



# Environmental, Social & Governance Overview 2023





## FROM OUR CEO



Dear Customers, Team Members, Suppliers, and Investors,

In 2022, Chroma Color Corporation continued to make significant steps to promote sustainability and be responsible stewards of our Earth. This includes our commitment to providing sustainable color concentrate materials to our customers, reducing our own waste and energy consumption, and implementing environmentally responsible practices other companies in the plastics industry can also follow.

Our senior leadership team continues to evaluate all current operation and manufacturing practices to continue to build on our 2022 Environmental, Social, and Governance (ESG) roadmap.

### Our Continued Commitment for 2023

- Continue Sustainable Product Development for Our Customers: Chroma Color Corporation has developed color concentrates and additives using sustainable raw materials, such as recycled plastics, to reduce the environmental impact of its products.
- Maintain Specific, Measurable, Achievable, Relevant, and Timely Sustainable Goals to positively impact our own company & our communities financially, and socially.

Our Chroma Color Board Members are also very committed to support of our programs. In addition, we continue to share our ESG results with our investor Arsenal Capital. I am very optimistic that we will achieve our ESG goals again for 2023 and stay focused on making the world better for our children and future generations.

In the following pages, you will find Chroma Color's Environment, Social, and Governance ESG Roadmap for 2023. If you require any further information, feel free to contact me.

Sincerely,  
Joe Herres



Chroma Color Corporation is a leading specialty color concentrate supplier serving diverse markets, including wire and cable, packaging, healthcare, pharmaceutical, consumer products, and others from our five facilities. With the acquisition of Epolin, Chroma is also the recognized leader in the near-infrared(NIR) absorptive dye industry, producing proprietary blends to suit the eye protection and light management sectors.

Chroma Color team is dedicated to operating our facilities in a safe and environmentally friendly manner. All of Chroma Color facilities meet the ISO 9001:2015 standards and the Asheboro facility also meets the ISO/IEC 17025:2017 standard.

Chroma Color's growth strategy includes robust organic and inorganic growth through nine acquisitions over five years. Chroma's extensive technical leadership and manufacturing expertise, coupled with its game-changing colorant, has delighted customers for more than 50 years.

The Chroma Color Senior Leadership Team knows our **Most Valuable Asset** is our **Team Members**. We continue to focus on improving their working lives and providing a safe working environment.

### Living Wage

Chroma Color commits to provide a living wage to its team members which includes not only financial income, but access to health care benefits where costs are heavily subsidized by Chroma.

### Safe Work Environment

We believe that **All Work Injuries** are **Preventable** and that **Compliance** with Regulations is **Expected** by All Employees. Our **"Drive for Zero"** Program applies the principles of **Stop, Think and Ask** continues to contribute positively to our overall safety record.

### 2022 Results:

- Restricted Work Injury Rate Down 50%
- Chroma made over \$ 1 million in investments in Environmental, Health & Safety improvements at our facilities in 2022 with continued investments planned for 2023
- Our Minor & Near Miss Reporting Has Lead to Proactive Actions -An 80% increase in engagement in reducing risk
- The Senior Leadership team is engaged in the "Drive to Zero" program

### Cybersecurity:

In 2022 Chroma Color integrated a comprehensive **cybersecurity program** into the overall business to provide a safe environment for our employees and customers. We also now provide training to employees to utilize at work and in their personal lives. We have made the Employee Hotline available for any Information Security concerns.



## EcoVadis Efforts:

Chroma Color continues to implement additional Environmental, Labor & Human Rights, Ethics and Sustainable Procurement Processes to Improve Our Sustainability Performance Scores Year-Over-Year and to Push Chroma Color Beyond Simple Compliance.



## Sustainable Procurement Mission:

Chroma Color's sustainable procurement mission is to provide a supply chain solution that enhances long-term profitability and sustainable growth.

We reinforce and support our company's competitive advantages and goals by securing and purchasing quality products from suppliers who share the same values around Environmental, Social, and Governance and as stated in our Code of Conduct.

## Reduced Energy, Water, & Waste Usage in Each Plant in 2022



Reduce KWK  
25% by 2030

- Closure of Electrically Inefficient Facility
- 75% of Motors over 50HP Outfitted with Current Transformers for Real-Time-real time Monitoring for Efficiency
- Future projects currently being engineered for 2023-2025: Dust Collection System Installed, Expansion of Variable Frequency Drives, Higher Efficiency, Compressors/ Process Water Chillers, and Sensible Heat Recovery Projects



Reduce Solid  
Waste 30%  
by 2030

- Processed Material Scrap Reduction across sites drove 2022 reductions
- 2023 Further Process Scrap Reductions and Six Sigma Project to Identify additional opportunities to Reduce / Reuse / Recycle



Reduce  
Water 25%  
by 2030

- Closure of water inefficient site
- Real Time water usage visible to all employees
- Smart Goals around Water Efficiency distributed within the Organizations

**Industry:**

Participate in key industry events to provide details on our own sustainability efforts to influence others in the plastics industry to establish their own programs.



*Photo Caption: Chroma Color exhibits at MD&M, WestPack and Plastec*

**Customers:**

Assist Our Customers to Reach Their Company's Sustainability Goals Using Chroma Color's Technical Solutions that Deliver Commercial Results.

**ChromaTransparent<sup>®</sup>**

**ChromaNIR**

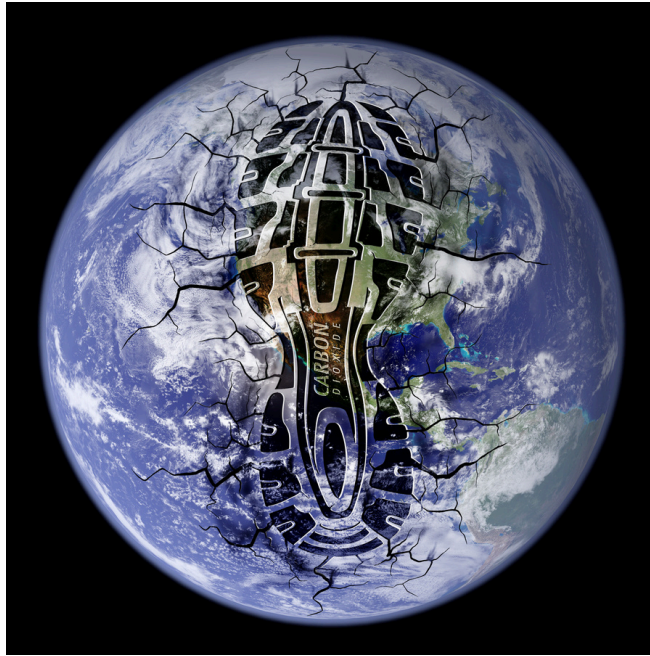


**ChromaPCR<sup>®</sup>PET**

**ChromaQuasar<sup>™</sup>**

**UltraPET<sup>®</sup>**

## Chroma Color's Technical Solutions Delivers Commercial Results



### Reduced Carbon Footprint

G3 production requires low energy consumption  
1 Truckload of G-series can replace 3 Truckloads of traditional concentrates

### Reduced Waste

G-series enables total utilization of the pellets (versus liquid color's excessive waste)

### Recycled Resins Coloring is Dramatically Improved

Successful track record coloring PCR PP, PCR PE, PCR PET, Ocean Plastics, PIR, Bioplastics, and other sustainable resins





# ENVIRONMENTAL STEWARDSHIP

## Contributions To Our Local Communities

### GIVING TUESDAY THE PEOPLE OF CHROMA COLOR COAT COLLECTION DRIVE

Many individuals in Newark, NJ do not have enough money for a coat. Knowing this the Epolin team decided to collect coats to donate to St. John's Soup Kitchen, a local charity.



Succeeding Together as One Team



### THE PEOPLE OF CHROMA COLOR SPOTLIGHT

#### Philip Rigano Junior Sales



#### HAPPY KITS

##### THANK YOU FOR SUPPORTING CHILDREN'S MERCY!

As a nonprofit hospital, we rely on the generous support of caring community members to help us provide the highest level of care to all kids who come through our doors. Help make a child or parent's day by assembling a Happy Kit for kids and send it in a variety of ways throughout the hospital and clinic to make patients and families feel welcome and happy during their visit. Happy Kits can be assembled off site and delivered to Volunteer and Guest Services at the Children's Mercy Adult Health Campus (Mainstem Hospital). Check you are ready to deliver your Happy Kit, please use our online scheduling form available at [www.childrensmc.org/help-us-hits/donatehappykit](http://www.childrensmc.org/help-us-hits/donatehappykit). Stop a drop off or call our office at 316.234.3416.



Chroma Color & Davinci Contribute Children's Mercy Hospital "Happy Kits"



### Charitable Giving:

Chroma Color matches donations employees raise for "causes" that help their local communities-- \$100 per application (\$500 per location). Chroma Color approved and supported 9 applications in 2022.

### *Other Key Programs For Our Local Communities*

#### Second Chance:

Chroma Color partners with local correctional facilities to provide incarcerated individuals training & gainful employment. We currently have active second chance programs in our Salisbury, NC facility working with individuals who are getting their life back on track after having had some type of incarceration. Upon completion of their judicial obligations, many have become full time Chroma Color Team members.

Listen to this podcast to learn more:

<https://www.plasticsnews.com/article/20171206/MULTIMEDIA03/171209947/former-inmates-start-a-new-life-at-carolina-color>



### Key Programs For Employees

#### Living Wage

Chroma Color commits to provide a living wage to its team members which includes not only financial income, but access to health care benefits where costs are heavily subsidized by Chroma Color.



#### Consistent Communication with Employees

- We hold quarterly Town Hall meetings to update all team member on current and future company plans and goals.
- Consistently add new company updates and news on our break room TV's.

## 1 TEAM

The Chroma Color 1 TEAM program focuses on creating a safer workplace, recognition, communication, clear work instructions, feedback, training, tools & an environment of genuine caring where our team members feel they belong and are set up for success.

2023 will see much of the same great things we did in 2022 with the addition of additional focus on training, development and expanding our diversity initiatives with the continuation of 1 TEAM being important as it impacts our culture and touches every team member.

# Key Programs For Employees

## Establishment of Yearly Pinnacle Award Program

Chroma Color's Pinnacle Award Program recognizes team members performance and contributions "above and beyond" and have had a significant impact on our organization.



## Emergency Relief Funds During Times of Crises:



At different times, Chroma Color offers Emergency Relief assistance based on need. Chroma Color supports its employees during times of emergencies such as COVID and Hurricanes and has approved applications for relief assistance for those employees impacted.

## Biggest Loser Contests

### Spring 2022:

11 teams made up of 46 people representing more than 10% of our employees, across 5 locations participate. Total weight loss was 460 lbs. With an average loss of 10.4 lbs per person.

**Fall 2022:** 54 Chroma team members on 12 teams participated losing over 400 lbs!!! An average of 7.4 lbs per person.

## Key Programs For Employees

### Wellness Programs:

The company provides many wellness programs for employees. Including an EAP (Employee Assistance Program) which provides five free visits (even if not enrolled in our medical programs) per topic, for employees and family members. Also available, are resources such as Tobacco Cessation programs and the company provides a health care employee premium discount for those who are “tobacco free”.



### Recognition

KUDOS is a recognition program that provides any employee the opportunity to recognize a colleague who “goes above and beyond”. Points are awarded to a merchandise website. In 2020, there were 107 nominations (partial year). In 2021, we had 204 awarded out of 475 employees. In 2022 we rewarded 330 employees.

## Program For Employees & Customers

### Ethics 800# Hotline and Confidential Email Program:

Any employee or customer can report any concern either by # 800 number or email on a confidential basis. For employees, flyers with details on how to contact us are posted at every location encouraging employees to bring forward any concerns they may have about anything. Every employee also participates in our annual Code of Conduct training with the CHRO.

## Senior Leadership & Board of Directors Commitment To Employees, Company & Investors



Chroma Color Senior Leaders & Board of Director are committed to always act in the best interests of the company. We continue to continue to implement innovative ways to improve performance, reduce risk, grow responsibly, and maintain a positive reputation with our customers. Learn more: [chromacolors.com](http://chromacolors.com)

To learn more about Arsenal Capital Partners: <https://www.arsenalcapital.com/>