Sustainability Report

Data for sustainable growth



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a member of the DIC group

Color & Comfort

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Message from Myron

This report reflects the steady progress Sun Chemical is making to embed sustainability more deeply into our business and create long-term value for our customers, employees, communities and other stakeholders. Across our operations, we continued to advance our environmental priorities through focused action on energy, greenhouse gas emissions, water and waste, while strengthening the systems and governance needed to support lasting improvement. Important steps during the year included further investment in renewable energy projects, continued progress toward our 2030 climate goals, reductions in water use, increased recycling, and the ongoing expansion of environmental risk and compliance assessments across our manufacturing network.



We also made meaningful progress in advancing sustainability through innovation and operational excellence. From product solutions designed to support recyclability, compostability, lower energy use and biorenewable content, to local initiatives such as solar installations and zero-waste programs, this report shows how sustainability is being translated into practical results. At the same time, we continued to strengthen our culture of safety and responsibility through improved incident performance, global implementation of our Life Saving Commitments, and ongoing investment in process safety, employee engagement and training. These efforts reflect our belief that sustainability is not a standalone program, but a discipline that must shape how we operate every day.

Looking ahead, we know there is more to do, and we remain committed to meeting that responsibility with transparency, ambition and accountability. Our double materiality assessment strengthened sustainability governance, higher EcoVadis performance, and continued engagement with suppliers, customers and employees. This helped us make better decisions and deliver greater impact. I am proud of the progress highlighted in this report and grateful to our teams around the world whose expertise and commitment are helping Sun Chemical build a safer, more resource-efficient and more sustainable future.

Myron Petruch
President and Chief Executive Officer



Sustainability Approach



Sun Chemical Sustainability Report **2026**

Sun Chemical's Sustainability Goals

Sun Chemical is committed to driving progress toward a low-carbon future, with greenhouse gas emissions reduction at the center of that effort. Investment continues in energy-efficient technologies, optimized manufacturing processes, and the transition toward lower-carbon raw materials and energy sources. These actions reduce direct emissions and the carbon footprint across the value chain. Ambitious, science-based reduction targets support accountability for measurable climate impact.

Protecting the environment is fundamental to this mission. Efforts focus on minimizing waste, conserving natural resources, and preventing pollution across operations. This includes environmental management systems, continuous monitoring of ecological impact, and measures to safeguard air, water, and soil quality. Responsible environmental stewardship supports the long-term health of communities and ecosystems.

Circular economy principles are transforming product design, manufacturing, and delivery. Linear "take-make-dispose" models are being replaced by systems that prioritize resource efficiency, reuse, and regeneration. Increased use of responsibly sourced biorenewable content, reduced material intensity, and product design for compatibility with recycling streams help keep materials in circulation and reduce reliance on virgin resources.

A key element of the sustainability strategy is enabling customers to achieve environmental goals. Products and solutions are developed to reduce energy use, lower emissions, and improve resource efficiency. Many innovations support easier recycling, simplified disassembly, and compatibility with existing circular systems. Alignment of the product portfolio with customer sustainability needs extends impact beyond direct operations.

Sustainability commitments focus on creating long-term value for customers, communities, and the planet. Reducing greenhouse gas emissions, protecting the environment, advancing circularity, and designing products that support sustainable outcomes contribute to a more resilient and responsible business. These priorities guide current decisions and future innovation.



Alignment with the UN Sustainable Development Goals

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

United Nations Department of Economic and Socail Affairs. The 17 Goals. *https://sdgs.un.org/goals*



Sun Chemical Double Materiality Assessment

Sun Chemical Double Materiality Assessment

Sun Chemical performed a Double Materiality Assessment in preparation for Corporate Sustainability Reporting Directive (CSRD) reporting. A materiality assessment determines relevant and important topics for a company. A Double Materiality Assessment covers both inside out (impacts) and outside in (risks and opportunities) perspectives, combining financial and impact materiality.

As an initial step, a dedicated team assessed the sustainability topics listed in ESRS 1 AR16 at a sub sub topic level. This assessment resulted in a prioritized list of material topics, which was used for stakeholder engagement.
Selected stakeholder groups included customers, suppliers, investors, employees, and senior management. Stakeholder feedback confirmed the prioritized topics and added one additional topic. The results of the Double Materiality Assessment were approved by the senior leadership team.

- Climate Change Mitigation
- Corporate Culture
- Supplier Relationship Management
- Products and Services Supporting Sustainability Initiatives
- Equal Treatment and Opportunities for All
- Working Conditions
- Child Labor / Forced Labor in the Value Chain
- Access to Quality Information and Personal Safety of Consumers and/or End-Users
- Biodiversity (Climate Change and Direct Exploitation as Drivers of Biodiversity Loss)



Sun Chemical Value Chain

Our Value Chain

Sun Chemical's value chain reflects the breadth of global activities - from raw material and energy sourcing, through manufacturing and innovation, to delivery of specialty solutions across diverse end markets. It provides a structured view of value creation and where environmental, social, and governance aspects are most relevant.

Upstream

Upstream activities focus on responsible sourcing of raw materials, energy, and water. Inputs include traditional feedstocks and an increasing share of biorenewable and circular materials, supporting the transition toward more sustainable solutions. Energy inputs include both fossil and renewable sources, while water serves as a critical resource in several production processes. Upstream logistics connect suppliers to the manufacturing network and represent a key area for supplier engagement, risk management, and Scope 3 emission reduction.

Own Operations

Within operations, inputs are transformed into pigments, inks, and resins through a global manufacturing network, supported by research and development, technical services, and operational excellence. Activities are underpinned by governance, product stewardship, and environmental, health, and safety management systems. Value creation at this stage is driven by innovation, operational efficiency, quality, and protection of people and the environment.

Downstream

Downstream, products enable applications across industries such as packaging, printing, automotive, construction, cosmetics, and specialty markets. Collaboration with customers supports performance, safety, and sustainability across their value chains. Logistics and distribution ensure timely delivery, while ongoing customer engagement supports innovation and responsible product use throughout the lifecycle.

Value Creation and Impact

Across all value chain stages, focus is placed on long term value creation, responsible resource use, and risk management. Environmental impacts - such as greenhouse gas emissions, water use, waste generation - and social aspects including employee safety, human rights, and supplier standards are managed through policies, programs, and continuous improvement initiatives. This integrated value chain approach supports DIC Group's sustainability ambitions and contributes to society through safe, innovative, and responsible chemical solutions.



Sun Chemical Value Chain

INPUT

677 kt
purchased
Raw Material

MUSD 112
Annual Capital
Investment

10
R&D facilities

1,567 patents
(granted & applied)

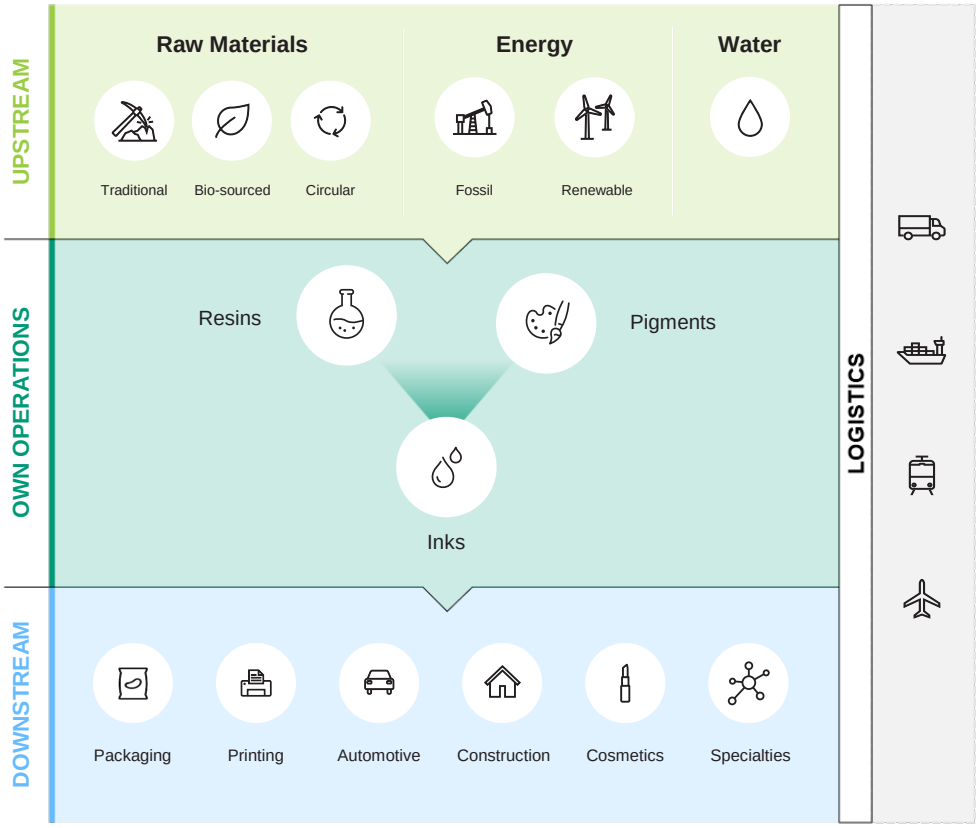
10,238
Employees

108
Manufacturing
Sites

92 companies
Global network

4,800 TJ
Energy Consumed

18,647 1000M3
Fresh Water withdrawn



OUTPUT

MUSD 3,846
Consolidated net sales
(541 kt of products)

290,435 t CO2eq
Scope 1&2 emissions

2,429 kt CO2eq
Scope 3
Category 1 emissions

53,717 t
Total waste volume generated

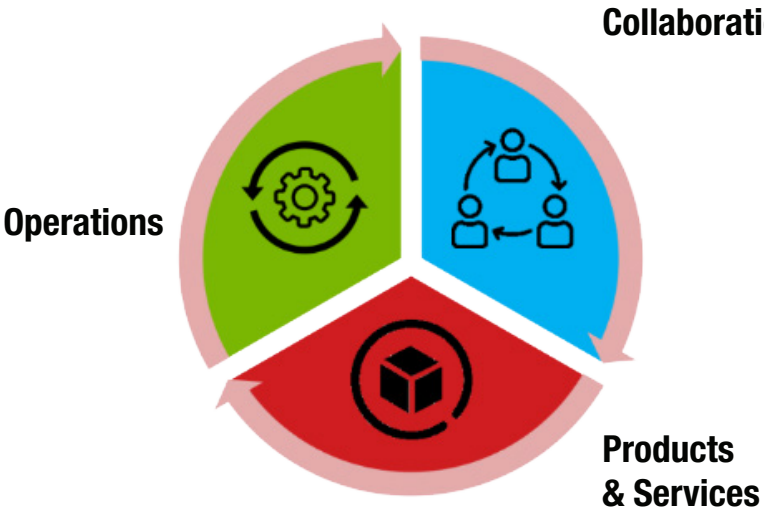
1.03
Persons/200,000 work hours
TRIR: Total Recordable Injury Rate



Sustainability Approach & Framework

In line with DIC's Vision 2030, dedicated to improving the human condition by safely delivering color and comfort for sustainable prosperity, Sun Chemical applies the "five Rs" - reduce, reuse, recycle, renew, and redesign - to guide sustainability practices across three business pillars: operations, product and service development, and cross-industry partnerships and collaborations.

These approaches span all business units - inks, coatings, adhesives, Color Materials, and advanced materials - and guide the development, manufacturing, and distribution of products.



Three Pillars of Sun Chemical's Business

Sun Chemical's Sustainability Framework: The Five R's





Sustainability in Our Business Units

Packaging and Graphics

Sun Chemical is a recognized leader in printing inks, coatings, adhesives and supplies for the packaging, publication, commercial, industrial, and digital markets and introduces solutions that enable marketers to better manage their brand colors, protect product integrity through improvements in packaging, and introduce security features that defend against counterfeiting.





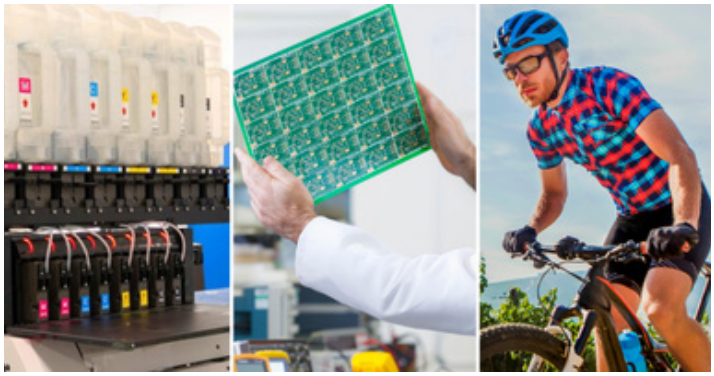
Color Materials

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

Functional Products

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

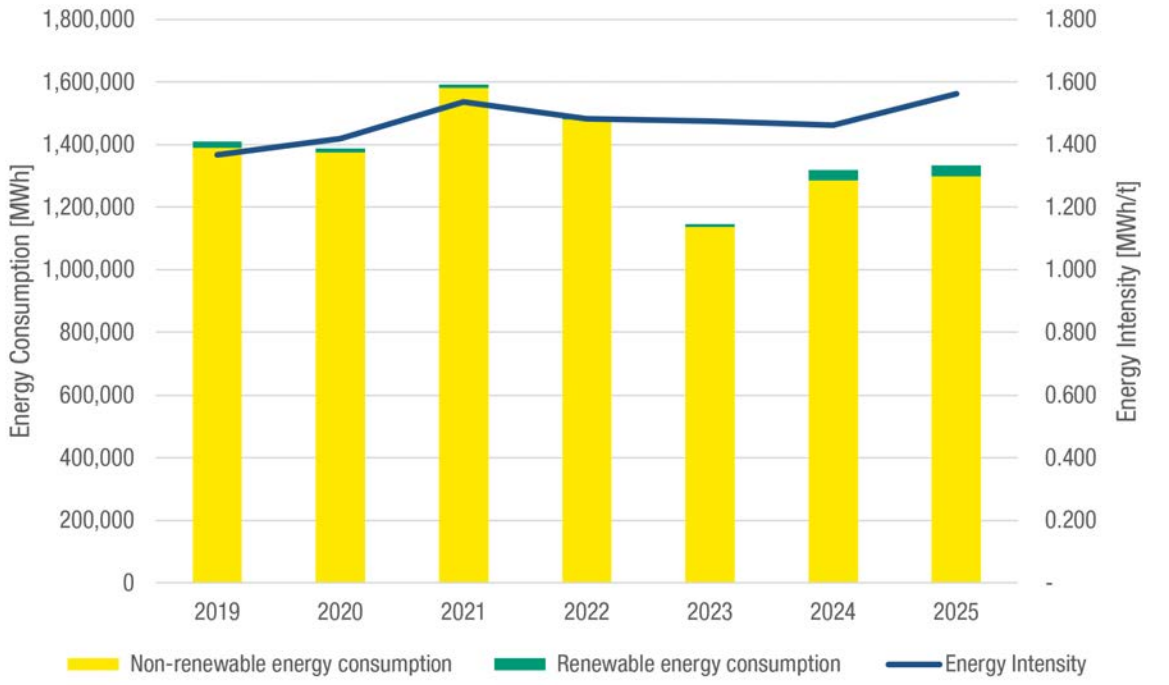


Manufacturing Targets: Energy Consumption & Intensity

Sun Chemical's Scope 1 and 2 emissions comprise three greenhouse gas–generating sources related to energy use:

- Fossil fuels (primarily natural gas), burned directly in boilers to provide building heat and, in some cases, to support higher energy reaction processes.
- Electricity, which is purchased; as countries transition to lower carbon generation and transmission losses decrease, the associated greenhouse gas intensity is expected to decline over time.
- Steam, purchased in industrial park settings, used as an energy source at certain pigment manufacturing sites.

Energy Consumption and Energy Intensity



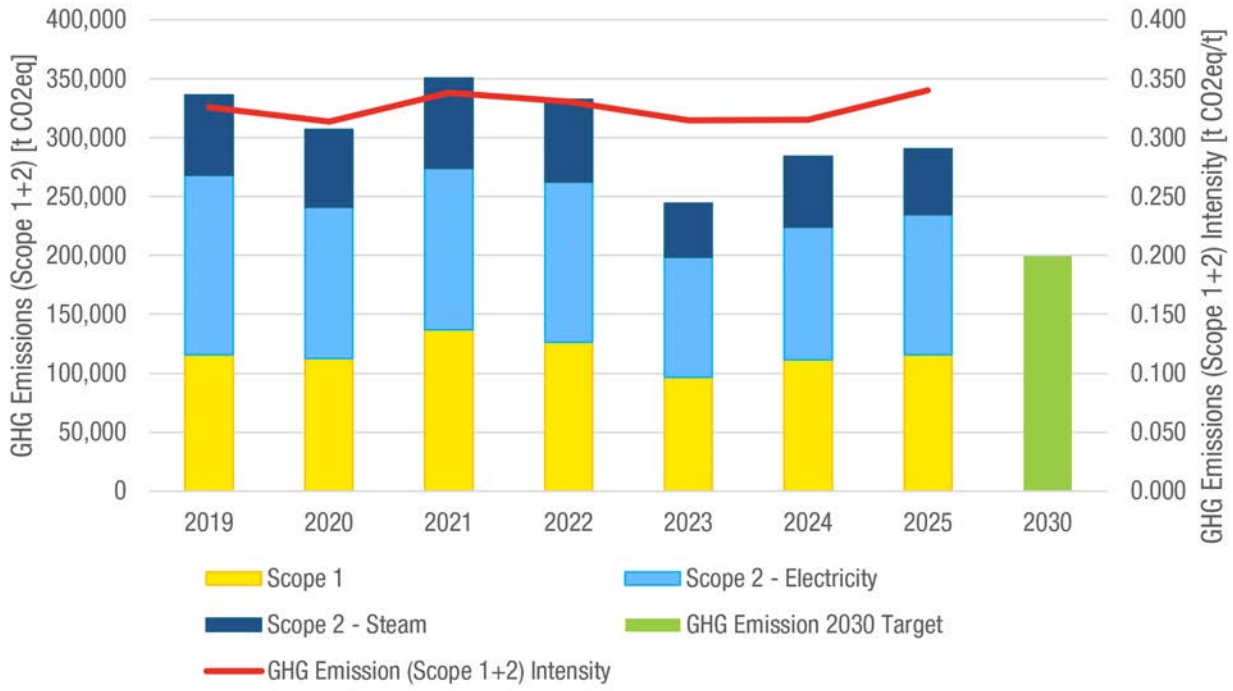
Please note that following the approach of the previous year's sustainability report, the years prior to the acquisitions in 2021 by Sun Chemical have been adjusted to include data for the acquired companies, as this allows longer term data trends to be seen.

Sun Chemical uses fossil fuels, electricity, and steam as procured energy sources in its operations. Energy consumption in 2025 was comparable to 2024. Lower production volume in 2025 resulted in higher energy intensity. Renewable energy consumption includes certified renewable electricity, self generated solar electricity, solar energy, and hydroelectricity.



GHG Emission Chart (Market-based)

Greenhouse Gas Emissions



Sun Chemical reports Scope 1 and 2 greenhouse gas emissions using the market-based approach. Consistent with energy consumption trends, emissions in 2025 were comparable to 2024.

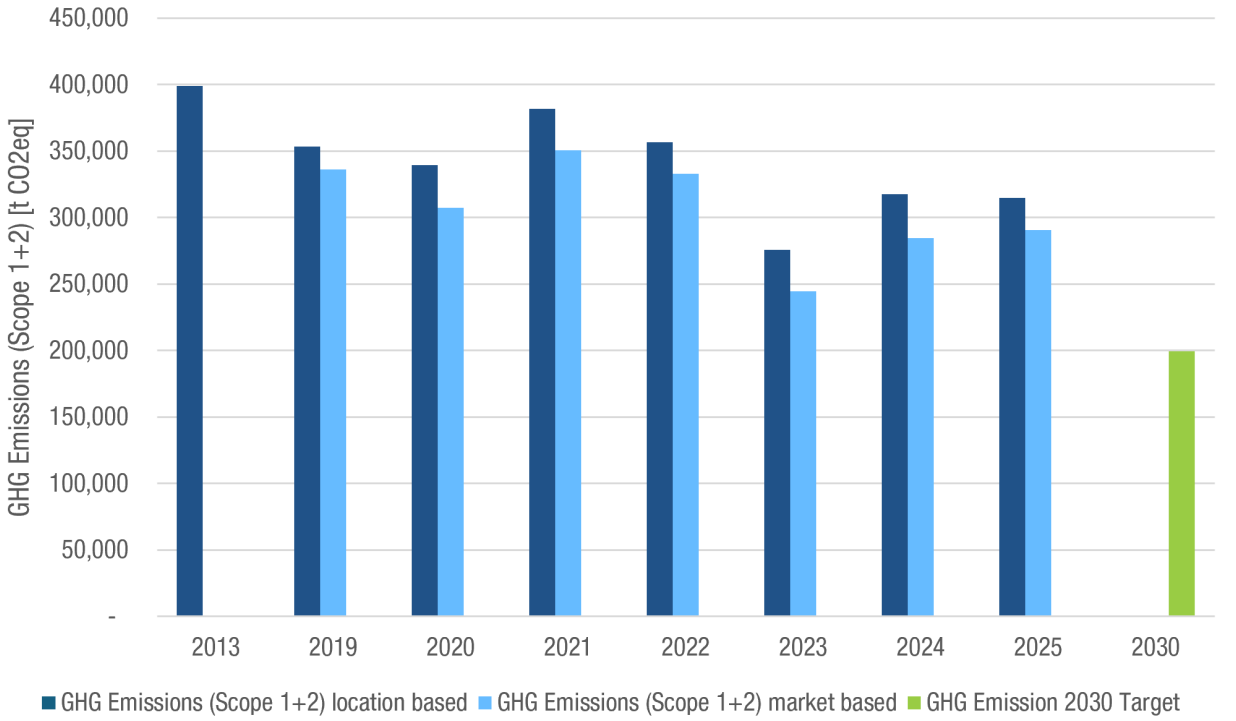
Approaches to achieve Scope 1 and 2 greenhouse gas reduction targets are currently under evaluation.

Sun Chemical Scope 1 & 2 GHG reduction target: Using 2013 as a baseline, Sun Chemical has a target of a 50% reduction in CO_2 equivalent by 2030.



GHG Emission Chart Intensity (Scope 1&2)

The following graphic shows Sun Chemical's progress toward the DIC Vision 2030 target of achieving a 50% reduction in greenhouse gas emissions by 2030, using 2013 as the base year.



Both location-based and market-based Scope 1 and 2 greenhouse gas emissions are presented. Differences between the two approaches over time reflect the transition to renewable electricity, which supports progress toward the 2030 target, alongside fossil fuel reductions primarily driven by efficiency improvements.

In 2025, 8% of procured electricity was sourced from certified renewable sources.



Energy-Efficient Equipment Case Study

At the Nussdorf, Austria site, an on-site photovoltaic (PV) project was implemented as part of decarbonization efforts. The installation has a capacity of 470 kWp and covers approximately 10% of the site's annual electricity demand.

The project delivers an estimated annual CO_2 reduction of around 120 tons compared to grid electricity. All emission reductions are attributed to Sun Chemical and contribute to Scope 2 greenhouse gas emission reductions.





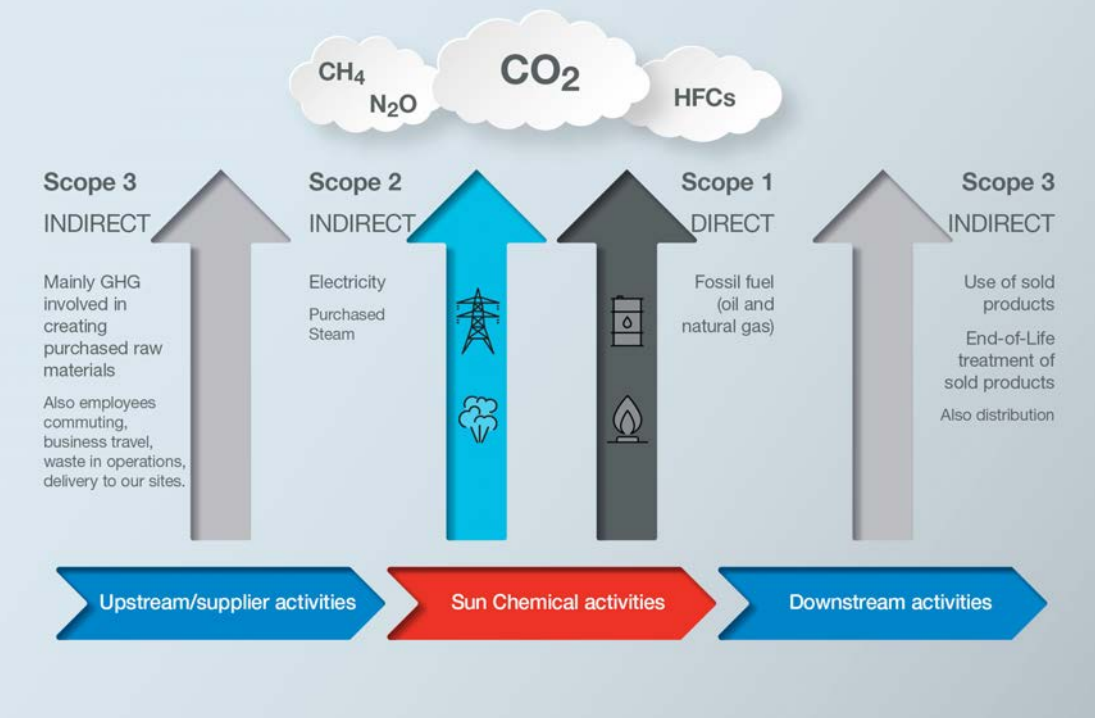
At the Yumbo, Colombia site, the SunPower solar project was implemented as part of efforts to reduce greenhouse gas emissions and increase the share of renewable energy in operations. The project includes 155 photovoltaic panels with a total installed capacity of 93.8 kWp.

This renewable electricity covers approximately 7% of the site's total electricity consumption. The installation contributes to an estimated annual reduction of around 50 tons of CO_2 emissions compared to grid electricity, equivalent to the environmental benefit of planting approximately 2,600 trees.

The SunPower project represents progress in reducing the site's carbon footprint and supports broader climate and energy transition objectives.



Total Emissions by Source (Upstream & Downstream)



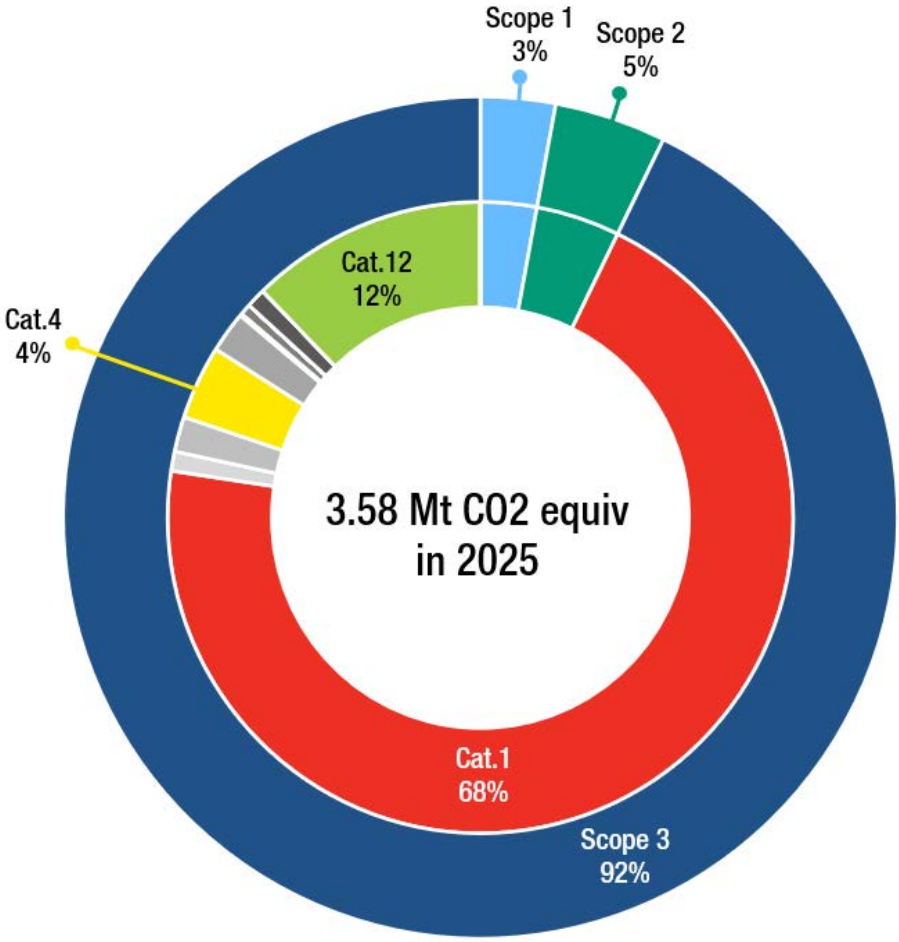
For Sun Chemical, Scope 1 emissions from directly burned fossil fuels, along with electricity and steam associated with Scope 2 emissions, are clearly relevant.

For upstream and downstream Scope 3 categories, t'all 15 categories with their relevance rating.

	Upstream Scope 3 Categories	Priority		Downstream Scope 3 Categories	Priority
1	Purchased Goods and services	High	9	Downstream transportation & distribution	Low
2	Capital Goods	Low	10	Processing of sold product	Medium
3	Fuel & energy related activities	Low	11	Use of sold product	N/A
4	Upstream transportation and distribution	Medium	12	End-of-Life treatment of sold product	Medium
5	Waste generated in operations	Low	13	Downstream leased assets	N/A
6	Business travel	Low	14	Franchises	N/A
7	Employee commuting	Low	15	Investments	Low
8	Upstream leased assets	N/A			



Total Emissions by Source (Upstream & Downstream)



- The largest contributor to total greenhouse gas emissions is associated with purchased raw materials. This highlights the importance of developing lower-carbon raw materials and encouraging supplier sustainability initiatives.
- Upstream transportation and distribution include both the transport of raw materials to Sun Chemical sites and the delivery of products to customers, in accordance with Greenhouse Gas Protocol guidelines.
- End-of-life treatment of sold products involves complex calculations due to their use across a wide range of applications. Efforts focus on ensuring compatibility with recycling streams to support circular economies and maximize recycling value.



Total Emissions by Source (Upstream & Downstream)

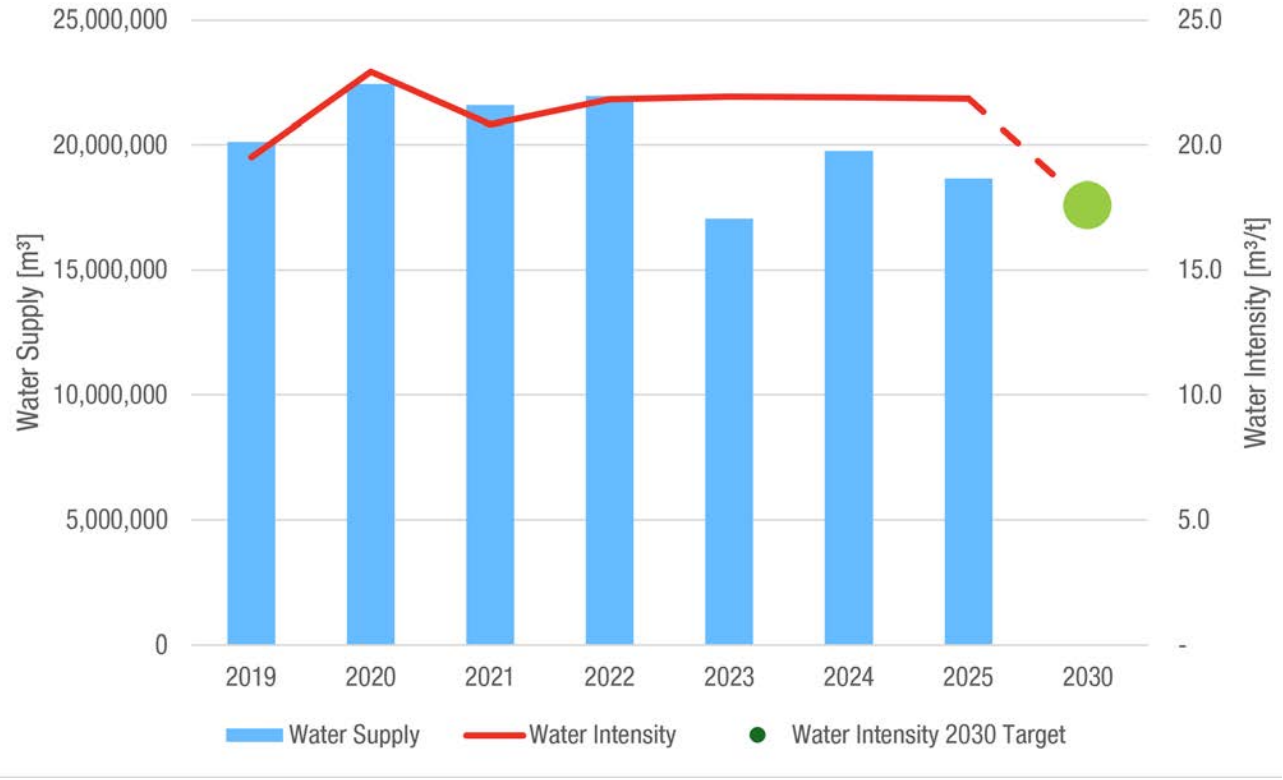
	Sun Chemical 2023	Sun Chemical 2024	Sun Chemical 2025	Share of tottal
Total (Scope 1 + 2 + 3)	3,270,979	3,845,927	3,562,156	100.0%
Scope 1: Direct CO_2 emissions, such as fuel combustion	96,532	111,226	115,535	3.2%
Scope 2: Indirect CO_2 emissions, such as purchased electricity	147,736	173,153	174,900	4.9%
Scope 3	3,026,711	3,561,548	3,271,721	91.8%
Cat.1, Purchased Goods and Services	2,218,811	2,692,753	2,429,111	68.2%
Cat.2, Capital Goods	47,724	38,243	45,123	1.3%
Cat.3, Fuel & Energy related activities	63,018	69,168	77,949	2.2%
Cat.4, Upstream Transport & Distribution	210,560	145,428	135,490	3.8%
Cat.5, Waste Generated in operations	73,352	80,947	85,027	2.4%
Cat.6, Business travel	3,276	4,445	3,109	0.1%
Cat.7, Employee commuting	21,948	21,778	21,359	0.6%
Cat.8, Upstream leased assets	N/A	N/A	N/A	
Cat.9, Downstream Transport & Distribution	N/A	N/A	N/A	
Cat.10, Processing of sold product	33,290	38,340	35,450	1.0%
Cat.11, Use of sold product	N/A	N/A	N/A	
Cat.12, End-of-life treatment of sold product	354,732	470,446	439,103	12.3%
Cat.13, Downstream leased assets	N/A	N/A	N/A	
Cat.14, Franchises	N/A	N/A	N/A	
Cat.15, Investments	N/A	N/A	N/A	

Numbers have been rounded

Overall, our emissions profile highlights the critical role of raw materials, logistics, and end-of-life considerations in reducing our environmental impact. By working closely with suppliers, optimizing transportation, and designing products for recyclability, we are actively advancing a more sustainable and circular value chain.



Water Supply & Intensity



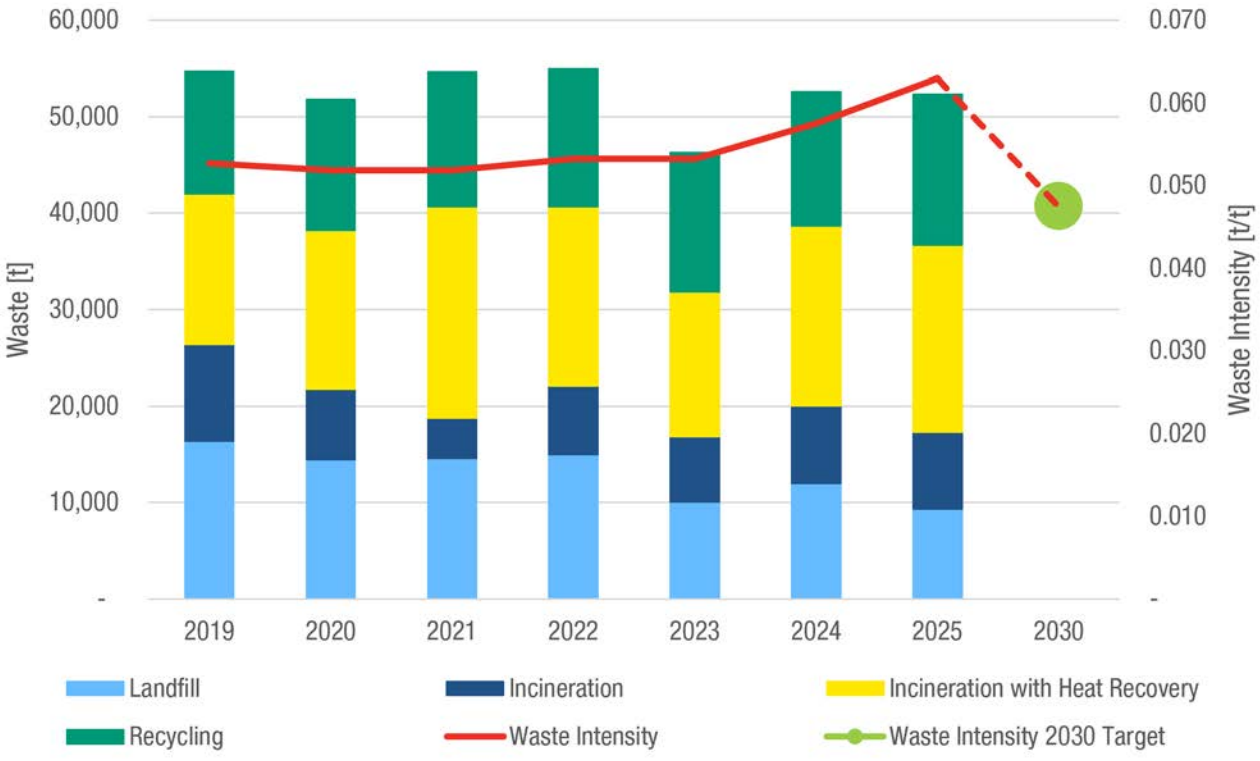
Following the approach used in previous sustainability reports, data for years prior to the 2021 acquisitions have been adjusted to include the acquired companies, enabling the presentation of longer-term trends.

Sun Chemical water reduction target: Using 2019 as a baseline, Sun Chemical has a target of a 10% reduction in water intensity by 2030.

The water use of Sun Chemical was reduced by about 6% in 2025 compared with 2024. The water intensity stayed on a comparable level to 2024. Sun Chemical is evaluating approaches to achieve the 2030 water intensity target.



Waste Generation & Treatment



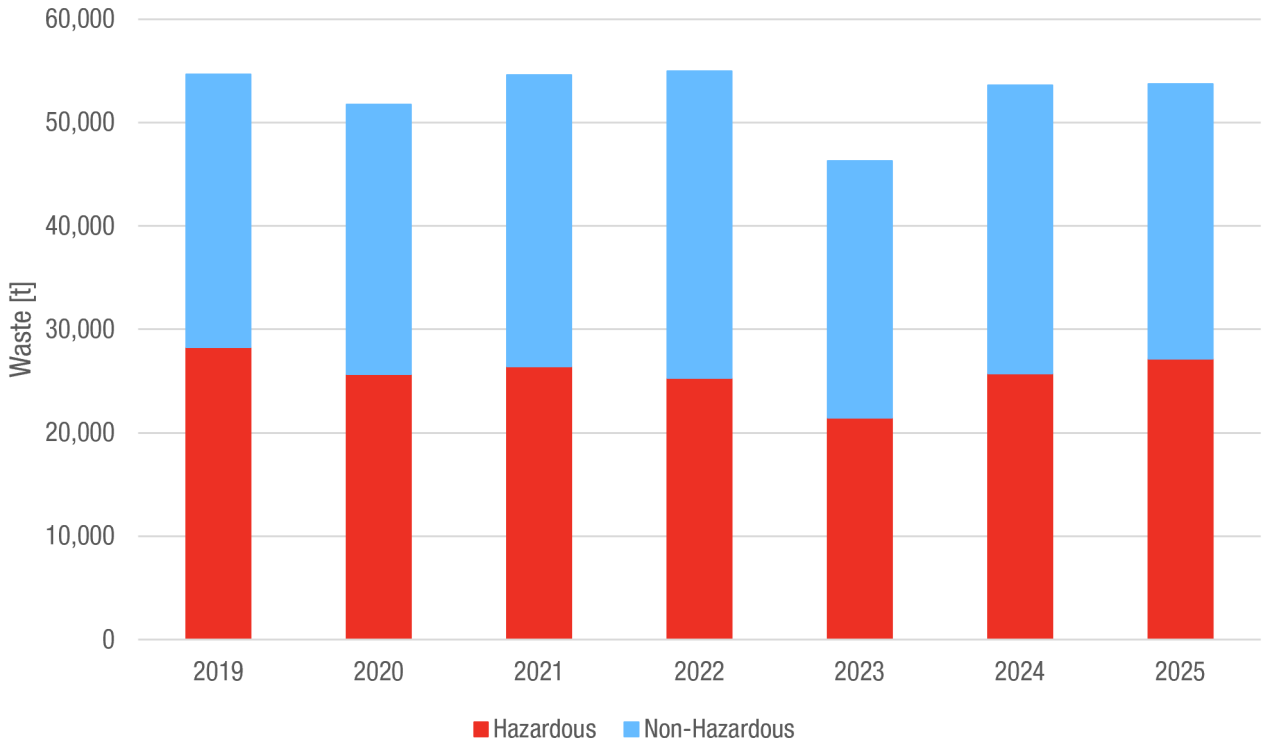
Please note that following the approach of the previous years' sustainability report, the years prior to the acquisitions in 2021 by Sun Chemical have been adjusted to include data for the acquired companies, as this allows longer term data trends to be seen.

Overall waste generation remained comparable to 2024. Landfill volumes decreased by approximately 5%, while recycling increased by approximately 3%. Approaches to achieve the 2030 waste intensity target are currently under evaluation.

Sun Chemical waste reduction target: Using 2019 as a baseline, Sun Chemical has a target of a 10% reduction in waste intensity by 2030.



Waste Generation with Hazardous vs. Non-Hazardous split



Sun Chemical follows the classification of hazardous and non-hazardous waste provided by the respective jurisdiction it operates in.



Advancing Circularity Through Zero Waste Management at Yumbo, Colombia

At the Yumbo, Colombia facility, a Zero Waste Management System has been implemented to reduce environmental impact and promote circular economy principles. The program shifts solid waste management from a linear “use and dispose” model to a circular approach in which materials are recovered, reused, or transformed into resources.

Waste Generation with Hazardous vs. Non-Hazardous split

Achieving zero waste requires not only technical solutions but also a cultural shift. At Yumbo, this transformation is supported by employee awareness and engagement, including campaigns promoting responsible consumption and improved waste segregation and disposal practices. The initiative relies on voluntary employee participation to reduce waste generation and improve material recovery.

The Zero Waste Management System reflects the principles of the DIC Way Vision, including a commitment to social responsibility beyond compliance and the promotion of environmentally responsible operations. The system is audited annually by ICONTEC, Colombia’s national standards and certification body. The site is currently certified at the GOLD level, with a target to achieve PLATINUM certification by the end of 2026.

In addition to environmental benefits, the program delivers economic value. In 2025, total savings of approximately US$27,000 were achieved through optimized waste management, reconditioning of materials such as glass jars and metal buckets, and beneficial utilization of sludge. These results demonstrate the potential of circular waste management to reduce environmental impact, engage employees, and generate operational value.

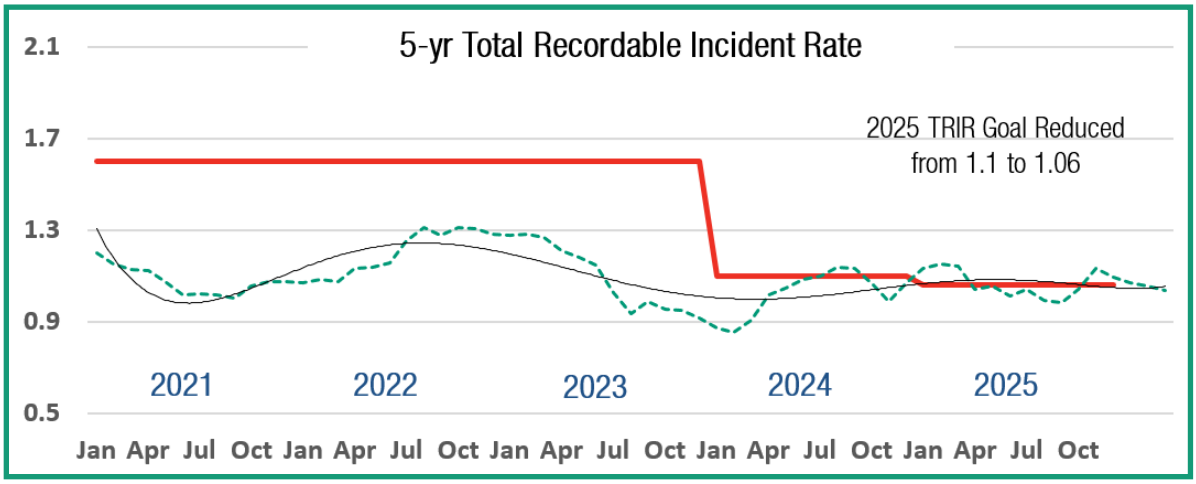
The Zero Waste Management System at Yumbo demonstrates how local initiatives contribute to broader sustainability ambitions by embedding circularity, responsibility, and continuous improvement into daily operations.

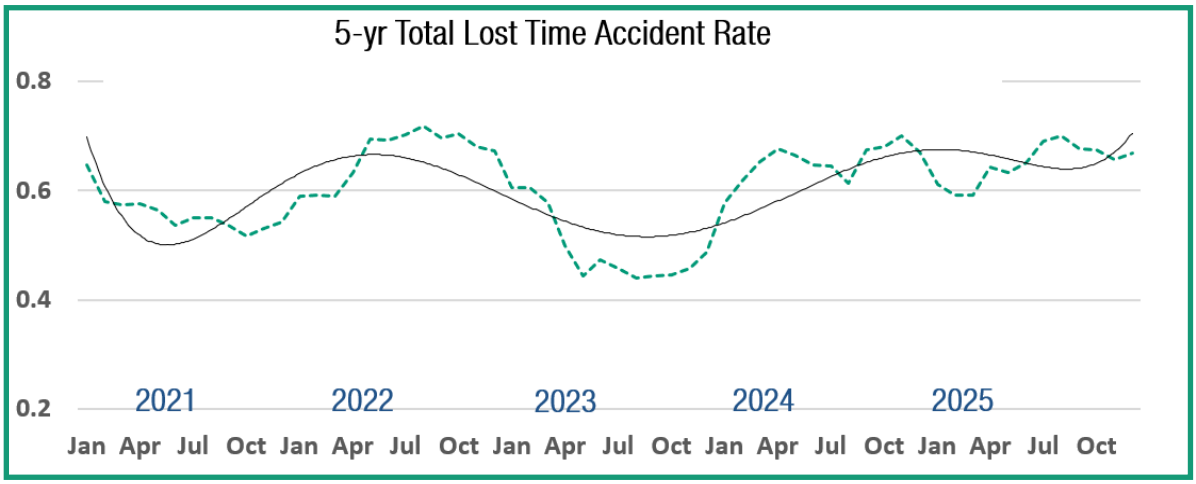


Social - Employee Safety with TRIR + LTAR

Employee Safety

Evolution of TRIR and LTAR – as previous years





The target for recordable incidents for FY2025 was set at the figure of 1.06. Performance improved compared to the previous year, with FY2025 ending at 104 recordable incidents (TRIR = 1.03).

The safety improvement actions initiated in 2024 contributed to stronger performance during the year and continued to support further progress throughout 2025.



Social - Employee Safety with TRIR + LTAR

Regional Distribution of TRIR / LTAR

	LTAR[2]		TRIR[1]			
Year	2024	2025	2024	2025	Target 2026 ≤	Target 2027 ≤
EMEA	0.75	0.65	0.89	0.69	0.70	
LATAM	0.71	0.42	0.71	0.42	0.49	
NA	0.50	0.89	2.07	2.25	1.94	
Global	0.68	0.67	1.17	1.03	0.98	1.00

Plants with elevated numbers of adverse events are included in the Plant Performance and Support Program. In each region, approximately five plants are grouped to receive targeted support and guidance from Corporate EHS and regional Operations Leadership.

Through a collaborative approach, root causes are continuously identified, and corrective actions are implemented to address improvements and prevent recurrence of incidents. In Latin America, enhanced regional collaboration has enabled participating sites to benefit from shared experiences.

In 2025, the ongoing goal of zero fatalities was achieved.

During 2025, leading indicators for operations were further established, comprising approximately one-third lagging and two-thirds leading indicators. These were implemented with defined targets for FY2025 and support continued improvement in safety performance. Standardization of incident tiering and simplification of categorization aims to improve prioritization of high-risk areas affecting personnel and facilities.

The Lost Time Accident Rate remained relatively stable (0.67 vs. 0.68), with approximately 65% of recordable incidents resulting in absences. Total lost workdays reached 2,381 in 2025, representing a 12% decrease from 2024 (2,707), while continuing to impact both personnel and operations. Efforts continue to strengthen participation in safety programs and encourage employee-driven safety improvements.

Commitment remains to a 5% reduction target in TRIR compared to the average of the preceding three years, with a target of achieving a TRIR at or below 1.0 by 2027. Focus on key performance indicators, simplification efforts, and training programs supports progress toward a zero-harm culture.



Social - Employee Safety with TRIR + LTAR

Sun Chemical employee safety target: Using 2024 as a baseline, Sun Chemical has a target of a 15% reduction in Total Recordable Incident Rate by 2027. Reducing the TRIR from 1.17 to below 1.0. This stretch target is intended to be reached by 2026 (target 0.98).

Additional programs have been identified for implementation in FY2026 to further strengthen safety performance globally.

In 2025, the Process Safety Group continued to increase awareness of the process safety management system applied across Sun Chemical's processes, including the identification of Process Safety Experts.

Safety Experts at appropriate sites. Clearly defined roles and responsibilities provide on-site resources for hazard identification and implementation of measures to eliminate or mitigate associated risks.

All adverse process safety events and incidents are identified and tracked. This reporting enhances global understanding of process safety and supports the Process Safety Group in refining efforts toward higher-risk and systemic issues, while expanding the network of Process Safety Experts.

Sun Chemical has implemented and maintained an internal Environment, Health and Safety Management System, SunCare, for more than 20 years. It follows the intent and high-level structure of ISO 45001 and ISO 14001. Regular audits against SunCare standards, conducted by an internal but business-independent expert auditing team, identify gaps and opportunities for continuous improvement in environmental, health, and safety performance.



Social - Employee Safety with TRIR + LTAR

SunCare Audits			
Year	2023	2024	2025
EMEA	13	14	12
LATAM	9	6	5
NA	13	15	11
Total	27	35	28

Life Saving Commitments: Development and Global Implementation

Ensuring the health and safety of employees, contractors, and visitors remains a core priority. As part of ongoing efforts to strengthen a "Safety First" culture and prevent serious and life threatening incidents, the SunCare Life Saving Commitments were developed and launched as a global safety framework addressing the highest risk activities.

Development of the Life Saving Commitments

The Life Saving Commitments were developed during 2024–2025 by the Corporate EHS function based on analysis of historical serious incidents and high potential risks across global operations. The framework focuses on ten critical work activities that present the greatest potential for fatal or severe injuries, including working at height, confined space entry, safe energy isolation, line of fire risks, fire and explosion hazards, and driving.

The commitments are embedded in the Global SunCare Standard, approved by senior leadership and effective from January 2025. Rather than introducing new technical requirements, the Life Saving Commitments consolidate existing SunCare rules, industry standards, and best practices into a clear, visual, behavior based set of non-negotiable expectations. They serve as a final barrier to prevent serious harm if other controls fail.

A central feature of the program is the integration of:

- **SafetySTAR** start work checks (Stop, Think, Assess, React),
- **Stop Work Authority**, empowering every worker to intervene when conditions or behaviors are unsafe, and
- **Leadership and Supervisor Commitments**, reinforcing visible leadership ownership and accountability.



Social - Employee Safety with TRIR + LTAR

Global Rollout and Implementation

The Life Saving Commitments were formally announced in January 2025, with a clear expectation that all Sun Chemical facilities and activities worldwide implement the program and complete training for all employees and contractors by the end of 2025. A phased, globally coordinated rollout plan was established to ensure consistent deployment while allowing sites to tailor implementation to their specific risks and operations.

Key elements of the rollout included

Distribution of the global standard, leadership communication and introductory materials to all sites.

Train the trainer workshops for regional, site and functional leadership to support a strong top-down implementation approach.

Site level engagement of employees and contractors through dedicated presentations, workshops and discussions. Integration of Life Saving Commitments into existing management systems, such as permit to work processes, safe operating procedures, contractor management, induction and risk assessments.

A cornerstone of the implementation was the 2025 Global Safety Stand Down, during which sites worldwide focused on putting selected Life Saving Commitments into practice through structured learning sessions and practical exercises. This initiative reinforced the expectations of safe behaviors and encouraged open dialogue on risk recognition and prevention.

Progress and Engagement (June 2025 Update)

By mid-2025, Sun Chemical entered the first sprint of the global deployment phase, recognizing that the Life Saving Commitments represent a long-term cultural journey rather than a one-time initiative. A global update in June 2025 highlighted strong engagement across regions and demonstrated how the commitments are being embedded into daily operations.



Social - Employee Safety with TRIR + LTAR

Examples from the update include:

- Safety Stand Down exercises conducted at sites such as Ulsan (South Korea) and Newport (USA).
- Use of behavioral safety nudges, with Life Saving Commitment icons displayed at points of risk to support safer decision-making.
- Integration of commitment icons into Safe Operating Procedures, improving visibility and reinforcing expectations during task execution.
- Establishment of Life Saving Commitment information points for team talks, inductions, and contractor briefings.
- Enhanced communication through digital displays, encouraging feedback and two-way safety dialogue.

To support global consistency and accessibility, additional resources were introduced in 2025, including an animated Life Saving Commitments video available in 18 languages for use in inductions, safety briefings, and on-site communications. Site-specific toolbox talks were also developed to enable each facility to contextualize commitments to local activities and risks.

Leadership commitment remains a key enabler of success. Senior executives, including leadership from DIC Corporation, visibly endorsed the program during site engagements, reinforcing that safe behaviors and Stop Work Authority are fundamental expectations at all organizational levels.



Social - Employee Safety with TRIR + LTAR

Building a Sustainable Safety Culture

The Life Saving Commitments are a core element of the safety culture and operating model, providing a shared global framework for risk awareness, personal responsibility, and intervention. By emphasizing learning, open reporting, and continuous improvement rather than sanctions, the program supports a strong, trust-based safety culture.

As implementation continues, existing audit and reporting processes are used to monitor effectiveness, identify trends, and support continuous improvement. Embedding the Life Saving Commitments into everyday work and leadership behaviors supports the reduction of serious incidents and ensures that all individuals working for or on behalf of Sun Chemical return home safely each day.





Social - Employee Safety STAR program

Process Safety and Risk Management (2025)

In 2025, Sun Chemical continued to strengthen its Process Safety Management (PSM) system, reinforcing process safety as a critical pillar of the sustainability strategy, operational excellence, and enterprise risk governance. Effective process safety management is essential for protecting employees and contractors, safeguarding assets, preventing loss-of-containment events, and avoiding environmental impacts associated with major incidents.

To provide strategic direction and support a structured, risk-based evolution of the PSM system, a global Process Safety Roadmap was developed in 2025. The roadmap defines prioritized actions, milestones, and improvement measures across key areas, including governance, risk assessment, competence development, and operational controls. Its implementation supports consistent progress across sites, enabling systematic closure of identified gaps and strengthening process safety performance over time. The following initiatives highlight progress achieved during the year.

A key development in 2025 was the establishment of the first three Process Safety Subject Matter Clusters. These clusters bring together EHS and non-EHS experts from across the organization to focus on specific process safety disciplines. Through structured knowledge sharing, peer review, and technical alignment, the clusters enhance the consistency and quality of hazard identification and risk control across regions. They also support onboarding and succession planning for critical expertise, reducing reliance on individual knowledge. In addition, the clusters contribute to improving corporate EHS and process safety standards and support the identification and deployment of tools, equipment, and digital solutions that strengthen risk assessment and preventive controls. Additional clusters are planned for 2026.

During the year, a global Process Safety Risk Matrix was introduced and implemented at more than 80% of production sites. Developed in line with industry practices, the matrix provides a consistent, transparent, and risk-based framework for evaluating the likelihood and consequences of process safety hazards. It supports prioritization of risk mitigation actions and improves alignment between site-level risk assessments and corporate risk tolerance. The standardized approach enhances comparability across sites and strengthens governance of high-hazard processes. Full implementation is targeted for 2026.

In parallel, the approach to Hazard and Operability (HAZOP) studies was enhanced to improve identification and management of process risks. The revised methodology increases the level of technical challenge, incorporates natural hazards as potential initiating events, and strengthens requirements for documentation, traceability, and decision justification. These enhancements improve the quality, consistency, and robustness of hazard analyses and support more effective risk reduction.



Social - Employee Safety STAR program



To ensure consistent application of the enhanced HAZOP methodology, a face-to-face internal training program was developed and delivered across EMEA sites in 2025. The program strengthens cross-functional competence, establishes a common understanding of expectations, and reinforces a prevention-focused process safety culture. A global rollout is planned for 2026.

Sun Chemical continues to systematically identify, report, and analyze process safety incidents and near-miss events worldwide. This structured learning approach supports the identification of emerging risk trends, enables targeted preventive actions, and drives continuous improvement of the PSM system.

These initiatives contribute to sustainability objectives by reducing the likelihood of major accidents, protecting the environment from unintended releases, maintaining asset integrity, and reinforcing a proactive safety culture across the organization.

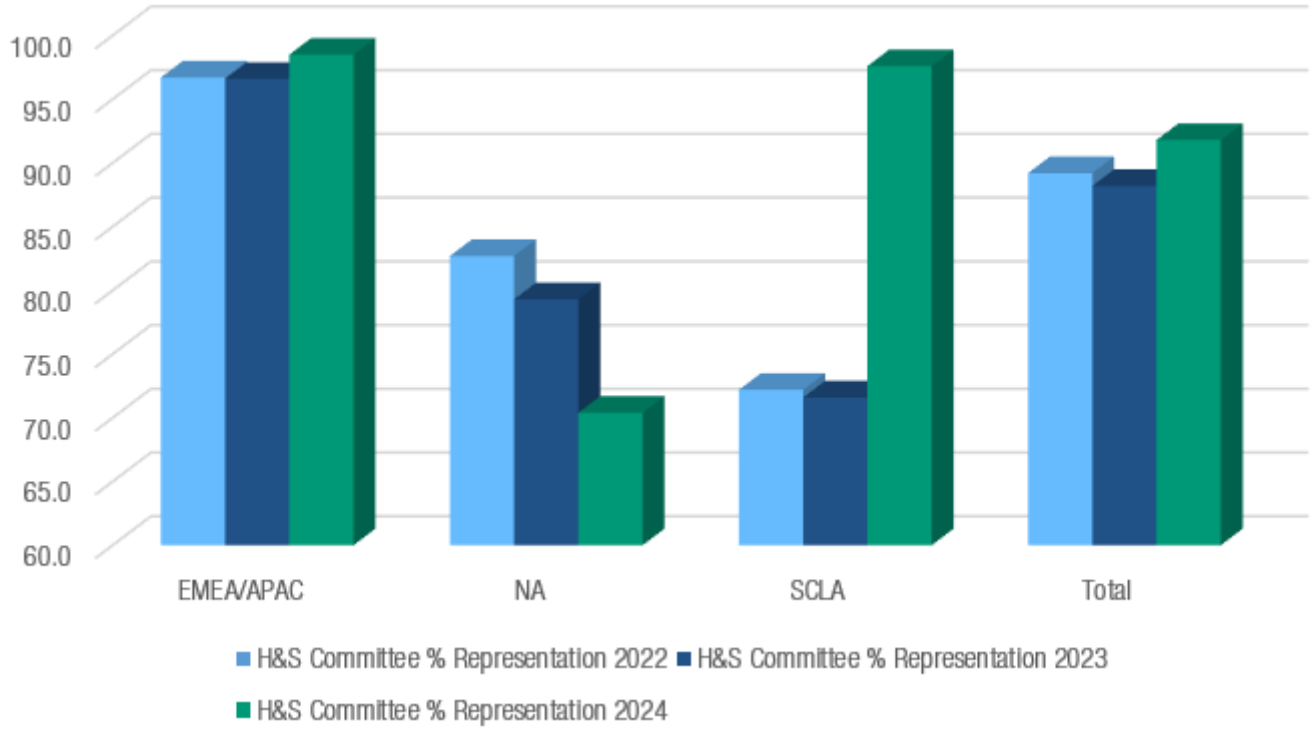
Health and safety risk assessment is recognized as a critical tool for identifying risks and implementing effective controls to mitigate those associated with processes and work activities. By 2022, when this metric was first measured, all sites had established risk assessment programs covering all on-site activities.

Sun Chemical health and safety risk assessment target: Maintain the percentage of operational sites for which an employee health and safety risk assessment has been conducted at the 2022 level of 100%



Social - Employee Safety STAR program

Percentage of Employees Represented in Formal Joint Management-Employee Health and Safety Committees



Active employee involvement in the development and implementation of health and safety policies and procedures is valued.

This collaborative approach supports improved safety performance and strengthens a safety-first culture.

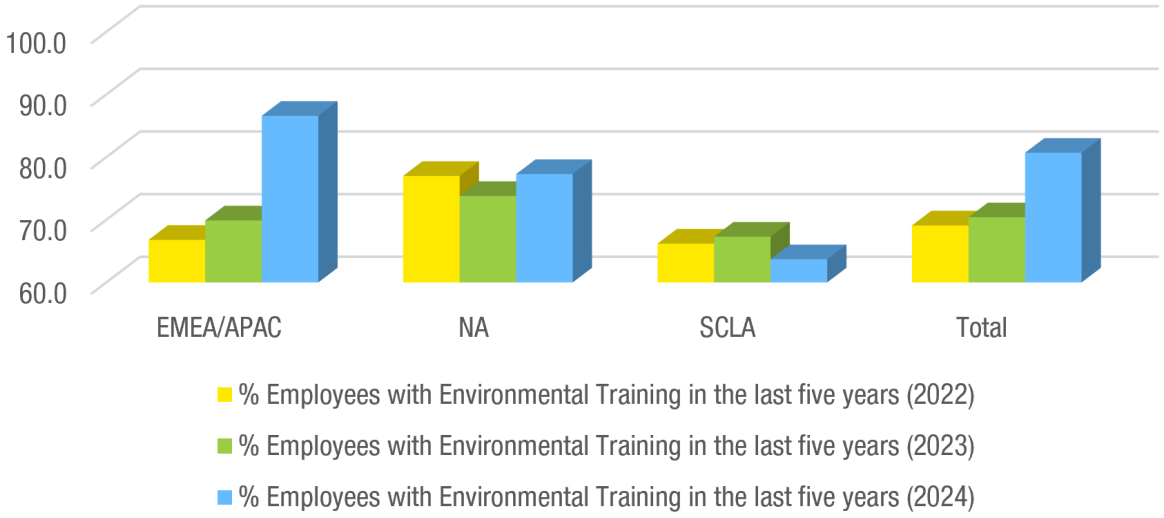
To further strengthen employee participation in health and safety governance, Sun Chemical has established a target for 95% of employees to be represented by local Health and Safety Committees by the end of 2027.

Sun Chemical employee consultation and involvement target: 95% of Sun Chemical employees will be represented in formal joint management-employee health and safety committees by the end of 2027



Social - Employee Safety
STAR program

Percentage of employees that attended at least one training activity (internally or externally) on environmental issues in the previous five years



Competent and knowledgeable employees are essential to achieving environmental objectives. Commitment is placed on ensuring employees receive appropriate education and training related to the environmental aspects and impacts relevant to their roles and responsibilities.

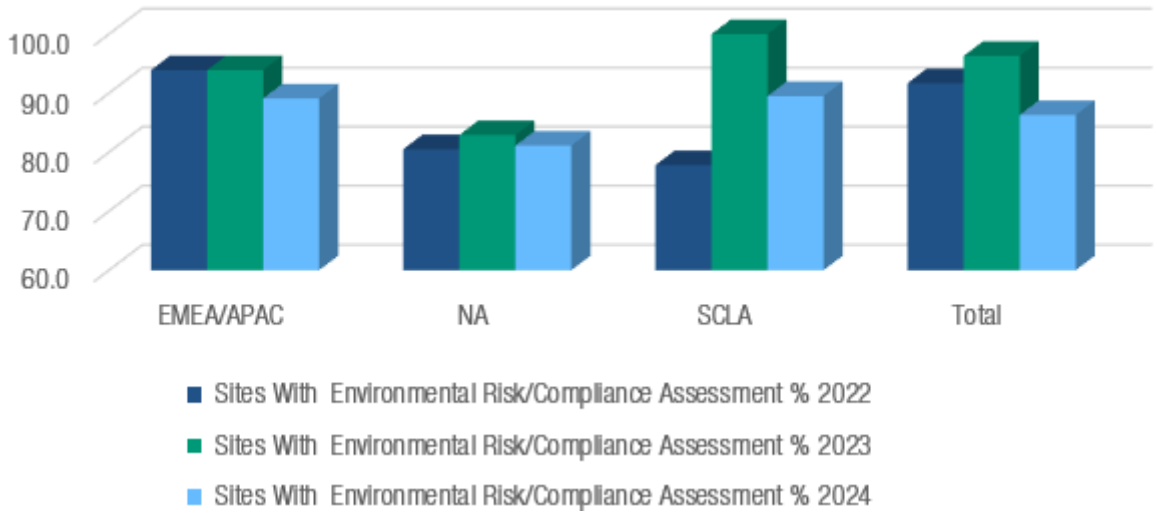
All employees are provided with information, instruction, training, and supervision to ensure they are competent to carry out their duties and responsibilities.

Sun Chemical environmental training target: By 2027, a baseline of 80% of employees will have received education and training about the environmental aspects and impacts relevant to their roles and responsibilities



Social - Employee Safety STAR program

Percentage of Operational Sites with an Environmental Risk/Compliance Assessment for Site Activities



At the core of Sun Chemical's environmental commitment is the identification of environmental aspects and impacts associated with operations, along with full compliance with applicable legal requirements.

A target has been established for 98% of operational sites to implement environmental risk and compliance assessments covering site activities by the end of 2027.

Sun Chemical environmental risk/compliance assessment target: 98% of manufacturing sites will have an environmental risk/compliance assessment in place for all site activities by the end of 2027



Operations - Social Sustainability

Linking Purpose, People, and Performance

Sustainability is reflected not only in innovation and operations, but also in support for employees and the communities in which operations are conducted. In 2025, this commitment was strengthened by embedding community engagement into leadership forums, expanding employee led volunteering, reinforcing well-being support, and advancing fair and inclusive people practices across the global organization.

Embedding Community Engagement into Operations and Leadership

Community engagement is integrated into leadership meetings and locally driven initiatives, connecting business objectives with social impact while enabling employees to support their communities.

In the United States, community engagement is incorporated into leadership forums and site level activities. During the 2025 North American Packaging and Graphics Plant Managers Meeting, leaders participated in service activities supporting vulnerable populations. Activities included assembling fleece blankets and donating backpacks for children in foster care, distributed through agencies in Illinois, and assembling wheelchairs for veterans.

Across Europe, engagement is strengthened through sustained, locally relevant partnerships. In Türkiye, employee participation is centered on long standing collaborations focused on health, education, and environmental responsibility. Employees and their families support environmental causes through events such as the Istanbul Marathon, alongside partnerships with LÖSEV involving volunteer activities, fundraising, and site based donation programs. Sites also maintain multi year collaborations with vocational schools and universities, providing internships, technical tours, and sponsorships that support education and employability.

In the United Kingdom, employee led initiatives support community health organizations through fundraising and volunteering, including activities benefiting hospice and pediatric care services.

A target has been established for 50% of global sites to participate in at least one community engagement activity supporting underrepresented groups by 2030.

Expanding Employee Led Volunteering in North America

In North America, opportunities for employee led community engagement continue to expand through the Paid Volunteer Leave (PVL) program.



Operations - Social Sustainability

Supporting Wellbeing Through the Employee Assistance Program

Employee wellbeing remains a core element of the social sustainability strategy. In 2025, the global Employee Assistance Program (EAP) was further strengthened, providing confidential 24/7 support in local languages, expanded counseling options, virtual and self guided wellbeing resources, and enhanced support for serious health and caregiving needs.

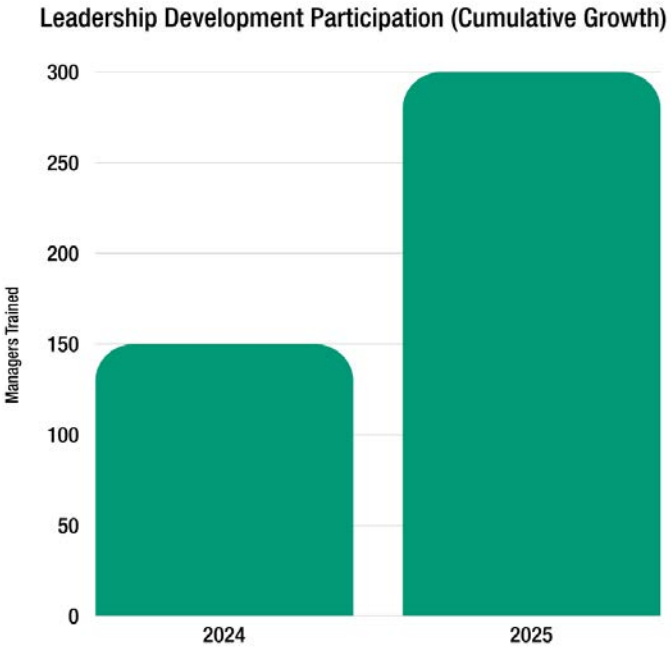
Building Capability Through Learning, Performance, and Fair Talent Practices

In 2025, a cumulative total of 350 managers globally participated in leadership development programs, representing approximately 27% of the global manager population.

A target has been established for 50% of managers globally to complete leadership development programs by 2030.

Employees completed an average of 10 learning hours per year. Approximately 75% of employees participated in the global performance and career development process in 2025, meeting the established target.

The next phase focuses on expanding participation beyond 75% globally. Performance management participation increased from 50% to 75%, representing a 25-percentage-point improvement over two years.





Looking ahead, the focus is on extending performance management practices to production environments and ensuring meaningful feedback reaches frontline operators.



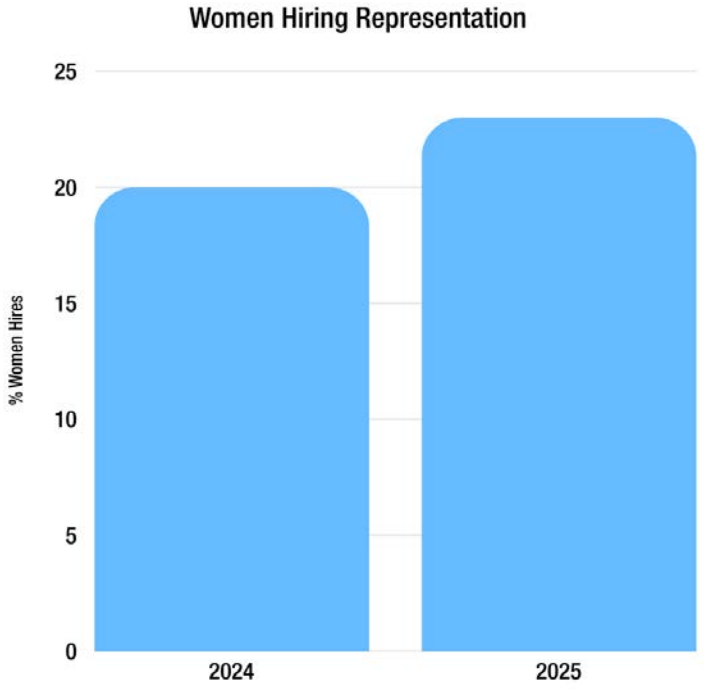
Operations - Social Sustainability

CODE OF CONDUCT TRAINING

In 2026, Sun Chemical delivered global Code of Conduct training covering reporting and non-retaliation, anti-bribery, environmental health and safety, and workplace harassment. Overall completion reached 97%, supported by centralized tracking and continuous follow-up to ensure full coverage across all regions.

Advancing Inclusive Talent Pipelines

In 2025, women accounted for 23% of new hires. Building on this progress, the organization has committed to ensuring that at least 30% of identified successors for critical roles are from underrepresented groups by 2030. By expanding representation within succession pipelines, the company is strengthening leadership readiness, encouraging diverse perspectives in decision-making, and creating a more resilient talent bench for the future.



Communication and Listening Strategies

A target has been established to achieve an Employee Net Promoter Score (eNPS) of 10 by 2030, reflecting the organization's goal of increasing the number of employees who would recommend the company as a great place to work. To support this objective, an employee engagement survey will be launched in 2026 at key sites to establish a baseline eNPS, better understand employee sentiment, identify improvement opportunities, and track progress toward the 2030 target. The survey will also strengthen employee feedback mechanisms and help inform future engagement initiatives.

Connecting People Practices to Sustainable Impact

These efforts reflect the view that sustainable success is driven by people, purpose, and shared responsibility.



Sustainability Governance at Sun Chemical

Sun Chemical has governance structures in place to manage sustainability topics

DIC Parent Company
DIC Sustainability Committee
- Chaired by CEO DIC Group
- Highest level sustainability related decision-making group

Sun Chemical
Sun Chemical ESG Committee
- Makes strategic sustainability decisions
- Chaired by Chief Administration Officer Sun Chemical, with the committee including many of the Sun Chemical Leadership team.

Sun Chemical Sustainability Steering Group
- Makes tactical sustainability decisions, and proposes agenda items for the ESG Committee
- Chaired by Global Sustainability Director with the committee including business, technology, procurement, HR, ESG data, and EHS functions.

Sun Chemical Sustainability Leading Stakeholders Group
- Makes business related sustainability decisions, and shares best practice
- Chaired by Global Sustainability Business Leader with the committee mainly representing business functions.

Sun Chemical Sustainability Working Groups
- Makes sustainability decisions on specific topics
- Chaired by person with responsibility for the topic.



Products and Services



Integrating Sustainability into Our Products

Sustainability is embedded in product design, formulation, and delivery to support customers as regulatory expectations, material constraints, and circular economy requirements evolve. Guided by the Five Rs framework—Reduce, Reuse, Renew, Recycle, and Redesign—environmental considerations are integrated across the product lifecycle, from raw material sourcing and formulation to functional performance and end-of-life compatibility. This approach combines technical innovation with responsible stewardship, enabling solutions that meet application requirements while supporting lower environmental impact and regulatory confidence.

As converter, OEM, and brand owner sustainability goals increasingly intersect with regulation, extended producer responsibility, and supply chain transparency, the product portfolio continues to evolve. Through targeted innovation, collaboration with value chain partners, and alignment with global sustainability targets, pigments, inks, coatings, and adhesives are advanced to support circular packaging solutions, improved resource efficiency, and measurable sustainability outcomes, reinforcing the role as a partner in sustainable product development.

Inks

- To support global regulatory compliance, the sheetfed offset portfolio has been reformulated without intentional addition of BPA (Bisphenol A) or PFAS materials. Newly classified antioxidants such as MTBHQ are reduced below critical thresholds, and all resins used are phenol free. In addition to compliance and high biorenewable content, Pace technology delivers high productivity, low misting, press stability, and reduced start up waste. The platform is supported by multiple certifications and meets GIO requirements.
- SunPak Direct Food Plus, a sheetfed ink series for direct food contact on paper and board substrates, is available across 10 Color Indices (CI). A total of 1,801 colors with Delta E < 2 cover approximately 70% of Digital Master Pantone Colors. A newly introduced green pigment, compliant with food packaging standards, expands the achievable color gamut by approximately 18%.
- The universal UV offset base system consists of concentrated pigment dispersions in UV monomers/oligomers combined with technology varnishes. By blending pigment bases with selected varnishes, finished inks for conventional UV and UV LED curing are produced. A 60:40 mixing ratio (pigment base : varnish) is required. The system enables efficient production of small volume Color Indices directly at the press, reducing waste in customer ink kitchens. A dispensing system complements the offering for offset energy cure printers.
- AquaHeat™ is a water-based, food safe printing ink platform for high temperature food packaging applications. Designed for industrial baking and ovenable packaging, the inks withstand temperatures up to 220 °C while meeting applicable European regulations. The platform enables full color printing on paper, board, and selected films using standard flexographic or gravure processes, supporting integration into existing production environments. Formulated with up to 60% biorenewable content, AquaHeat supports recyclable paper-based packaging solutions and received the 2024 Sustainable Innovation Award from the British Coatings Federation.



Integrating Sustainability into Our Products

Coatings

- SolarWave CRCL UV LED ink technology supports PET film recycling while reducing energy consumption. The primer-free inks fully wash off printed substrates without ink bleeding, enabling higher quality recyclates, and are compatible with LED curing systems to reduce energy use in printing operations.
- SunCure EcoPlast, launched in 2025, is a UV offset ink technology designed to improve recyclability of printed plastic cups. The inks combine adhesion and low migration performance with wash-off capability during recycling, enabling higher quality recycled plastic streams. EcoPlast complies with Association of Plastic Recyclers (APR) recyclability guidelines and supports circular packaging goals for foodservice applications.
- SunPak PowerPace sheetfed offset inks, introduced in North America, are a vegetable oil based platform designed to improve press efficiency while reducing material waste. Optimized for high speed folding carton applications, PowerPace enables faster color achievement, lower ink and water use, and reduced paperboard waste during setup and production. The inks feature high biorenewable content and excludes PTFE wax, supporting more sustainable pressroom operations without compromising performance.

Topics for Further Development

- The biodegradable Products Institute (BPI) certification was achieved for a cold seal release lacquer, validating compliance with recognized compostability standards for materials intended for industrial composting. This certification confirms that the coating meets third party criteria for compostable packaging systems, supporting fiber-based and compostable structures without compromising performance. The technology enables converters and brand owners to design packaging solutions aligned with evolving compostability requirements and regulatory expectations. This milestone reflects continued focus on technically credible, independently validated solutions supporting responsible material choices and end-of-life pathways.
- As converters transition to more recyclable structures, such as mono-material polyolefin films, challenges arise, including lower heat resistance that can lead to processing issues during sealing (e.g., heated jaw sticking or film distortion). To address this, a series of overprint varnishes in gloss and matte versions has been developed. These coatings improve appearance, enhance rub and scuff resistance, and protect packaging during sealing operations. They are nitrocellulose alternative to improve compatibility with mechanical recycling. Gloss and ultra matte coatings can be blended to achieve tunable gloss levels for specific applications. The coatings are suitable for flexographic and gravure printing.



Integrating Sustainability into Our Products

Adhesives

- BPI certified compostable solvent-based cold seal release lacquer RESR046, designed to support improved sustainability in confectionery packaging structures.
- A water-based cold seal release lacquer supporting paper-based structures while avoiding solvent retention issues.
- Single Use Plastics Directive (SUPD) compliant for direct food contact, used in barrier packaging and/or as sealants, formulated from naturally occurring, non chemically modified raw materials and free from (micro)plastics.
- PVC free heat seal coatings with a broad sealing window, compatible with a wide range of plastic substrates, metal foils, and metallized films.
- A water-based oxygen barrier coating (BARX698U3) with improved oxygen transmission rate (OTR) performance at high relative humidity.

Color Materials

- A one-part water-based lamination adhesive has been developed to support easy handling and cleaning, enabling the production of strong laminates directly off the press without VOC generation.
- A one-part lamination adhesive has been designed for hybrid lamination of paper and films.
- Solvent-free adhesives certified by RecyClass have been developed for PE mono material structures.

An eleven color dispersion set has been developed to enable the production of microplastics free new generation of Aquagreen water-based inks for food packaging.

In addition to the microplastics-free dispersions portfolio, a new dispersion for seed coatings has been developed for launch in the agricultural market. This dispersion is microplastics-free and uses a pigment with a lower product carbon footprint (PCF), reflecting reduced finishing steps and energy requirements during production.

- Paliotol Beyond Black L 0090 (biochar), a bio-renewable black pigment for printing inks and coatings, has been assigned an official product code. Based on sustainable carbon feedstocks (wood waste), it provides a neutral to bluish shade.
- The Beyond Compliance portfolio has been extended with the addition of the PY74 for digital applications. The product passes fire testing requirements in Japan and is suitable for toner applications under the Beyond Compliance designation.



Integrating Sustainability into Our Products

Electronic Materials

The SunTronic product line includes silver conductive inks with increased recycled silver content, as well as high performance conductive inks with reduced overall silver content. These developments provide sustainability benefits while addressing concerns related to long term structural supply constraints for silver.

Digital

- Sun Chemical unveiled a new UV digital ink set in 2025 that cures using LED technology at room temperature, eliminating the need for ink heating during printing. This innovation reduces overall power consumption and expands application possibilities in wide-format and graphics printing, supporting lower-energy production workflows.
- In digital printing, a range of primers, inks, and overprint varnishes (OPVs) has been launched to support the transition from analog to digitally printed packaging. This transition enables short production runs, incorporation of variable information, and reduced waste. Products include water-based primers and inkjet inks for folding cartons, labels, and flexible packaging.
- The first HP Indigo approved in line primer was launched at Labelexpo 2025. The primer provides immediate ink adhesion across a wide range of plastic and paper substrates, improved water resistance, and non-yellowing performance under UV exposure. The material supports easier cleaning and does not harden rubber rollers compared to alternative products.
- A screen printable version of the primer has enabled a major credit card manufacturer using HP Indigo presses to achieve lamination bond strength exceeding standard industry requirements.

Product Carbon Footprint and Life Cycle Assessment

During the past year, approximately 12,000 Product Carbon Footprint (PCF) calculations were completed across the product portfolio, significantly expanding visibility into product level greenhouse gas emissions. This work has enabled more consistent quantification of Scope 3 impacts, supported identification of key emission drivers, and provided data to respond to increasing customer requests for product level environmental information. These assessments are supported by third party validated methodologies, strengthening confidence in the consistency and reliability of reported data.

Results from these assessments have been applied to ongoing initiatives in raw material selection, supplier engagement, process optimization, and product design. Lifecycle data has also been used to evaluate material efficiency and end-of-life scenarios for finished goods, supporting more informed decisions in circularity related projects and alignment with broader greenhouse gas reduction efforts.



Collaboration: Solutions for the Packaging Market





Working in partnership with Stratum Plastika Mesojedec this pack is printed with Sun Chemical AquaLam water-based inks, which are solvent-free and can reduce VOC.

Developed as mono-material PP pack, sustainability is enhanced through improved recyclability. Additionally, the advanced shelf-life that can be gained using SunBar Aerobloc gas coating between the two PP layers, has the potential to reduce waste in the value chain.

This PE mono-web packaging developed in partnership with Bernhardt-Deltasacs features Nitrocellulose-Alternative SunUno SoliCycle inks and coatings, which are RecyClass certified. It additionally supports the value chain adapt to the changes in the legislative landscape, including PPWR and EPR, which are driving the need for sustainable mono-material solutions. Making it better for planet and better for business.



Collaboration: Solutions for the Packaging Market





This highly decorative pack for luxury cartons simulates foil blocking and laminates with a low migration printable metallic. The interior solution is Direct Food Contact compliant with EU regulations and supports the opportunity for improved recycling of the pack.

In this example, working with Qualvis Packaging Sun Chemical demonstrates the sheetfed SunPak DFC inPace inks range and SunSpec SunStar overprint. It also features the DFC Pearl Mica - non-self-supported liquid functional coating for the interior pack.

Externally the pack is printed with Sun Chemical's food compliant low migration UV SunCure Fortuna offset inks, UV coatings (SolarMet Wave silver, SunCure Litho matt), and SunCoat water-based Satin Coating.

This innovative decorative approach showcases how packaging producers can offer their brand customers additional on- shelf stand out whilst delivering better sustainability credentials.

This prototype produced by Sabert on their Tray2Go sushi tray, demonstrates the grease resistance when using Sun Chemical's Direct Food Contact (DFC) SunPak DFC inPace with SunSpec SunStar non-self-supporting liquid functional coatings for water, oil & grease resistance.

This DFC technology is compliant with EU regulations and mitigates risks associated with inks coming into direct contact with food and can remove the requirement for laminates, to allow reduction of material layers and support enhanced recyclability.

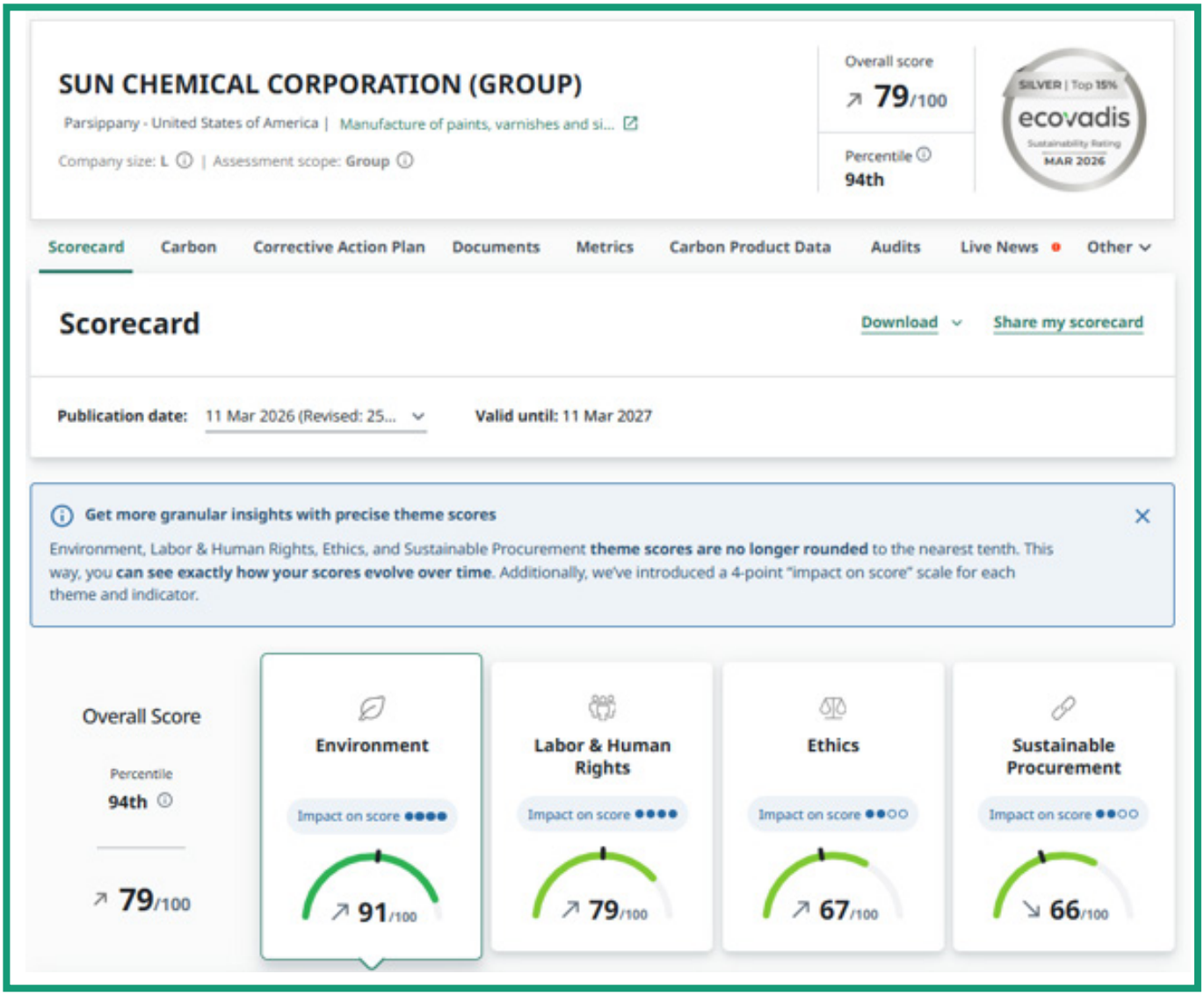
Allowing sustainable appealing packaging with interior print enhancing customer experience, transforming fiber-based packaging. This is a great way for packaging producers to reinforce their offer to packaging users and transform fiber-based packaging all whilst improving their sustainability credentials.





Social Responsibility

Social Responsibility: EcoVadis Score



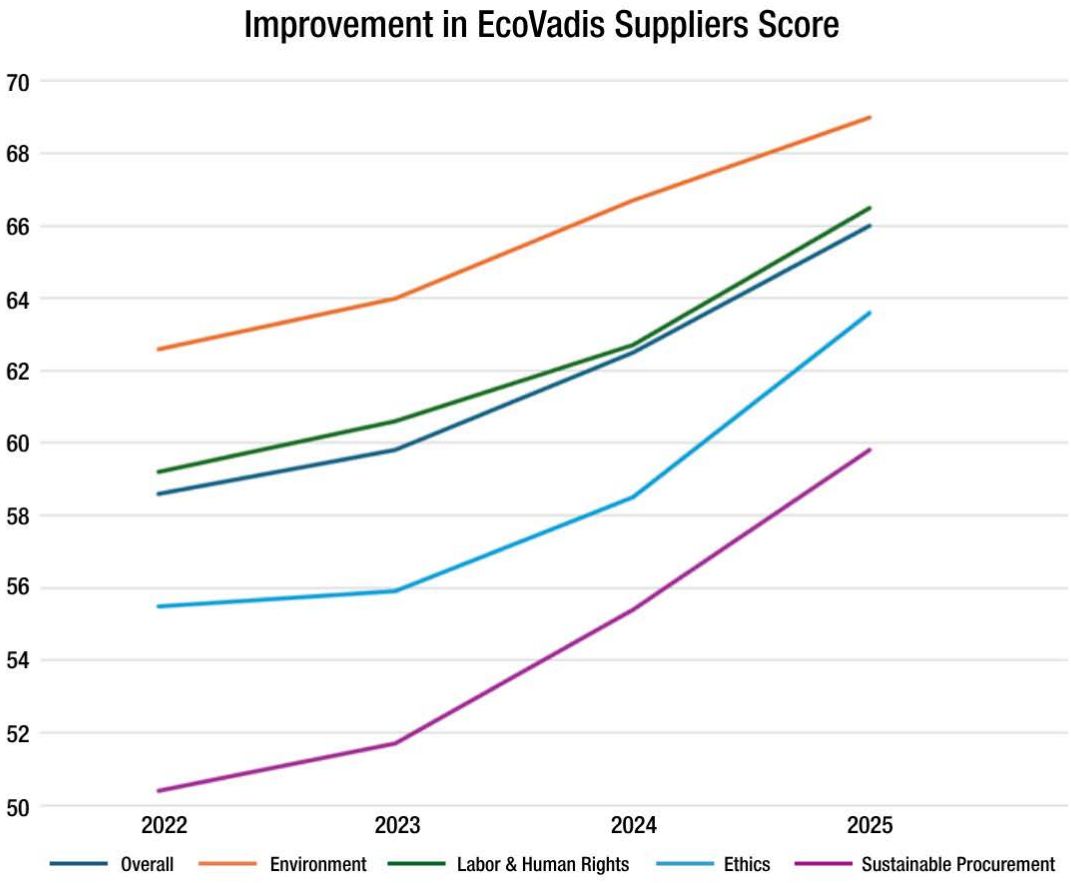
Sun Chemical achieved an EcoVadis score of 79, an increase from the previous score of 73, placing the company in the top 6% of rated companies and earning an EcoVadis Silver medal.

Strong performance was recorded in the Environment category, where sustainability activities were recognized by EcoVadis.



Sustainable Procurement - EcoVadis rating of suppliers 2022 - 2025

Sun Chemical continues to drive its suppliers in the direction of improved sustainability. Sun Chemical utilizes EcoVadis to score its suppliers. Sun Chemical did have a target to get over 80% of direct suppliers on the EcoVadis platform, this has been achieved, and we continue to maintain this target in 2025.



Sun Chemical Sustainable Procurement target: to have >80% of direct suppliers (by spend) including all key suppliers on the EcoVadis platform - the target has been achieved, and we continue to maintain this, the focus is now on increasing EcoVadis score for suppliers on the platform.



Sustainable Procurement - Supplier assessments

Our suppliers score on Environment, Labor & Human Rights, Ethics and Sustainable Procurement have increased double-digit as shown in the table below.

Overview	Environment	Labor & Human Rights	Ethics	Sustainable Procurement
66.0	69.0	66.5	63.6	59.8
+16.2 Compared with benchmark	+18.5 Compared with benchmark	+14.12 Compared with benchmark	+16.5 Compared with benchmark	+18.2 Compared with benchmark

To assess risks across a large number of smaller suppliers not covered by the EcoVadis platform, the EcoVadis IQ Plus tool is used. This tool profiles risk based on country, industry, and company-specific factors, enriched with procurement and public domain data. A target was established to assess risk for 99% of suppliers using IQ Plus, which was achieved in early 2026.

In 2025, materials were purchased from 2,602 suppliers, with 2,571 direct-spend suppliers included in the IQ Plus platform.

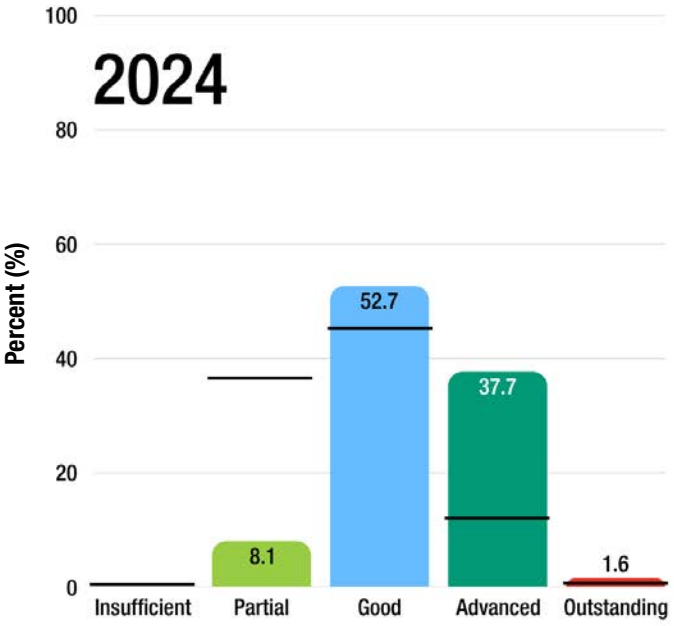
For suppliers with a score above 45 and no identified risk areas, the focus shifts to collecting environmental impact data for purchased raw materials and establishing plans to reduce these impacts over time. In addition, suppliers are required to provide evidence of risk mitigation related to social and human rights topics.

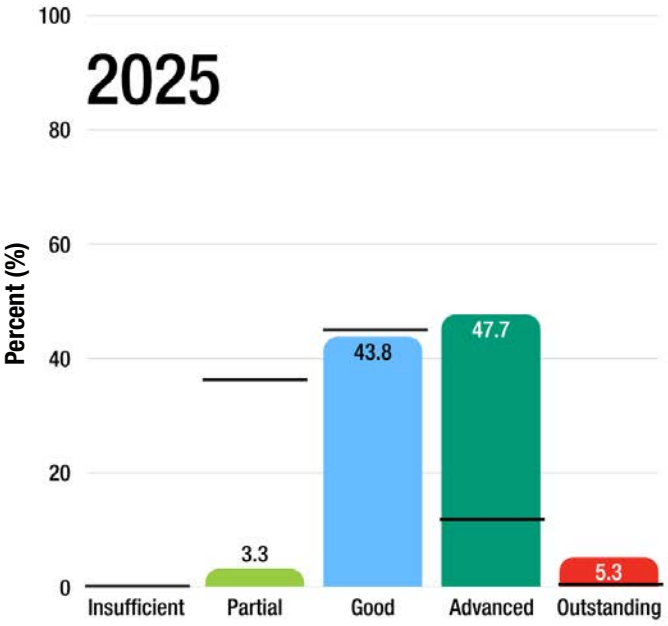


Sustainable Procurement - Supplier assessments

Sun Chemical utilizes EcoVadis to score its suppliers. Sun Chemical did have a target to get over 80% of direct suppliers on the EcoVadis platform, this has been achieved, and we continue to maintain this target in 2025.

Overall number of partners by maturity level has increased YOY from the two chart comparisons





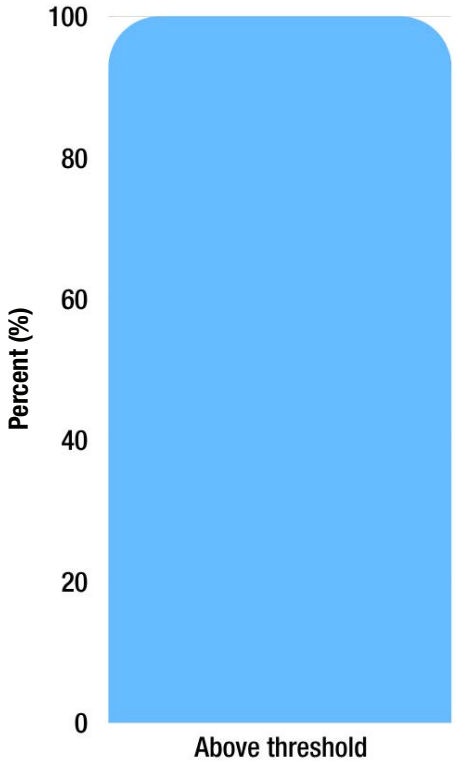
For 2025 we had only 3.3% of suppliers with an overall score of 45 or less which is a big improvement YOY and have improved suppliers scores in the Advanced and Outstanding buckets of the maturity levels.



Sustainable Procurement - Supplier assessments

For all of 2025 we have achieved our sustainable procurement target of having no supplier with an overall score below 25 as shown in the graph below.

Overall number of partners by threshold (25)



The procurement organization continues to focus on the following areas, in coordination with other functions where applicable:

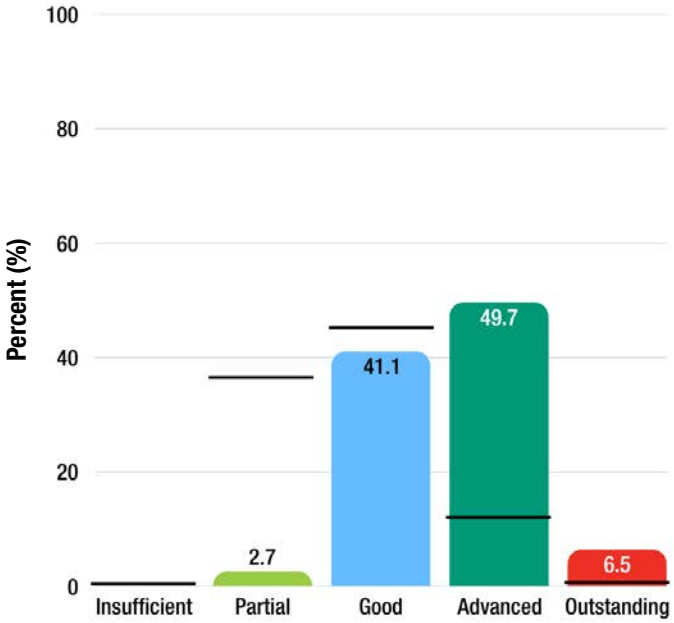
1. Supporting the technology team in the research and development of nitrocellulose free (NC free) inks to enable compliance with the Packaging and Packaging Waste Regulation (PPWR), under which NC-based inks are considered non-recyclable plastic waste. Progress has already been achieved, with nitrocellulose consumption reduced by several hundred tons in 2026, with a target to progressively reach reductions of several thousand tons by 2030.
2. Expanding the use of bio-based materials, particularly in the solvents category, as replacements for synthetic alternatives. The technology team is continuously updated with proposals from biorenewable material suppliers. Over the past three years, approximately 10,000 metric tons of synthetic solvents have been replaced biorenewable alternatives.
3. Conducting assessments of supplier cybersecurity maturity through outreach to approximately 400 vendors. The objective is to reduce the risk of supply disruptions and protect sensitive data held by suppliers. Feedback is evaluated by the cybersecurity team, which provides recommendations to improve supplier security levels. These assessments are also expected to influence supplier EcoVadis performance.

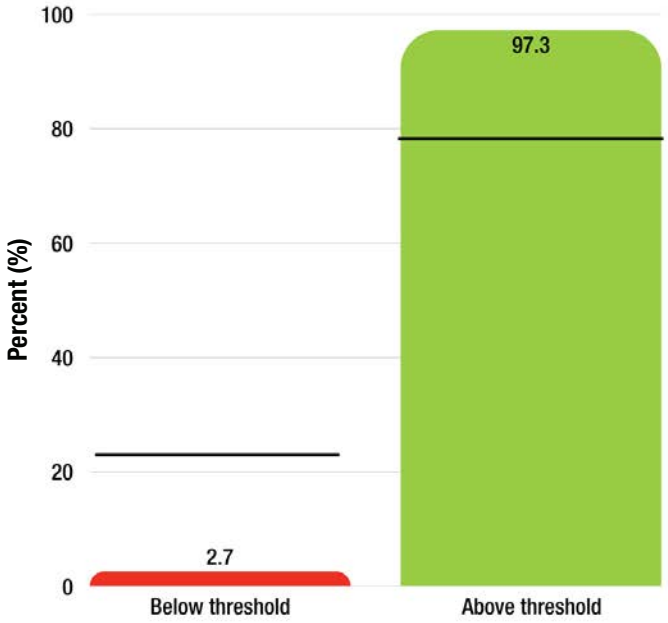


Sustainable Procurement - Labor & Human Rights / Modern slavery mitigation

Based on data from the past 12 months on the EcoVadis platform, 2.7% of suppliers (20 vendors) have an overall score below 45. This indicates that 97.3% of suppliers meet the defined threshold of 45 and above in the labor and human rights pillar.

Targeted actions will be implemented to address the 20 lower scoring suppliers, with improvement plans and corrective actions driven by the procurement organization.





97.3% of suppliers are above our target of scoring 45 or above. From Ecovadis we have 20 percent higher points under the pillar of labor and human rights.

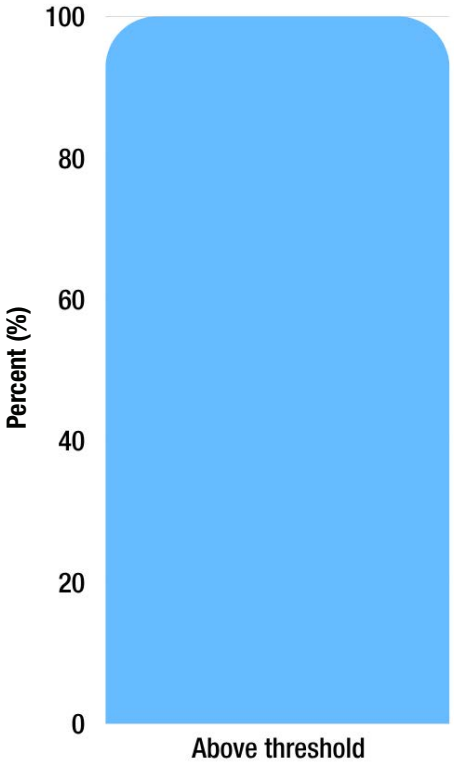


Sustainable Procurement - Labor & Human Rights score improvement

As a further target to mitigate modern slavery in the supply chain Sun Chemical is setting specific targets. By end 2026 Sun Chemical will have:

1. Policy on Labor and Human Rights Objectives.
2. Policy on Labor and Human Rights Tracking.
3. Set up improvement targets and training plans for all suppliers who are flagged as high risk for modern slavery.
4. Have no suppliers who have an EcoVadis Human Rights score of below 25. If a Sun Chemical supplier joins the EcoVadis platform with a Human Rights EcoVadis score of below 25, for example after identification by a risk assessment, then Sun Chemical work on an individualized action plan for that supplier to put actions in place and to be reassessed quickly to improve this score.
   As a further target to mitigate modern slavery in the supply chain Sun Chemical is setting specific targets. This target has been achieved in 2025 and over the last 12 months of data from our EcoVadis Platform we have zero suppliers under the score of 25 under the Labor and Human Rights pillar (graph to the right).

Overall number of partners by threshold (25)



The Sun Chemical Procurement Group has distributed an electronic RFI to suppliers regarding labor and human rights policies and is in the process of collecting responses. The questionnaire includes quantitative inputs to enable assessment of supplier maturity levels.

Response rates are being tracked, and receipts are being confirmed with suppliers. Based on the collected data, a supplier risk matrix will be developed, with prioritization informed by response levels and identified risk factors.



Sustainable Procurement - Supplier expectation staircase

Sustainable Procurement



Commit to the Science Based Targets initiative (SBTi) and its year-on-year GHG reduction requirements

Implement a sustainability plan that reduces the product carbon footprint of major supplied products and supports ongoing human rights performance

Provide product carbon footprint data for major supplied products
Demonstrate mitigation of human rights and environmental impacts

Achieve an acceptable CSR rating (EcoVadis score >45)
Implement corrective action plans to address identified risks

Join the EcoVadis platform (or an equivalent) to enable assessment of CSR performance and risk



Appendix



Global Reporting Initiative (GRI) Table

GRI Standard	Disclosure	Disclosure Title	Page	Explanation / Comments
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	2-5	CEO statement and sustainability commitments describe strategy and priorities.
GRI 2: General Disclosures 2021	2-23	Policy commitments	4-10	Sustainability goals and Five Rs framework.
GRI 2: General Disclosures 2021	2-24	Embedding policy commitments	9-34	Sustainability framework and EHS implementation programs.
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	7	Double materiality assessment stakeholder engagement process described.
GRI 3: Material Topics 2021	3-1	Process to determine material topics	7	Double materiality assessment process described.
GRI 3: Material Topics 2021	3-2	List of material topics	7	Material topics listed.
GRI 3: Material Topics 2021	3-3	Management of material topics	5-37	Management approach integrated throughout report.
GRI 201: Economic Performance 2016	201-2	Financial implications and other climate-related risks and opportunities	7, 13-19	Climate impacts and decarbonization activities discussed; financial quantification not reported.
GRI 302: Energy 2016	302-1	Energy consumption within the organization	13	Energy sources and consumption trends disclosed.
GRI 302: Energy 2016	302-3	Energy intensity	13	Energy intensity performance reported.
GRI 302: Energy 2016	302-4	Reduction of energy consumption	13-16	Reduction initiatives and renewable energy projects disclosed.
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	19	Water use and reduction performance reported.
GRI 303: Water and Effluents 2018	303-5	Water consumption	19-20	Water intensity discussed; full consumption breakdown not provided.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	13-15	Scope 1 emissions reported.



GRI Standard	Disclosure	Disclosure Title	Page	Explanation / Comments
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	13-15	Scope 2 emissions reported.
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	17-18	Material Scope 3 categories reported.
GRI 305: Emissions 2016	305-4	GHG emissions intensity	13-15	Emissions intensity trend reported.
GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	14-16	Reduction target and reduction initiatives reported.
GRI 306: Waste 2020	306-3	Waste generated	20-22	Waste generation performance reported.
GRI 306: Waste 2020	306-4	Waste diverted from disposal	20-22	Recycling and circularity initiatives reported.
GRI 306: Waste 2020	306-5	Waste directed to disposal	20	Landfill performance reported.
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	25-32	SunCare management system described.
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment and incident investigation	25, 30-32	Process safety and risk assessment programs described.
GRI 403: Occupational Health and Safety 2018	403-4	Worker participation, consultation and communication on OHS	32	Health and safety committee representation target disclosed.
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	26-30	Life Saving Commitments training and rollout reported.
GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	36	Employee Assistance Program described.



GRI Standard	Disclosure	Disclosure Title	Page	Explanation / Comments
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	36-37	Employee development discussed; review statistics not reported.
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programs	35-37	Community engagement and volunteering initiatives reported.
GRI 403: Occupational Health and Safety 2018	403-7	Prevention and mitigation of OHS impacts directly linked by business relationships	26-29	Contractor inclusion and safety commitments reported.
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by OHS management system	25-26	Management system described but workforce coverage not quantified.
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	23-24	TRIR, LTAR and injury performance reported.
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	36-37	Leadership development programs reported.



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