



Environmental, Social & Governance Overview 2025





FROM OUR CEO



Dear Customers, Team Members, Suppliers, and Investors,

In 2025 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 2025 Environmental, Social, and Governance (ESG) roadmap.

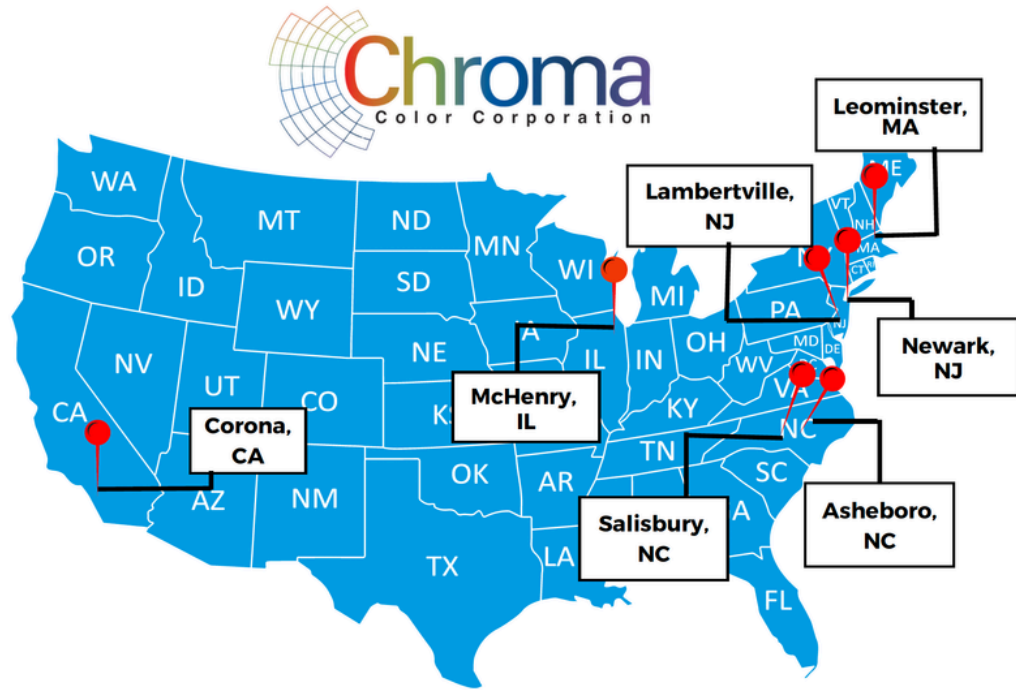
Our Continued Commitment for 2025

- 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 2025 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 2025. If you require any further information, feel free to contact me.

Sincerely,
Joe Herres



Scan the QR Code to contact us to learn more about Chroma Color® products.
www.chromacolors.com

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.

2025 Results:

- We saw a 30% reduction in OSHA recordables.
- Dedicated \$1.5m to upgrade the dust collection system at McHenry
- The Senior Leadership team continues to be engaged in the "Drive to Zero" program

Cybersecurity:

In 2025, Chroma Colors took significant steps to bolster our cybersecurity measures. We implemented enhanced security protocols, providing all employees with updated training on best practices to stay vigilant online. Additionally, we introduced multi-factor authentication and stronger password policies to ensure that our data remains secure.



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 2025



Reduce KWK
25% by 2030

- All Motors over 50HP Outfitted with Current Transformers for Real-Time-real time Monitoring for Efficiency
-
- Dedicated \$1.5m to upgrade the dust collection system at McHenry



Reduce Solid
Waste 30%
by 2030

- Processed Material Scrap Reduction across sites drove continued reductions in 2025
- 2025 Further Process Scrap Reductions and Six Sigma Project to Identify additional opportunities to Reduce / Reuse / Recycle



Reduce
Water 25%
by 2030

- Continued to reduced water use
- Real Time water usage visible to all employees
- Smart Goals around Water Efficiency distributed with in 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: At MD&M and Compounding World

Customers:

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

ChromaBioColor



ChromaTransparent[®]



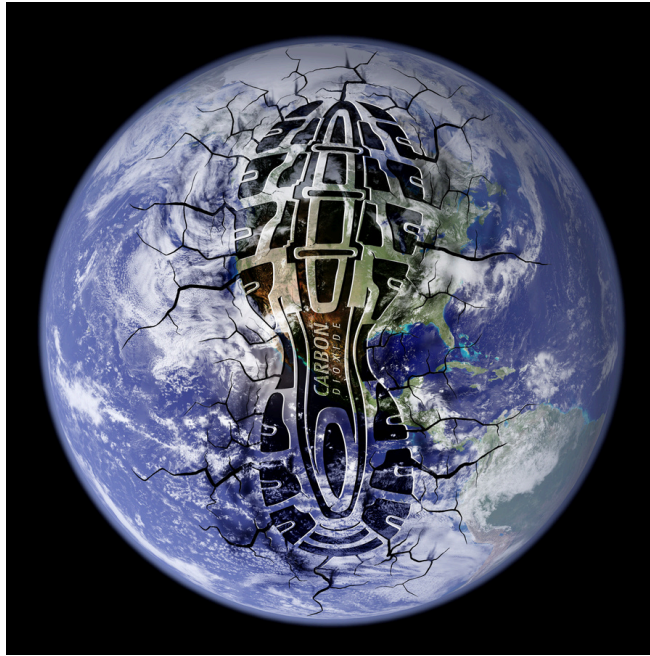
ChromaPCRPET

ChromaNIR

ChromaQuasar[™]

UltraPET[®]

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)

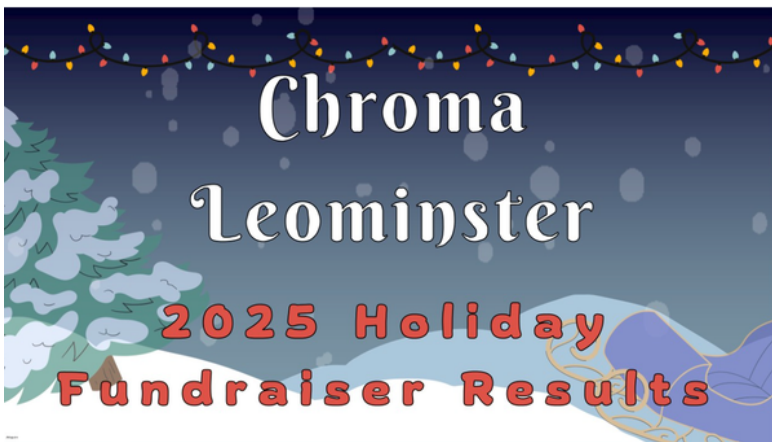
Recycled Resins Coloring is Dramatically Improved

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



Together, we raised a total of \$2,238. Thanks to your contributions, we were able to provide holiday meals for 40 families in our community. Your support truly made a difference!



Charitable Giving:

Chroma Color matches donations employees raise for "causes" that help their local communities-- \$100 per application (\$500 per location).

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.

2026 will see much of the same great things we did in 2025 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 2025:

Chroma Color Team Members on 16 teams lost an averaged 12.67 lbs per person.

Fall 2025:

46 Chroma Color Team Members on 11 teams averaged 6.07 lbs. lost 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 2025, approximately one-third of team members received Kudos points enabling them to pick from an online catalog of thousands of items.

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

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