Sustainability Report

Data for sustainable growth

October 2024

SunChemical®

a member of the DIC group

Color & Comfort

Message from

Myron Petruch

We are happy to share our fourteenth Sun Chemical sustainability report with our stakeholders. Here are some highlights from the report:

Meeting Greenhouse Gas Reduction Targets
In 2023, we made significant strides in reducing our carbon emissions. We have now achieved 86% of our target to halve carbon emissions in our own operations by 2030, compared to 2013. Our commitment includes working with our value chain on sustainability initiatives and improving our own manufacturing processes. We recognize that meeting these targets is essential for a sustainable future.

Products Enabling Sustainability Goals
Our product portfolio plays a crucial role in supporting our customers' sustainability objectives. We offer innovative solutions that help them reduce their environmental impact. This covers the whole value chain, from products containing raw materials with lower environmental impact, products that use less energy in customer processes, to products that are compatible with end-of-life recycling streams, promoting circular economies. By providing sustainable alternatives, we empower our customers to achieve their own environmental goals.

Quantifying Sustainability Benefits
Transparency is key to our sustainability efforts. We continuously assess the impact of our products and services. Through rigorous measurement and reporting, we quantify the benefits they bring to the environment. Whether it's reducing emissions, conserving water, or enhancing circularity, we strive to provide clear metrics that demonstrate our positive contributions.

While we celebrate our progress, we remain committed to continuous improvement. Sustainability is a core value within Sun Chemical. Together, we can create a greener, more resilient future.

Thank you for your ongoing support,

Myron Petruch
President & Chief Executive Officer


Sustainability
APPROACH

Sustainability Approach

Sun Chemical's Sustainability Goals

Sun Chemical, a member of the DIC Group, has publicly stated sustainability goals encompassed in DIC Vision 2030. These goals recognize that climate change is a social imperative and that our industry has a part to play in achieving a future where the worst effects of climate change are mitigated. The DIC Group has pledged to reduce the greenhouse gas emissions of its manufacturing operation by 50% by 2030, taking 2013 as a baseline, and to be net carbon neutral by 2050.

To achieve this 2030 goal will require that Sun Chemical converts most of its electricity purchasing to green electricity. This may involve some on-site generation via photovoltaic arrays, windmills or other means for those sites that have the necessary infrastructure, but the largest element will be green electricity purchases from external providers. In addition, Sun Chemical will also reduce its use of fossil fuel.

Even with sites that have 100% green electricity, there will still be further opportunities to save energy. Sun Chemical's Sustainability Environmental Roadmap gives Sun Chemical sites, and the people on those sites, the tools and direction to help them on the sustainability journey.

Sustainability Approach

Alignment with the United Nation's Sustainability Development Goals

As part of the DIC Group, Sun Chemical has been a signatory to the United Nations Global Compact since 2010 and supports its Sustainable Development Goals (SDGs) and calls to action. The SDGs were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030. These 17 interconnected global goals are designed to be a "blueprint to achieve a better and more sustainable future for all." As a raw material supplier, Sun Chemical is most closely aligned with nine of the 17 SDGs—those impacting climate change and resource conservation; sustainable use of natural resources; and food, safety and health.

FOCUS	CLIMATE CHANGE / RESOURCE CONSERVATION	SUSTAINABLE USE OF NATURAL RESOURCES	FOOD, SAFETY AND HEALTH
Social Issues			
Primary Value of Our Products	• Contain renewable raw materials • Energy saving and thermal insulation • Reduce weight • Cope with marine plastics	• Recyclable • Reduce waste • Long life • Reduce volume	• Health and comfort • Reduce food waste • Low VOCs* and safety

*volatile organic compounds

Sustainability Approach

Sustainability Approach and Framework

Sustainability at Sun Chemical is defined as the design of products or processes that reduce environmental impacts to mitigate climate change, conserve virgin resources and/or reduce accumulation of waste as compared to the products or processes which they replace.

This overarching concept applies to all technology and product areas within the Sun Chemical portfolio and encompasses all markets where we operate. It is also a full value chain- and life-cycle-oriented approach, meaning that Sun Chemical collaborates up, down and across our various supply chains to deliver sustainable solutions.

Looking up the chain, we work with our raw material suppliers to ensure the materials they provide incorporate the sustainability characteristics we need, including responsible, ethical sourcing. At our own position in the chain, we work to minimize environmental impact of our global operations, and with peer companies in the pigments, inks, coatings and adhesives areas, we cooperate through industry associations to improve alignment toward sustainability goals.

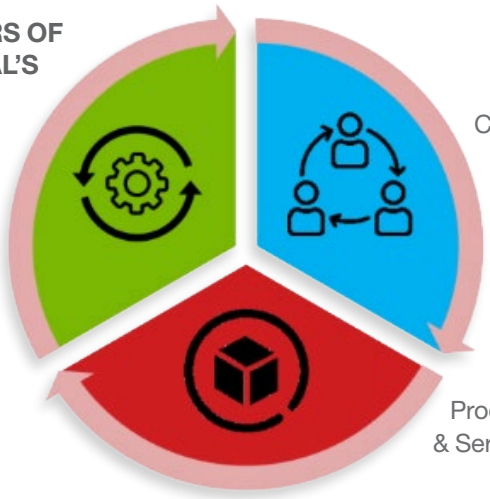
Working with downstream customers, whether packaging producers and brand owners, masterbatch compounders, cosmetic formulators, automotive suppliers or in industrial applications, we reimagine today's materials and processes and design innovative products and processes to meet the specifications and sustainability drivers across a diverse range of markets and applications. We also work with the waste management community that ultimately collects, sorts and processes finished products after their useful application lifetimes. This collaboration helps us to understand the unique requirements needed to manage a more sustainable and circular end-of-life, whether through reuse or recovery, or by effective recycling.

Sustainability Approach

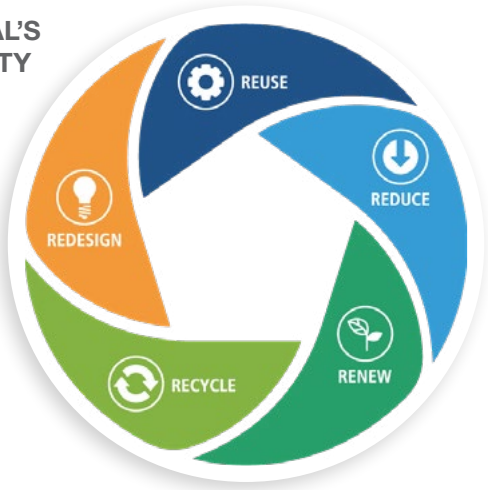
Sustainability Approach and Framework

In line with DIC Vision 2030, which is dedicated to improving the human condition by safely delivering color and comfort for sustainable prosperity, Sun Chemical uses what we call "the five R's"—reduce, reuse, recycle, renew and redesign—to guide our sustainability practices through three pillars of our business—operations, product and service development, and cross-industry partnerships and collaborations. These approaches span all our business units—inks, coatings, adhesives, color materials and advanced materials—and they guide the way we develop, manufacture and distribute products.

THREE PILLARS OF SUN CHEMICAL'S BUSINESS



SUN CHEMICAL'S SUSTAINABILITY FRAMEWORK: THE FIVE RS



Sustainability Approach

Sustainability in Our Business Units

Sun Chemical, a member of the DIC Group, is a leading producer of packaging and graphic solutions, color and display technologies, functional products, electronic materials, and products for the automotive and healthcare industries. Together with DIC, Sun Chemical is continuously working to promote and develop sustainable solutions to exceed customer expectations and better the world around us. With combined annual sales of more than $8.5 billion and 22,000+ employees worldwide, the DIC Group companies support a diverse collection of global customers.

Sun Chemical Corporation is a subsidiary of Sun Chemical Group Coöperatief U.A., the Netherlands, and is headquartered in Parsippany, New Jersey, U.S.A.

Packaging and Graphics

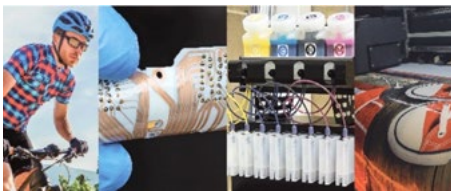
Sun Chemical is a recognized leader in printing inks, coatings, adhesives and services for the packaging, publication, commercial, industrial, and digital markets and introduces sustainability solutions that can transform packaging to become biorenewable, compostable and/or recyclable.

Color Materials

Sun Chemical develops a wide range of pigments and color materials for architectural, automotive and industrial coatings, cosmetics, plastics, printing inks, agricultural, and more. Combining Sun Chemical's pigments with DIC's polymers for the same industries can create superior benefits and value for coatings formulators.

Examples of pigments we have developed that come with sustainability benefits include:

- solutions for solar heat management
- products that enable recyclability
- ethically sourced natural mica, natural wax dispersions or natural colorants for food and beverage
- high purity pigments which can eliminate the need for a protective coating layer, thereby reducing the carbon footprint of food packaging



Advanced Materials

Sun Chemical and DIC Corporation produce a variety of advanced materials, including liquid compounds, solid compounds and application materials that improve solar cells and replace subtractive processes with more sustainable additive processes in printed electronics. Other markets served include:

- printed circuits
- digital inkjet printing
- automotive components
- adhesives
- magnetic tapes for plastic cards
- degasification modules

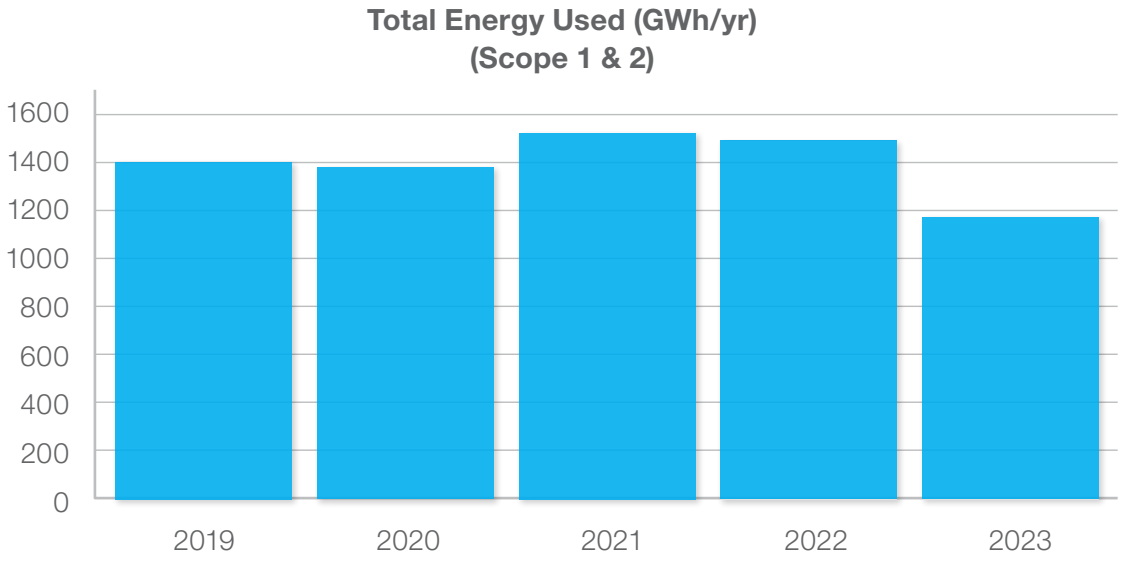
OPERATIONS

Operations

Energy Reduction

Sun Chemical's Scope 1 and 2 emissions comprise three CO_2/greenhouse gas-generating sources for the organization's energy requirements:

- Fossil fuels (mainly natural gas), which are primarily burned directly in boilers and are used to provide heating for buildings and, in some cases, to fuel higher-energy reaction processes.
- Electricity which is purchased, but as countries move to greener generation processes and losses in electricity transmission are reduced, we expect the greenhouse gas equivalent of this electricity to improve over time.
- Steam, which is purchased in arrangements where Sun Chemical is part of industrial parks, is used as an energy source for some of the pigment manufacturing sites.



Please note that for this year's sustainability report, the years prior to the acquisitions in 2021 by Sun Chemical have been adjusted to include data for the acquired companies, as this allows longer term data trends to be seen.

Operations

Manufacturing Operations Targets

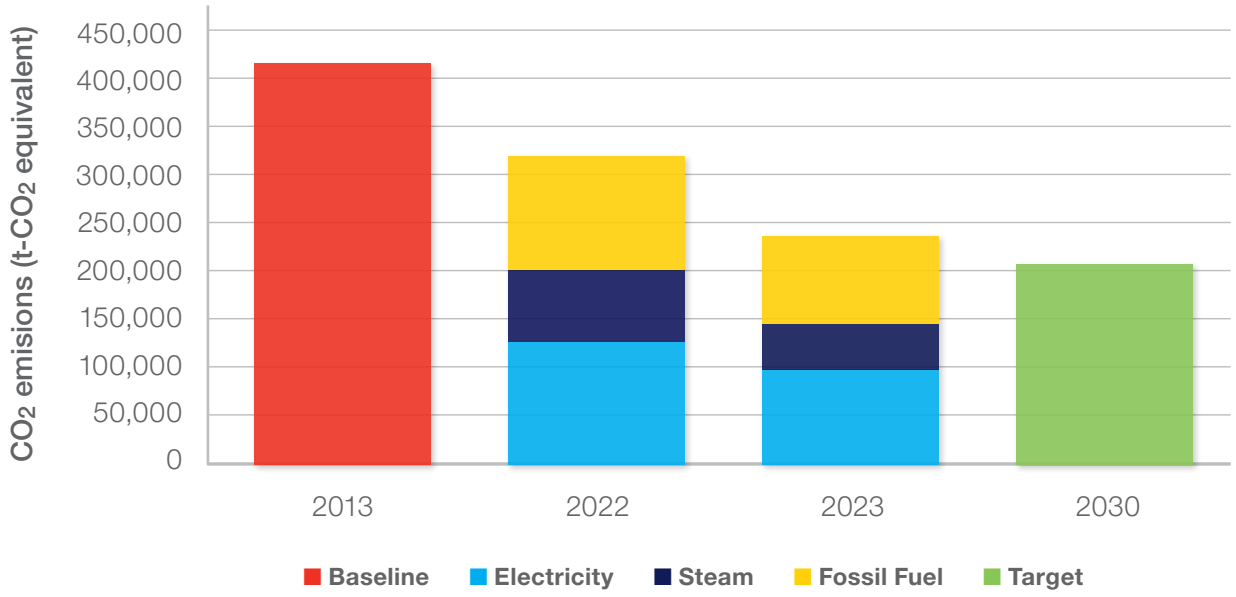
Sun Chemical continues to work on programs to reduce the environmental impact and especially greenhouse gas (GHG) emissions coming from its manufacturing operations.

Using 2013 as a baseline, Sun Chemical has a target goal of a 50% reduction in CO_2 equivalent by 2030.

This is being achieved through a combination of transitioning to green electricity (including both purchased and on-site generated electricity), along with fossil fuel reduction coming mainly from energy efficiency improvements.

The reduction from 2022 to 2023 was predominately related to lower production volume.

Scope 1 & 2 Greenhouse Gas Emission from Operations



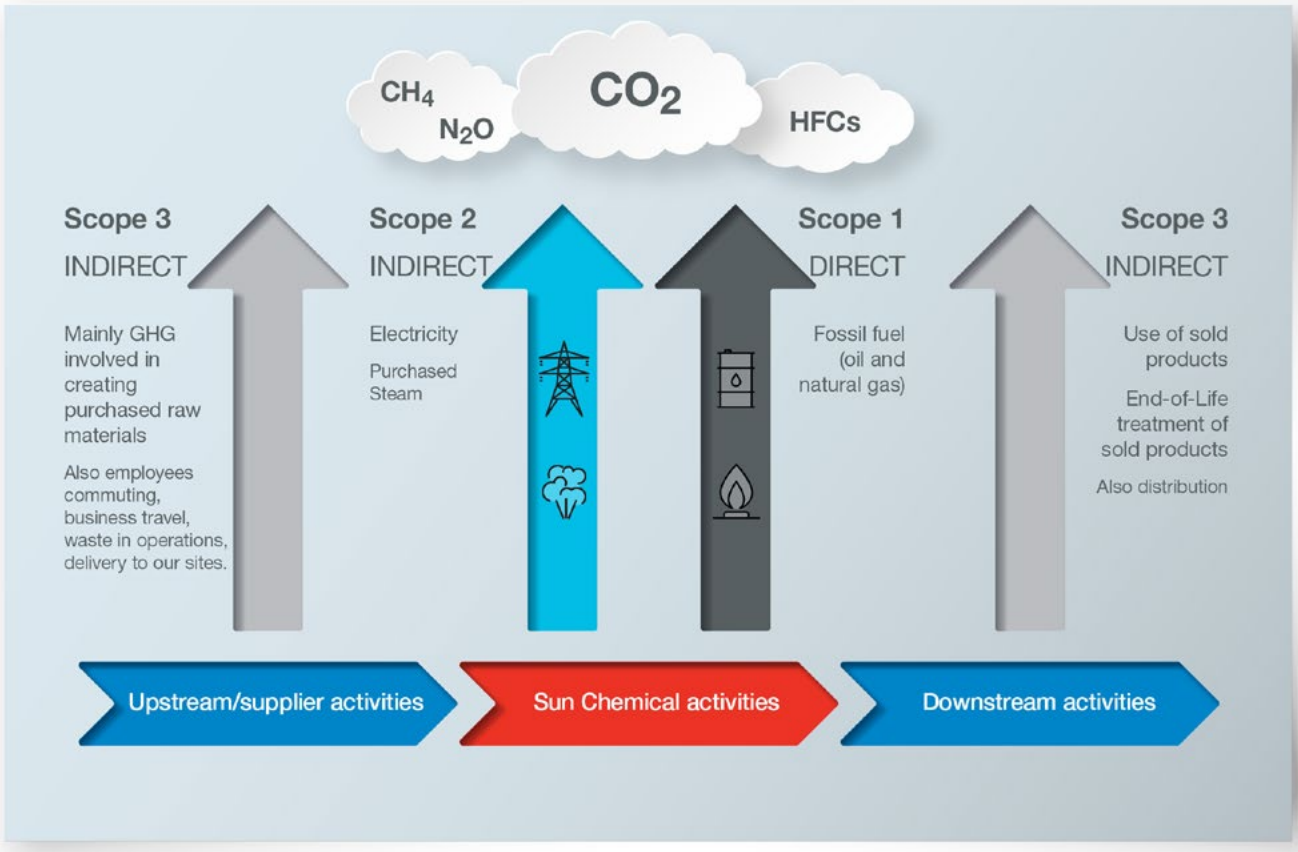
Operations

Manufacturing Operations Targets

DIC Corporation has committed to reduce absolute Scope 3 GHG emissions from capital goods, fuel and energy related activities, upstream transportation and distribution, waste generated in operations and end-of-life treatment of sold products by 13.5% by 2030 using 2019 as a baseline.

DIC Corporation has further committed that 80% of its suppliers by spend, covering purchased goods and services, will have science-based targets by 2027. The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

Sun Chemical is aligned with DIC's Scope 3 greenhouse gas reduction targets, which have been validated by the Science Based Target initiative in 2023 as outlined on page 30 of this report.



Operations

CASE STUDY: Upgrades to Energy Efficient Equipment Reduce CO_2 Emissions

Sun Chemical manufacturing facilities have invested in energy efficiency projects that benefit both the environment and overall energy usage costs for Sun Chemical.

A particular focus for many Sun Chemical sites has been to capture and reuse waste heat. The following is an example of this.

At Sun Chemical's Vienna, Austria facility, for example, an old steam generator boiler was replaced with a smaller, energy efficient model. Integrated into the existing heat recovery infrastructure, the new boiler has led to an annual savings of 300 tonnes of CO_2 equivalent.

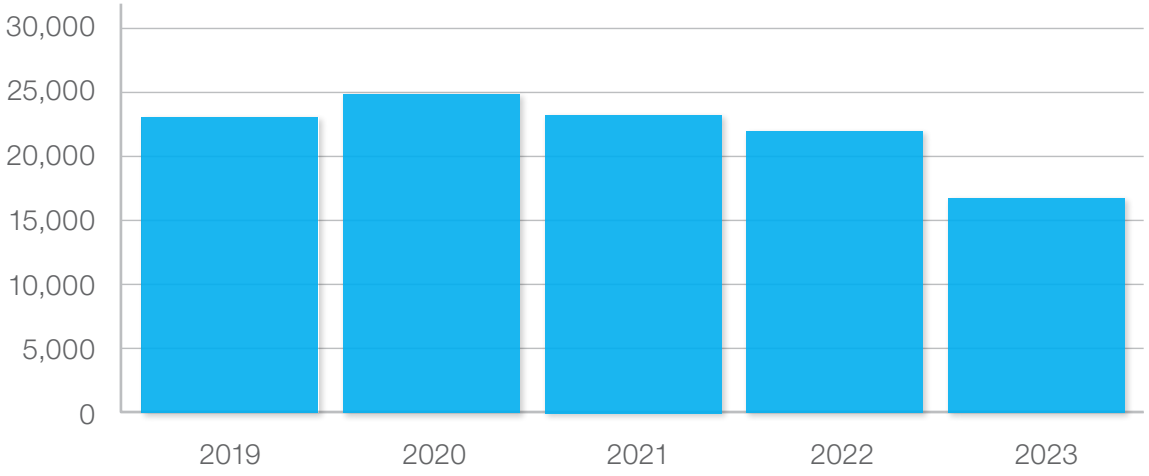
Operations

Water Consumption

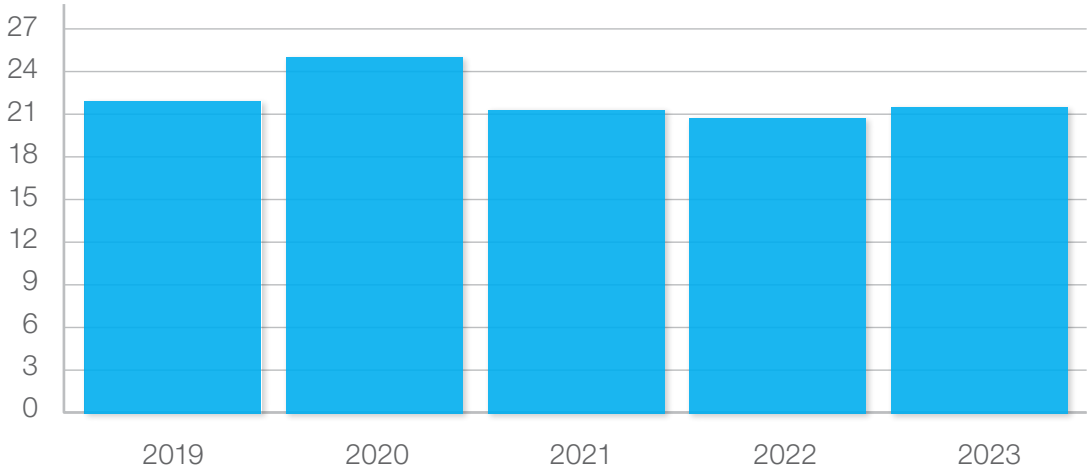
Sun Chemical has developed a new target to reduce water intensity by 10% by 2030 using 2019 as a baseline.

Since pigment manufacturing is a highly water intensive process, water usage figures for this year's report now include both legacy Sun Chemical and legacy Colors & Effects, allowing better year-on-year comparisons to be made.

Water [Tm³]



Water Intensity [Tm³/kt]

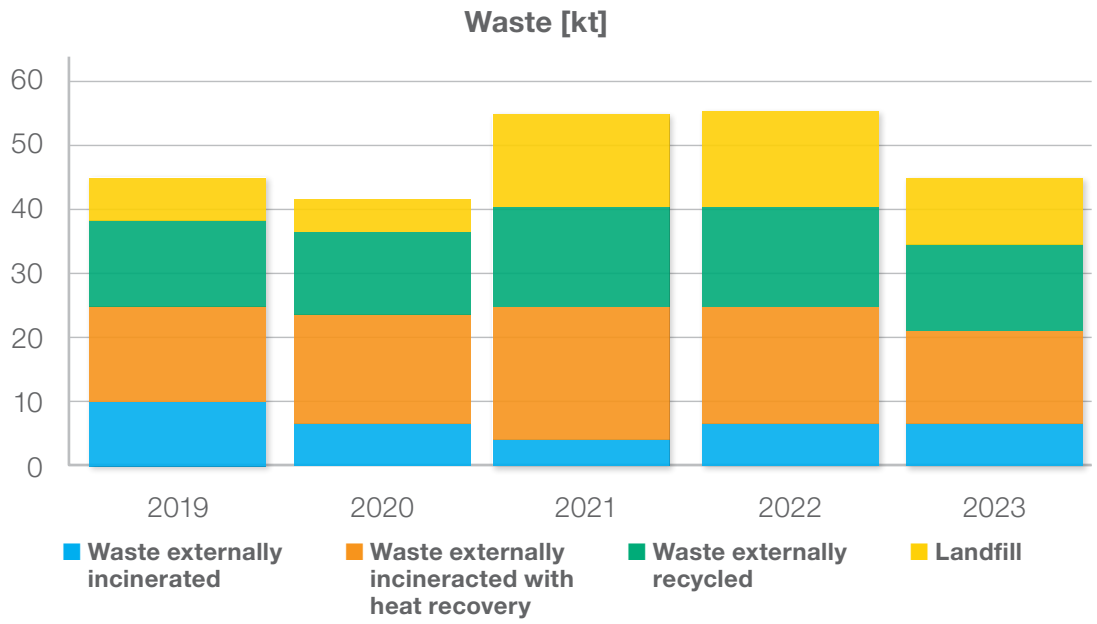


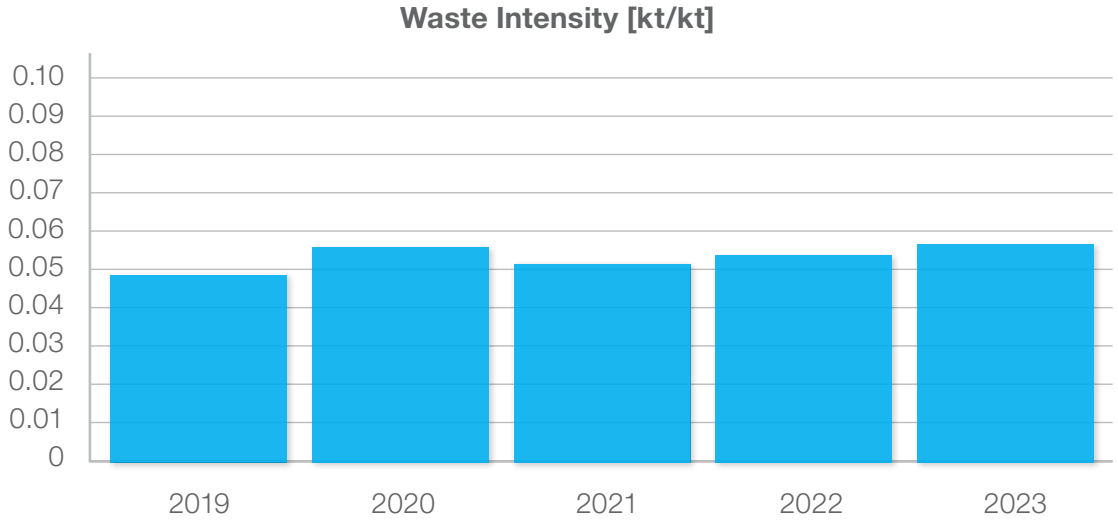
Operations

Waste Reduction

In 2023, Sun Chemical's waste was reduced by 36% compared to 2022.

Sun Chemical has developed a new target that will decrease overall waste. This target will reduce waste intensity by 10% by 2030 using 2019 as the baseline.





Note that years prior to the acquisitions of 2021 by Sun Chemical have been adjusted to include data for the acquired companies, as this allows longer term data trends to be seen.

Operations

Safety Indicators

Sun Chemical has developed a new safety target for a five percent reduction in total recordable incident rate compared to the average of the previous three years.

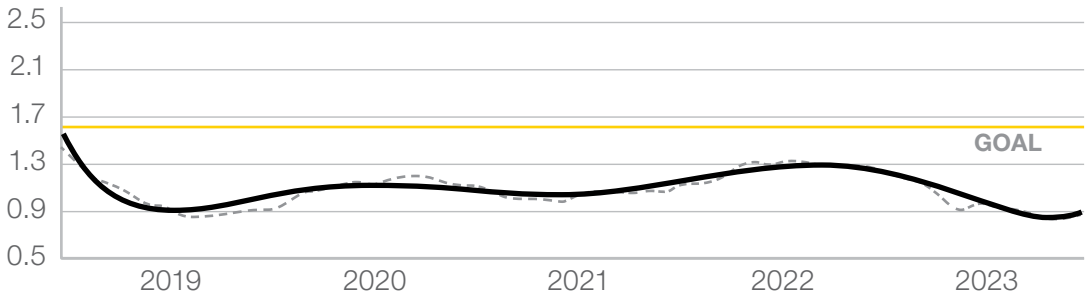
To help in that effort, **SunCare®** is Sun Chemical's internal Environmental, Health and Safety Management (EHS) system. It ensures legal compliance, enables the setting of policies, procedures, recording, measuring and reviewing, and drives the continual improvement in EHS performance for all aspects of the business.

Adapted to synergize with ISO14001 and ISO45001 standards, the SunCare management system promotes the communication of the business EHS goals and objectives to all employees, shares incidents and lessons learned and offers best practices for common tasks/activities.

To assure customers and third-party sustainability auditors of the SunCare standard credentials, Sun Chemical hired the consultancy company, ERM, to audit the program. The small gaps that were identified are being addressed. Daniel Grell, Sun Chemical's Vice President of Environmental Affairs, concluded that:

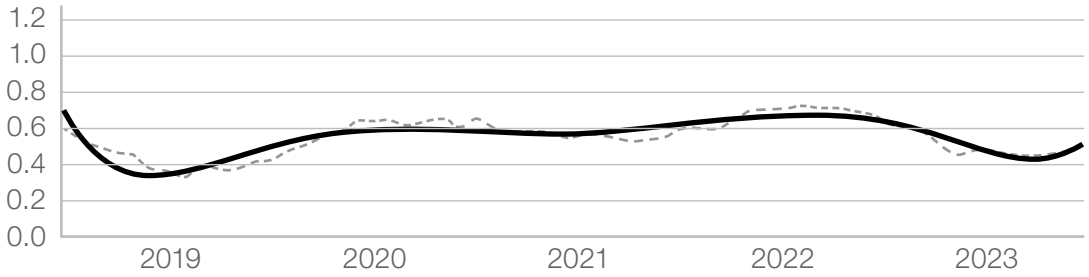
"In summary, the 3rd party gap assessment/attestation project could demonstrate a formal certification vs ISO 14001 or ISO 45001 and would not add relevant value to Sun Chemical's performance in protecting the environment and health and safety of employees against the hazards handled due to the nature of the business. Therefore, the SunCare Management system should be credited like for like with the ISO standards."

5-Year Total Recordable Incident Rate



Data showing Sun Chemical's rolling average of employee safety statistics, along with the goal that was historically used prior to the introduction of the new safety target.

5-Year Total Lost Time Accident Rate



Operations

For the first time, Sun Chemical participated in Girl's Day in Germany, aiming to inspire young women to pursue careers in technical, scientific, and mathematical fields. The event, held at the Ludwigshafen and Besigheim locations, included laboratory experiments where participants created cosmetics using Sun Chemical pigments and a factory tour to explore the facilities.

Human Rights Policy

Sun Chemical and DIC Corporation have jointly developed a new human rights policy, underscoring our shared commitment to sustainability, especially concerning our employees and the communities in which we work and which we serve. This policy defines Sun Chemical's standards for fair compensation, comprehensive benefits, and professional development opportunities for our employees.

Diversity, Equity, Inclusion, and Belonging

As part of the DIC Group, we are dedicated to fostering a culture of diversity, equity, inclusion, and belonging (DEIB). We actively seek diverse talent to reflect our communities and are opening new sourcing channels to attract this talent.

By 2030, we aim to have at least one minority candidate on all external hiring slates. Additionally, we strive to build diverse internal talent pools, with at least 30% of our succession candidates representing minority groups for all critical positions in the company.

Career Development, Performance, and Ethical Training

At Sun Chemical, we are committed to the growth of our employees. In 2024, we introduced Sun Careers, a framework designed to create transparency across our global businesses and functions, clarify career paths, and promote internal mobility. Sun Careers promotes fairness and equity, rewarding employees based on their skills, responsibilities, and performance.

We have implemented SAP SuccessFactors for our performance and development processes to drive consistency and accountability. This ensures employees receive clear objectives, year-end reviews, and development discussions. In 2023, 50% of employees participated in this process, with a target of 60% participation by 2024.

By 2025, we aim for 75% participation to drive high performance and growth.

We also conduct annual code of conduct training focused on ethical behavior, achieving a 95% completion rate across our 10,000+ employees. This training reinforces our commitment to ethical standards and integrity in all our operations.

Operations

Leadership Training and Employee Feedback

Our managers are crucial to creating a culture of growth and high performance. We have invested in leadership training, which was piloted in 2022 for frontline leaders and expanded to additional management levels and countries. Over 150 managers have been trained in this program, which supports them in building and managing our most valuable asset at Sun Chemical—our people.

Capturing and measuring employee feedback is essential for a positive employee experience. We are integrating the Employer Net Promoter Score (eNPS) and other feedback mechanisms to collect feedback from our employees on their experience and working conditions. The eNPS measures how likely employees are to recommend Sun Chemical as a good place to work on a scale of 0 to 10. This will be introduced by 2025 in our new hire, exit, and global engagement surveys.

By 2030, we aim to achieve an eNPS of 10, reflecting high employee support and satisfaction.

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Operations

Recognitions

Ecuador: Green Initiative Distinction that Supports Sustainable Production and Consumption

Sun Chemical Ecuador received the honorary recognition "Green Initiative Distinction that Supports Sustainable Production and Consumption" from the Minister of Environment of Ecuador, Abg. José Antonio Dávalos.

The recognition was granted based on the reuse of packaging material in the packing process and other activities implemented by Sun Chemical aimed at environmental sustainability. These actions by Sun Chemical met the requirements established in Ministerial Agreement No. 140 of November 4, 2015 under the category of "Optimization in the use of raw materials, inputs or products and/or reduction in waste."

Chile: "Clean Production" Local Certification

Sun Chemical Chile received the "Clean Production" local certification. Granted by The Sustainability and Climate Change Agency, this committee of the production promotion corporation (CORFO) is linked to the Environmental Ministry of Chile. That body facilitates public-private collaboration and has the mission to promote sustainable production and mitigation and adaptation to climate change in companies, with emphasis on small and midsize enterprises and territories.

Colombia: ZERO WASTE Gold Award

For the second year in a row, Sun Chemical Colombia earned the ZERO WASTE Gold Award. The award recognizes Sun Chemical's achievements to limit environmental problems generated by the uncontrolled increase in landfill waste. ICONTEC (the Colombian Institute of Technical Standards and Certification – ISO & IQNet member) and Zero Waste Colombia join on waste management standards not only for Colombia, but also for other Latin-American countries where ICONTEC has recognition in Latin America.

Brazil: Sustainable Packaging

Sun Chemical Brazil has been recognized for an innovative and more sustainable way to package and deliver water-based inks. Changing from fully plastic containers to a bag-in-box, substantially fiber-based concept, significantly reduces the water consumed to clean and reuse plastic totes and minimizes overall plastic use, among other advantages. According to initial life cycle assessment calculations, this packaging change can achieve a 25% greenhouse gas emissions reduction versus conventional ink packaging.

Products and SERVICES

Products and Services

Incorporating Our Sustainability Approach into the Products We Offer

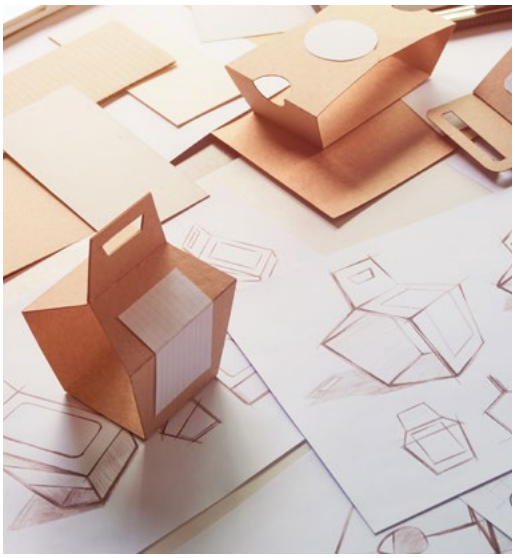
Sustainable development at Sun Chemical is defined as the design of products or processes that reduce greenhouse gas emissions related to climate change, conserve virgin resources and/or lower the accumulation of waste compared to conventional products or processes they replace.

This definition aligns activities across a wide range of product technologies and market areas. Once we understand the needs or opportunities in any particular market segment, a 5R framework organizes our activities and roadmap for sustainability-enabling technologies.

These 5Rs are Reuse, Reduce, Renew, Recycle and Redesign—all of which support a circular economy and reductions in carbon footprint.

With specific focus on the packaging segment and with respect to the 5Rs, significant effort continues toward product technologies that enable **Reuse** by incorporating post-consumer recycled materials, or with protective coatings and resistant inks that can withstand multiple wash cycles, for reusable articles or packaging.

Our products also help to **Reduce** overall packaging weight, through protective and barrier coatings, and also barrier-adhesive technologies, which eliminate protective film layers and also help recyclability of those structures. We also deliver more efficient ink technologies to minimize waste or energy consumption at our converter customer facilities.



We design product lines with increasing levels of **Renew**able content, replacing fossil fuel-based raw materials with responsibly nonfood-sourced natural alternatives. This increases circularity and immediately translates into CO_2 emission reductions.

We also engineer products to enhance the ability to **Recycle** film and fiber-based packaging structures by a range of recycling, repulping and composting processes.

And we support fundamental **Redesigns** in packaging and printing processes. For example, shifting from multi-material to mono-material structures or from laminations to mono-webs plays a critical role in improving recyclability or even plastic to paper transitions, where appropriate.

Following is a small selection of the sustainable products and innovations from the past year.

Products and Services

Award Winning Sustainability Solutions

PrintWeek 2024 Packaging Innovation Award

Sustainability initiatives remain a high priority at Sun Chemical as demonstrated by many exciting accomplishments over the past year. We continued to expand our integrated portfolio of eco-friendly solutions according to the 5R approach to sustainability and received accolades and certifications by third parties, which validated those solutions.

Sun Chemical was proud to accept the PrintWeek 2024 Packaging Innovation Award, won in collaboration with leading packaging solutions provider, Qualvis. The award-winning project focused on redesigning packaging for Qualvis customer, Whitakers, transforming 55% of the plastic-based confectionary package into a highly recyclable, lightweight and fully fiber-based solution, ensuring product integrity and shelf-life preservation.

Key to the success of the project were Sun Chemical's **SunPak® DirectFood Plus** bio-renewable direct-food contact inks and **SunSpec™ SunStar** direct-food contact aqueous varnish on the inside of the carton. Also instrumental were **SunPak® FSP EcoPace** low migration inks and **SunCoat** C2C (cradle-to-cradle) certified aqueous varnish on the outside of the box.

Recognition for Sustainability Excellence by Flexographic Technical Association

Sun Chemical was also recognized with a Sustainability Excellence award from the Flexographic Technical Association for **SunUno Solimax AP**, a TÜV OK Compost-certified multi-purpose ink series that enhances both packaging and converter operations sustainability.

The inks' applicability across a wide range of printing and packaging applications minimizes or avoids costly and waste-generating press startups and shutdowns, leading to more efficient and sustainable converter operations. Ink inventory is minimized and press returns can be handled readily, both of which avoid additional waste.

Products and Services

Solutions for the Packaging Market

Meeting the Compliance Needs of the Packaging Market
To help packaging converters comply with the new Single Use Plastics Directive in Europe, Sun Chemical launched **SunSpec™ SunStar** barrier and heat sealable varnishes based on naturally occurring raw materials. Sun Chemical also introduced **SunLam™ ULM**, the industry's first solvent-free retortable lamination adhesive.

Sun Chemical launched **SunStrato® AquaLam Gen2** water-based inks for lamination and retort film applications. This second-generation innovative ink range offers superior quality and printability for high definition and vivid colors as well as excellent bond strength and reduced CO_2 and volatile organic compound (VOC) emissions versus alternative systems.

Products and Services

Solutions for the Packaging Market

Delivering Solutions Designed to Improve Recycling
Sun Chemical's new **SunStrato® Aquasleeve NX** enables high speed water-based flexo printing for shrink sleeve labels. The product is also compliant with recyclability standards set by the Association of Plastic Recyclers.

Marking Technology to Increase Beverage Container Recycling
Sun Chemical has developed a new proprietary marking technology comprised of automated digital readers and coatings for managing regional recycling operations. It helps protect revenue streams for authorized recyclers and is expected to increase beverage container recycling.

A Groundbreaking Packaging Sustainability Program

Aura is a division of Sun Chemical focused on providing packaging consultancy and technology services. Aura has developed a technology platform called **e-halo** which addresses tomorrow's packaging challenges, today.

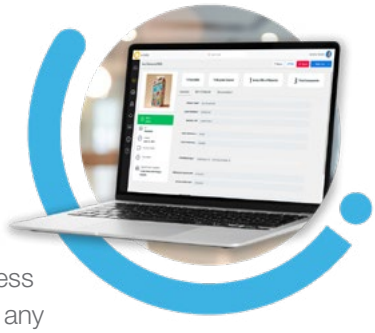
aura
pioneering global change

e-halo
managing sustainability everyday

Aura's groundbreaking packaging sustainability program, e-halo captures, interprets and transmits live, accurate packaging data. e-halo leverages Aura's unique blend of expert consultancy and pioneering technology to help manage global retailers, brands and manufacturers' future technical and sustainable packaging requirements.

Furthermore, it facilitates the visibility of packaging data in real-time, allowing customers to future-proof packaging within one automated workflow by:

- Providing accurate packaging data
- Automating compliance with legal obligations and voluntary targets
- Eliminating undesirable or banned materials
- Immediately evaluating carbon values and territory-specific recyclability



This approach ensures "right-first-time packaging," helping to manage risks and supplier compliance. e-halo is the most comprehensive packaging data management program available, giving organizations access to accurate packaging data at a granular level. It interacts seamlessly with any IT infrastructure to support end-to-end, proactive packaging management.

The benefits:

- Data visibility anytime, anywhere. Access live and accurate packaging data online, 24/7.
- Drive continuous improvement. Gain visibility of 'best in class' packaging specifications and optimize your packaging.
- Meet global packaging legislation. Proactively manage compliance as legislation evolves, by territory.
- Gain time and cost efficiencies. Utilize your customizable reporting dashboards.
- Manage sustainability targets every day. Evaluate packaging recyclability and carbon metrics.
- Customize your e-halo program with Sun Chemical's tiered pricing model.

Retailers and brands face unprecedented challenges navigating the ever-evolving landscape of global supply chains, politics, legislation, and consumer expectations. This packaging sustainability program addresses these challenges today and prepares them for the future.

"Trusted by the world's largest e-tailer and retailer"

visit: www.aura-consultants.com | e-mail: connect@aura-consultants.com

Products and Services

Product Solutions

UV and Aqueous Inkjet Inks Comply with Latest Regulatory Requirements

Increased regulatory restrictions and continued growth in industrial digital print markets, such as packaging and décor, resulted in new UV and aqueous ink launches in collaboration with digital OEMs and press manufacturers while new primers gained commercial traction for digitally printed labels, flexible packaging and credit cards.

Sun Chemical UV and aqueous inkjet inks reduce waste in set-up and production at the start of runs and print only what is needed, thus reducing overproduction. Sun Chemical is facilitating more sustainable printing in the markets it serves.

Collaborations / Social

RESPONSIBILITY

Sustainability Collaborations

An important pillar of Sun Chemical's sustainability approach is collaborations—interacting with like-minded partner organizations and other stakeholders up, down and across the global value chains of the markets we serve.

A key element of collaborations is Sun Chemical's participation and advocacy within respected cross-industry associations and nonprofit organizations with goals that bring the collective power of membership to deliver lasting and meaningful solutions to the most pressing environmental issues.

Among the cross-industry alliances where Sun Chemical is active are various organizations that are focused on advancing packaging sustainability, including:

- Circular Economy for Flexible Packaging (CEFLEX)
- 4evergreen (for fiber-based packaging circularity)
- RecyClass (a part of Plastic Recyclers Europe) in Europe
- Association of Plastic Recyclers (APR), which represents international interests
- Sustainable Packaging Coalition (SPC), a member of the environmental nonprofit GreenBlue
- HolyGrail 2.0, which helps advance enhanced sorting and higher-quality recycling rates for packaging in the EU

In each case, Sun Chemical brings active expertise and sustainability leadership to workstreams and collaboratives sponsored through the associations.

Sun Chemical has continued its support of the Circular Plastics Initiative (CPI) through the Dutch Institute for Sustainable Process Technology (ISPT), where we are sponsoring projects working toward advancing integrated solutions for recycling, as well as understanding in detail the losses and emissions in recycling processes.

Collaborations/ Social Responsibility

Other Examples of Collaboration with Customers

In partnership with Flexprinter, compostable cereal pouches were printed using Sun Chemical's **SolarWave™ FSP**, UV-LED curable CMYK flexo inks, which require lower energy consumption to cure than traditional UV-cure inks.

Targeting compostability as part of their sustainable commitment, Corapack selected a certified home and industrial compostable solvent-free laminating adhesive from the Sun Chemical **SunLam™** range to produce a coffee capsule's lidding.

Stratum Plastika Mesojedec invested in Sun Chemical's **SunStrato® AquaLam Gen2** water-based ink series for printing high-quality laminated and retortable flexible packaging on a wide range of substrates, such as oriented polypropylene (OPP) and polyethylene terephthalate (PET), using extended color gamut printing. The inks can help to significantly reduce environmental impact by reducing CO2 and volatile organic compound (VOC) emissions.

Collaboration with packaging solutions company Cardbox Packaging resulted in their use of Sun Chemical's **SunPak® FSP EcoPace** sheetfed, low migration inks for high productivity, high speed and sustainable folding carton printing. They also used Sun Chemical's **SunHub** compact ink dispenser at their Austria site.

Sun Chemical and Cardbox staff working together to implement the use of Sun Chemical's SunPak FSP EcoPace inks.

Collaborations/ Social Responsibility

Science Based Targets Initiative

Since signing onto the Science Based Targets initiative last year, Sun Chemical has set its corresponding targets for 2030 which have been outlined in the operations section of this report. That commitment is aligned with DIC Corporation's commitment to reduce absolute scope 1 and 2 GHG emissions 27.5% by 2030 from a 2019 base year.

DIC Corporation also committed to reduce absolute scope 3 GHG emissions from capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations and end-of-life treatment of sold products 13.5% within the same timeframe. DIC Corporation further committed that 80% of its suppliers by spend, covering purchased goods and services, will have science-based targets by 2027.

Biodiversity Policy

As part of the DIC Group, Sun Chemical has created a policy outlining our commitment to environmental responsibility, sustainability, and the conservation and protection of biodiversity. The policy, established November 2023, outlines 11 articles that cover these commitments, both in DIC Group's own operation and in the supply chain. The biodiversity policy covers: Purpose, Compliance with Regulations, Biodiversity Assessment, Local Care, Sustainable Sourcing, Pollution Prevention, Research and Innovation, Education and Training, Reporting and Transparency, Continuous Improvement, and Community Engagement.

Collaborations/Social Responsibility

Sustainable Procurement

Sun Chemical continues to drive its suppliers in the direction of improved sustainability and utilizes EcoVadis to assess its suppliers. The initial target was to engage 80% of Sun Chemical's direct suppliers (by spend) on the EcoVadis platform, and this has been achieved. The targets now are:

1. **To risk assess the large number of small suppliers that are not on the EcoVadis platform** using the EcoVadis RiskIQ tool, *with the target of having 99% of all suppliers assessed via RiskIQ by 2026.* When high risk suppliers are identified via RiskIQ, they will be asked to complete an EcoVadis questionnaire and join the EcoVadis platform so that a more thorough risk assessment can be done and improvement actions can be proposed.

2. **To have no suppliers on the EcoVadis platform with an overall EcoVadis score below 25.** If a Sun Chemical supplier joins the EcoVadis platform with an overall EcoVadis score below 25 after identification by a risk assessment, for example, then Sun Chemical will work on an individualized action plan for that supplier to put actions in place. They can then be reassessed quickly so that they can improve to a score that is definitely over 25 and ideally above 45.

3. **To improve the EcoVadis score of the more than 80% of direct suppliers (by spend) who are on the EcoVadis platform.** This is tracked and reported and is part of the procurement sustainability staircase. For the suppliers on the EcoVadis platform, Sun Chemical encourages achievement of a score greater than 45 and requires corrective actions from those suppliers with scores below this threshold. More than 85% of Sun Chemical suppliers who are on the EcoVadis platform have achieved a score higher than 45.

Committing to the Science Based Target initiative with its built-in year-on-year GHG reduction requirements.

Having a sustainability plan that leads to reductions in the Product Carbon Footprint for the major products supplied.

Offering data on Product Carbon Footprint for the major products supplied. Giving evidence of risk mitigation of human rights and environmental adverse impacts.

Helps with LCA

Having acceptable CSR rating (if EcoVadis then >45).

Corrective action plans to reduce identified risk

Suppliers join the EcoVadis platform (or an equivalent) so we understand their CSR performance and risk.

Collaborations/ Social Responsibility

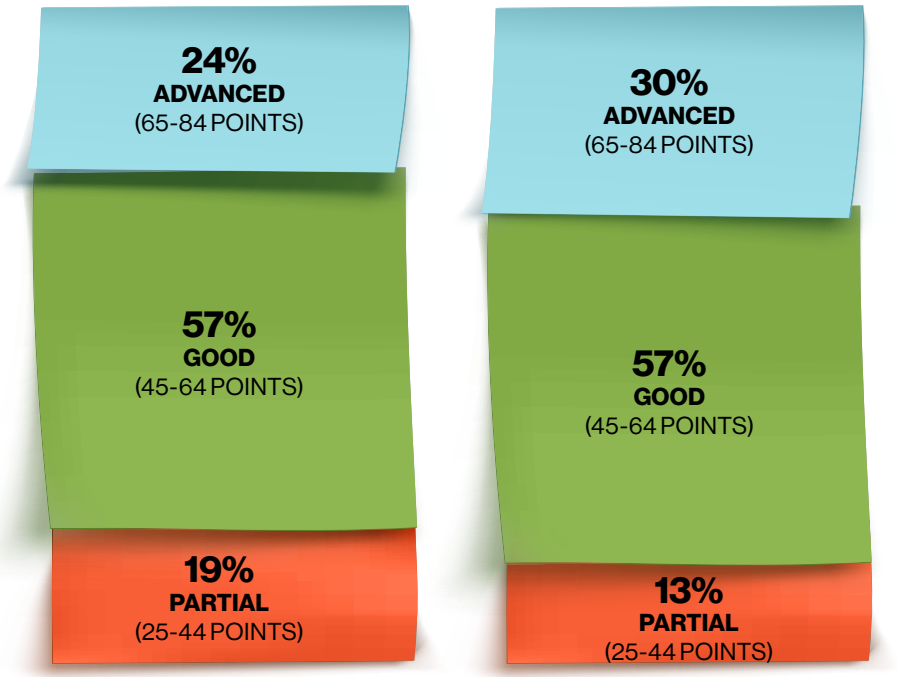
Sustainable Procurement

For suppliers with a score above 45 and with no obvious risk areas, the focus changes to getting environmental impact data for the raw materials purchased and then obtaining a plan that will result in those values decreasing over time. Additionally, suppliers will give evidence of risk mitigation related to social topics. For those suppliers already committed to reducing their total environmental impact, we encourage them to become part of the Science Based Target initiative.

A full 100% of Sun Chemical's purchasing category leaders have been trained in the use of the EcoVadis tool and in guiding Sun Chemical suppliers along this sustainability journey.

The overall Sun Chemical suppliers' EcoVadis score has increased through this focused engagement as noted in the graph below.

Changes in overall score by
Maturity | Medal | Threshold



Previous score in 2022 **Current score in 2023**

Collaborations/ Social Responsibility

Sustainable Procurement

Sun Chemical currently has 627 rated suppliers on the EcoVadis Platform, with more suppliers in the assessment process. Our supply base is outperforming compared to EcoVadis averages within each respected pillar of scores. We continue to monitor and improve in the appropriate sectors and will be engaging even further with more corrective actions.

OVERALL	ENVIRONMENT	LABOR & HUMAN RIGHTS	ETHICS	SUSTAINABLE PROCUREMENT
+2.9	+3.2	+2.6	+0.9	+4.4
54.6 → 57.5	60.4 → 63.6	54.6 → 57.2	51.0 → 51.9	45.6 → 50.0
Change in average score	Change in average score	Change in average score	Change in average score	Change in average score

Additionally, to mitigate modern slavery in the supply chain, Sun Chemical is setting specific targets. By the end of 2026, Sun Chemical will have:

1. *Set up improvement targets and training plans for all suppliers who are flagged as high risk for modern slavery.*

2. *Have no suppliers who have an EcoVadis Labor & Human Rights score below 25.* If a Sun Chemical supplier joins the EcoVadis platform with a Human Rights EcoVadis score below 25 then Sun Chemical will work on an individualized action plan for that supplier to quickly improve this score or remove them as a supplier.

Collaborations/ Social Responsibility

Global Reporting Initiative Index

The Global Reporting Initiative (GRI) index provides a standardized framework for reporting sustainability information. It includes a set of indicators and disclosures that organizations can use to report their economic, environmental, and social performance. The chart below shows a list of these disclosures and where you can read about them in this report.

Standard	Disclosure	Page
GRI 1	Reporting full year 2023	
GRI 2.1	Organizational details	8, Sun Chemical Group
GRI 2.2	Entities included in the organization's sustainability reporting	8, Sun Chemical at a glance 20-26, Products/Services by Business Units
GRI 2.6	Activities, value chain and other business relationships	4-7, Strategy/key themes across Sun Chemical markets
GRI 2.7	Employees	17, Working conditions, career management & training
GRI 2.22	Statement on sustainable development strategy	2, Message from Myron Petruch
GRI 2.23	Policy commitments	10-13, Energy/CO_2 equivalents 14, Water 15, Waste 16, Employee safety 17, Employee working conditions & career management training 31-33, Sustainable procurement
GRI 101.1	Policies to halt and reverse biodiversity loss	30, Biodiversity policy
GRI 302.1	Energy consumption within the organization	10, Energy/CO_2 equivalents
GRI 303.5	Water consumption	14, Water
GRI 305 1&2	Scope 1 & 2 Greenhouse Gas emissions	10, Energy/CO_2 equivalents
GRI 306.1	Waste generation and significant waste-related impacts	15, Waste
GRI 403.9	Work-related injuries	16, Employee safety

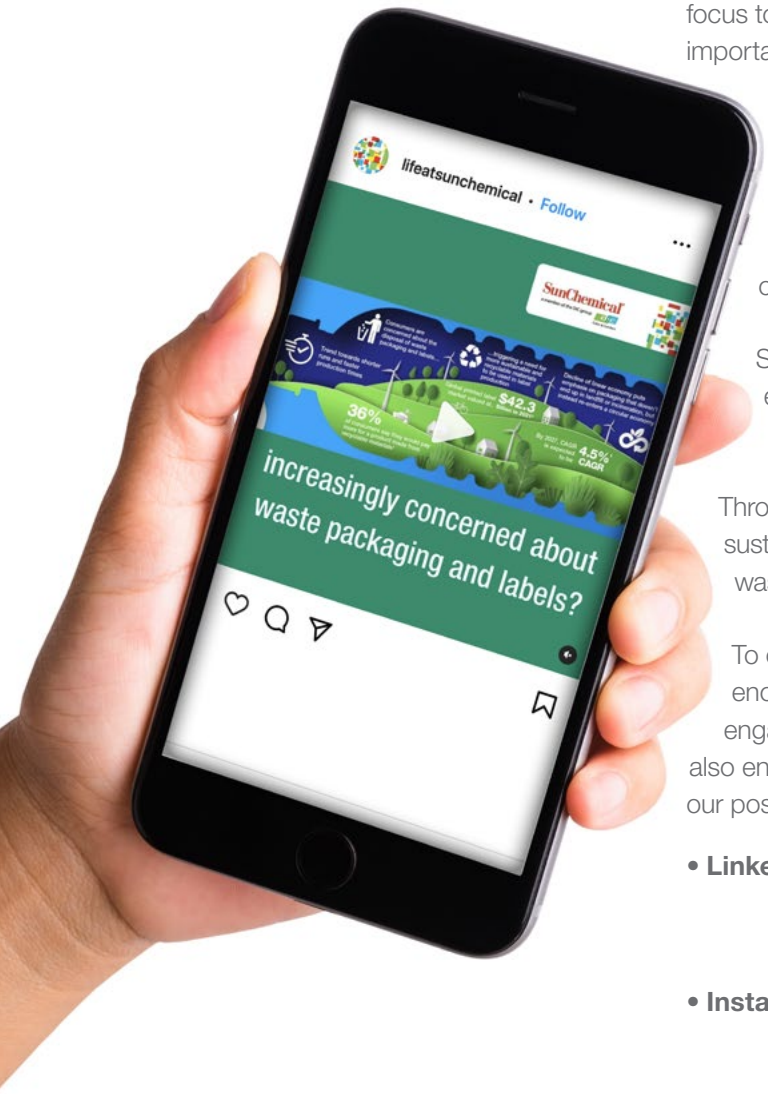
Collaborations/ Social Responsibility

Social Media, Current Events and Buzz

Sun Chemical continues to share information about events, press releases, articles, webinars and industry updates on our social media platforms. The past year provided a unique opportunity for Sun Chemical to promote events as it was the first year that brought back the full slate of global exhibitions and an opportunity to highlight our sustainability journey and product portfolio within our messaging in person at our stands.

The exhibitions that took place in 2023 allowed us to reinforce key areas of focus to support our sustainable initiatives. The goal is to highlight areas of importance to help drive this critical topic forward, including:

1. Education
2. Legislation
3. Regulatory updates
4. Exhibitions—focused on solutions centered around the 5R concept



Sun Chemical social platforms are another medium to drive engagement, awareness and demonstrate our commitment to creating and supporting a better planet.

Throughout 2023, Sun Chemical elevated the discussion and introduced sustainable packaging solutions that were transformative in reducing waste and promoting a circular economy.

To continue the discussion on social media and to get feedback, we encourage our readers to follow **#SunSustainability** on LinkedIn and engage with our posts, polls, and updates. New in 2023, users could also engage with us on Instagram. Below you will find several examples of our posts throughout 2023 and our social handles.

- **LinkedIn Handle:** https://www.linkedin.com/company/sun-chemical/
  - #SunSustainability: https://www.linkedin.com/feed/hashtag/?keywords=sunsustainability
- **Instagram Handle:** https://www.instagram.com/lifeatsunchemical

Sustainability Leadership

Sustainability is nothing new at Sun Chemical. For decades, Sun Chemical has shown its commitment and market leadership. With a focused cross-functional sustainability team; a cohesive strategy focused on operations, products and services, and collaborations; and a guiding framework positioned around the 5Rs approach—**Reuse, Reduce, Renew, Recycle** and **Redesign**—Sun Chemical has continued to strengthen its message and advance its portfolio of enabling solutions in the marketplace to be the clear sustainability partner of choice.

Additional resources and information are available at **www.sunchemical.com/sustainability**, and at **#SunSustainability** on **LinkedIn** and **Instagram**.


SunChemical®
a member of the DIC group
DIC
Color & Comfort
Let your sustainability flow.
Transform your paper packaging with a fresh, eco-friendly approach.
Why are more and more printers choosing mono-material packaging? The three biggest reasons: it's biorenewable, it's recyclable and it's compostable. So, if you're ready to create packaging that's fully customizable and more sustainable, we're ready to partner with you.
Learn how our biorenewable inks can help you achieve your sustainability goals at sunchemical.com/paper-transform.

A partner who transforms with you.

Today's environment requires more than change. It demands transformation—and a partner who's willing to transform with you. Sun Chemical, a member of the DIC Group, is a leading producer of packaging and graphic solutions, color and display technologies, functional products, electronic materials, and products for the automotive and healthcare industries. Together with DIC, Sun Chemical is continuously working to promote and develop sustainable solutions to exceed customer expectations and better the world around us. With combined annual sales of more than $8.5 billion and 22,000+ employees worldwide, the DIC Group companies support a diverse collection of global customers. Sun Chemical tailors solutions to unique customer needs and brings new ideas and the latest technology to market. As you move forward into a world of stiffer competition, faster turnarounds, more complex demands and sustainable products, count on Sun Chemical to be your partner.

Experience. *Transformation.*

Contacts and Other Information

For more information regarding Sun Chemical's sustainability policy and effort, please contact:

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