



Environmental, Social & Governance Overview 2026





FROM OUR CEO



From Our CEO

Dear Customers, Team Members, Suppliers, and Investors,

At Chroma Color® Corporation, sustainability is not an initiative—it is a responsibility. We are committed to advancing sustainable color and additive solutions, reducing waste and energy use across our operations, and leading by example within the plastics industry.

Over the past several years we expanded our sustainable portfolio to help customers meet evolving environmental goals:

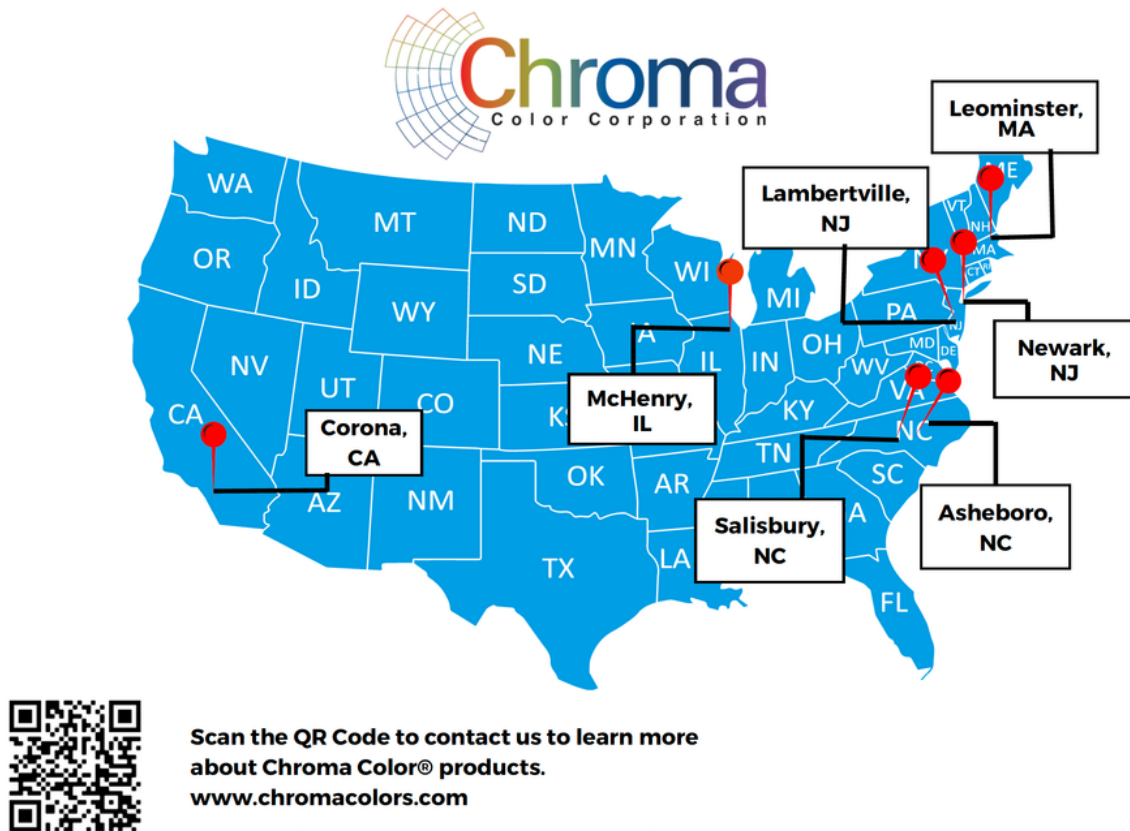
- **ChromaNIR** – A carbon black alternative that enables accurate MRF sorting and meets the highest APR Design® Guide recyclability standards.
- **ChromaPCRPET** – Masterbatch made with 100% post-consumer recycled (PCR) resin, supporting higher PCR content while enabling performance optimization through corrective color, stabilizers, and additives.
- **ChromaBioColor** – A bio-compostable color masterbatch for difficult-to-recycle applications, formulated with PHA biopolyester and compliant with ASTM D-6400 and DIN EN 13432 standards.
- **ChromaFresh** – Advanced odor-masking technology that neutralizes unwanted odors in PCR PET and HDPE, preserving both product quality and consumer appeal.

Our senior leadership team regularly reviews our ESG roadmap to drive continuous improvement across our manufacturing and operational practices. Looking ahead to 2026, our priorities include:

- Advancing sustainable product development for our customers.
- Setting and achieving measurable ESG goals that deliver meaningful environmental, social, and financial impact.
- Improving our EcoVadis score year over year.
- Maintaining ISO 9001:2015 certification across Chroma Color® facilities and ISO/IEC 17025:2017 accreditation at the Asheboro facility.
- Transparently sharing ESG progress with Arsenal Capital, our team members, and our customers.

I am confident in our path forward—and proud of the role Chroma Color® plays in building a more sustainable future for generations to come. If you would like additional information, please contact me directly.

Sincerely,
Joe Herres
Chief Executive Officer



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 Asheville facility also meets the ISO/IEC 17025:2017 accreditation.

Chroma Color's growth strategy includes robust organic and inorganic growth through nine acquisitions over six 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 continuously provide ALL of its full-time employees with 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®. We will monitor this action on an annual basis. Chroma Color® is committed to have 100% of all employees paid a living wage by 2030.

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. We saw 30% reduction in OSHA recordables in 2025 vs. 2024. We continue to see a solid reduction in recordables so far in 2026. Six months with no OSHA recordable incidents across every Chroma Color facility!

Cybersecurity:

At Chroma Color® Corporation, security is an ongoing commitment. In 2026, we have made meaningful strides in strengthening our cybersecurity posture — continuously evaluating our attack surface, actively monitoring for emerging threats, and aligning our practices to NIST standards. We regularly test and review our backup protocols to ensure resilience and readiness. Protecting our customers, partners, and business is at the heart of everything we do.

Environmental:

- 1- We saw a 30% reduction in OSHA recordables
- 2- Chroma Color® continues to invest in Environmental, Health & Safety improvements across our facilities in 2025, with additional investments planned for 2026 to maintain our current strong environmental performance and compliance status.
- 3- Recently Chroma Color Completed Environmental Site Assessment (ESA) Phase 1 at all of our facilities. Phase 1 is a non-intrusive, preliminary investigation conducted to identify potential environmental contamination (such as hazardous substances or petroleum products) on a property.



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

- We continue to drive efficiency improvement in all of plants.
- We continue to evaluate areas of new improvements projects for electrical efficiency like ongoing conversion of lighting at plants from fluorescent to LED.



Reduce Solid
Waste 30%
by 2030

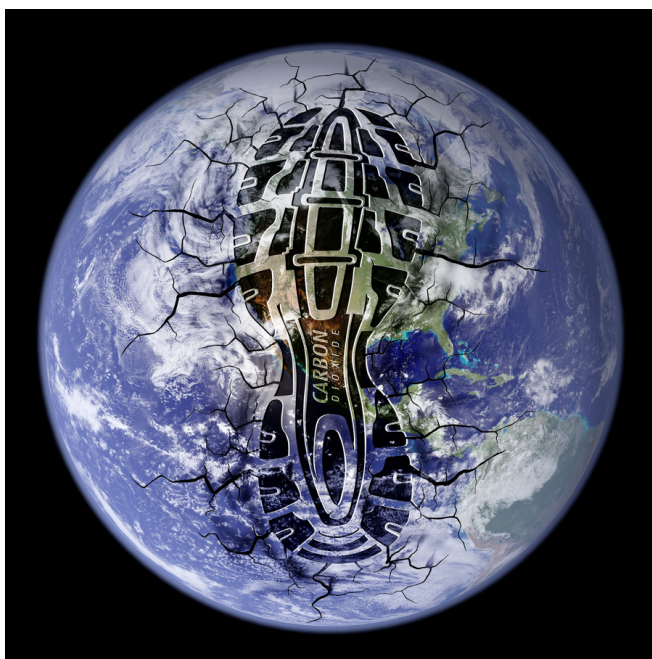
- Processed Material Scrap Reduction across sites drove continued reductions in 2026
- 2026 Further Process Scrap Reductions and Six Sigma Project to Identify additional opportunities to Reduce / Reuse / Recycle



Reduce
Water 25%
by 2030

- We continue to monitor water usage and find ways to recycle and reduce usage.
- Identify projects around water usage efficiency at all plants in organization.

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

Charitable Giving:

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

Chroma Color Communities – Giving Back

Chroma continues to increase the number of communities impacted year-over-year.

Organizations Supported

1. St. Johns Soup Kitchen, Newark, NJ
2. Boys & Girls Club of Fitchburg, MA
3. Boys & Girls Club of Leominster, MA
4. Cases for a Cause (suitcases for foster children), Salisbury, NC
5. Friends of Ashland County Dogs, OH
6. Big Great Lakes Adults with Disabilities, Gurnee, IL
7. Kiwanis of Claremont, NH
8. McHenry Marlins Aquatic Club, Youth Program, IL
9. Meals on Wheels, Rowan County, NC
10. Southwire-Habitat-Veterans Fundraiser Event
11. St. Baldricks Foundation Cancer Center

Other Key Programs For Our Local Communities

Second Chance:

Chroma Color continues to partner with a local correctional facility to provide incarcerated individuals training & gainful employment.

We currently have second chance programs at 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.



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

Chroma Color® holds quarterly Town Hall meetings to update all team member on current and future company plans and goals.

Our company news and Town Halls are added to break room TV's.



1 TEAM

The Chroma Color® **1TEAM** 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 a focus on training and development with the continuation of **1TEAM** 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

Chroma Color's Biggest Loser Contest continues to make a positive impact across all of our facilities! Since launching the program in 2021, many of our team members have participated and all have collectively lost weight over the past five years.

The program offers weekly challenges including walking contests, hydration goals, and healthy recipe sharing. We are proud to support programs that help our team members stay healthy.

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.

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/>