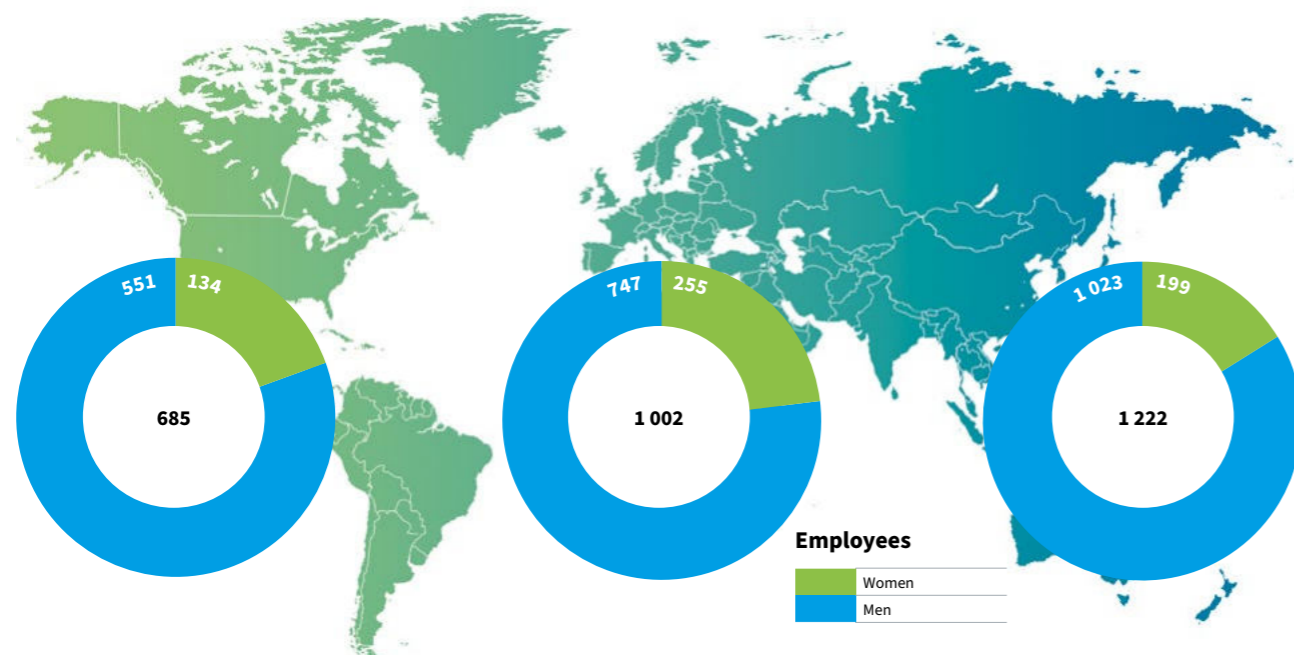
Archroma values diverse and talented colleagues and supports them so that they can contribute to their full potential. We enjoy diverse nationalities and cultures. There are 59 nationalities working in Archroma, which is representative of our geographical reach.

Number of diverse nationalities September 30, 2020



We have 2 909 employees working across 3 geographical regions, actively engaged and driving our business forward. 20.21% of the workforce comprises women and this number changes marginally from region to region. This overall ratio has slightly decreased in comparison to the previous reporting period.

Diversity employee profile by region

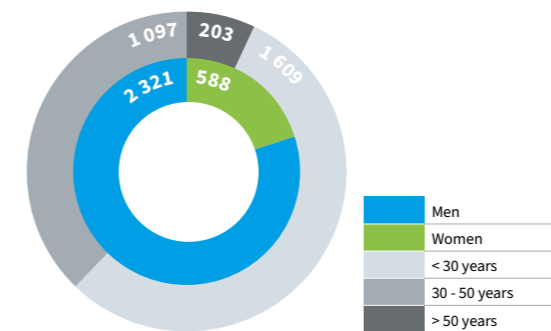


We have a good representation of women at all levels of the workforce including leadership roles.

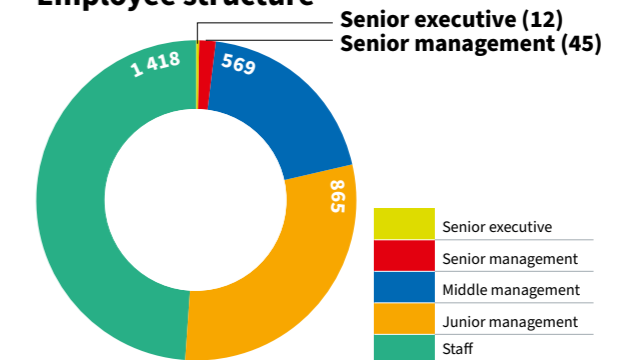
Women leaders play a very critical role for us in the management of Archroma and represent 30% of the total management category. The ambitious target for FY2023 is to increase this to 33% of the total complement of management employees.

30% of governance bodies are comprised of women.
50% of governance bodies are over 50 years old.

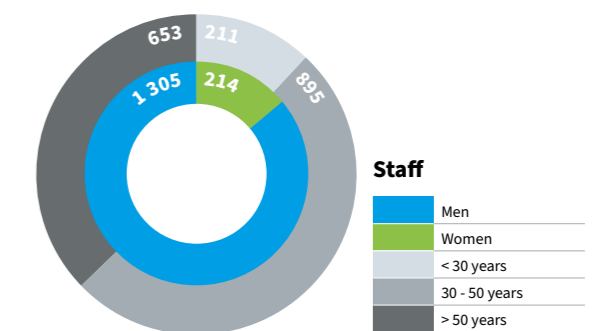
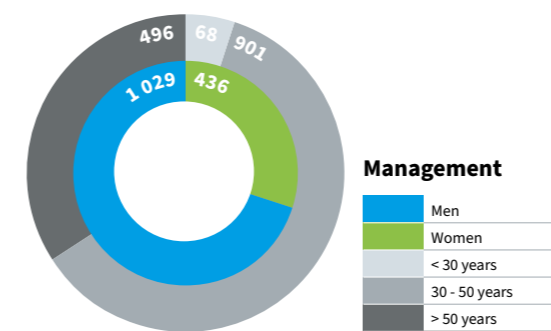
Employee profile



Employee structure



Employee tier profile



IMPACT STUDY: BRIGHT DREAM

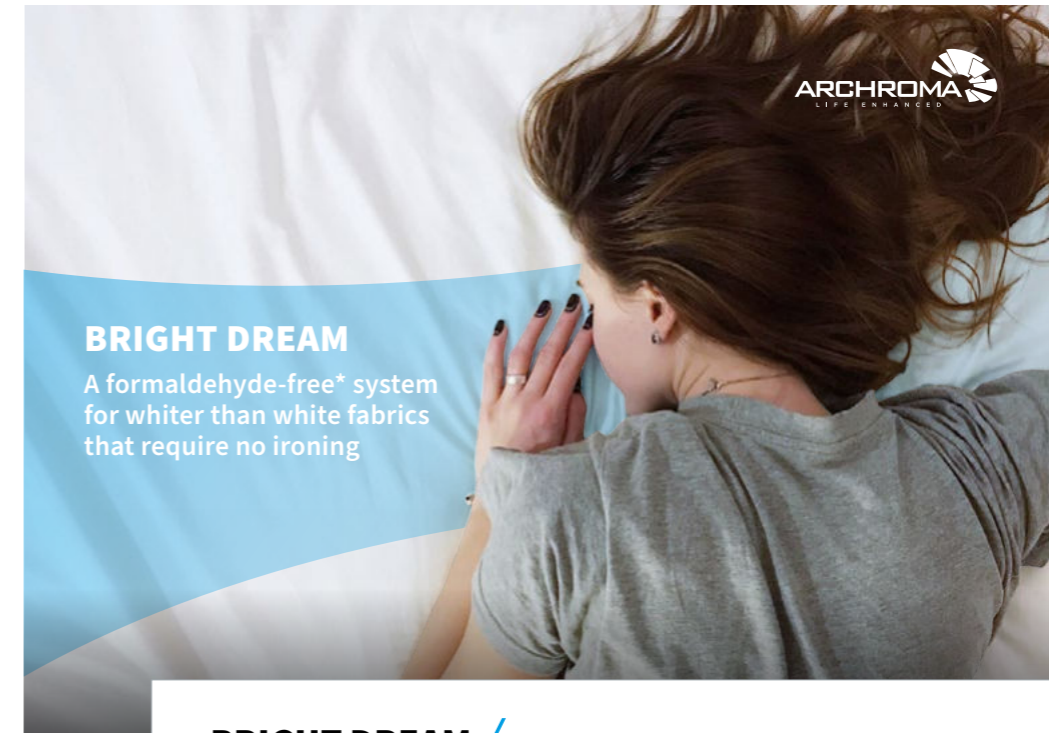
As explained earlier in this report, our purpose and core values, “The Archroma Way to a Sustainable World”, are based on 3 pillars: Safety, efficiency and enhanced value.

When it comes to the **SAFE** pillar, we strive to protect people and our planet with ingredients that are safe to use, safe to release and also safe to wear.

A good illustration is **BRIGHT DREAM**, a formaldehyde-free* system for whiter than white fabrics that require no ironing.

More information on
<https://www.archroma.com/systems/bright-dream>

*Below limits of detection according to industry standard test methods



BRIGHT DREAM

A formaldehyde-free* system for whiter than white fabrics that require no ironing

BRIGHT DREAM / Main benefits in a nutshell

- Safe products from a reliable global partner who applies international safety standards
- Enhances fabric quality
 - Higher degree of whiteness
 - Due to less yellowing properties also perfectly suitable for non iron
- Compared to competitor resins, the Archroma system supplies a higher degree of whiteness on the treated textile (and less shade change on pale shades)
- Beside its outstanding technical performance Arkofix® NZW supplies a far better storage stability in terms of product yellowing. This will lead to less production variability

'SAFE' WITH:
BRIGHT DREAM system with Arkofix® NZW & Leucophor®



'ENHANCED' WITH:
BRIGHT DREAM system



* Below limits of detection according to industry standard test methods. Not intentionally added

BRIGHT DREAM / Performance components of the system

- Arkofix® NZW liq**
Formaldehyde-free* resin
- Perfect for non-iron finishes & easy-care finishes
 - Suitable for low temperature curing
 - Minimized loss of tear strength
 - High degree of whiteness



- Ceralube® SVN liq & Solusoft® NUP liq**
- SVN = High density polyethylene for improved tear strength and abrasion resistance
 - NUP = Non-yellowing, low D4 silicone softener
 - No influence on degree of whiteness

- Leucophor® BFR liq**
- Maximum whiteness
 - Non-yellowing
 - Compatible with Arkofix® resin system

- Catalyst FF liq**
- Special catalyst for crosslinking of formaldehyde-free* resins
 - Allows low temperature curing

* Below limits of detection according to industry standard test methods. Not intentionally added



ECONOMIC PERFORMANCE

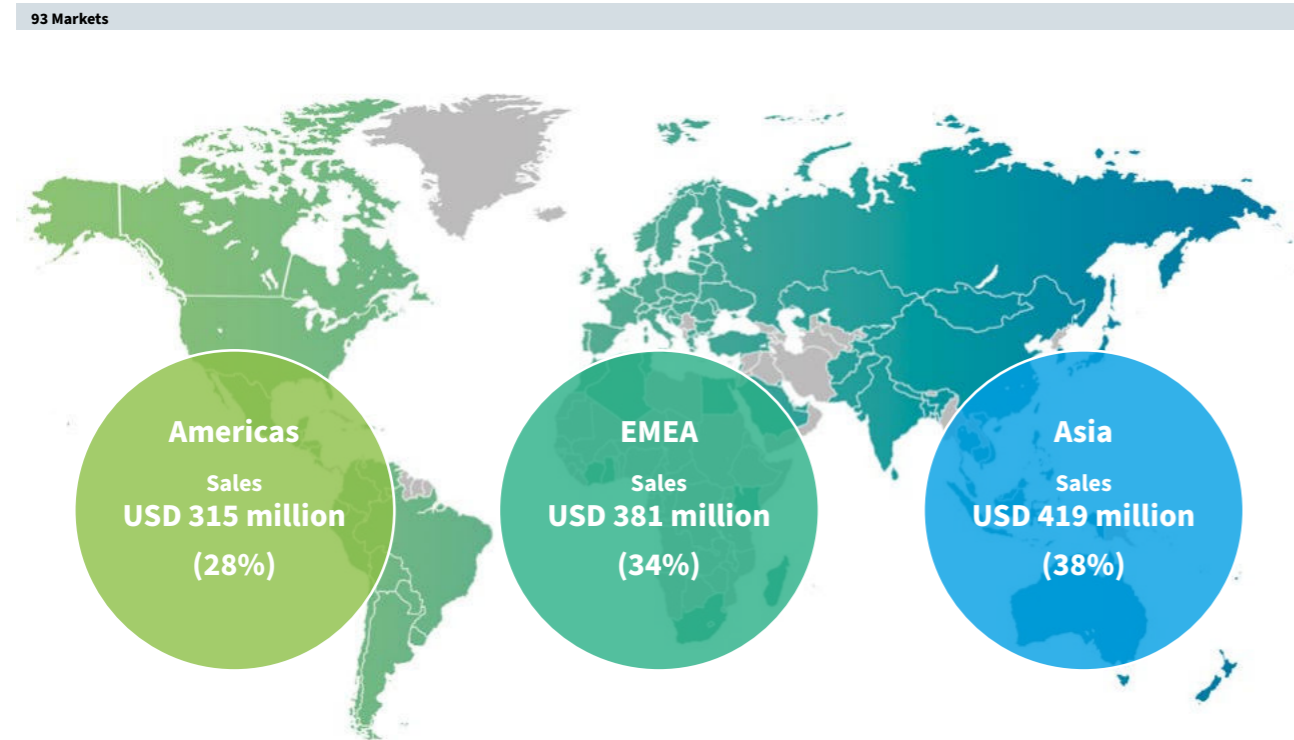
Archroma's total revenue for FY2020 was USD 1 115 bn. This reflects a 16.8% decrease compared to the previous reporting period. The sales volume also decreased to 467 thousand metric tons.

Weathering the crisis

We anticipated the potential impact of the pandemic early. As the first wave of global lockdowns started affecting our sales in April and May 2020, we had already shifted our efforts and focus towards those sectors which needed support in the fight against the virus, such as face masks and medical textiles. At the same time, we implemented decisive measures to manage and protect our cash position. As a result, we progressively restored our business performance from June 2020 onwards and per end of the year 2020 we are back to healthy and sustainable revenue and profit levels.

Markets served

During the reporting period, we served 93 markets worldwide grouped in three regional zones, the Americas, incorporating North, Central and South America; Europe, Middle East and Africa (EMEA); and Asia.



Indirect impacts: Creating value down the chain

In addition to “Safe” and “Efficient”, Archroma’s third innovation pillar is “Enhanced” performance and sustainability, because: “It’s in our nature to add another level of value”. In addition to cleaner ingredients and resource savings, our innovations have the important indirect impact of increasing the value of products throughout the supply chain: the water-repellent jacket purchased by a consumer is made of water-repellent fabric with a water-repellent finish made by Archroma. Higher value products are more durable (and more appreciated by their owners) so have a longer lifecycle than less expensive ones.

The Archroma systems and solutions that deliver enhanced value to our customers are defined and promoted as the “Enhanced Collection”.



IMPACT STUDY: CASUAL X SMART

As explained earlier in this report, our purpose and core values, “The Archroma Way to a Sustainable World”, are based on 3 pillars: Safety, efficiency and enhanced value.

When it comes to the **EFFICIENT** pillar, we strive to rethink sustainable manufacturing with innovating application processes that minimize resources and maximize productivity, both in our and our customers' manufacturing.

A good illustration is **CASUAL X SMART**, a sulfur dyeing system for trendy wash-down looks to make versatile clothes with a smart production process that is gentler for the planet.

The **CASUAL X SMART** system allows reduced consumption of water and energy during production, as well as salt, leading to a less polluting process with a lower CO₂ footprint.

More information on <https://www.archroma.com/systems/casual-x-smart>



CASUAL x SMART

A sulfur dyeing system for trendy wash-down looks to make versatile clothes with a smart production process that is gentler for the planet

CASUAL x SMART / Main benefits in a nutshell

- Safe products from a reliable global partner who applies international safety standards
- Increases profitability through lower processing & operating costs
- A short and robust system approach:
 - Improved resource optimization in terms of water & energy
 - Shorter production process allows for increasing capacity
 - Significant less salts and chemicals, less impact on wastewater
- Minimal fading wash- after wash
- Differentiation with improved resource utilization and less pollution for brands that demand and demand

'SAFE' WITH:
Archroma's CASUAL x SMART system



SAFE

'EFFICIENT' WITH:
Archroma's CASUAL x SMART system compared to benchmark reactive + pigment process



EFFICIENT

'ENHANCED' WITH:
Archroma's CASUAL x SMART system



ENHANCED

CASUAL x SMART / Performance components of the system

Diresul® RDT

- Pre-reduced liquid dyestuffs with minimal sulfide content**
- Dye range compliant with the strictest official eco-standards and requirements from retailers and fashion leading companies
 - Unique selection of blues to obtain Indigo look (C2C certified)
 - Dyes manufactured in Archroma's eco-certified plant nearby Barcelona (Spain)



Cyclanon® MSA p

- Reducing agent**
- High effectiveness under alkaline conditions and low temperature
 - Stable reducing agent (low sensitive to atmospheric oxygen)
 - Salt-free wastewater

Leonil® EHC liq c

- Excellent wetting agent**
- Non-foaming
 - Perfect compatibility with Diresul® RDT (anionic)
 - Facilitates penetration of difficult cotton grey goods

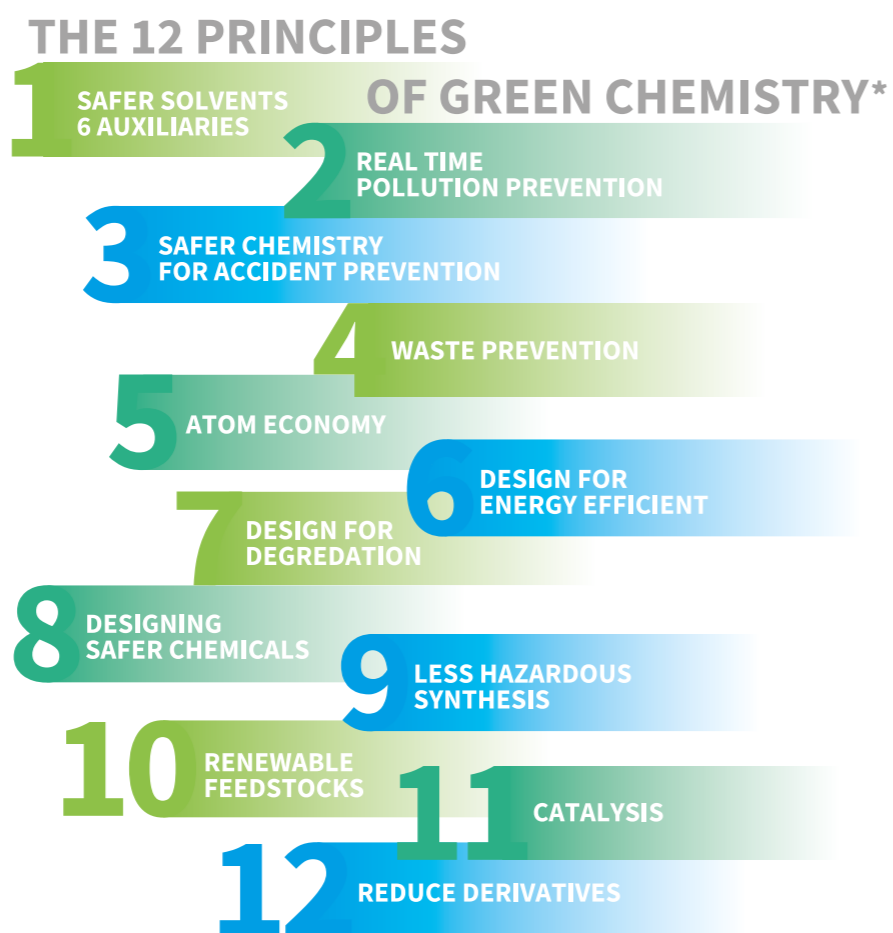


ENVIRONMENTAL SAFETY

We take initiatives to reduce environmental risks in the production, storage, distribution and usage of our products and in the disposal of waste. This includes the efficient use of energy and resources and the continuous improvement of our processes to minimize the impact of our activities on the environment. We apply a simple concept of analyzing our production processes to, where possible, avoid or reduce emissions and waste, recycle waste streams, and wherever necessary dispose of waste in an environmentally acceptable manner. We comply with all local regulations, and have online effluent monitoring in major sites which allows a control mechanism to achieve and surpass emission limits.

Accountability for environmental management lies with the Senior Vice President of Operations. Manufacturing processes are developed in line with the “Principles of Green Chemistry*” (see graphic below); maximizing process yields which ensures that minimum waste is generated, and to minimize unintentional contaminants of raw materials and intermediates within the final product. Production technology, that is the implementation, installation, monitoring and ongoing improvements of production processes, is globally managed in two areas: 1) Chemicals, and 2) Dyes & optical brightening agents. This has been done due to the distinctly differing natures of chemistries involved in these two areas.

Short-term and long-term key performance indicators and associated targets are defined for each production site for energy use, waste and effluent, both in absolute terms and per unit of production. These are monitored on a monthly basis using scorecards by the manufacturing department and corrective actions taken where necessary. In addition, specific projects are initiated regarding operational excellence, especially in process simplification and production yield improvement.



* Anastas, Paul T.; Warner, John C. (1998) Green Chemistry: Theory and Practice.

Non-conformances

There are strict guidelines covering environmental safety non-conformities. All sites and standalone laboratories have at their disposal a well prepared and trained emergency response team to cover spills, fires, accidents or injury. Training of these teams is conducted on a regular basis, and certified to conform to local regulations. The magnitude and/or the impact of an incident will determine the response level according to the global emergency management procedures, by either the Local Emergency Management (LEM) team or the Global Emergency Management (GEM) team. The local authorities are notified, and the appropriate remedial actions taken. Archroma employees are always a part of any emergency team, even if Archroma is not the site owner, as in some cases we have shared sites with third parties.

In addition to the specialized training received by the emergency management teams, all production employees are trained on safety, energy, waste and wastewater management as a part of the Archroma Academy “MAKEXPERT” initiative, developed to build knowledge from a bottom-up approach. This initiative also builds a good platform to define improvements towards achieving the particular annual and long-term goals.

Air emissions

Airborne emissions from the production plants include exhaust gas from operations and boiler flue gas. All production plants and standalone laboratories are equipped with modern facilities to collect and treat air emissions. All air emissions are continually monitored and meet with the relative standard limits as stipulated by local environmental authorities.

Water & effluent

Water is a critical resource for Archroma during chemical manufacture. It is primarily used as a processing aid in cooling, cleaning and air scrubbing/washing, and as a raw material in the production of commercial liquid-based formulations, such as liquid dyes and polymeric dispersions. Water is also evaporated during the production of dry formulations.

Archroma withdrew a total of 8.06 million m³ of water in FY2020, which represents a 8% decrease compared to the reported figure for FY2019 (8.76 million m³). Of the total withdrawn 49 % is directly sourced from surface water and 24% from groundwater. The remaining 27% is supplied by third parties, such as corporation water supply and industrial site services.

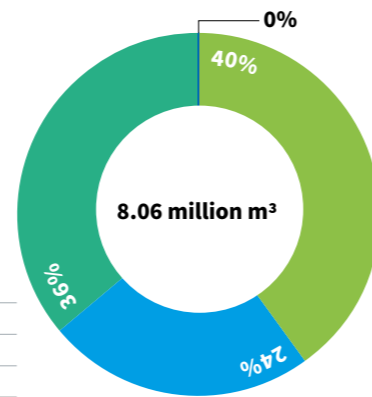
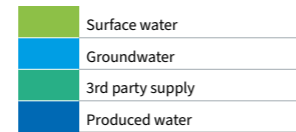
WRI's Aqueduct tools reveal that 17 countries – home to one-quarter of the world's population—face “extremely high” levels of baseline water stress, where irrigated agriculture, industries and municipalities withdraw more than 80% of their available supply on average every year. Forty-four countries,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

7 of the Archroma production sites are located in water stress areas as defined by the WRI Aqueduct Water Risk Atlas. This has not changed from the previous report.

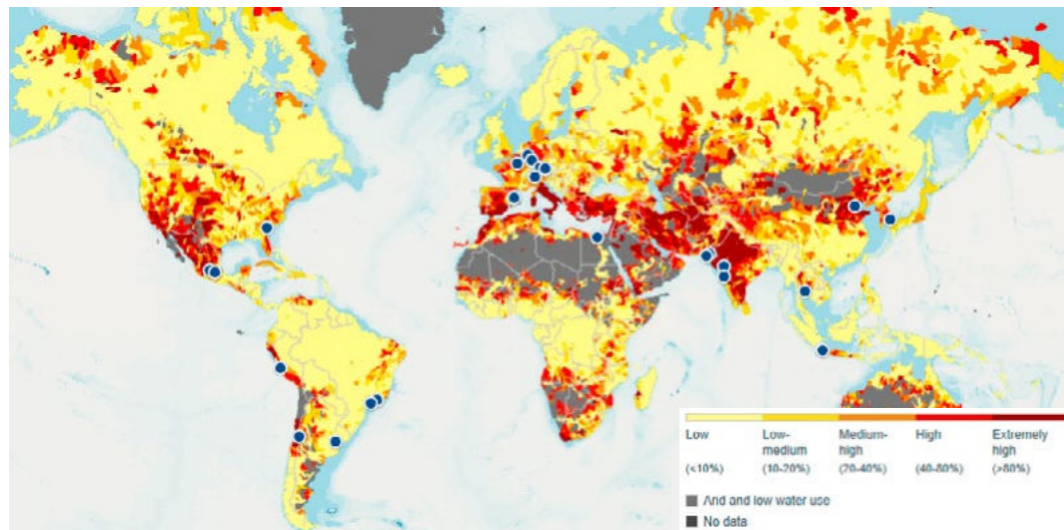
More details can be found at:

<https://www.wri.org/resources/maps/aqueduct-water-risk-atlas>.

Total water withdrawal



BETA AQUEDUCT WATER RISK ATLAS



Water Stress Areas

| Production Site | Baseline Water Stress Rating |
|-------------------------|------------------------------|
| Santa Clara, Mexico | Extremely high (>80%) |
| Salvatierra, Mexico | Extremely high (>80%) |
| Maipu, Chile | Extremely high (>80%) |
| Ameriya, Egypt | High (40-80%) |
| Suzano, Brazil | High (40-80%) |
| Lamotte, France | High (40-80%) |
| Korschenbroich, Germany | High (40-80%) |

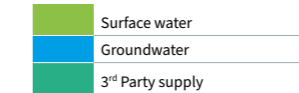
Baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users

In these sites Archroma withdrew 0.17 million m³ of water in FY2020. Of this 8% of the water withdrawn in these areas was sourced from groundwater and 5% from surface water. The remaining 87% was supplied by third party water suppliers. Of the total water supplied by third party suppliers, 76% originated from surface water. Thus we are minimizing any effect on the aquifer in water stressed areas, in order to reduce the depletion of this valuable resource. In these areas, our target will be to reduce water withdrawal in these sites by 40%, using FY2018 as a baseline, to a total 131 000 m³ withdrawn in 2023.

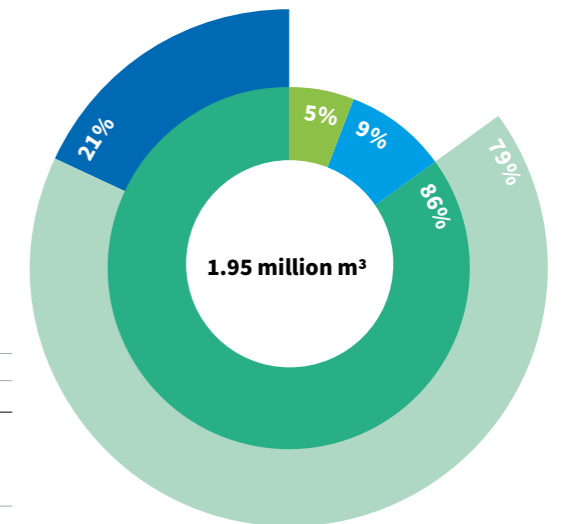
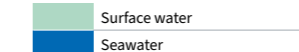
| ARCHROMA TOTAL | FY2018 | FY2019 | FY2020 | TARGET 2023 |
|--|---------|---------|---------|-----------------|
| Stress water abstraction (m ³) | 218 665 | 188 389 | 167 313 | 112 000 (-40%)* |
| Hazardous waste to landfill (mt) | 382 | ZERO | ZERO | |

* (-40%) refers to FY2018

Water withdrawal – Water stress sites



3rd Party supply source



Water consumption in FY2020, which is water used, for example, as a raw material, to generate steam or lost through evaporation, amounted to 1.95 million m³ which represents 24% of the total water withdrawn. In the water stressed areas water consumption decreased to 38% of water withdrawn, which is indicative of the water recycling initiatives used in some production sites.

| Water consumption (m ³) | All areas | Areas with water stress |
|-------------------------------------|-----------|-------------------------|
| TOTAL | 1 948 449 | 64 522 |



FAIR LABOR PRACTICES

At Archroma, people are the core of our business.

We operate with the core belief that only by aligning personal and business goals can we achieve sustainable growth.

Archroma fully supports and complies with the 1989 United Nations Convention of the Rights of the Child and the 1998 International Labor Organization Declaration on Fundamental Principles and Rights at Work. Archroma does not undertake any business with a company that uses forced or child labor.

Archroma recognizes the dignity, privacy and personal rights of all individuals; working together with various ethnic backgrounds, cultures, religions, ages, disabilities, races, sexual identity, worldview and gender. Archroma does not tolerate discrimination against anyone based on these characteristics or any other comparable offensive behavior. These principles extend to all employment decisions including recruiting, training, evaluation, promotion and reward.

Archroma also recognizes the freedom of association, and the right to collective representation and bargaining. Archroma operates in many countries worldwide and, as such, has an extremely diverse workforce.

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

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

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

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

All changes to bargaining agreements, where applicable, are compliant with the local requirements related to notice periods for changes, consultation and fair negotiation employment practices.

Based on our current labor policies, type of operations and people working with us, Archroma does not foresee a high risk with respect to human rights violation.

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

Archroma operates along three guiding principles:

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

To ensure that these guiding principles are enforced at all times, Archroma currently has:

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

Archroma employees are encouraged to raise questions and issues or signal a breach or incident that relates to their working conditions and treatment, and they are free to choose the way they feel the most comfortable to do so, either via the line manager, HR country managers or the works council, union or employee representatives of the country of location of the employees, or via the Compliance Officer who can be contacted anonymously and in a confidential manner by the employee.

This right is guaranteed and protected by the Archroma Code of Conduct and Whistleblowing Policy, and all the above-mentioned communication channels are regularly used.

In particular, as a multinational company with 52 locations worldwide, Archroma is strongly attached to diversity as one of its core values, and the Archroma Code of Conduct clearly sets the expected compliance in this area.

Compensation and benefits

Archroma commits to provide competitive and fair compensation that includes all pay and benefits, providing a “total compensation” package consistent with the varied practices in different regions of the world. The employee package typically includes base pay and, as appropriate, variable pay. In order to support the group’s growth goals, the variable pay plans will make clear distinctions between high and low performance, resulting in different levels of pay-out.

All of our compensation and benefits for permanent and temporary employees are in line with local legislation.

Our family support policies include maternity and paternity benefits and provide additional leave over and above the stipulated leave entitlement by local law to ensure that employees can focus on their children and not have to make sacrifices between the needs of the workplace and home.

Archroma has two variable pay plans in place: The Archroma Group Incentive Plan (AGIP) for non-sales employees and the Archroma Sales Incentive Plan (ASIP) for the sales force. Targets are established and communicated at the beginning of each fiscal year.

In FY2020, there was no bonus payout for AGIP.



IMPACT STUDY: CLEAN MACHINE

As explained earlier in this report, our purpose and core values, “The Archroma Way to a Sustainable World”, are based on 3 pillars: Safety, efficiency and enhanced value.

When it comes to the **SAFE** pillar, we strive to protect people and our planet with ingredients that are safe to use, safe to release and also safe to wear. For the **EFFICIENT** pillar, we strive to rethink sustainable manufacturing with innovating application processes that minimize resources and maximize productivity, both in our and our customers' manufacturing.

A good illustration is **CLEAN MACHINE**, a system for stickies control on the paper and on the machine, for reduced downtime in production and the ability to use lower quality raw materials and reduce costs.

The **CLEAN MACHINE** system can be used in food contact applications, and allows to use a higher ratio of recycled paper fiber.

More information on <https://www.archroma.com/systems/clean-machine>



CLEAN MACHINE

A system for stickies control on the paper and on the machine, for reduced downtime in production and the ability to use lower quality raw materials and reduce costs

CLEAN MACHINE / Main benefits in a nutshell

- BfR and FDA food contact compliant
- REACH registered
- Products used in line with Nordic Swan & EU-Flower requirements
- Improved production efficiency
- Less waste/broke due to increased process control giving cost savings

'SAFE' WITH:
Archroma's BRAKING NEWS system



SAFE

'EFFICIENT' WITH:
Archroma's BRAKING NEWS system



EFFICIENT

CLEAN MACHINE / Performance components of the system

Cartaspers® PSM /PSM new* liq

Wire treatment agent

- Prolonging live of felts & wires
- Reduction of downtime due to less washing (of felts & wire) needed
- Increased production rate due to clean and open fabrics



Cartaspers® SCS liq

Stickies control agent

- Increased removal of ink and stickies has resulted in increases of whiteness
- Preventing stickies picking out in drying section or in reel
- Passivating stickies by absorption which results in improved consistency and quality of the paper

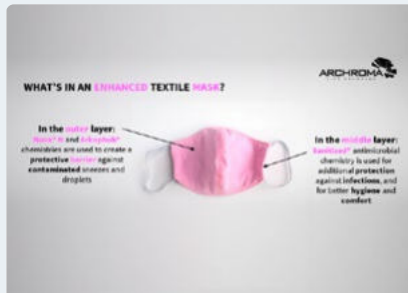


LOCAL COMMUNITIES

As a good corporate citizen, Archroma is proud to be creating jobs, protecting the environment and developing local communities. We get involved with our local communities to support and foster education, health, and in the creation of general social upliftment programs.

All Archroma sites are actively engaging and assessing the needs of their communities at a local level, based on the needs that the local management teams are aware of and engaging with the stakeholders. Community representatives are consulted and programs that benefit those communities run as needed.

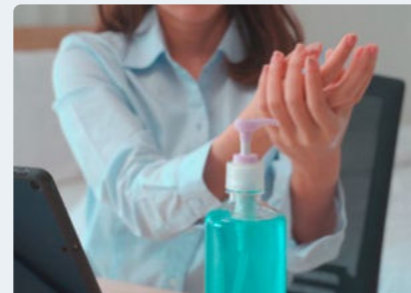
The fight against COVID-19



As part of our support to the general population and communities worldwide, Archroma ran during the reporting period a social media education campaign on face masks with information about their selection, usage, care and disposal.



At local level, we implemented stringent measures for the protection of our employees, and our local COVID-19 teams continuously communicated information and advice about the virus to protect families, friends and the local community.



Archroma developed a range of hand sanitizers to support the health and manufacturing communities in Pakistan, and a thickener for hand sanitizers in Brazil.

Safe sites, safe neighbors



In November 2019, our team in Peru received the AOTS gold medal award for the implementation of environment, health and safety improvements.



In December 2019, our site in Salvatierra, Mexico, celebrated 5 years with zero accident.



In February 2020, our site in Tianjin, China, announced it was named 'Green Factory' by the Tianjin authorities.

Earth-friendly community activities



Archroma started to contribute to the Tree Nation project which has already planted 8 070 476 trees in endangered areas (<https://tree-nation.com/>)



Our team in Spain presented our biomass-based dyeing technology to school pupils nearby the site where the dyes were developed and are produced.



Archroma celebrated the 2020 Earth Day with initiatives from our teams in Canada, Chile, India, Indonesia, Pakistan, Switzerland, and USA, who organized community clean-ups, reforestation and educational activities.

IMPACT STUDY: DEEP DIVE 2.0

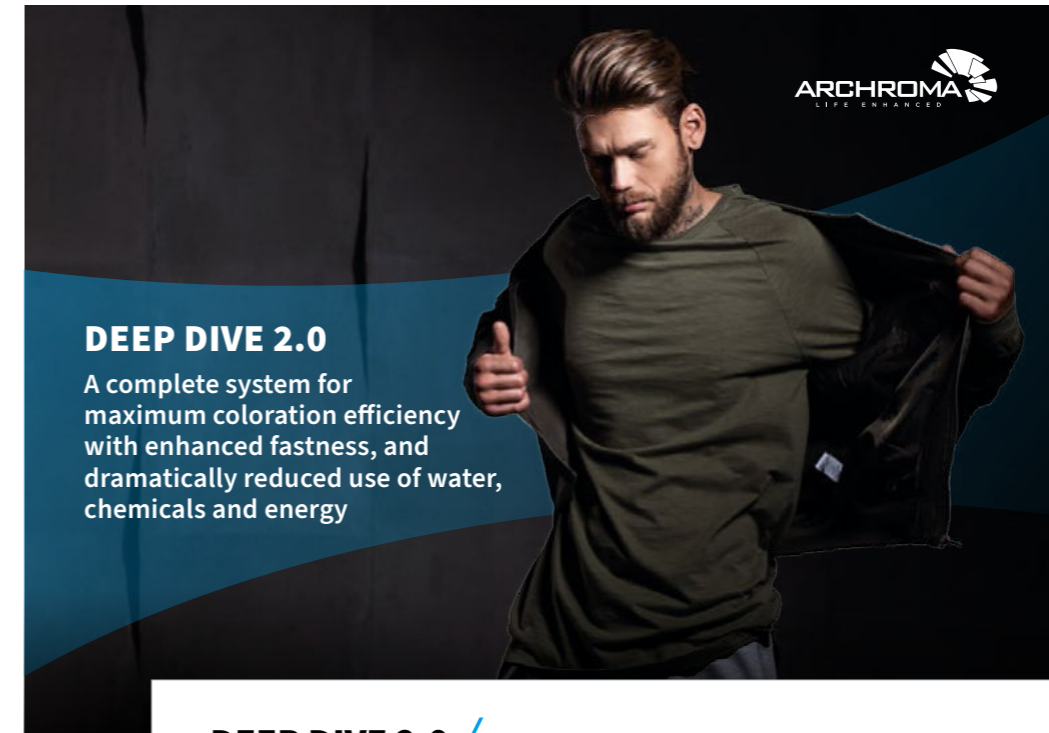
As explained earlier in this report, our purpose and core values, “The Archroma Way to a Sustainable World”, are based on 3 pillars: Safety, efficiency and enhanced value.

When it comes to the **EFFICIENT** pillar, we strive to rethink sustainable manufacturing with innovating application processes that minimize resources and maximize productivity, both in our and our customers' manufacturing.

A good illustration is **DEEP DIVE 2.0**, a complete system for maximum coloration efficiency with enhanced fastness, and dramatically reduced use of water, chemicals and energy.

The DEEP DIVE 2.0 system will allow to substantially **reduce water, chemicals and energy usage**, with a **lower CO₂ footprint** and less salt.

More information on <https://www.archroma.com/systems/deep-dive-2.0>



DEEP DIVE 2.0

A complete system for maximum coloration efficiency with enhanced fastness, and dramatically reduced use of water, chemicals and energy

DEEP DIVE 2.0 / Main benefits in a nutshell

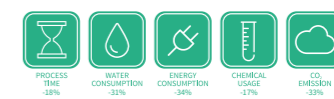
- Safe products from a reliable global partner who applies international safety standards
- Increases profitability through lower processing & operating costs
- A short and robust system approach:
 - Right-first-time productivity
 - Improved fabric quality. Less pilling due to reduced mechanical abrasion
 - Improved resource optimization in terms of water & energy
 - Shorter production process allows for 145 additional batches/year
 - Dry and wet rubbing fastness improved

'SAFE' WITH:
Archroma's DEEP DIVE 2.0



SAFE

'EFFICIENT' WITH:
Archroma's DEEP DIVE 2.0 compared to benchmark exhaust process for 100% CO substrates at LR 6.1



EFFICIENT

'ENHANCED' WITH:
Archroma's DEEP DIVE 2.0 system



ENHANCED

CASE STUDY: Indonesia customer, Jet dyeing machine, 100% cotton knit, LR 6.1

DEEP DIVE 2.0 / Performance components of the system

Blue Magic "All-in-one" discontinuous pretreatment

- Less fiber damage
- High degree of whiteness
- The standard rinsing process, which follows bleaching, can be reduced or omitted
- Biodegradable-free* from APEO (alkylphenol ethoxylates) and phosphorus

Optifix® RUB New liq & Siligen® SIH-S New liq Finishing for rub fastness improver and elegant hand feel

- Improves the dry and wet rub fastness properties of reactive dyed substrates, especially in deep shades
- Excellent hydrophilicity - soft handle



Drimaren® Ultimate HD p & Cyclanon® XC-W New liq Coloration reactive system

- Powerful build-up for deep shades
- Less dyes and chemicals required to achieve the desired shade
- Highly compatible to improve right-first-time
- Reduced coloristic cost - optimized recipe and dyeing procedure
- Fast and efficient removal of hydrolyzed dye
- Less washing baths
- Optimum fastness

* Below limits of detection according to industry standard test methods

OCCUPATIONAL SAFETY

This topic refers to our internal focus, management and performance for the safety of our employees. Chemical manufacturing is a specialized process involving the handling and storage of large volumes of chemical substances of varying hazardous nature, synthesis processes requiring complex machinery often using high temperatures and pressure, and waste streams that require particular treatment before being discharged.

Following our principle that we are all responsible for safety, Archroma has developed 12 “Life Saving Rules”. Each employee is trained on these rules and signs commitment to ensure they are followed.

Accountability for occupational safety lies with the Senior Vice President Operations and the Global Safety, Health and Environment (SHE) manager. Each site/location manager has a zero Total Reportable Rate (TRR) target. This has resulted in the overall Total Reportable Rate (TRR) of 0.20 incidents measured per 200 000 hours worked for the reporting period. This shows a small improvement over the previous reporting period (FY2019 TRR 0.23). The TRR target for FY2023 is less than 0.2 incidents per 200 000 hours worked.

Archroma 12 “Life Saving Rules”

| | | | |
|--|---|---|---|
|  <p>NO DRUGS WHILST WORKING NO ALCOHOL AT WORK NO SMOKING OUTSIDE DESIGNATED AREAS</p> |  <p>WORK WITH A VALID PERMIT WHEN REQUIRED</p> |  <p>PROOF THAT ATMOSPHERE IS SAFE BEFORE ENTERING IN A CONFINED SPACE</p> |  <p>LOCK OUT, TAG OUT AND TRY OUT BEFORE WORK ON MACHINES OR EQUIPMENT BEGINS</p> |
|  <p>OBTAIN AUTHORIZATION BEFORE LINE BREAKING</p> |  <p>OBTAIN AUTHORIZATION BEFORE OVERRIDING OR DISABLING CRITICAL SAFETY EQUIPMENT</p> |  <p>PROTECT YOURSELF AGAINST A FALL WHEN WORKING AT HEIGHT</p> |  <p>LIFTING AND HOISTING: DO NOT ENTER A DANGER ZONE WHERE OBJECTS CAN FALL</p> |
|  <p>COMPLY WITH MANAGEMENT OF CHANGE WHEN REQUIRED</p> |  <p>FOLLOW YOUR JOURNEY MANAGEMENT PLAN</p> |  <p>WEAR YOUR SEATBELT</p> |  <p>DRIVE RESPONSIBLY AND COMPLY WITH LOCAL LAW</p> |



Occupational health & safety risk and emergency management

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

We take initiatives to reduce safety and health risks in the production, storage, distribution and usage of our products and in the disposal of waste. In order to manage the risks associated with chemical manufacturing, process hazard analyses are conducted. Each manufacturing site and standalone laboratory has its own risk profile, particular to the manufacturing processes and chemicals used at that site.

The primary hazards are fire/explosion, chemical properties and personal injury. This risk portfolio is updated annually, or ad hoc when an additional manufacturing process is initiated on the site.

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

Incident prevention

To support incident prevention, Archroma operates an “observation” program in order to identify opportunities for improvements which can then be distributed across all sites. We have found this approach particularly successful identifying actions for continuous improvement, and this is also monitored on a monthly basis.

Training

To support training, every site has a comprehensive training program that has been developed specifically for that site and focused upon specific knowledge improvement requirements. Broader training topics for the organization are conducted by regular webinars. These cover more general topics, which maintains the awareness within the organization towards our current safety performance and allows experience sharing, and all employees to participate in safety topics.

In FY2020, we instituted safety training via online tools for all employees equipped with computers and mobile devices, and physical onsite training for those with no online access.

Safety audits

Site safety audits against the guidelines are conducted on a 3-year program. These audits are conducted over one week by internally qualified safety experts at a frequency of 8 to 10 sites per year. The audits are conducted against 25 comprehensive guidelines which describe all safety processes, the transportation, storage and use of all materials. Any corrective action plans are set and monitored against a specific time frame. Due to the pandemic we have switched to remote safety audits supported with live camera at the sites.

Health

General health improvement initiatives are managed on a local level at the sites. No global initiatives have been conducted during the reporting period.

To manage the global pandemic we have issued global guidelines and precautions measures.

We have also activated all local emergency teams and they are constantly in closed contact with the company's Global COVID-19 crisis team.





PRODUCT STEWARDSHIP & RELATED COMMUNICATION

As part of our core commitment and “Safe” pillar, we believe that providing accessible and adequate information to all our stakeholders about the environmental and social impact of our products is essential.

In particular, we provide information and documents aimed at allowing our stakeholders to make informed decisions, and to handle, use and dispose of our products in a safe, efficient and sustainable manner.

Some of this information is highly regulated such as:

- Material Safety Data Sheets (MSDS) - which provide information regulated under the United Nations (UN) Global Harmonized System (GHS) about potential health hazards, product classification, presence of hazardous ingredients, and instructions on adequate personal protection equipment (PPE) and safe handling.
Considering standards such as GHS may not be applicable in all countries, or differ from one country to another, Archroma follows the highest applicable standard wherever its products are manufactured or delivered.

In total, Archroma maintains a library of about 32 000 MSDS.

MSDS are available in all countries in which we operate, in the local language. These are made available to concerned stakeholders via a dedicated web interface fed by a specific environmental, health and safety (EHS) module within our SAP IT infrastructure: Archroma employees and contracted warehouses, emergency assistance services, and key distributors. MSDS are also proactively provided to customers at the time of the initial order, subsequent annual orders, or whenever there are changes in product composition, or hazardous substance classification.

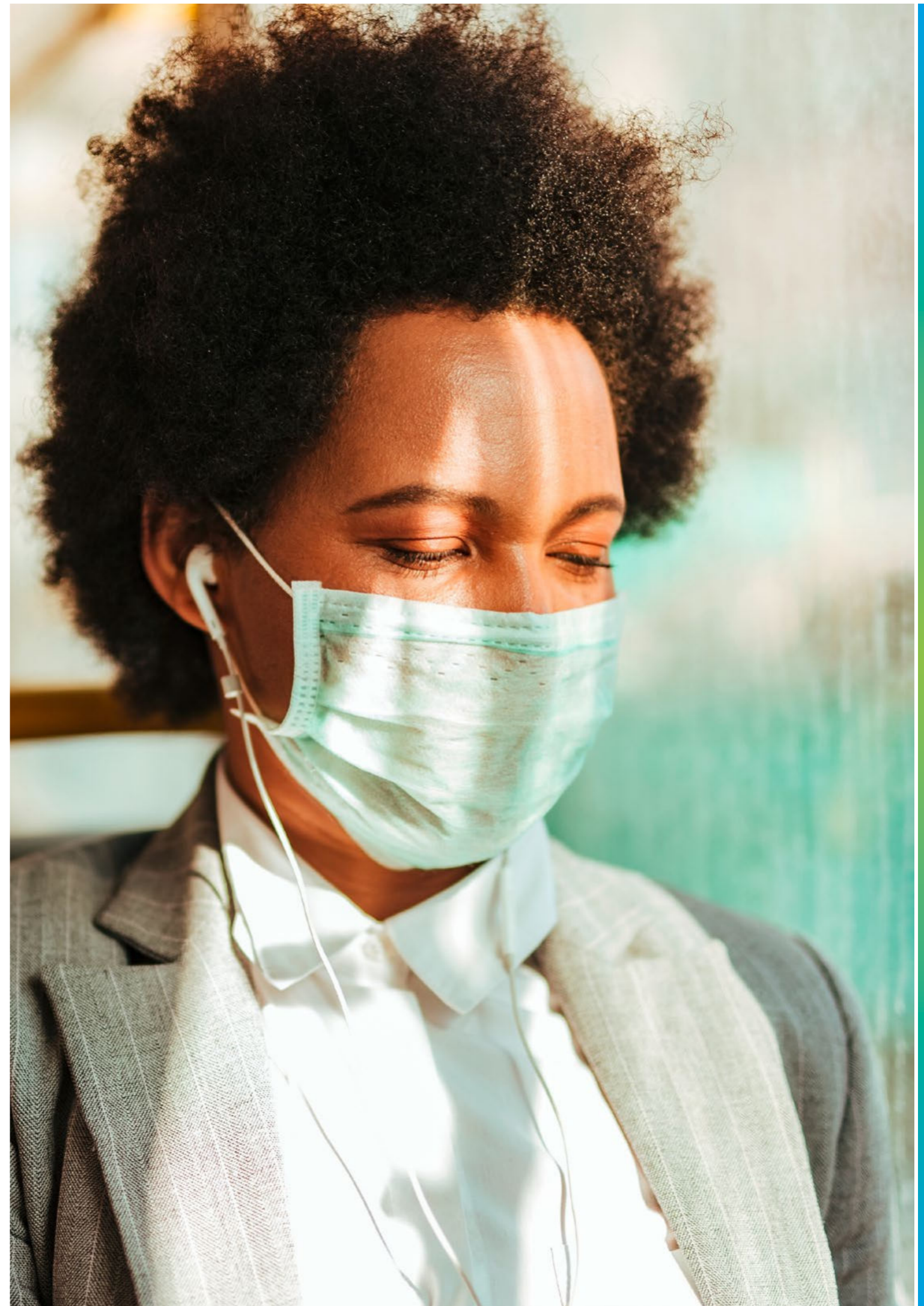
- Packaging labels - which provide GHS and transport handling information according to the product MSDS in a more visual form such as danger and hazard pictograms. To ensure alignment between labels and MSDS, Archroma uses the same SAP module that feeds directly the label printers available on all Archroma packaging sites.
Each country will either follow the GHS or have its own classification standard. In any case Archroma will comply both with the GHS and, in addition, with the local standard applicable in the country of production and destination, and in local language.

Archroma also provides documents that are not regulated but are requested by our customers, as well as brands and retailers.

- Compliance certificates - which are established on request of customers and aim to certify compliance of Archroma products to several industry standards that apply in their markets.

These standards can be edicted by:

- Regulatory authorities, such as FDA food contact approval, the ISEGA certification by the German Federal Institute for Risk Assessment (BfR), the Blue Angel, Nordic Swan or EU Eco-label.
- Third parties such as bluesign technologies ag or Cradle-to-Cradle Products Innovation Institute.
- Bands and retailers with their own specific requirements such as restricted substance lists (RSLs) and/or manufacturing restricted substance lists (MRSLs).





Annually we receive more than 10 000 requests for safety and compliance status, mainly against SDS, Oeko-tex, ZDHC and MRSLS and this is increasing as customers become more sensitive regarding hazardous substance content and any inherent risk to the consumer and/or the environment.

During the reporting period, our response time to all these requests has been between 1 and 5 days.

Product stewardship at Archroma focuses on three strategic areas:

1. Laboratory support to ensure compliance of our raw materials and resultant manufactured products to the health, safety and environmental standards of authorities, or brands and retailers. We continuously develop our expertise within our team of dedicated scientists, in order to provide accurate compliance assessments of our products against the increasing number of regulatory, brand and consumer requirements.

2. An advocacy program, aimed at assisting authorities, NGOs, brands and other stakeholders to increase understanding of the environmental and health impact of our products and their chemical components. In this respect, Archroma acts as a partner and regularly consults on topics and ingredients which are under scrutiny or evaluation. We are engaged to work hand in hand with regulators and various eco-labels in order to implement proportionate and enforceable restrictions/limitations. We welcome the new Chemical Strategy for Sustainability presented by the European Commission, and work together with CEFIC and the Commission on a strategy that drives the design of the “chemistries of tomorrow”.

3. An annual operating plan with strict targets and monitoring tools and processes, aimed at increasing the efficiency of the safety assessment of chemical substances at an early stage of the product development. Building on the REACH database, we use predictive toxicology tools to accelerate chemical safety testing while minimizing animal testing in order to support the move to less hazardous chemicals where technically and economically possible.

Archroma is committed to ensuring the safety of chemicals and to providing all the necessary and relevant information on the potential impact of the substances on human health and environment, as required by REACH. Therefore, we voluntarily committed to contribute to improving REACH dossier quality, and address data gaps, if any, to better identify substances of potential concern, and ensure the safety of chemicals.

We report our progress on an annual basis to CEFIC. During the reporting period, we re-evaluated 64 dossiers, either as lead registrant or co-registrant, and we plan 180 more for re-evaluation by the end of 2026.

Archroma has strict internal guidelines in place to ensure that eco-toxicological information is established, maintained and communicated following the highest standards. We ensure that the full knowledge on the hazardous properties of our products is made available in all countries involved in the supply chains we operate.

Archroma communicates directly with our customers with standard documents aimed at guiding customers in the most efficient use of Archroma products to maximize productivity and minimize resource usage.

This information is provided in the form of:

- Technical Data Sheets (TDS) - which are established for each product and provide information about its technical properties (for example appearance, pH, density etc.), field of application, typical application recipe, available packaging and handling recommendation.
- An online database of product TDS is maintained and managed by the respective product manager and is accessible to all Archroma sales and marketing organizations for communication to customers.

All new global products are launched with a package addressed to the marketing & sales organization and containing:

- 1.** An internal launch letter containing information on e.g. marketing positioning, business opportunity, production site, packaging options, performance, application field, recipe, fastness tests, and the available certifications.
- 2.** The respective technical data sheet(s).
- 3.** The respective material safety data sheet(s).
- 4.** Promotional information to support the new product(s), such as promotional flyers, supporting technical customer presentations, etc.

Innovations are also further introduced to the marketing & sales organization in dedicated webinars allowing deeper training.

The marketing & sales organization is then responsible for the introduction of the product to the customers and market, supported on an ad hoc basis by media activities such as press releases and advertisement, or social media activities. Any products removed from the portfolio or reformulated trigger a similar communication process to the sales organization.

IMPACT STUDY: PURE UNDERTONES

As explained earlier in this report, our purpose and core values, “The Archroma Way to a Sustainable World”, are based on 3 pillars: Safety, efficiency and enhanced value.

When it comes to the **SAFE** pillar, we strive to protect people and our planet with ingredients that are safe to use, safe to release and also safe to wear.

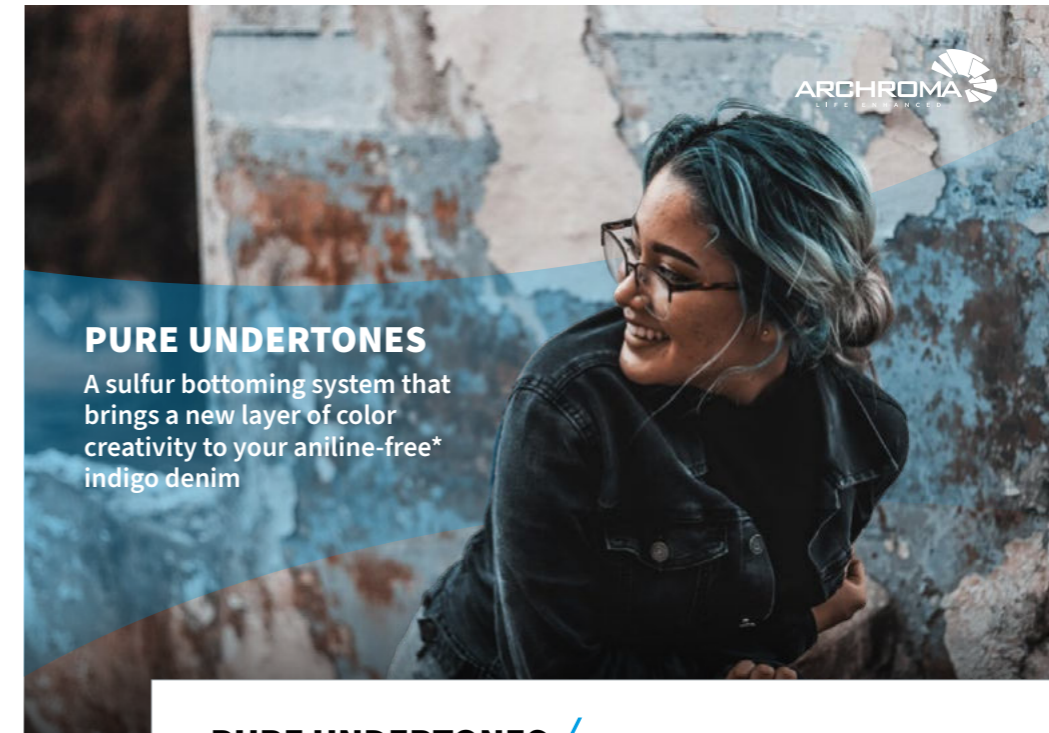
A good illustration is **PURE UNDERTONES**, a sulfur bottoming system that brings a new layer of color creativity to your aniline-free* indigo denim.

The **PURE UNDERTONES** system allows to produce **aniline-free* indigo denim**. Aniline is a key ingredient to produce the indigo molecule. Unfortunately, during this process some aniline impurities end up in the indigo dyestuff. When the indigo is dyed on the fabric, the majority of the aniline impurity is locked into the pigment in the fabric. The remainder, approximately 300 metric tons worldwide annually, is discharged during dyeing. This can be an issue as aniline is toxic to aquatic life. In addition, exposure levels to factory workers can be high.

Based on the total quantity of our Denisol® Pure Indigo sold since its introduction 3 years ago, we estimate that almost 18 metric tons of aniline have been removed from the denim supply chain. That is equivalent to about 300 000 000 pairs of jeans free of aniline and more than 18 000 garment workers protected from its toxicity.

More information on <https://www.archroma.com/systems/pure-undertones>

*Below limits of detection according to industry standard test methods



PURE UNDERTONES

A sulfur bottoming system that brings a new layer of color creativity to your aniline-free* indigo denim

PURE UNDERTONES / Main benefits in a nutshell

- Safe products from a reliable global partner who applies international safety standards
- Complete denim package of dyes and dyeing auxiliaries that ensures consistency and reproducibility
- Unique options in wash-down effects on the denim garment
- Multiple achievable indigo tones shading with Diresul® RDT specialties
- Aniline-free* technology, less pollution, better for the factory workers
- Exclusive technology on the market

'SAFE' WITH:
Archroma PURE UNDERTONES system



'ENHANCED' WITH:
Archroma PURE UNDERTONES system



*Below limits of detection according to industry standard test methods

PURE UNDERTONES / Performance components of the system

Denisol® Pure Indigo 30 liq

- Pre-reduced Indigo**
- Aniline-free* indigo
 - This product has received the Cradle to Cradle Products Innovation Institute's Gold Level Material Health Certificate
 - Same performance as regular indigo
 - Manufactured in our award-winning Jamshoro production facility (Pakistan)

Diresul® Smartdenim Blue liq & Diresul® Ocean Blues liq range

- Pre-reduced sulfur dye selection for unique bottoming effects**
- These products have received the Cradle to Cradle Products Innovation Institute's Gold Level Material Health Certificate



- **Dekoil® SN liq** – chelating agent
- **Primasol® NF liq** – wetting & penetrating agent
- **Setamol® WS p** – dispersing agent

- Best in class indigo dyeing auxiliaries
- These products have a Cradle to Cradle material assessment statement, which permits its use in a Cradle to Cradle Certified certification at GOLD level

- **Reducing Agent D p** – reducing agent
- **Leonil® EHC liq c** – wetting agent

- Selected dyeing auxiliaries compatible with Diresul® RDT sulfur dyes

*Below limits of detection according to industry standard test methods



RESOURCE OPTIMIZATION

In order to distinguish between our own footprint and our influence on the value chain, the topic of resource efficiency has been split into internal and external – see “Resource optimization” below. Water discharge is dealt with under a separate topic due to its importance to the environment.

External influence can only be an estimation based on sales data and relative performance of our systems vs. an industry “standard”.

The Archroma manufacturing footprint changed in FY2020 following an acquisition adding a new production location in Ankleshwar, India. The resource efficiency data for FY2020 reflects this change.

Overall production in FY2020 decreased by 13.3% to 386 917 metric tons (mt) in comparison to the previous reporting period.



Energy

Energy is required for the production and running infrastructure. The sources of energy are derived from the combustion of fossil fuels to generate heat, and electricity to run the manufacturing equipment and associated services, such as IT infrastructure and cooling apparatus.

The main fossil fuels are natural gas, diesel and heating oils, none of the production sites use coal as an energy source. Electricity and, in some cases, steam is purchased from third parties.

In order to calculate the quantity of energy consumed in our production processes, amounts of fuel, electricity and steam are converted into gigajoules of energy using conversion factors available in the GHG protocol, as previously described in this report.

Energy efficiencies are closely monitored within the environmental management process, with annual targets set according to forecasted production plans. Individual production processes are analyzed, with respect to their energy requirements, and resultant process improvements devised in order to reduce the energy intensity, with associated annual targets.

The total amount of energy consumed by Archroma for FY2020 was 1 147 TJ, which is equal to FY2019. This equates to an average of 2.84 GJ per ton of production, a 11% increase over the previous reporting period.

Our medium-term target for 2023 will be to reduce energy intensity to 2.49 GJ per ton of production.

Water

As mentioned previously, water is a critical resource for Archroma during chemical manufacture. It is primarily used as a processing aid in cooling, cleaning and air scrubbing/washing, and as a raw material in the production of liquid based formulations, such as liquid dyes, optical brightening agents and polymeric dispersions, and also evaporated in the production of dry formulations.

Water use is closely monitored within the environmental management process.

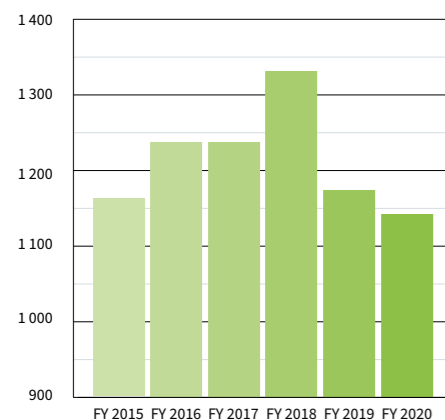
From a total withdrawal perspective, the water intensity use during the reporting period equates to an average of 20.84 m³ per ton of production. This represents a 6.2% increase over the previous reporting period.

In those sites where the water intensity is high, water-cooling, where the water is withdrawn, used and discharged back into water courses unaltered, is used. These sites are not located in water stressed areas.

From a water consumption perspective, that is water predominantly being used as a raw material, the intensity is 5.04 m³ per ton of production. This figure will vary dependent upon the types of products being produced whether liquids or dry formulations.

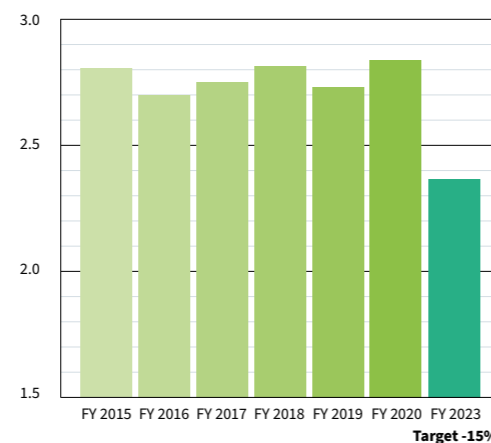
Our medium term target for 2023 is to reduce the water intensity to 16.6 m³ per ton of production.

Total energy consumption (TJ)



1 Terajoules (TJ) = 1 000 Gigajoules (GJ)

Energy intensity (GJ per metric ton produced)

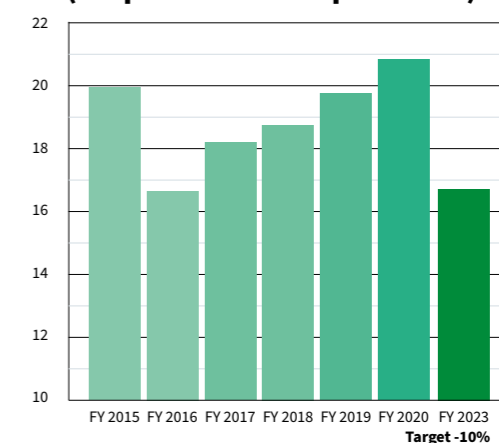


Target -15%

Total water used (million m³)



Water intensity (m³ per metric ton produced)



Target -10%

Resource optimization down the value chain

The industries that we serve rely on huge amounts of clean fresh water and energy to make their products. As these valuable resources become scarce and more expensive, we must help our customers find ways to reduce water and energy consumption, and to improve the quality of their effluents and emissions.

For water, we consider all of our interactions with water as a shared resource, and help our industry ensure that we can maintain and grow our level of production to meet the needs of the growing population.

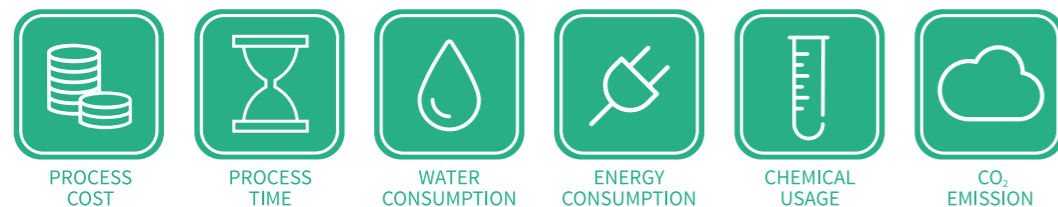
Through R&D-enabled innovation, we are able to identify process gains that add up to significant resource savings for our downstream customers. As these gains become more difficult to realize in a single product, we are finding ways to innovate by combining efficient products into systems, which become even more effective for resource reduction when used together. In some cases, this system approach is also enabling a reduction in the need for commodity chemicals such as sodium chloride, sodium hydroxide and caustic soda and this is greatly improving the quality of the effluents that are discharged by our customers.

Archroma is using the award-winning ONE WAY Process Simulator & Calculator to quantify these reductions in impacts. It can be used by a mill to define the processes they use by capturing very detailed information about their production capabilities and their costs for key resource inputs. We can then calculate the potential savings by converting to a more efficient chemical product or system and a more efficient application process. The ONE WAY tool is designed to report both the total resource savings in liters of water or joules of energy and reduction in CO₂, and can also calculate critical metrics like savings in cost, chemical use, and production time.

ONE WAY helps us to measure and quantify the indirect impacts of our innovation efforts and to communicate these to our customers and other stakeholders.

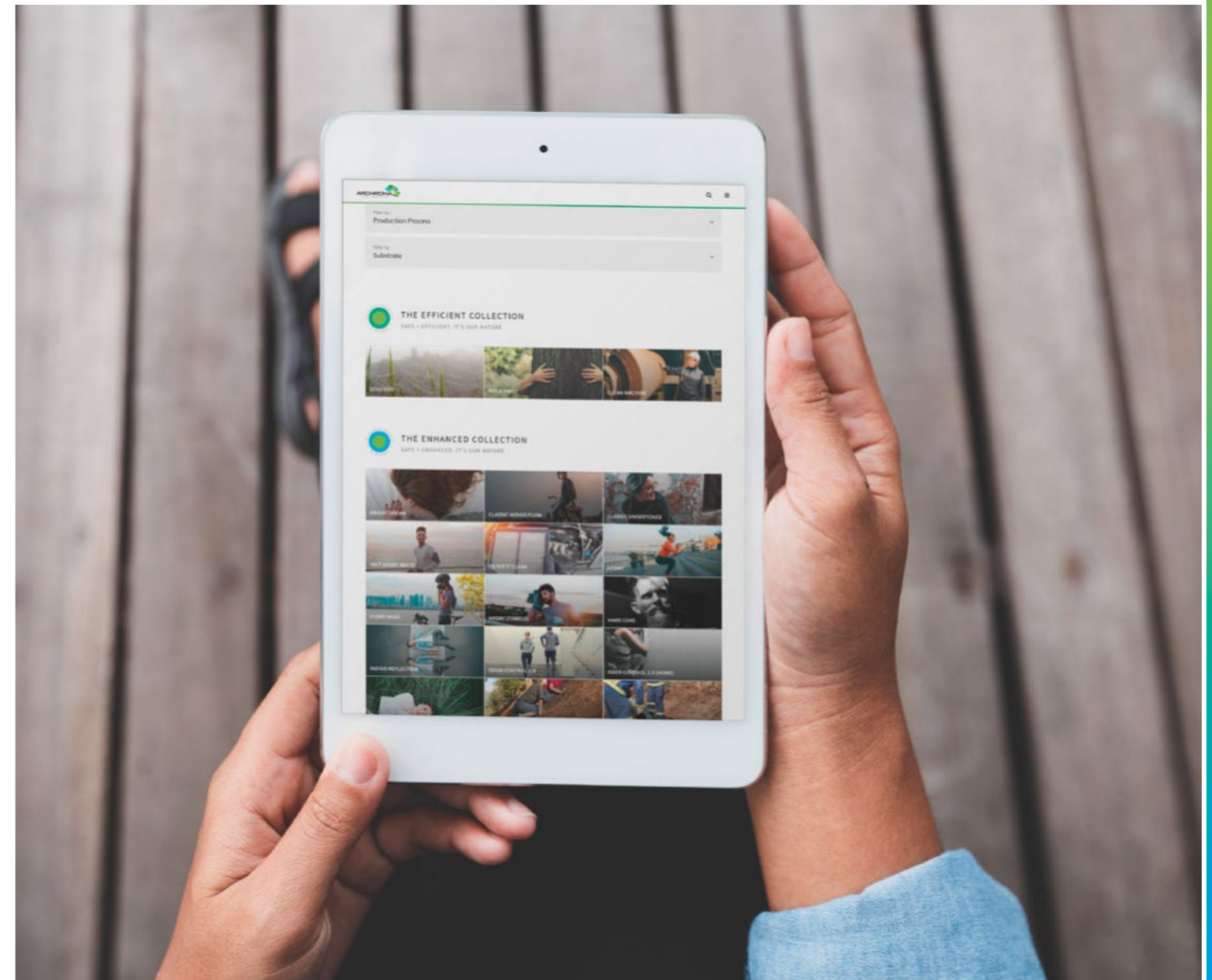
Due to the broad nature of our product range and customer base, it may be difficult to calculate all of our indirect impacts, but the ONE WAY tool allows us to quantify what is possible with a specific technology, and then to estimate the overall impact of that technology based on how much we have sold. In the future, this methodology could be used to set targets and expectations for our overall indirect impacts and resource savings.

The results obtained with the ONE WAY Process Simulator & Calculator are clearly communicated in the form of a score card as illustrated below:



As demonstrated by ONE WAY

Archroma introduced its first systems in 2019. In FY2020, we introduced 14 more systems for textile applications and 7 for paper & packaging applications. Of these, 10 systems for textile applications and 6 systems for paper & packaging applications are listed under the so-called “Efficient” and “Ultimate” collections, those offering potential resource savings as estimated with ONE WAY. During the reported period, we also introduced an online search tool to help brands, retailers and manufacturers in identifying the Archroma systems listed under these “Efficient” and “Ultimate” collections. The online search tool can be easily found at <https://www.archroma.com/systems>.



IMPACT STUDY: SMART WHITE

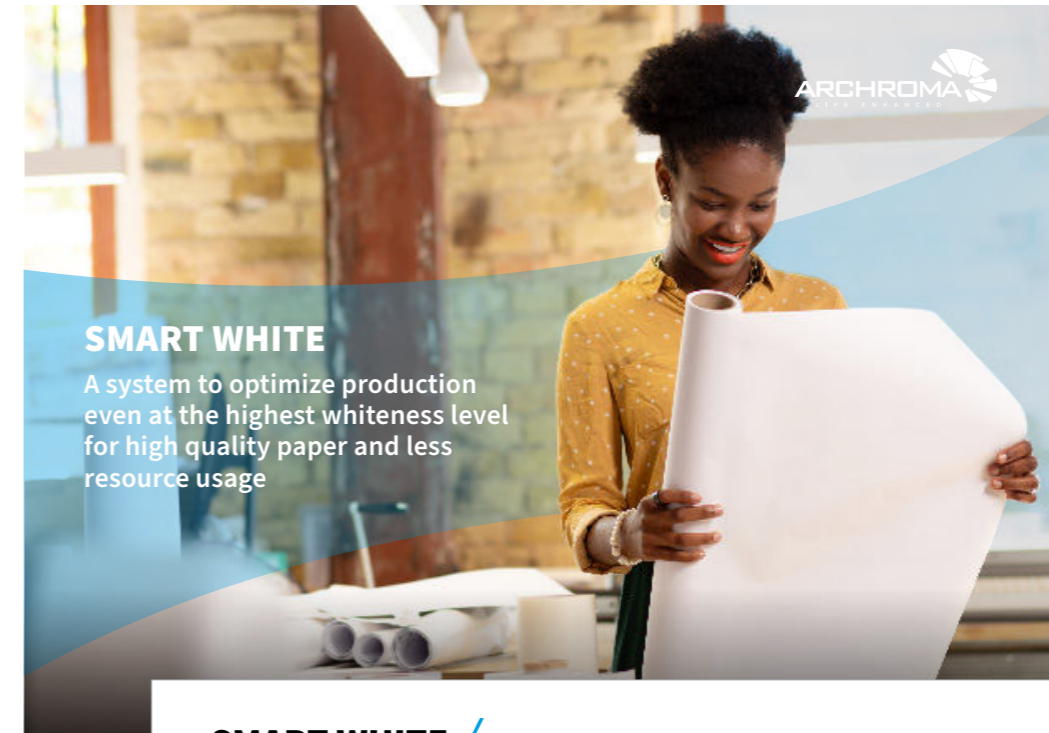
As explained earlier in this report, our purpose and core values, “The Archroma Way to a Sustainable World”, are based on 3 pillars: Safety, efficiency and enhanced value.

When it comes to the **EFFICIENT** pillar, we strive to rethink sustainable manufacturing with innovating application processes that minimize resources and maximize productivity, both in our and our customers' manufacturing.

A good illustration is **SMART WHITE**, a system designed to optimize production even at the highest whiteness level for high quality paper.

The **SMART WHITE** system will allow a **lower chemical load** in optical brighteners and colorants.

More information on <https://www.archroma.com/systems/smart-white>



SMART WHITE

A system to optimize production even at the highest whiteness level for high quality paper and less resource usage

SMART WHITE / Main benefits in a nutshell

- Safe products from a reliable global partner who applies international safety standards
- Compliant with REACH, Nordic Swan, EU Flower & BfR
- Reduced chemical usage
- Truer, cleaner white with improved contrast and printability resulting in a quality product
- Highest level of whiteness and brightness
- Optimized and efficient process due to less out-of-specification paper

'SAFE' WITH:
Archroma's SMART WHITE System



'EFFICIENT' WITH:
Archroma's SMART WHITE System compared to benchmark classical pigment printing package



'ENHANCED' WITH:
Archroma's SMART WHITE System



SMART WHITE / Performance components of the system

Leucophor®
Wet end disulphonated optical brightener

- High fixation rate
- Highly concentrated
- Urea-free*

Cartaren® & Cartasol®
Wet end tinting colorants

- Shade control with blue & violet
- For high performance Cartaren® is recommended
- For cost-controlled whiteness Cartasol® is recommended



Cartawhite® XL
Surface tinting dyestuff

- Builds whiteness without destroying brightness
- Enables OBA & Colorant reduction

Leucophor®
Surface hexasulphonated optical brightener

- ColorLok™ compatible
- Urea-free
- Highly concentrated*

* Depending on product selection



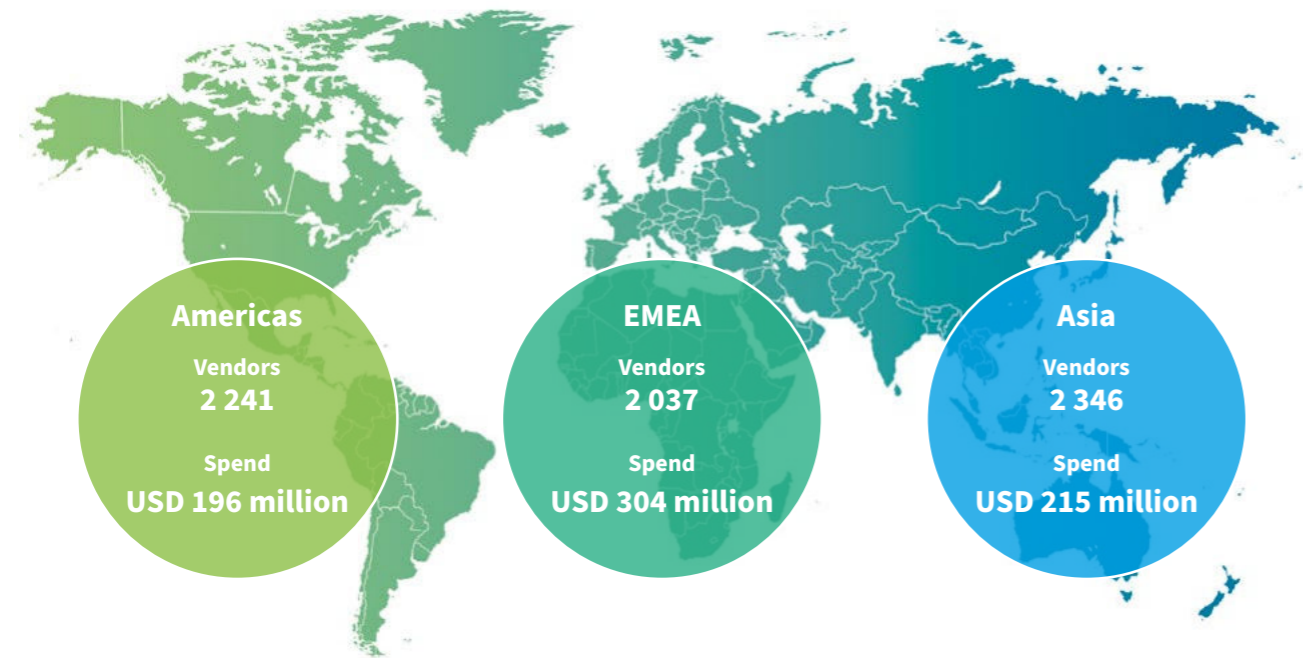
SUSTAINABLE SOURCING

For Archroma, sustainable sourcing is critical as our vendor network has a significant influence on our production and our resultant systems sold to our customers. Not only in terms of the raw material conformance to specification (quality), but also product hazardous chemical contamination that directly affects the safety of our products and the environmental pollution in production and when in use.

Our aim is to establish mutually beneficial relationships with our third party suppliers and contractors in order to support our objectives of internal safety, health, environment and quality standards, which incorporates corporate social responsibility and Responsible Care®. We require our suppliers and service providers to adopt standards comparable to Archroma's policies. Our vendors shall also bind their own suppliers to a similar level of compliance.

A vendor's sustainability performance affects our own overall sustainability profile as well as our brand image in the industry and therefore vendor management, including sustainability criteria, is essential. As a specialty chemical manufacturer, we have extensive knowledge and experience in purchasing, handling and inventory control for chemical raw materials.

Sustainable sourcing Vendors & spend



Procurement within Archroma is a complex operation that encompasses integrated strategies to deliver optimized value for both direct and indirect purchasing needs of the organization. Due to the nature of our specialty chemical manufacture and multiple manufacturing sites located across multiple regions and continents, raw material vendors are very diverse in nature and location. Archroma sources over 7 000 raw materials for our direct purchasing needs from more than 1 300 vendors. This requires dedicated processes to ensure the on time, and in full, delivery of quality compliant raw materials at optimized cost. In order to do this, we manage procurement within the three pillars of cost, quality and supply security & sustainability.

Ownership of procurement is by the Chief Procurement Officer and by the supply chain organizations of the business clusters of Archroma. The procurement operation is staffed with a team of 70 employees who are located within the regions, half of which are located in the Asian region, a third in EMEA and the remainder in the Americas. Targets for sustainable sourcing are broken down to individual targets of procurement team members for FY2021.

Cost

Procurement decisions are based upon the total cost of ownership principles, taking into consideration not only the direct costs but also incorporating the indirect costs such as handling, inventory management, quality assurance, administration and payment. This is monitored using our SAP enterprise resource planning system.

Our annual procurement spend in FY2020 was USD 714 m, 43% of which was in EMEA, 30% in Asia and the remainder in the Americas.

Quality

Within procurement, quality is managed within four areas: Conformance to specification, the indirect benefits from the use of our products in subsequent manufacturing, internal handling of raw materials and finally the environmental impacts, both in terms of direct impact on our own manufacturing, and indirect for our customers' manufacturing. In chemical manufacturing, clear specifications are essential - not only to specify the intended raw material required, but also to ensure that hazardous chemical contaminants are specified out of the raw material. Our extensive in-house chemical knowledge allows us to determine these specifications, within the technical requirements for the industries that we serve. To monitor compliance to specifications we administer a number of standard operating procedures, dependent upon the vendor's historical performance and risk profile. These measures can include pre-shipment sample analysis, application trials and normal inbound quality control checks.

Archroma has a process in place to evaluate raw material composition and their compliance to local regulations and the Archroma raw material eco-toxicological specifications. If the raw material is found to be deficient to the standard, the raw material product and/or supplier will be discontinued.

Supply security & sustainability

Many of the required raw materials can only be manufactured using hazardous substances and methods that pose a high risk for human and environmental health. Welcome advances in regional and local environmental protection have increased scrutiny at some vendors, resulting in manufacturer closures and consequently supply shortages. To avoid supply interruptions, we closely monitor our vendors to give early warnings in the case of a potential raw material shortage. To limit our exposure we have created teams of global category procurement managers to monitor and ensure supply and to work closely with our internal product management, innovation and manufacturing teams to secure supply and develop alternative strategies for single sourced raw materials. Projects are in place to identify replacement substances for raw materials that are, for example, no longer available, require a higher specification, or to offer more economic alternatives. In addition to this, mechanisms are in place to ensure that the products specific to our system packages can be manufactured and are aligned to the business needs. However, for some highly specific raw materials we currently have only one approved vendor. We source more than 50% of direct and indirect goods and materials from suppliers located in the same country as the respective Archroma manufacturing plant. This mitigates risk in the supply chain, for example lead-times and also supports the local industry.

Due to the nature of the specialty chemicals that we manufacture, a significant part of our feedstocks are sourced from within India and China. Due to this high regional exposure, dedicated sourcing teams have been set up in Thane, India, and Tianjin, China, respectively. This increases the diligence in those markets to supplement the Global Procurement Category Managers.

Vendor selection and management at Archroma is a systematic approach based upon compliance to our Suppliers Code of Conduct (<https://www.archroma.com/compliance>).

The historical and anticipated performance, the experience as a vendor and the financial stability of the vendor are regularly assessed to determine compliance to the Supplier Code of Conduct. In addition, all vendors are monitored on a monthly basis using “on time in full” metrics for supply performance measurement. Vendor risk assessment may introduce additional measurement criteria to mitigate supply risk, such as the vendor safety infrastructure and dangerous goods managing capabilities.

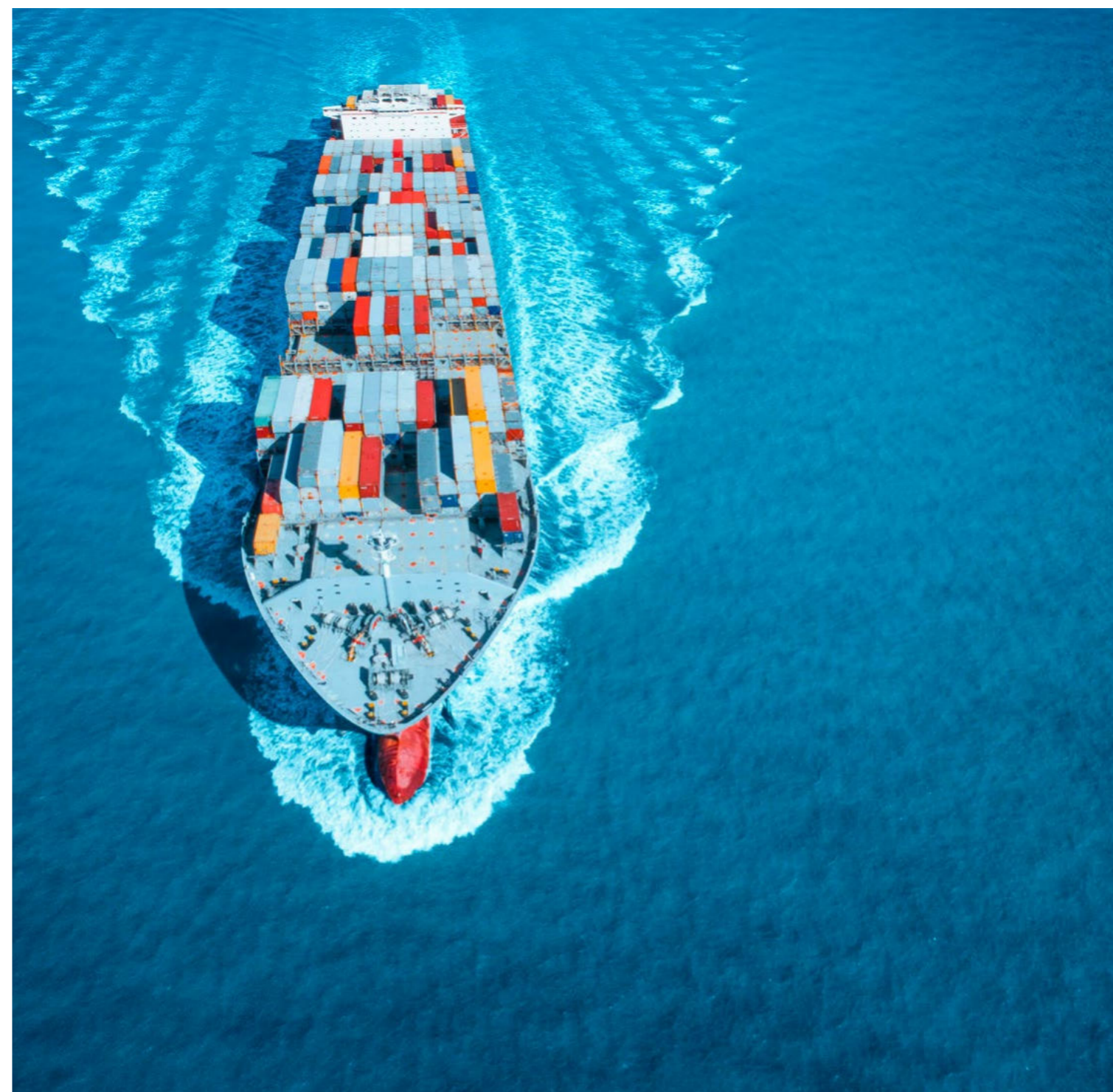
Archroma communicates to, and expects its vendors to share its commitment towards ethical business practices, human rights and labor standards, anti-corruption and not to allow modern slavery and child labor. All suppliers have been screened qualitatively and excluded from business relation in case of obvious non-compliance.

Furthermore, Archroma requests all material suppliers to present valid certification from EcoVadis, the partner of choice of the “Together for Sustainability” initiative. The EcoVadis methodology follows recognized international sustainability standards.

In addition, the Archroma procurement team goes beyond EcoVadis certification by performing its own research, market intelligence and supplier audits, in order to derive the Archroma Sustainable Sourcing Rating (ASSR) as risk assessment for each supplier. Having started the roll-out of the ASSR program in FY2018, Archroma has already achieved a coverage of more than 70% of its material spend with valid ratings during the reported period. A coverage of more than 90% is the objective of FY2021. The Archroma procurement team works closely with all suppliers to onboard to EcoVadis, to Archroma on-site audit program, or to the screening by the Institute of Public and Environmental Affairs, and to achieve continuous improvement. A dedicated, full-time Sustainable Sourcing Manager is driving the program and supporting vendors and Archroma team.

Archroma assures not to engage in business dealings either directly or indirectly with suppliers from regions with reported high risk of unfair labor practices.

Vendors with insufficient audit results are approached for corrective action.





TALENT MANAGEMENT

The Archroma talent management philosophy is based upon the guiding principle to attract, manage and develop talents, fit to Archroma’s culture and capable of fulfilling the company’s goals and objectives in the most effective and efficient manner.

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

Talent acquisition

This tends to be generated through the organization based upon the current and future business needs. The total number of Archroma employees increased by 43 from 2 834 in FY2019 to 2 909 in FY2020, as a result of retirement, voluntary resignations and terminations.

We hired a total of 96 employees in FY2020, 46% of which were under 35 years old, and 26% were female. Of these new employees 89% were employed with permanent contracts. 98% of all employees are employed with permanent contracts.

Performance monitoring

This has two components; the tangible or “what” component, describing a specific desired result, and the behavioral component used to achieve the results, based on our ACTS culture pillars and leadership. Performance management is run on an annual cycle. Employees are initially rated by their managers and this is then followed by a company-wide calibration process. This is then reviewed both at a local level by local leadership and also at a global level by the Archroma Executive Committee. A final presentation to the Board of Directors allows input regarding future direction and focus for Archroma management. This is then cascaded throughout the organization in order to ensure consistency.

Performance review data

| 2020 | Female | | | Male | | | Total review |
|-------------------|-------------|--------------|---------------|--------------|--------------|---------------|--------------|
| | With review | W/out review | % with review | With review | W/out review | % with review | |
| Senior Executive | 2 | 1 | 67% | 6 | 3 | 67% | 12 |
| Senior Management | 8 | | 100% | 28 | 9 | 76% | 45 |
| Middle Management | 107 | 17 | 86% | 385 | 60 | 87% | 569 |
| Junior Management | 254 | 53 | 83% | 423 | 135 | 76% | 865 |
| No Management | 86 | 60 | 59% | 160 | 1 112 | 13% | 1 418 |
| Total | 457 | 131 | 78% | 1 002 | 1 319 | 43% | 2 909 |
| Total % | 78% | 22% | 100% | 43% | 57% | 100% | 100% |

As part of our culture, we believe that feedback is essential to drive alignment and motivation within our organization. Goal setting at all levels of the organization is driven by the annual operating plan, and the goals setting process is a combination of what needs to be achieved and the behavior in how we achieve results as guided by the ACTS cultural pillars.

Talent development

Our development process addresses four aspects:

1. Skills
2. Capability
3. Leadership
4. Mindset

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

Capability covers those organizational skills that are required in order to fulfil the organization future objectives. They are much broader in scope and address such aspects as periodic Code of Conduct training or those programs run under the Archroma Academy, focused on improving functional efficiency, for example for procurement, operational or commercial excellence, such as negotiation skills or value-based selling skills.

Both of these requirements tend to be linked. If we identify that a significant number of individuals requires the same or similar skill improvements, then we address it under organizational capability, rather than individual skills, and organize the training scope accordingly.

Leadership is considered as a key capability for the organization. Assessment of the organization’s current leadership skills level and delivery of improvement training is done by the Human Resources (HR) team. As part of the new leadership model and detailed associated behaviors implemented in 2019, in 2020 we have continued assessing our leaders for future personal development.

We promote an “outward” **mindset** in our organization. In the reported year, we continued to focus specifically on the C of the ACTS: Customer & Market Focus, and we implemented additional commercial training for product managers and sales managers with the objective to increase commercial competence to support our commercial strategy. Sessions were held in all regions.

The Archroma Executive Committee is deeply involved in all four aspects with input from the Board of Directors.



Archroma recognizes that employee development and training is an integral part of the organization's strategic intent so that all employees are performing their individual jobs effectively and prepare for future challenges to ensure that the organization meets its purpose sustainably.

Archroma has published a training policy, signed by the Chief Executive Officer. The policy is designed to support and help Archroma employees and their line managers develop themselves and their teams. Development and training is a joint responsibility in development and training between individual employees, their supervisors/management and Archroma, and is integrated within each employee's job specification and forms a part of the annual performance appraisal. Archroma provides company-wide training programs for nominated employees in line with their job, function and needs.

The company invests in these programs at all four levels including by partnering with specialist training and technology companies for design support. As our business in the manufacture, sales and marketing of specialty chemicals tends to be a capital, rather than labor, intensive, specific training for the organization on human rights is not foreseen. However, due to the nature of our business and the markets in which we operate, training based on the Archroma Code of Conduct is done on an annual basis for all employees.

Accrued for FY2020, a total of 3,539 hours training were organized for a total of 1,169 employees for "MAKEXPERT" by the Archroma Academy.

In FY2019 we introduced a systematic training module within our "myHR" online platform. The effectiveness of the program is measured by the direct effect on the business performance. This is done at both functional and individual level for the specific programs and the areas of business impacted. The long-term target is to ensure that 90% of all employees attend an Archroma Academy module by the end of FY2023.

The talent management process is managed by the global HR management team supporting the Archroma Executive Committee members in their respective area of responsibility.

Archroma runs a number of outreach education programs with textile universities and institutions, such as the University of Karachi and Textile Institutes like SMA Rizvi in Pakistan (we train an average of 150 students annually), the Fashion Institute of Technology in New York and the University of Buenos Aires in Argentina. We also support the annual International Design Competition of the Society of Dyers and Colorists and are lead sponsor of the 2021 SDC Student Design Competition. We also support academic research, as an example we are currently supporting a research project with the University of Göttingen in Germany.

Archroma also offers annual scholarships to employees to support their continuous development. Since 2018 these scholarships benefit more than 64 employees.

Archroma also offers opportunities in several countries to universities for students' looking for practical experience and training as part of their curriculum.

The company also has an internal job posting program to allow internal mobility and career development, as well as community support via internal and external referrals.



WASTE (SOLID)

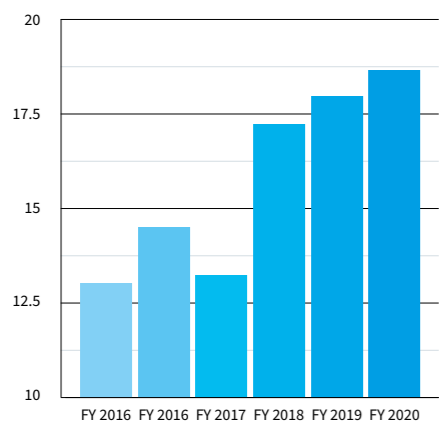
Waste generated during chemical manufacture is directly related to the type of chemical synthesis employed. The more reactive the chemical process, the higher the chemical yields tend to be and the lower the generated resultant waste. The less small packed raw materials are used the lower the generated resultant waste will be. Wherever possible waste is avoided, recovered and reused as a function of improving process efficiencies. However, in some instances, waste, both hazardous and non-hazardous, is generated which cannot be recovered and reused and has to be disposed of in a suitable manner, as has been reported previously.

By using the “atom economy” within the 12 “Principles of Green Chemistry” (see page 56), processes are being continually optimized to reduce waste and increase yields. This is normally achieved by modifying production processes to the best available chemical manufacturing, and often these improvements are the result of internal projects driven from our chemical process technology centers of excellence.

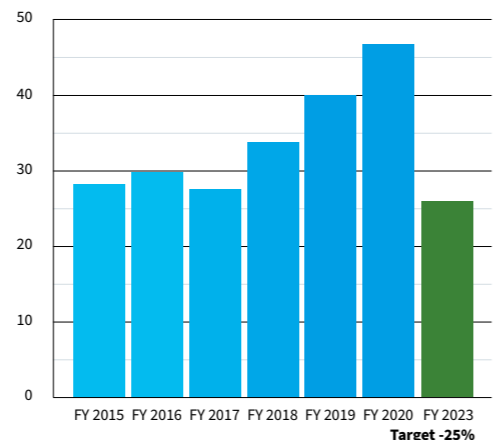
Our total solid waste generated in FY2020 was 18.4 Ktons. This represents an intensity of 46.8 kg per ton of production.

Our medium term target for 2023 is to reduce the waste intensity to 31 kg per ton of production.

Total solid waste (kt)



Solid waste intensity (kg solid waste per metric ton produced)

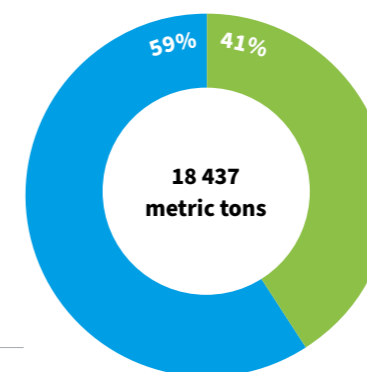


Hazardous and non-hazardous waste management

Solid/semi-solid waste generation, including any waste generated from off-specification production, and disposal is an ongoing topic of concern. Hazardous substances classification and management of adequate disposal routes is of critical concern.

Waste management forms a part of the overall Archroma environmental safety management process. The majority of waste is generated as a result of the intrinsic chemical manufacturing processes and their specific process yields, raw material packaging materials and residues from on-site effluent treatment plants. Wherever possible waste is analyzed to assess whether it can be recovered and/or reused and recycled.

The hazardous classification of waste, and resultant disposal methods, is made according to the specific national regulations governing the production site. There was no significant transboundary transport of hazardous waste.



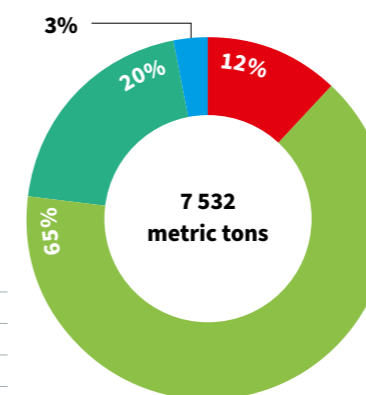
Total waste
 Non Hazardous
 Hazardous

The total waste generated during FY2020 was 18 439 metric tons, of which 59 % (10 906 metric tons) was classified as hazardous.

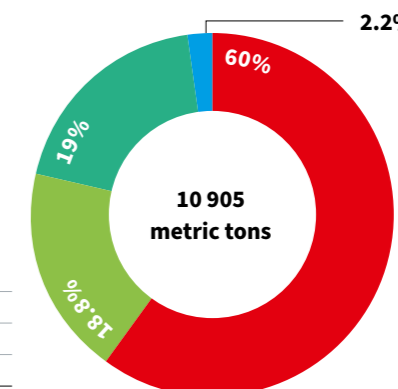
Of the total waste 40% (7 367 metric tons) was disposed by incineration, 38% (6 958 metric tons) was disposed to landfill, and 22% (4 114 metric tons) reused, recovered or recycled.

Of the hazardous waste, 59% (6 486 metric tons) was disposed by incineration. An amount of hazardous waste, 18% (2 055 metric tons) was disposed in appropriately licensed landfill sites.

The major driver of the increase was the addition of the newly acquired Ankleshwar plant in India.



Non hazardous waste
 Incinerated
 Landfill
 Reuse/Recycle/Recovery
 Other



Hazardous waste
 Incinerated
 Landfill
 Reuse/Recycle/Recovery
 Other



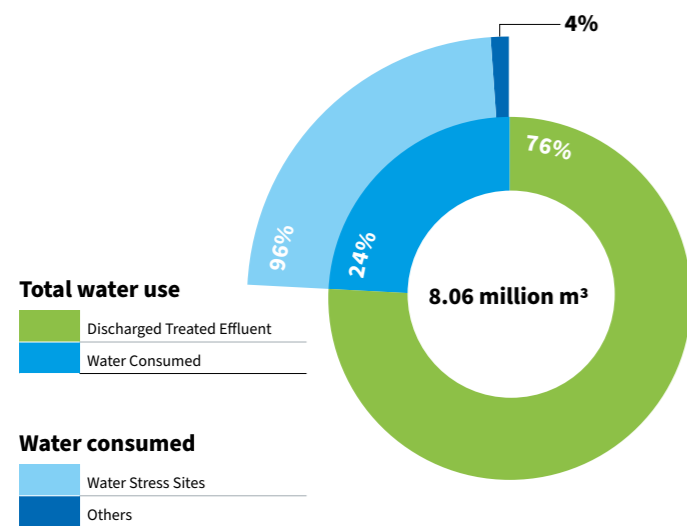
WASTEWATER MANAGEMENT

Water discharge into open watercourses is an important topic regarding environmental pollution. It is a basic requirement that manufacturing industry should discharge the water back into the ecosystem without additional pollution load. How efficiently we manage and treat our effluent is of concern to all stakeholders, especially regarding hazardous waste – and as such this is reported under a separate topic “Waste”. Any significant spills would also be reported under this topic.

We also have an opportunity to report on the positive influence of our technology systems on downstream customers’ wastewater discharge.

All production plants have, or have access to, wastewater treatment facilities that use physical and biochemical treatment processes. All discharged treated wastewater is in compliance with the relevant standard limits and mass loading requirements as stipulated by local environmental authorities.

During the reporting period, Archroma discharged a total of 6.11 million m³ of water. 82% of this was discharged to surface water after suitable treatment to ensure conformity to the local requirements. The remainder is discharged to third party effluent treatment sites for further processing before being discharged to surface water. The total discharge represents 76% of total water withdrawn for operations.



There were no incidents of significant spills in the reporting period. There were no cases of any water bodies/habitats significantly affected by water discharges and/or runoff in the reporting period.



APPENDIX

CORE METRICS

These key indicators are based on the World Economic Forum white paper for achieving comparability of companies ESG reporting.

| Pillar | Theme | Core metric | Page |
|-------------------------|--|--|--------------------|
| Principle of governance | Governing purposes | Setting purpose | 28 |
| | Quality of governing body | Governance body composition | 18 |
| | Stakeholder engagement | Material issues impacting stakeholders | 30 |
| | Ethical behavior | Anti-corruption | 38 |
| | Risk and opportunity oversight | Protective ethics advice and reporting mechanisms | 38 |
| | | Integrating risk in opportunity into business process | 22, 28 |
| Planet | Climate change | Greenhouse gas (GHG) emissions | 36 |
| | Nature loss | TCFD implementation | n/a |
| | Freshwater availability | Land use and ecological sensitivity | 34, 56, 80, 96, 98 |
| | | Water consumption and withdrawal in water stressed areas | 56, 98 |
| People | Dignity and equality | Diversity and inclusion (%) | 48 |
| | | Pay equality (%) | 48 |
| | | Wage level (%) | 48 |
| | | Risk for incidents of child, forced or compulsory labor | 22, 38, 88 |
| | Health and well being | Health and safety (%) | 70 |
| | Skills for the future | Training provided (#, \$) | 92 |
| Prosperity | Employment and wealth generation | Absolute number and rate of employment | 48, 60, 92 |
| | | Economic contribution | 48, 60, 92 |
| | | Financial investment contribution | n/a |
| | Innovation of better products and services | Total R&D expenses (\$) | 28, 40, 74, 84 |
| | Community and society vitality | Total tax paid | n/a |

For more details:
<https://www.weforum.org/reports/measuring-stakeholder-capitalism-towards-common-metrics-and-consistent-reporting-of-sustainable-value-creation>

TABLES

Resource optimization – page 80

| ARCHROMA TOTAL | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Site Production (mt) | 414 164 | 457 251 | 447 842 | 478 612 | 446 468 | 386 917 |
| CO ₂ e Emissions (mt) | 99 833 | 93 356 | 94 804 | 99 576 | 88 985 | 90 191 |
| Energy (GJ) | 1 166 108 | 1 230 455 | 1 225 293 | 1 344 960 | 1 146 080 | 1 147 194 |
| Water (m ³) | 8 154 981 | 7 522 151 | 8 075 005 | 8 828 644 | 8 765 957 | 8 063 496 |
| Water Consumption (m ³) | | | | 2 088 995 | 1 882 569 | 1 984 444 |
| Waste (mt) | 12 598 | 14 516 | 12 844 | 17 475 | 17 714 | 18 439 |

| RESOURCE USED PER METRIC TON PRODUCED | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | TARGET FY2023 |
|---------------------------------------|--------|--------|--------|--------|--------|--------|---------------|
| CO ₂ e | 0.241 | 0.204 | 0.212 | 0.208 | 0.199 | 0.233 | |
| Energy | 2.82 | 2.69 | 2.74 | 2.81 | 2.567 | 2.965 | -12% |
| Water | 19.69 | 16.45 | 18.03 | 18.45 | 19.63 | 20.84 | -10% |
| Water Consumed | | | | 4.36 | 4.22 | 5.04 | -10% |
| Waste | 0.030 | 0.032 | 0.029 | 0.037 | 0.04 | 0.05 | -19% |

1 Terajoules (TJ) = 1 000 Gigajoules (GJ)

Diversity – page 48

| | Americas | | Total | Asia | | Total | EMEA | | Total | Grand Total |
|--------------------|------------|------------|------------|------------|--------------|--------------|------------|------------|--------------|--------------|
| | Female | Male | | Female | Male | | Female | Male | | |
| less than 30 | 15 | 57 | 72 | 23 | 48 | 71 | 16 | 44 | 60 | 203 |
| 30-50 | 81 | 286 | 367 | 148 | 601 | 749 | 144 | 349 | 493 | 1 609 |
| over 50 | 38 | 208 | 246 | 28 | 374 | 402 | 95 | 354 | 449 | 1 097 |
| Grand Total | 134 | 551 | 685 | 199 | 1 023 | 1 222 | 255 | 747 | 1 002 | 2 909 |

| Employees | Gender | | Age Group | | |
|--------------------------|--------|------|--------------|-------|---------|
| | Female | Male | less than 30 | 30-50 | over 50 |
| Archroma Leadership Team | 31% | 69% | 0% | 31% | 69% |

Gender profile – page 48

| Gender profile FY2020 | Female | Male | Total |
|-----------------------|------------|--------------|--------------|
| Senior executive | 4 | 9 | 13 |
| Senior Management | 7 | 37 | 44 |
| Middle Management | 124 | 445 | 569 |
| Junior Management | 307 | 558 | 865 |
| No Management | 146 | 1 272 | 1 418 |
| Total | 588 | 2 321 | 2 909 |

| Gender profile FY2020 | Female | Male | less than 30 | 30-50 | over 50 | Total |
|-----------------------|---------------|---------------|--------------|--------------|---------------|---------------|
| Senior executive | 0.14% | 0.31% | 0% | 0% | 0.31% | 0.31% |
| Senior Management | 0.24% | 1.27% | 0% | 0% | 2.72% | 2.72% |
| Middle Management | 4.26% | 15.30% | 0.14% | 0.14% | 7.67% | 7.67% |
| Junior Management | 10.55% | 19.18% | 1.55% | 1.55% | 10.52% | 10.52% |
| Staff | 5.02% | 43.73% | 5.29% | 5.29% | 16.53% | 16.53% |
| Total | 20.21% | 79.79% | 6.98% | 6.98% | 37.74% | 37.74% |

Age Profile by Employee Tier – page 48

| Gender profile FY2020 | less than 30 | 30-50 | over 50 | Grand Total |
|-----------------------|--------------|--------------|--------------|--------------|
| Senior executive | 0 | 4 | 9 | 13 |
| Senior Management | 0 | 67 | 79 | 146 |
| Middle Management | 4 | 240 | 223 | 467 |
| Junior Management | 45 | 514 | 306 | 865 |
| Staff | 154 | 783 | 481 | 1 418 |
| Total | 203 | 1 608 | 1 098 | 2 909 |

GRI CONTENT INDEX

| GRI STANDARD | PRIMARY OWNER / DISCLOSURE | |
|----------------------------|---|-------------------------------|
| GENERAL DISCLOSURES | | |
| GRI 102: | 102-1 Name of the organization | 14 |
| General disclosures | 102-2 Activities, brands, products, and services | 16 |
| 2016 | 102-3 Location of headquarters | 14 |
| | 102-4 Location of operations | 17 |
| | 102-5 Ownership and legal form | 15 |
| | 102-6 Markets served | 17 |
| | 102-7 Scale of the organization | 14, 17 |
| | 102-8 Information on employees and other workers | 8, 14, 17, 44, 48, 60, 66, 92 |
| | 102-9 Supply chain | 88 |
| | 102-10 Significant changes to the organization and its supply chain | 15 |
| | 102-11 Precautionary principle or approach | 28, 40, 56, 74 |
| | 102-12 External initiatives | 24 |
| | 102-13 Membership of associations | 24 |
| | 102-14 Statement from senior decision-maker | 4 |
| | 102-16 Values, principles, standards, and norms of behaviour | 20, 24, 28, 44, 56, 70 |
| | 102-17 Mechanisms for advice and concerns about ethics | 18, 38, 46, 60 |
| | 102-18 Governance structure | 18 |
| | 102-40 List of stakeholder groups | 30 |
| | 102-41 Collective bargaining agreements | 60 |
| | 102-42 Identifying and selecting stakeholders | 30 |
| | 102-43 Approach to stakeholder engagement | 30 |
| | 102-44 Key topics and concerns raised | 30 |
| | 102-45 Entities included in the consolidated financial statements | * See note below |
| | 102-46 Defining report content and topic boundaries | 5 |
| | 102-47 List of material topics | 30 |
| | 102-48 Restatements of information | 58 |
| | 102-49 Changes in reporting | 5, 20 |
| | 102-50 Reporting period | 5 |
| | 102-51 Date of the most recent report | 5 |
| | 102-52 Reporting cycle | 5 |
| | 102-53 Contact point for questions regarding the report | 5 |
| | 102-54 Claims of reporting in accordance with the GRI Standards | 5 |
| | 102-55 GRI content index | 106 |
| | 102-56 External assurance | ** See note below |

* As Archroma is a privately owned company these disclosures are omitted for confidentiality reasons

** Archroma has not sought for external assurance of this report. This will be reassessed in future as the report evolves and as more disclosures become available. We are confident that our internal processes and documentation will provide sufficient oversight regarding the accuracy of the enclosed information in the report.

| MATERIAL TOPICS | | |
|---------------------------|---|------------|
| BIODIVERSITY | | |
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 34 |
| Management approach | 103-2 The management approach and its components | 34 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 304: | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 34 |
| Biodiversity | 304-2 Significant impacts of activities, products, and services on biodiversity | 34 |
| 2016 | 304-3 Habitats protected or restored | 34 |
| | 304-5 IUCN Red List species and national conservation list species with habitats in areas affected by operations | 34 |
| CIRCULARITY | | |
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 34, 96, 98 |
| Management approach | 103-2 The management approach and its components | 34, 96, 98 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 306: | 306-2 Waste by type and disposal method | 34, 96, 98 |
| Effluents and waste | 306-4 Transport of hazardous waste | 34, 96, 98 |
| 2016 | | |
| CLIMATE CHANGE | | |
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 36 |
| Management approach | 103-2 The management approach and its components | 36 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 305: | 305-1 Direct (Scope 1) GHG emissions | 36 |
| Emissions | 305-2 Energy indirect (Scope 2) GHG emissions | 36 |
| 2016 | 305-3 Other indirect (Scope 3) GHG emissions | 36 |
| | 305-4 GHG emission intensity | 36 |
| | 305-5 Reduction in GHG emissions | 36 |
| | 305-6 Emissions of ozone-depleting substances (ODS) | 36 |
| | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 36 |
| COMPLIANCE | | |
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 38 |
| Management Approach | 103-2 The management approach and its components | 38 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 205: | 205-1 Operations assessed for risks relating to corruption | 38 |
| Anti-corruption | 205-2 Communication and training about anti-corruption policies and procedures | 38, 60, 92 |
| 2016 | 205-3 Confirmed incidents of corruption and actions taken | 38 |
| GRI 206: | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 38 |
| Anti-competitive behavior | | |
| 2016 | | |

GRI CONTENT INDEX

MATERIAL TOPICS

CONSUMER PRODUCT SAFETY

| | | |
|--------------------------|---|--------|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 40 |
| Management approach | 103-2 The management approach and its components | 40 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 416: | 416-1 Assessment of the health and safety impacts of product and service categories | 40, 74 |
| Consumer health & safety | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 40 |
| 2016 | | |

CULTURE

| | | |
|---------------------|--|----|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 44 |
| Management approach | 103-2 The management approach and its components | 44 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| | The Archroma Way | 28 |

DIGITALIZATION (DATA PROTECTION)

| | | |
|------------------|--|----|
| GRI 418: | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 46 |
| Customer privacy | | |
| 2016 | | |

DIVERSITY

| | | |
|--------------------------------------|--|----|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 48 |
| Management approach | 103-2 The management approach and its components | 48 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 202: | 202-1 Ratios of standard entry level by gender compared to local minimum wage | 48 |
| Market presence | 202-2 Proportion of senior management hired from the local community Currently not measured, this will be included in future reporting | |
| 2016 | | |
| GRI 405: | 405-1 Diversity of governance bodies and employees | 48 |
| Diversity and equal opportunity 2016 | 405-2 Ratio of base salary and remuneration of women to men | 60 |
| GRI 406: | 406-1 Incidents of discrimination and corrective action taken | 48 |
| Non-discrimination | | |
| 2016 | | |

ECONOMIC PERFORMANCE

| | | |
|----------------------|---|----|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 52 |
| Management approach | 103-2 The management approach and its components | 52 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 201: | 201-1 Direct economic value generated and distributed * See note below 201-2 Financial implications and other risks and opportunities due to climate change | |
| Economic performance | 201-2 Financial implications and other risks and opportunities due to climate change | |
| 2016 | * See note below 201-3 Defined benefit plan obligations and other retirement plans | |
| | 201-3 Defined benefit plan obligations and other retirement plans | |
| | * See note below 201-4 Financial assistance received from government | |
| | 201-4 Financial assistance received from government * See note below | |

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MATERIAL TOPICS

ENVIRONMENTAL SAFETY

| | | |
|--------------------------|--|----|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 56 |
| Management approach | 103-2 The management approach and its components | 56 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 307: | 307-1 Non-compliance with environmental laws and regulations | 56 |
| Environmental compliance | | |
| 2016 | | |

FAIR LABOR PRACTICES

| | | |
|---------------------------------|--|----|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 60 |
| Management approach | 103-2 The management approach and its components | 60 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 401: | 401-1 New employee hires and employee turnover | 60 |
| Employment | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 60 |
| 2016 | 401-3 Parental leave | 60 |
| GRI 402: | 402-1 Minimum notice periods regarding operational changes | 60 |
| Labor/management relations 2016 | | |
| GRI 412: | 412-1 Operations that have been subject to human rights reviews or impact assessments | 60 |
| Human rights assessment | | |
| 2016 | | |

LOCAL COMMUNITIES

| | | |
|-----------------------|--|----|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 66 |
| Management approach | 103-2 The management approach and its components | 66 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 413: | 413-1 Operations with local community engagement, impact assessments, and development programs | 66 |
| Local communities | 413-2 Operations with significant actual and potential negative impacts on local communities | 66 |
| 2016 | | |
| GRI 204: | 204-1 Proportion of spending on local suppliers | 88 |
| Procurement practices | | |
| 2016 | | |

GRI CONTENT INDEX

MATERIAL TOPICS

OCCUPATIONAL SAFETY

| | | |
|--------------------------------|---|----|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 70 |
| Management approach | 103-2 The management approach and its components | 70 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 403: | 403-1 Management approach disclosures - Occupational Health & Safety management systems | 70 |
| Occupational health and safety | 403-2 Management approach disclosures - Hazard identification, risk assessment, and incident investigation | 70 |
| 2018 | 403-3 Management approach disclosures - Occupational health services | 70 |
| | 403-4 Management approach disclosures - Worker participation, consultation, and communication on occupational health & safety | 70 |
| | 403-5 Management approach disclosures - Worker training on occupational health & safety | 70 |
| | 403-6 Management approach disclosures - Promotion of worker health | 70 |
| | 403-7 Management approach disclosures - Prevention and mitigation of occupational health & safety impacts directly linked by business relationships | 70 |
| | 403-8 Workers covered by an occupational health and safety management system | 70 |
| | 403-9 Work-related injuries | 70 |
| | 403-10 Work-related ill-health | 70 |

PRODUCT STEWARDSHIP & RELATED COMMUNICATION

| | | |
|------------------------|---|----|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 74 |
| Management approach | 103-2 The management approach and its components | 74 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 417: | 417-1 Requirements for product and service information and labeling | 74 |
| Marketing and labeling | 417-2 Incidents of non-compliance concerning product and service information and labeling | 74 |
| 2016 | 417-3 Incidents of non-compliance concerning marketing communications | 74 |

RESOURCE OPTIMIZATION

| | | |
|------------------------|--|--------|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 28, 80 |
| Management approach | 103-2 The management approach and its components | 28, 80 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 301: | 301-1 Materials used by weight or volume | 80 |
| Materials | 301-2 Recycled input materials used | 80 |
| 2016 | 301-3 Reclaimed products and their packaging materials | 80 |
| GRI 302: | 302-1 Energy consumption within the organization | 80 |
| Energy | 302-2 Energy consumption outside of the organization | 80 |
| 2016 | 302-3 Energy intensity | 80 |
| | 302-4 Reduction of energy consumption | 80 |
| | 302-5 Reductions in energy requirements of products and services | 80 |
| GRI 303: | 303-1 Management approach disclosures - Interactions with water as a shared resource | 56, 80 |
| Water | 303-3 Water withdrawal | 56, 80 |
| 2018 | 303-5 Water consumption | 58, 80 |
| No GRI Std: | 303-X Reductions in water requirements of products and services | 80 |
| "Down the value chain" | | |

MATERIAL TOPICS

SUSTAINABLE SOURCING

| | | |
|--|--|--------|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 88 |
| Management approach | 103-2 The management approach and its components | 88 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 308: | 307-1 Non-compliance with environmental laws and regulations | 88 |
| Supplier environmental assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | 88 |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | 88 |
| GRI 414: | 414-1 New suppliers that were screened using social criteria | 88 |
| Supplier social assessment 2016 | 414-2 Negative social impacts in the supply chain and actions taken | 88 |
| GRI 408: | 408-1 Operations and suppliers at significant risk for incidents of child labor | 60, 88 |
| Child labor | | |
| 2016 | | |
| GRI 409: | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 60, 88 |
| Forced or compulsory labor 2016 | | |

TALENT MANAGEMENT

| | | |
|-------------------------|--|--------|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 92 |
| Management approach | 103-2 The management approach and its components | 60, 92 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 404: | 404-1 Average hours of training per year per employee | 92 |
| Training and education | 404-2 Programs for upgrading employee skills and transition assistance programs | 92 |
| 2016 | 404-3 Percentage of employees receiving regular performance and career development reviews | 92 |
| GRI 412 : | 412-2 Employee training on human rights policies or procedures | 92 |
| Human rights assessment | | |
| 2016 | | |

WASTE (SOLID)

| | | |
|---------------------|--|--------|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 96 |
| Management approach | 103-2 The management approach and its components | 56, 96 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 306: | 306-2 Waste by type and disposal method | 96 |
| Effluents and waste | 306-4 Transport of hazardous waste | 96 |
| 2016 | | |

WASTEWATER MANAGEMENT

| | | |
|---------------------|---|--------|
| GRI 103: | 103-1 Explanation of the material topic and its boundary | 56, 98 |
| Management approach | 103-2 The management approach and its components | 56, 98 |
| 2016 | 103-3 Evaluation of the management approach | 20 |
| GRI 303: | 303-2 Management approach disclosures - management of water discharge-related impacts | 56, 98 |
| Water | 303-4 Water discharge | 98 |
| 2018 | | |
| GRI 306: | 306-3 Significant spills | 56, 98 |
| Effluents and waste | | |
| 2016 | | |



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