



SUSTAINABILITY

BONDING THROUGH

INNOVATION

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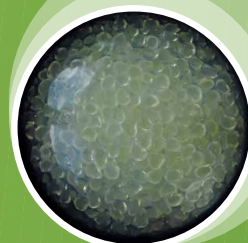


1953

Founded by
João António Koehler

1972

Pioneers in
Hotmelt Adhesives



2000

Introduction of Metallocene
evolution range

2013

Opening of
Polish plant



2017

Lanching of polyolefin
Spraycare range

2018

Awarded Rebranding
of the year by international
Stevie Awards



2020

Settling of the
USA new facility

2021

Adhesion to UN Global Compact
Launching of Bio-based adhesives



“ As we look to the future, our mission is clear: to leverage our heritage of innovation and our commitment to sustainability to make a positive impact on the industry and the global community. **”**



Sofia Koehler



Pedro Gonçalves



João Pedro Koehler



Mário Garrido



Luís Bento

Message from the board

To Our Esteemed Stakeholders

For over 70 years, Colquimica Adhesives has been at the forefront of the adhesives industry, demonstrating a profound commitment to sustainability that permeates every aspect of our operations. As we present our annual Sustainability Report, the Board of Directors takes this opportunity to highlight the progress we have achieved and to reinforce our steadfast dedication to environmental, social, and governance (ESG) principles.

Proximity remains a cornerstone of our philosophy. We cultivate strong relationships with customers, suppliers, stakeholders, and notably, our co-workers, ensuring a cohesive approach to sustainability and business operations.

Agility and Service characterize our response to the dynamic market environment. Our ability to quickly adapt and efficiently deliver is crucial, enabling us to meet challenges and seize opportunities that align with our sustainability goals.

Sustainable Innovation is pivotal to our strategic direction. We are committed to developing products that are bio-based, mass-balanced, low in carbon footprint, and biodegradable, ensuring that innovation also respects our planet.

A core focus of our sustainability strategy is our alignment with **ESG standards** and the **United Nations Global Compact**. We prioritize ESG not only because it is fundamental to responsible business practices but also because it strengthens our competitive position and aligns with global sustainability trends.



Furthering this commitment, we are actively adapting to the **Corporate Sustainability Reporting Directive (CSRD)**, which enhances transparency and fosters trust by providing stakeholders with a clear view of our sustainability performance.

As we look to the future, our mission is clear: to leverage our heritage of innovation and our commitment to sustainability to make a positive impact on the industry and the global community. We aim to continuously improve and expand our practices in sustainability, engaging our People and Partners and refining our Processes and Products.

We extend our deepest gratitude to all our employees, customers and partners for their relentless dedication and support. Together, we are not just aspiring to meet our sustainability goals—we are setting new standards for what is possible in our industry.

Warm regards,
João Pedro Koehler
CEO, Colquimica Adhesives
On behalf of the Board of Directors

About this report

Continuing our policy of transparency in reporting non-financial information we prepared the 2023 Sustainability Report aiming to strengthen the trust we have with our employees, customers, investors, communities and other stakeholders.

We therefore intend to resume an already existing practice of communication, transparency promotion, improvement of standards and adoption of sustainability principles, both in our value chain and with our main stakeholders.

The 2023 Sustainability Report reflects the material topics resulting from the evaluation of the challenges and opportunities of sustainable development, alongside our experience, internal reflection and major and most recent reference standards for the communication to the economic, environmental, and social performance related topics.

This report also highlights the organization's commitments connected to reported material topics, as well as the work developed by Colquimica Adhesives through several projects and case studies.

Where possible, appropriate, and relevant, information from the preceding years relating to the main indicators is included to allow an analysis of their evolution.



This report presents our organization’s performance on the following six material topics:



Economic Performance



Emissions



Customer Health and Safety



Employment



Energy



Occupational Health and Safety

The report was prepared in accordance with the Global Reporting Initiative (GRI) standards and covers the activities developed by Colquimica Adhesives during 2023 (1 January to 31 December) aligned with the Annual Report and Accounts.

For more information or clarification, please contact:

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4440-578 Valongo

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1.1 Highlights 2023

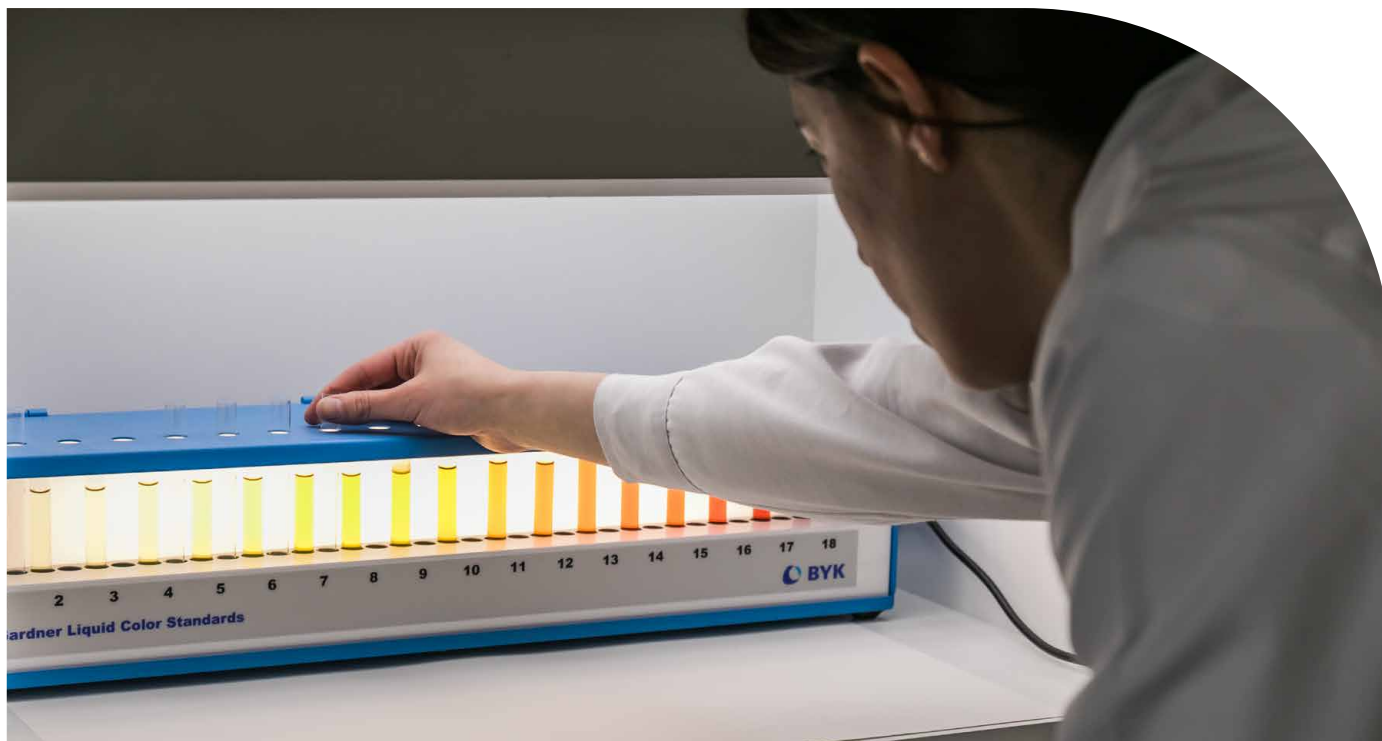
The year 2023 was marked by a series of setbacks, with the global economy falling short of expectations, the persistence of inflationary trends and sharp decline in demand in various industries in which we operate, the war between Russia and Ukraine that seems to be unending and the conflicts in the Middle East that have intensified.

Despite that, the year of 2023 also marked the **70th anniversary of the Colquimica group**, a milestone of 7 decades of a unique and significant journey, a moment of celebration, of pride and of gratitude to all those who have been and are part of our history.

In the Colquimica group, there was a slight decrease in turnover due to lower consumption by some customers, especially in the mattresses, woodworking construction and packaging sectors. However, we managed to get new business and expand into new markets. **Our U.S. operation grew by 37%**, helping to balance out the negative impact.

In our RD&I team, we reaffirm our commitment to keeping **innovation in tune with sustainability as a trademark of the Group**. We stand out for the development of various customised products for customers in the hygiene, wood working, mattresses, pocket springs and automotive sectors, as well as for the launch of new products for which we are applying for international patents.

We maintained our commitment to promoting a **humanitarian, strong, innovative, global and sustainable brand**, with a strong digital presence, without losing our proximity to customers, through charming campaigns and participation in various face-to-face fairs in Europe and the USA.



In the Sustainability and Quality areas we continue to build on our commitment to the **United Nations Global Compact and the United Nations Sustainable Development Goals**. We achieved significant successes with the expansion of the Kaizen project and with the certification of Colquimica Polska from **EDANA** – the European Nonwovens Association, which guides the European Personal Care Industry.

As far as Human Resources is concerned, we remain dedicated to fostering an **inclusive working environment, where gender equality is a pillar of our productivity strategy**. As part of **our DEI policy**, we have subscribed to the **diversity charter of the APPDI**

(Portuguese Association for Diversity and Inclusion), which means that we agree with and are committed to its principles. We have also started several projects in line with the best practices in the area, which include implementing employee's assessment software to streamline the process, improving communication between leaders and their teams, and making the company's objectives clearer and more visible to everyone.

Cyber security has received our best attention, with the implementation of a next-generation antivirus and other software that follows industry best practices.

1.2 Our Identity

Colquimica Adhesives is a Portuguese industrial group, founded in 1953, dedicated to the development, production, and sale of adhesives for industrial applications.

Therefore, the year under review marks our 70th anniversary.



Creating Bonds
is our motto.

We establish connections
with our partners
anywhere in the world
where we operate.

We are national leaders in the industry and, with over 70 years of experience, we have been gaining a prominent position in the global hot melt glue market, being present in four continents and having four production units: three in Europe (two in Portugal and one in Poland) and one in United States of America (North Carolina State).

Our adhesives are part of people's day-to-day lives and are applied in several final products, such as

mattresses, packaging, filters, cars, personal hygiene, and medical products, among many others.

We know the **different markets** we work with, and we are able to give, in an irreproachable manner, an appropriate response to their respective requirements. Thus, we have a vast portfolio that is characterized by **a wide range of industrial adhesives and other solutions**, which, combined with **our team and expertise**, can suit the needs of any customer.

What is hot melt technology?



100% solid thermoplastic product, compounded and applied in the molten state at high temperatures (typical 120 ° C to 180°C). The adhesion force is obtained after the glue has cooled and solidified.

Here we present some of our product's brands, highlighting their sustainable properties:

KMELT ESSENCE™

Our bio-based adhesive range. It already exists on packaging, hygiene, mattresses, and assembly applications.

KMELT SPRAYCARE™

Due to the low density and the enhance adhesion of this range, the adhesive consumption is more than 20% lower than with standard technologies.

KMELT EVOLUTION™

Due to the low density and the enhance adhesion, the adhesive consumption is more than 20% lower than with standard technologies.

KMELT ULTRA™

This range allows the reduction of the application temperature, leading to energy consumption saving, and having less fumes and odor in the plants while keeping the required adhesion performance.

Colquimica Adhesives in the World

Colquimica Adhesives stands out in the global hot melt glue market, being present in **four continents** and having **four global manufacturing plants**: two units in Portugal, one in Poland and one in United States of America.

Our total production capacity is **82,000 tons of industrial glues per year**, which allows us to reach more than **70 countries worldwide**.

The quality of our adhesives gives us the confidence required to reach new markets. Our multicultural nature allows us to be increasingly **closer to our customers** and meet the most varied requests, always with our production's unique quality guarantee.

Currently, we are the reference adhesive brand in many countries, especially in hot melts. **Our distribution network**, with **logistics centers** in several locations, allows us to be close to all our partners and it is thanks to this **globally consolidated presence** that we have been able to ensure our **partner's high levels of satisfaction**.

We have been recording a **growing internationalization**, which allows us to boost our technological and corporate development, and not just that, it has been introducing us to new cultures and needs. This is how we are able to sell the most innovative and sustainable products worldwide, while keeping our trusted brand image.

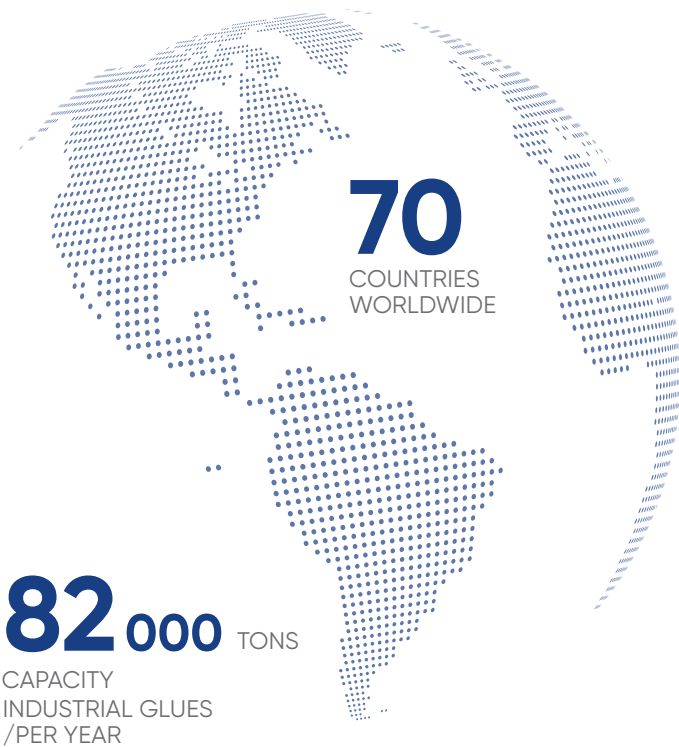
We have with us a large and specialized commercial team, distributed throughout the world, which has **allowed us to conquer the target markets**. Not just the ones where we are present today, but also the ones we still want to reach.

We work following a logic of production and **versatility** that makes it possible, through the best equipment for the development of technological adhesives, to diversify the presentation formats of industrial adhesives, according to each client's needs and requirements.

Our **"just in time"** production policy gives us a clear **competitive advantage** in responding to urgent requests, and that makes it possible for us to serve them in a short time, since we always have equipment available for immediate production of adhesives that are ordered.

In the following table, we can see data related to the size of the organization

	2021	2022	2023
Number of Employees	349	365	394
Number of Geographies	3	3	3
Sales/ Net Revenues (M€)	123,7 M€	152,7 M€	144,7 M€
Capitalization (M€)			
Equity	33,1 M€	32,0 M€	32,3 M€
Liability	49,2 M€	52,7 M€	49,3 M€



Productions units

- Valongo, Portugal;
- Susão, Portugal;
- Poznan, Poland;
- Charlotte, USA.



Distribution Centrrs

- Valongo, Portugal;
- Poznan, Poland;
- Istanbul, Turkey;
- Charlotte, USA.

Our DNA

Our DNA is the cornerstone of our activity, which is guided by Innovation, Proximity and Agility.

Innovation

We invest in the development of new ideas and solutions, through a rigorous and systematic R&D policy, alongside and ahead of industry trends.

Agility

We respond with conviction and professionalism to each challenge posed by our business partners. We operate with efficiency and maximum readiness in each project, ensuring quality and exceeding expectations.

Proximity

We have always fostered interpersonal relationships and great proximity to all those who join us. We embrace challenges with conviction and enthusiasm, within each market and anywhere in the world.

Our Purpose

**Bring People Together,
Inspire our teams,
Innovate with our partners,
and contribute to the World's
Sustainable Development.**

Values



Sustainability

The sustainable management of the resources and the efficiency of their use are intrinsic variables to all the production and innovation processes we develop. Together with all partners involved in the value chain, we promote an ecological policy with a strong social and environmental responsibility.



Collaboration and Efficiency

Our cost-efficiency structure and orientation allows us to be competitive and create the best conditions, always in close collaboration with our partners, in order to adapt to each presented need in an agile and successful manner.



Quality

We work with a focus on the development of innovative adhesives. Our production is based on our technical know-how of seven decades, which has enabled us to take innovative solutions worldwide.



Ambition and Future

We look to the future head-on. We are oriented towards generating good results and permanently discovering the conditions to create new business opportunities.



Commitment

We develop lasting and close relationships, honouring commitments, wherever in the world we are. We work to systematically exceed expectations.



Ethics and Trust

The constant monitoring that we provide is based on the fulfilment of all ethical guarantees, with the different stakeholders, required from our activity's transparency and rigour.



Management Systems and Certifications

We always seek to act in a conscious and sustainable way focusing our work on the quality of our adhesives, on the protection of the environment and on the health and safety of our people.

Therefore, we conduct **regular audits** at all our sites as well as at our subcontractors premises and logistics centers to confirm compliance with our codes and standards.



Quality, Environment and HS Management Systems are implemented in our organization, and they provide the basis for the execution of **these international standards** across all our sites.



ISO 9001
Certified Quality
Management System



ISO 14001
Certified Environment
Management System



ISO 45001
Certified Occupational
Health and Safety
Management System

Product Certifications – Sustainability and Safety

We strive to provide the best solutions following the best practices.

Colquimica Adhesives has experience in working together with our partners within these types of product certifications and others.



Astma-Allergi Danmark



1.3 Research, Development and Innovation (RD&I)

The RD&I Department leads Colquimica's **Innovation strategy**, as a lever of the Organization's global guidelines, accommodating **Sustainability** as one of the **strategic pillars** for the development of new products, thus responding affirmatively to the challenge posed by climate change.

In this sense, and throughout 2023, the RD&I Department continued its mission of developing products by prioritizing sustainable practices and contributing to the mitigation of environmental and social impacts:

Components Composition

We extended our Essence range and strengthened it with new products for the different markets. We developed new bio-based products for new sectors such as labeling and mattresses.

Energy consumption during application

Development of new "low melt" adhesives that allow the reduction of the temperature's application by around 20°C.

Glue consumption efficiency

We developed innovative products that allowed for significant glue consumption saving, such as the Spraycare range, which has been proven to decrease consumption in more than 20%. Furthermore, we added new products for different sectors such as filters and construction, using different technologies to reduce consumption.

Launch of products capable of replacing less environmentally friendly plastic materials

In several applications, we have replaced less environmentally friendly bonding technologies, such as PUR glues, by hot melt glues. Additionally, we worked closely in some partnerships to seek the development of new more environmentally friendly raw materials, while ensuring the recyclability of the final product either in box closure or labeling applications or in more complex applications such as mattresses and assembly.

The RD&I Department is committed to maintaining innovation combined with sustainability as a Group trademark. We invest in the previously mentioned pillars, focusing on our innovation's team.

They are the distinctive solutions catalyzers and organizational identity ambassadors, empowered to create value along with our suppliers and customers.



Set of ambitious targets to monitor the sustainability of our products

We used targets to keep track on the sustainability of our products as well as to evaluate the role of the RD&I Direction. This included tracking the share of sustainable products in our portfolio and its impact on Colquimica's turnover. In 2023 we monitored the number of projects with the best environmental performance with a result of 20%, proving the company's commitment on sustainability and innovation, and highlighting the development of solutions aligned with environmental principles and current market demands.

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2.1 Our Governance

Colquimica Adhesives' Board of Directors is the basis of its governance structure and is in charge of the company's overall management and performance, defining its global strategy and, in particular, the sustainability management, with a view to ensuring ethical and responsible business practices



Board of Directors:

PT	PL	USA
João Pedro Koehler CEO and Chairman Sofia Koehler Vice President Mário Garrido Executive Member Luís Bento Executive Member Helena Koehler Non Executive Member	João Pedro Koehler CEO and Chairman Sofia Koehler Vice President Pedro Gonçalves Executive Member	Sofia Koehler Chairman João Pedro Koehler Vice President Pedro Gonçalves CEO

Colquimica Adhesive's Board of Directors integrates six members with distinct professional and academic backgrounds.

It is also differentiated by its gender diversity, age and the company's seniority.

Academic Background

	2 Economics/ Management	3 Chemical Engineering	1 Public Relations
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Board of Directors Profile

	33% Women	66% Men	53 years Age Average	16 years Seniority Average
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BOARD OF DIRECTORS

PT	CHAIRMAN João Pedro Koehler	VICE PRESIDENT Sofia Koehler	PL	CHAIRMAN João Pedro Koehler	USA	CHAIRMAN Sofia Koehler
	EXECUTIVE MEMBERS Mário Garrido Luís Bento	NON EXECUTIVE MEMBER Maria Helena Koehler		VICE PRESIDENT Sofia Koehler		VICE PRESIDENT João Pedro Koehler
				EXECUTIVE MEMBER Pedro Gonçalves		CEO Pedro Gonçalves

COMMISSIONS

ETHICS	REMUNERATION	RISK	SUSTAINABILITY
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EXECUTIVE COMMITTEE

CEO EUROPE João Pedro Koehler		CEO USA Pedro Gonçalves	
CFO Luís Bento	CSO Mário Garrido	CFO Luís Bento	VICE PRESIDENT OF SALES John Howell

CORPORATE LEVEL

Sofia Koehler	João Pedro Koehler	
STRATEGIC MARKETING INSTITUCIONAL MARKETING HUMAN RESOURCES IT	CREDIT CONTROL SUSTAINABILITY & QUALITY LEGAL & COMPLIANCE PROCUREMENT RD&I	OPERATIONS PROJECTS & INVESTMENTS LOGISTICS TECHNICAL

PLANT DIRECTORS

PT João Pedro Koehler	PL Andrzej Bartczak	USA Pedro Gonçalves
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Sustainability Governance Model

Sustainability has become increasingly important in society.

The growing awareness of this issue indicates a need to create a well-defined and organized Corporate Governance structure.

Sustainability Comission (1)

João Pedro Koehler
Sofia Koehler
Luis Bento
Ana Romualdo
Cristina Frutuoso
Jaqueline Nóbrega

Sustainability Support Team (2) (QAS Corporative)

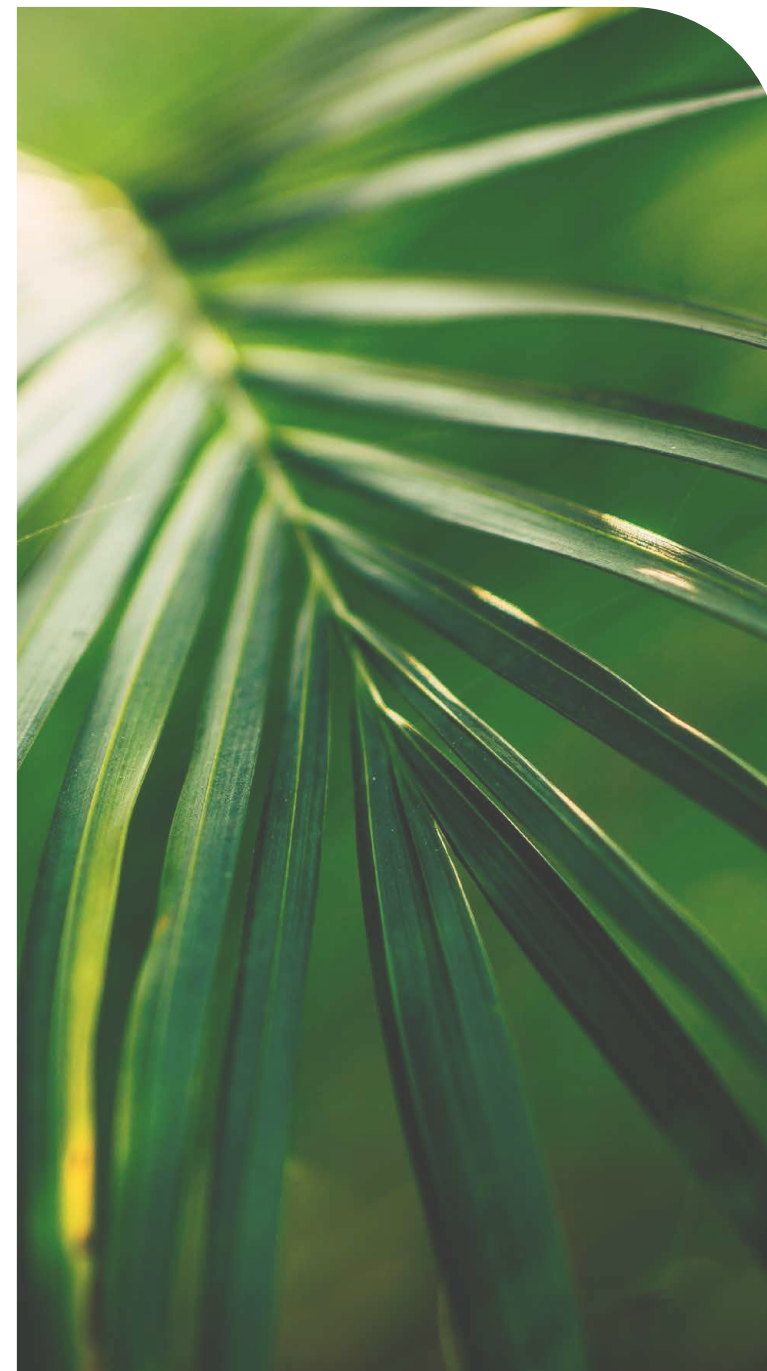
Cláudia Pereira
Carla Barbosa
Gonçalo Neto
Bernadeta Kononow
Angelika Dimarkowska
Elwira Hofman
Mamiyah Phifer

(1) Sustainability Comission: Defines policies and guidelines, ex.: action fields, metrics and goals, challenges and has a corporative coordination.

(2) Sustainability Support Team: team of SD specialists that support Administration and each plant manager.

This team's main focus is to follow the Sustainable Development Goals (SDGs), establish targets and implement actions to achieve them.

External Recognition and Commitments



Ethics Governance Model

At Colquimica Adhesives, we base our work on proximity and transparency with our people, clients, and other partners in order to gain and keep their trust.

We guide our actions by an ethics and compliance culture that promotes the protection of the environment, the conservation of resources, the respect for human and worker rights, the improvement of social conditions and the empowerment of individuals.



Ethics Comission

Ana Romualdo
President
Joana Janson
Secretary
João Fonseca
Corporate Member

Adalberto Sousa
Local Member Portugal

Bernadeta Kononow
Local Member Poland

John Howell
Local Member United States

The Code of Ethics and Conduct



The Colquimica Adhesives **Code of Ethics and Conduct** is available on the website (<https://www.colquimica.com/en/>), translated into three languages (Portuguese, English and Polish), and applies to employees, customers, suppliers, third parties and other stakeholders.

The Code of Ethics and Conduct includes **the principles that guide our performance, the ones we value in our stakeholders and the ones we do not tolerate, and the commitment we have to our People.**

Since we believe that everyone should be aware of it, the employees are introduced to the document during the onboarding process and every 2 years there is a refresher action on it, in which each employee confirms that he or she has taken notice and undertakes once again to comply with the document.

As for customers, suppliers, third parties, and other stakeholders, the Code of Ethics and Conduct is resent annually as part of the annual supplier assessment survey.

At Colquimica Adhesives, there is a mechanism in place for **ethical and legal advice**, with the Group's Board of Directors being responsible for the existing mechanisms, which are dependent on the organization.

An **Ethics Comission** was created to enforce the Code of Ethics and Conduct and to address any clarification or complaint. The Ethics Comission can be reached by e-mail every day and requests for clarification are handled confidentially.

The Ethics Comission is a channel that can be used by all those who wish to file a complaint, report, present doubts, or suggestions related to the rules established in the Code.

The report must be reputable, plausible and contain a detailed description of the situation in question. The reports sent through the **Ethics Comission** and the **whistleblowing channel** are read by the President (Ana Romualdo) and Secretary (Joana Janson) of the Comission.

In addition to the e-mail address and the whistleblowing channel, employees can always address any member who constitutes the Ethics Comission in person or virtually, by video call or by sending an email directly to the professional emails of each member.

Colquimica Adhesives guarantees the necessary protection for the people who fulfill their duty to report.

Partnerships & Memberships

Colquimica Adhesives presents a list of business associations and universities with which there is a collaboration, all these partnerships and memberships being seen by us as a strategic participation:

 APCAS - Associação Portuguesa de Cimentos, Adesivos e Selantes APCAS - Glue, Adhesives and Sealants Portuguese Association	 APQ - Portuguese Association for Quality
 CODIPOR - Portuguese Association of products identification and coding	 EDANA - Nonwovens Association
 ASC - The Adhesive and Sealant Council	 FEICA - Association of the European Adhesive & Sealant Industry
 Association of the Nonwoven Fabrics Industry ADVANCING ENGINEERED MATERIAL SOLUTIONS INDA - Association of the Nonwoven Fabric Industry	 Instituto Superior de Engenharia do Porto ISEP - Higher Institute of Engineering in Porto
 INTERNATIONAL SLEEP PRODUCTS ASSOCIATION ISPA - International Sleep Products Association	 PMMI - The Association for Packaging and Processing Technologies
 POLISH-PORTUGUESE CHAMBER OF COMMERCE PPCC - Polish Portuguese Chamber of Commerce	 SEDEX - Sustainable business and supply chain solutions
 APPDI - Subscribers of the APPDI Diversity Charter	 UN Global compact - UN SDG ambition
 Subscribers of the BCSD Portugal and Agenda 2030 Charter of Principles	 Universidade do Minho - Minho university
 Universidade Católica - Portuguese Catholic University	 Universidade Porto - Porto University
 FEUP - Faculty of Engineering of University of Porto	 PBS - Porto Business School

Sustainability Club

Colquimica Adhesives has founded with its peers the Sustainability Club in 2022, a discussion forum in which companies and institutions can share experiences and learnings about Sustainability practices.

During 2023 several meetings have been held to debate the challenges, risks and opportunities that organizations are facing on Sustainability and also to look for new approaches for the future.



Risk Management

Risk Management is an indispensable tool in our **Global Strategy** as it enables us to assess our activity's **risks, opportunities and impacts** within our company and along our **value chain**.

Our **Corporate Risk Manual** defines the procedures, responsibilities and assessments for the different dimensions and areas which affect Colquimica's group.

The **Risk Management Team** biannually assesses the risk analysis. This team consists of the Group Board (sponsors), the quality and financial areas (nuclear team) and the country managers of each subsidiary (project managers).

The basis for the assessment are:

- End user complaints, process non-conformities, technical changes and changes in the procedures
- Address relevant changes in the external environment (financial, social, political, among others);
- Account for inputs from the members.

After the analysis made by the Risk Management Team, guided by a Rating Matrix of Severity vs. Likelihood, and for the issues with a critical assessment, actions are defined, and the plan is followed up every 4 months to understand the progress that has been made.

Kaizen Lean Program

We are focused on **continuous improvement**, so we've been implementing a **Kaizen Lean Program in Colquimica group**.

Colquimica's Kaizen Lean Program aims to integrate **principles, concepts, tools, and criteria** so that we can establish increasingly **ambitious goals and objectives**. With the target of involving and developing people from different organizational levels, creating continuous improvement and proactivity habits, so that the company becomes a leader in the markets where it operates.

In 2023, **eleven of our teams** have already joined this program with **Kaizen Daily 1 Level (KD1)**. This level aims to help in the development of natural teams by promoting frequent communication and sharing between all team members. This is done by establishing within the teams the habit of holding weekly or daily scheduled meetings focused on planning strategies, analyzing indicators, and improving actions. This allows for all team members to have a space and time where they can openly address concerns or propose suggestions, stimulating a continuous improvement culture. The meeting's organization is standardized throughout the whole organization. All KD1 teams have an organized team board, used and updated during the meetings, that clearly displays general department information (ex. organization chart), performance indicators, planned actions and other information that might be relevant.

Kaizen training hours

Training	Hours
KD1 - Kaizen Auditors	8
5S + Safety	58
KD1 - Kaizen	55
Total	121

In 2024, we plan to give more training and predict that more teams will be motivated to join the Kaizen Initiative. We also foresee starting to have teams in **Kaizen Daily 2 Level (KD2)**. This level aims to improve the organization and ergonomics of the work areas. All employees are motivated to apply the concept of 5S, a systematic way of organizing their workplace by eliminating waste, optimizing equipment and tools placement, and improving flow. Sustaining these improvements is key, therefore the teams are encouraged to use visual management to develop rules to keep the shared and individual spaces in their optimized form. This not only increases the productivity, comfort, and motivation for the employees, but it also increases quality and safety.



During 2023 the first project based on the 5S tool was developed in Gemba, aiming to save and organize the chemical product used to clean the floors. The needed quantities for the cleaning process were adjusted and a new product distribution system was put in place for the teams.

This project was put in place very successfully and it allowed us to save significantly in the expenses of this product.

2.2 Contributing to the UN SDG's

Our ambition is to promote sustainable growth that allows for the business prosperity and all its surroundings, creating social, environmental, and economic changes, aimed at the good of all.

We guide our strategy based on the United Nations 2030 Agenda and the respective Sustainable Development Goals (SDG's) through the search for solutions for continuous improvement, as well as the monitoring and adoption of new tools that allow a more efficient resource management.



We are well positioned to make the greatest contributions to the 6 priority goals we present below:



In order to meet these goals, it is essential that ways to achieve them are established, and therefore, the following challenges have arisen:



- | | |
|--------------------------|---------------------------|
| 1. Carbon Neutrality | 4. Equality & Inclusivity |
| 2. Circular Economy | 5. Zero Accidents |
| 3. Nature & Biodiversity | 6. Community Action |

We sincerely believe that we are stronger together. We guarantee the well-being of our employees, clients, and partners. We want to be successful, but we will not follow this path on our own. We are a company that strives with its partnerships. Without them, we would not be able to develop the business model that we have conceived from the beginning. We will continue to respond to the challenges of the present, always focused on the future.

2.3 Materiality Analysis

At Colquimica Adhesives, we consider a **close relationship with our Stakeholders** to be crucial, therefore, we have established a strong dynamic based on **transparency and cooperation** from a perspective of **shared value creation**.

For that reason, we continued to evaluate the impact of the six most relevant **material topics** of Colquimica Adhesives, whose identification is an integral part of a process to ensure the **organization's sustainability**.

An issue is considered material if it can substantially affect an organization's ability to generate value in the short, medium, and long term.



This report presents our organization's performance on the following six material topics:



Economic Performance



Customers Health and Safety



Energy



Emissions



Employment



Occupational Health and Safety

These topics were classified according to their importance for Colquimica Adhesives, namely issues inherent to the organization's principles and values; topics addressed in the preceding cycle and/or with high integration at the business level; and topics that

Colquimica has or could have a greater impact due to the nature and expression of its activity.

The references used on this report were the GRI 2021 standards.

2.4 Our stakeholders

Colquimica Adhesives' stakeholders assume a **leading role** in the **sustainable management** of its activities and in the performance of the Group's business.

Stakeholders are all individuals or groups on which our activities have a direct or indirect impact.

Their **involvement** is essential for the development of the business and the understanding of their concerns and expectations confirms the validation and identification of the **Group's strategic priorities**.

Therefore, the management of the **communication channels** that Colquimica Adhesives uses with its stakeholders is essential to promote the dialogue between the parties and in the provision and dissemination of a large range of information.

For this purpose, it uses institutional communication means, such as the website; social media; report and accounts; institutional and product catalogues; satisfaction surveys; participation in trade shows; face-to-face visits; intranet; reports, events with clients, among others.

Stakeholders are all individuals or groups on which our activities have a direct or indirect impact.



The main groups of stakeholders include:

- Community
- Business | Industrial Associations
- End user
- Governmental and Official Entities
- Customers
- Employees
- Suppliers
- Financial Institutions

By sharing our progress on our SDG's related commitments, we work to drive sustainability in our sphere of influence:

Economic Performance

SDG 13



Climate action

- PCF calculation project - aims to calculate our product's carbon footprint and therefore to promote the ones with lower values
- Increased investment in more ecological products due to the raise in demand for products with lower carbon footprints.
- Investment in energy-efficient technologies and renewable energy sources.

SDG 12



Responsible Production and Consumption

- Investment in research and development of sustainable & bio-based adhesive products.
- Investment in new, modern, more efficient equipment.
- Addition of a new, more energy efficient production lines
- Investment on a new chemical storing container, in Poland
- Keep track of the share of sustainable products in our portfolio and its impact on Colquimica's turnover.

SDG 5



Gender Equality

- Ensure women have equal opportunities for leadership positions in our family-owned company.
- Promotion of gender equality to enhance innovation and decision-making.
- Provide training and mentorship programs to support women in advancing to leadership roles.
- Investment in our employees, by giving them training, that amounted to 7 627 hours.
- Kaizen training implementation, that involves people from different organizational levels, focusing on promoting continuous improvement and proactivity.

Relevance to Company

Continuously investing in better equipment, materials and innovative products allows not only to reinforce our strong commitment with climate action, but also to meet the customers demand for eco-friendly products. Having strong gender equality policies benefits our organization in the sense that diverse teams are better, stronger and more innovative, creating a balance between individuals. This, together with having a proactive attitude towards climate action, allows the company to be seen outside as better managed and therefore with lower risk.

Affected Stakeholders

Business / Industrial Associations
Community
Customers
Employees

Financial Institutions
Governmental and Official Entities
Suppliers

Energy

SDG 12



Responsible Production and Consumption

- 100% of electricity consumed at the Portuguese and Polish units comes from renewable sources, as per our Energy Attribute Certificates.
- Goal definition to have the whole group considered carbon neutral, by finding alternatives for energy sources in USA in 2024.
- Launch of the Energy Management Team with the goal of reducing energy consumption associated with Colquimica group, by developing a set of projects and measures such as installation of low consumption, indoor and outdoor, LED lighting.
- Lean-Green Value Stream Mapping & Glue waste generation reduction project in 2022" - Goal definition to, until 2030, raise our waste reclamation to 95% and reduce our production waste by ton of glue produced in 25%.
- Goal definition of Zero waste for landfill until 2030.
- In 2023, 84% of our overall waste was reclaimed.
- Innovative products leading to a significant glue consumption saving.
- Development of new "low melt" adhesives that allows the reduction of the temperature's application by around 20°C.

SDG 6



Clean Water and Sanitation

- Proper treatment of wastewater to prevent pollution.
- Ensure that the company's operations do not negatively impact local water sources.
- Implementation of water-efficient technologies in manufacturing processes.
- Water recirculation on productive process.
- Development and maintainance of robust wastewater treatment systems.

SDG 15



Life on Land

- Preservation of local ecosystems and biodiversity by carrying out initiatives of reforestation such as plantation of 940 trees in Poland.
- Creation of a composting container in Portugal.
- Compliance with environmental conservation laws.
- Responsible management of land used for factories and operations.
- Source raw materials and packaging sustainably, with minimal impact on biodiversity.

SDG 13



Climate action

- Promotion of several encounters of the Sustainability Club, founded by Colquimica and its peers in order to raise awareness and capacity on climate change mitigation.
- Utilization of renewable energy sources and improving energy efficiency.

Relevance to Company

We recognize our practices not only have the power to influence our organization but also others. Supporting clean energy sources by implementing them in our units promotes the overall investment in these types of energies, which Portugal is pioneer of several. Water is necessary for cooling purposes and therefore ensuring sustainable water management is crucial. We are continuously investing in more ways to reduce water consumption. Several goals were created to reduce our impact in the land. We dissected our manufacturing process to find ways to source more sustainable raw materials, reduce and value waste and mitigate our effects on the environment. We believe this not only is aligned to the wishes of our consumers but also serves as an example to other organizations.

Affected Stakeholders

Business / Industrial Associations
Community
Customers
Employees

Financial Institutions
Governmental and Official Entities
Suppliers

By sharing our progress on our SDG's related commitments, we work to drive sustainability in our sphere of influence:

Customer Health and Safety		Emissions		Employment		Occupational Health and Safety
SDG 3 Good Health and Well-being  • Development and promotion of non-toxic, safe adhesive products. • Continuous assurance that our products are safe for use and do not pose health risks to end-users. • Control of safety of adhesive products in various applications.	SDG 12 Responsible Production and Consumption  ISO 9001 - Certified Quality Management System.	SDG 13 Climate action  • Aim to reduce GHG emissions (scopes 1&2) in 50%, by 2030 and 100% by 2050. • Transport Management and Logistic - reduction of the range of long transit time shipments to our customers; seek alternative trucks suppliers to electric or hydrogen for the upcoming years. • ISO Supplier Evaluation Plan. • PCF calculation project - aims to calculate our product's carbon footprint and therefore to promote the ones with lower values. • Lean Green Packaging Project - increased the amount of recycled materials in our packaging as well as reduced the amount of printed ink needed .	SDG 12 Responsible Production and Consumption  • In 2025, aim to obtain the ISCC PLUS Certification. • Goal definition that by 2030, we have 20% bio/mass balanced raw materials. • Waste Reduction and Reclamation: 1. Lean-Green Value Stream Mapping & Glue waste generation reduction project in 2022" - Significant glue waste reduction in our operations on the filtration process. 2. Goal definition to, until 2030, raise our waste reclamation to 95% and reduce our production waste by ton of glue produced in 25%. 3. Goal definition of Zero waste for landfill until 2030. 4. In 2023, 84% of our overall waste was reclaimed. 5. Improvement on our waste park to better organize waste. 6. Encourage recycling. • Prioritization to ensuring legal compliance with atmospheric emissions in line with the best practices in the glue industry. • ISO 14001 - assured compliance with environmental regulations. • Innovative products leading to a significant glue consumption saving. • Development of new "low melt" adhesives that allows the reduction of the temperature's application by around 20°C.	SDG 3 Good Health and Well-being  • Employees Benefits Package - Health Insurance; Meal Cards; Snacks; etc. • Homeoffice - aiming to better reconciling work and family life. • Health Awareness Campaigns. • Free physiotherapy and nutrition sessions. • Ethics Commission Code of Ethics and Conduct Whistleblowing Channel	SDG 5 Gender Equality  • Equal pay, career advancement opportunities, and a diverse and inclusive workplace was promotion of. • A DEI action plan definition of, that focuses on several topics such as Gender equality. • Subscription to the APPDI (Portuguese Association for Diversity and Inclusion). • Participation of the CEO of Colquimica Portugal in the conference "The Role of Women in the Economy" promoted by PBS. • Investment made to promote. employee mobility and promotion. • All employees were eligible and considered for the Annual Training plans, which accounted for more than 7 627 hours of training. • Embrace diversity, interculturality, intergenerationally and disabilities as way to create diverse teams.	SDG 3 Good Health and Well-being  • Continuous work towards Zero Accidents Challenge : 1. Employee training 2. Colsafety Day - day of activities for employees to learn about safety measures 3. Regular safety audits 4. Monthly meetings about Safety • ISO 45001. • Employees Benefits Package - Health Insurance; Meal Cards; Snacks; etc. • Health Awareness Campaigns. • Free physiotherapy and nutrition sessions. • Development of ColTalks, sessions with speakers about Quality Management and Safety for our employees. • Healthy work-life balance. • Kaizen training, focusing on improving communication between team members, promoting a healthier and more open work environment.
EDANA AUDIT COMPLIANCE WITH REGULATIONS SUCH AS REACH, GHS; AND/OR CLP						
Relevance to Company Assuring our products are safe to use is a crucial part of our core. We continuously monitor our products to ensure they pose no health risks, building reliability throughout our whole value chain. We not only comply with the safety and health standards, but we also perform audits with external identities to show our commitment to create a product that consumers and end users can trust.		Relevance to Company We believe taking care of the environment is not only a obligation but an opportunity to grow. Therefore, we developed several innovative projects towards reducing our carbon footprint. We view this as an encouragement to develop more sustainable products and to promote recycling in our supply chain. Nevertheless, we are not yet satisfied, so we continuously look into more ways to reduce our greenhouse gas emissions from our manufacturing processes and part of that process has started by defining a project to calculate ou product's carbon footprint. We strongly believe this not only is beneficial to the company, but all it's stakeholders.		Relevance to Company In Colquimica, we believe we are stronger together. Therefore, we develop intercultural, intergenerational and diverse teams. We see this as an opportunity for innovation and decision-making. We participate and subscribe to several associations to further show our commitment and to also promote these standards in other organizations. Furthermore, we invest in our employees as a way to empower them.		Relevance to Company As an adhesive manufacturer, ensuring the health and safety of our employees, especially those in factories, is paramount. This includes safe working conditions, exposure to chemicals, and mental well-being. For that reason, we train our employees and continuously promote safety within the company. We see this as crucial, since our employees are one of the backbones of our organization.
Affected Stakeholders Business / Industrial Associations Community Customers Employees Financial Institutions End user Governmental and Official Entities Suppliers		Affected Stakeholders Business / Industrial Associations Community Customers Employees Financial Institutions Governmental and Official Entities Suppliers		Affected Stakeholders Community Employees		Affected Stakeholders Community Employees

2.5 Coltalks and Networking

In 2023 we were back with Coltalks 2.0!

Our purpose is to welcome speakers to discuss relevant topics of interest to our business model.

In the first session, under the motto "Quality Management - The importance of risk management and multidisciplinary" we received António Castilho, who has a wide experience in Management Systems and Strategy.



The second session of Coltalks 2.0 focused on Safety Awareness – PL Plant Benchmarking.

Sebastian Skrobański, Safety Specialist at Colquimica Polska and 1st place in the "Safety Industry III" 2022, highlighted the best safety measures and procedures to avoid hazards becoming accidents.

At Colquimica Adhesives we promote a safety culture in which beforehand planning is a priority.



The third session of Coltalks was dedicated to Cyber Risk and it was a huge success!

We welcomed Carlos Santos Silva, Director at Costa Duarte – Corretor de Seguros, SA and Rodrigo Adão da Fonseca, Certified Chief Information Security Officer – EC-Council, who shared valuable knowledge about cyber threats, resilience strategies and the role of technology in cybersecurity.



At the end of May, the board of Colquimica Adhesives and several management positions engaged in a training and reflection session on Sustainability in collaboration with Academia Lipor and BCSD Portugal – Conselho Empresarial para o Desenvolvimento Sustentável. This event served as a valuable platform to reinforce our dedication to sustainable practices and our role in shaping a brighter future for generations to come.

We firmly believe that fostering partnerships among businesses, institutions, and governments is crucial in driving meaningful change towards a more sustainable future.



On September 8th 2023, we also participated in the Sustainability, Innovation and Networking conference, organized by the Municipality of Valongo. This conference promoted the meeting of several companies in the region and the sharing the best practices in terms of sustainability.



In November, we also received Diana Nicolau from Lipor that brought us valuable insights on the Sustainability Agenda and Report.



3

A STEADY COMMITMENT FOR OVER 70 YEARS

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3.1 Economic Performance

The year 2023 was characterised by many headwinds for global economy. World economic development continued to recover slowly from the negative shocks of previous years: the coronavirus pandemic with its disruptions to demand and global supply chains; the war in Ukraine and the subsequent rises in raw material prices, especially European energy; spiralling inflation and severe financial tightening that caused some turbulence in the banking sector and financial markets.

Following a 3,4% growth in 2022, the world economy grew by 3,1% in 2023, which shows its remarkable resilience, given the number of major negative shocks it has suffered in the recent past.

One worrisome aspect that emerged in 2023 was the resurgence of inflation in various parts of the world. The combination of unprecedented fiscal stimulus, disruptions to global supply chains and increases in commodity prices has contributed to inflationary pressures in many economies. This has raised questions on the monetary and fiscal policy, with central banks having to balance continued support for economic recovery with the need to control inflation.

In the technological field, the digital transformation has continued to drive innovation and change the way companies operate. Sectors such as artificial intelligence, clean energy technologies, blockchain and biotechnology have made significant advances, changing the economic landscape and creating new business opportunities.

The price of Brent oil was marked by volatility in 2023, due to a complex interaction of factors, including uncertainties related to the pandemic, OPEC production policies and geopolitical events. Although there were periods of ups and downs, the global economic recovery and continued demand for energy provided vital support for prices throughout the year.

The 2023 macroeconomic scenario was characterised by a complex intersection of post-pandemic recovery, geopolitical challenges and technological advances. While some countries have managed to move towards a more solid recovery, others have faced significant challenges, reflecting an uneven and heterogeneous recovery.

Even with all the instability, the Group maintained the **foundation of its values: Agility, Proximity and Innovation**, focusing on the market's future and its customers.

Given the unfavourable macroeconomic scenario in Europe during 2023, the organic growth of the Group's customers, which has been a cornerstone of Colquimica's turnover evolution, has been affected. The downturn in some specific markets, such as the mattresses and furniture industry, also affected the normal growth that was expected.

The reaction to market challenges was dynamic and fast, so that the focus shifted to **attracting new clients** in untapped geographic locations and

emerging markets such as India, Africa and Latin America.

The actual results of the change in commercial strategy had an impact in 2023, but not enough to offset the reduction in active customers. However, we are very confident that the main impact will be felt in 2024, when the Group expects to regain its growth momentum.

In this context, the Colquimica group saw its turnover decrease by **1,3%** in quantity and **5,2%** in value.

The total sales volume changed from **45 288 tonnes** in 2022 to **44 697 tonnes** in 2023. The total sales value dipped from **152,7 million Euros** in 2022 to **144,7 million Euros** in 2023.

In 2023, we continue our efforts to bring about our business **expansion strategy** in the USA, Canada, Europe, the Middle East, Sub-Saharan Africa, and Central and South America.



The intra-EU market dropped by 7,1% to approximately 108,9 million Euros and the non-EU market grew 0,7% to approximately 36,3 million Euros.

Colquimica Adhesives, Inc., located in North Carolina, has also contributed significantly to this increase in sales in the non-EU market.

In 2023, we **increased the capacity of the production lines** at Colquimica Polska, Sp. z o.o., located in Poland. In 2022 and 2023, **1,4 million** and **1,7 million Euros** were invested in a new production line at Colquimica Polska Sp. z o.o. The new production line wasn't fully functional until the end of 2023.

Financial risk management

In the current global context in which the Group is operating, financial risk management is extremely important.

In terms of credit risk, we believe that our increasingly integrated network of Information Technology will provide us with prompt and accurate information to support credit decisions. As a general policy, the Group works with a global insurance system for all its exports, which, therefore, covers all export sales transactions, with the obvious exception of non-credit transactions, i.e. cash on delivery transactions. The use of credit insurance, together with the ability to study each customer's financial profile, which allow making decisions in a timely manner, resulted in a receipt period of **40 days** in 2023 (compared to 37 days in 2022). Additionally, our level of accounts receivable impairments has always been very low, and in 2023, there was only an increase of **14 000 Euros**.

In terms of liquidity risk, in 2023, the Group significantly reduced the need to turn to external funding to finance both its current activity and investments made. In addition to planning for the need for funds,

a liquidity reserve in the form of credit lines obtained from its relationship banks was maintained by the Group to ensure its ability to meet its commitments without having to finance itself on unfavourable terms. As at 31 December 2023, the Group had approved but unused lines of credit exceeding 32 million Euros.

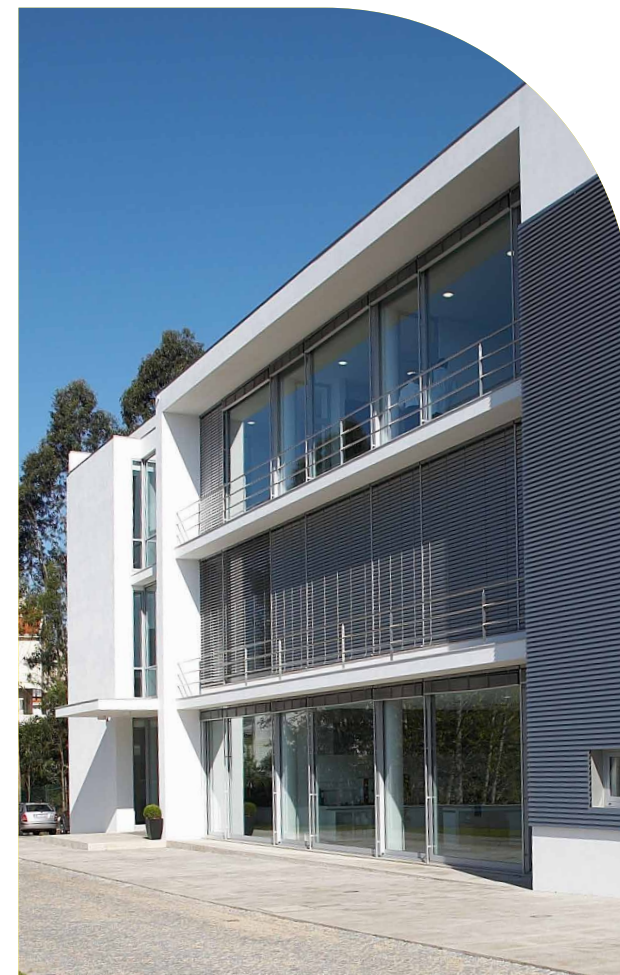
With regard to interest rate risk, given our strong position in terms of equity, exposure to interest rate fluctuations is not significant. Our analysis of the macroeconomic situation leads us to predict a drop in interest rates in the medium term. Our position could be revised by new developments in the global context.

Lastly, in terms of exchange rate risk, the Group uses cash flow hedging instruments. The Group uses exchange rate derivatives in order to reduce the effect of the volatility of exchange rates on its financial flows relating to foreign currency transactions. Additionally, the Group companies record their operations in local currency and in functional currency, which allows them to prepare financial statements expressed in these two currencies



In the following table, we can see several economic data from Colquimica Adhesives, as a group, which allow us to compare 2021, 2022 and 2023.

	2021	2022	2023
Direct Economic Value Generated (M€)	127,13	156,26	143,07
Revenue (M€)	127,13	156,26	143,07
Direct Economic Value Distributed (M€)	121,98	153,75	139,98
Operating Costs (M€)	107,41	137,00	122,53
Employee Wages & Benefits (M€)	9,24	11,33	13,14
Payments to Capital Suppliers (M€)	3,99	5,00	4,00
Payments to the State (M€)	1,34	0,42	0,31
Economic Value Retained (M€)	5,15	2,51	3,09



State Support:

Country	2021	2022	2023
Portugal (M€)	0,48	0,14	0,66
Poland (M€)	0	0,03	0,04
USA (M€)	0	0	0
Total (M€)	0,48	0,17	0,70

3.2 Customer Health and Safety



Product safety is a strategic commitment, having a positive impact on the organization since it intends to consistently and in the long-term guarantee the safety and health of people who come into contact with our products, as well as the respect for the environment, throughout the value chain, from manufacturing to disposal or final recovery.

EDANA Certification – Product Safety Leverage

EDANA is the leading global association and voice of the **nonwovens and related industries**.

As the global trusted voice of the nonwovens industry across the supply chain, EDANA sparks thought leadership and fosters dialogue with all stakeholders. Through safe and open networking platforms, EDANA support sustainability ambitions, responsible product stewardship, and address common technical, regulatory and market challenges.

In October 2023 Colquimica Adhesives started a **voluntary QAP** (quality and audit program) with **EDANA BSi**, being our Polish plant the first one from the group to be audited and being certified with **A Level, a score of 96%** on the 100% rate.



This program comprises 2 parts:

This first element is a minimum quality standard, which specifies minimum requirements for the quality management system of a supplier in the hygiene industry, thus helping to ensure consumer expectations of this industry are met. The word 'minimum' indicates this is a common benchmark, developed by EDANA and a wide range of members in the hygiene industry, including both suppliers and converters. Industry players can apply different and/or additional quality requirements in their business.

The second element is an audit scheme assuring that:

- ▮ Audits are conducted by reputable, trained, and qualified third-party auditors;
- ▮ Suppliers are no longer subject to multiple, independent but quite similar audits;
- ▮ Audit results are owned by the individual suppliers and shared through a cloud-based platform with converters that have been granted access by those suppliers.

This is a great achievement for the company, and it contributed to several improvements such as creating new methodologies; improving processes; new perspectives on the end user risk evaluation, etc. In 2024 all the other plants will follow Colquimica Polska and be audited by EDANA QAP.

Legal framework

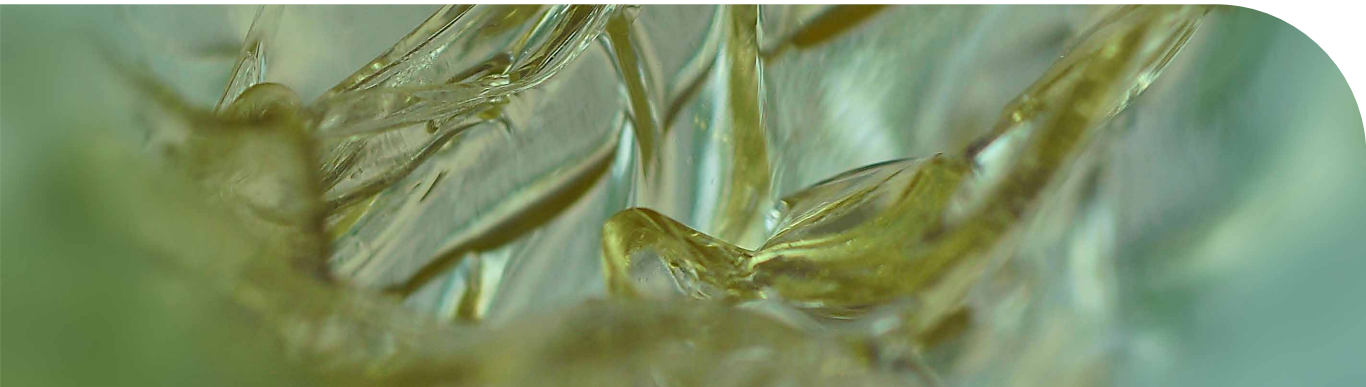
Colquimica Adhesives is fully committed to ensuring its product's safety and quality, having a high criteria from the selection and approval of each raw material and assessing all the impacts they may have on each product placed on the market.

All our suppliers/raw materials must comply with several criteria that often go beyond regulatory requirements – compliance with regulations such as REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), GHS (Globally Harmonized System of Classification and Labelling of Chemicals) and/or CLP (Classification, Labelling and Packaging of Chemical substances and mixtures) – in order to guarantee compliance with all our client's requirements.

Along with all tailored support given to each customer, Colquimica also provides Safety Data Sheets for all the products, a mandatory requirement when placing a product classified as hazardous on the market.

Although the number of products classified as hazardous represents a minority considering the total number placed on the market, due to the importance of SDS throughout the supply chain, as well as for the people who handle the chemical products, Colquimica provides the SDS for all developed products, even if they are not classified as hazardous according to the applicable legislation, thus exceeding its legal obligations.

The SDS are sent to all our customers having, in 2023, been available in forty-three different languages. The SDS are prepared in an automated manner, using a tool that gathers an extensive database of chemical substances. The SDS includes the composition of each product, physical-chemical data, its toxicological and ecotoxicological profile, among others, ensuring adaptation to the market and applicable legislation.



Labeling is also an important point of communication in the supply chain, and Colquimica has an automated label printing system (CLP/GHS), with which regulatory information is adapted to the country of placement on the market, thus ensuring compliance with each one applicable legislation.

In the following table, we can see data related to the assessment of the impacts on safety and health of the main categories of products and services provided by the Colquimica group:

	2021	2022	2023
Number of product and service categories made available by the organization	21	20	21
Number of product and service categories in which health and safety impacts are assessed	21	20	21
Percentage of product and service categories in which health and safety impacts are assessed	100%	100%	100%

Non-compliance incidents related to product and service labelling:

	2021	2022	2023
Number of non-compliances with regulations that originated fines by the competent supervisory authority	0	0	0
Number of non-compliances with regulations that originated warnings by the competent regulatory or supervisory authorities	0	0	0
Number of non-compliances related to voluntarily signed commitments	0	0	0

*non-compliances related to the product (customer complaints – related to product safety)

3.3 Sustainable Value Chain

Colquimica Adhesives value chain encompasses the complete **process of developing and delivering adhesive products to its customers**. Every phase in this value chain, spanning from **raw material sourcing to production, packaging, and distribution**, holds a significant impact on the overall sustainability of the company.

The initiation point involves the critical step of sourcing raw materials from our suppliers. Our Code of Ethics and Conduct is being sent to all suppliers for reviewing and signing assuring they are committed to following and respecting the company's ethical principles and rules of conduct. Should a Stakeholder have a Code of Ethics and Conduct in force, Colquimica Adhesives may choose to accept it, as long as the principles and values set forth in here are guaranteed. For this purpose, the Stakeholder's Code of Ethics must be sent to the Ethics Commission so that a favorable opinion can be issued.

Colquimica meticulously examines its production processes, aiming to reduce energy and resource consumption, minimize waste, and adopt eco-friendly manufacturing practices. For instance, the company incorporates recycled materials into its packaging and ensures the recovery of all raw materials.

In the realm of distribution, Colquimica actively works towards **reducing its carbon footprint by optimizing transportation routes and minimizing packaging waste**.

Furthermore, Colquimica is dedicated to ensuring that its products are used sustainably by customers. This involves **educating customers** on the proper usage and disposal of its hot melt products, as well as advocating for recycling and reusing whenever feasible.

By prioritizing sustainability at every stage of its value chain, Colquimica not only produces effective products but also demonstrates **environmental and social responsibility**. This approach has a positive impact on both the environment and society, contributing not only to sustainability goals but also to the Group's profitability.

Every day Colquimica focuses more and more on a sustainable supply chain, a comprehensive and integrated approach that considers environmental, social, and economic factors at every stage. It is about making responsible choices that benefit not only the business but also the planet and its inhabitants. Colquimica embracing sustainable supply chain practices is not only meeting growing consumer expectations but is also contributing positively to global environmental and social challenges.



In this sense we defined a new objective of using a minimum of 20% of [bio raw-materials + raw-materials under mass-balanced concept] until 2030. This objective means that we will increase in 300% the use of the sum of bio and mass-balanced raw-materials compared to now. We are taking the necessary steps to ensure that we can safely achieve our goals. This project is only possible if we work together with our partners, both suppliers and customers.

Colquimica believes in the **Mass Balanced Concept** and has entered in partnerships with several suppliers who are developing raw materials in this concept.

The **mass-balanced concept** has an

understanding that the dependence on crude oil products must be phased out in small but steady steps. The idea of our suppliers is to incorporate a percentage of bio or bio-circular feeds together with hydrocarbon feeds in their raw-materials. This percentage of bio or bio-circular feeds will be increasing along the time (decades) until the complete phasing out of crude oil products.

Our suppliers are certified by **ISCC Plus** which certifies this mass-balanced concept and correspondent percentages of incorporation.

Likewise, we've decided to get **ISCC Plus Certification** in our main production lines and and we expect to start certification during 2025.

Logistics and Transports:

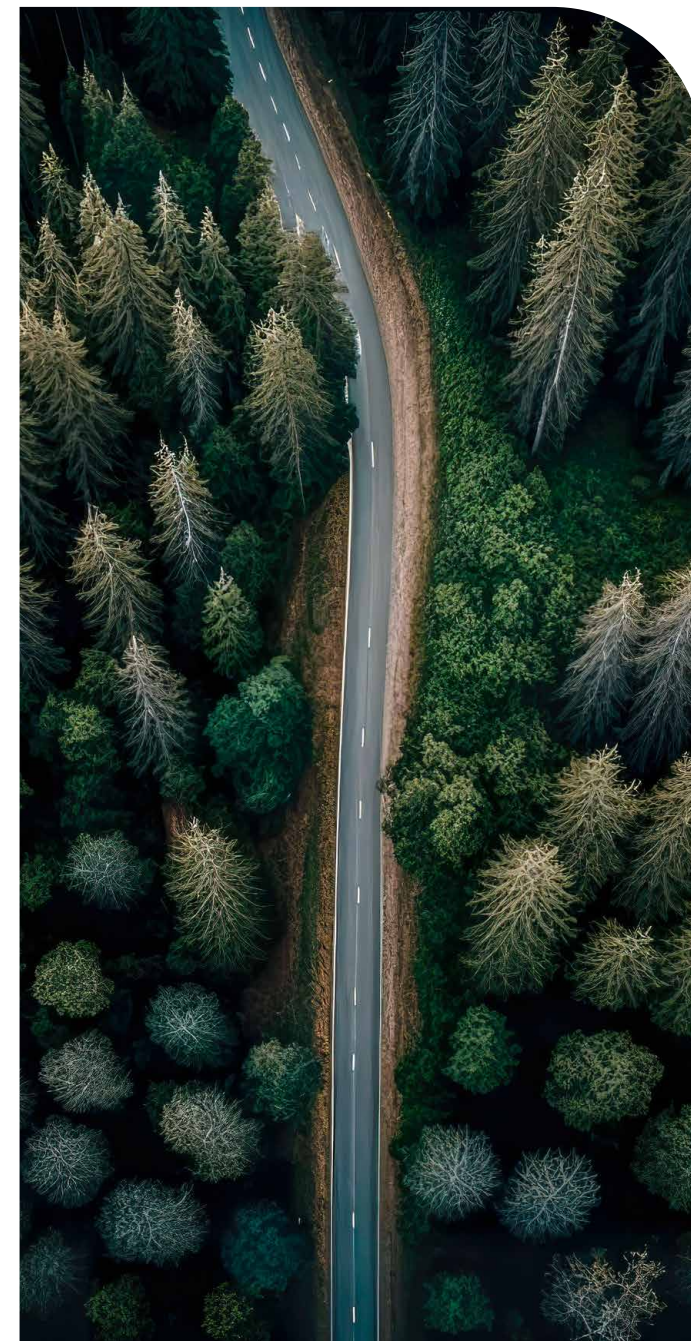
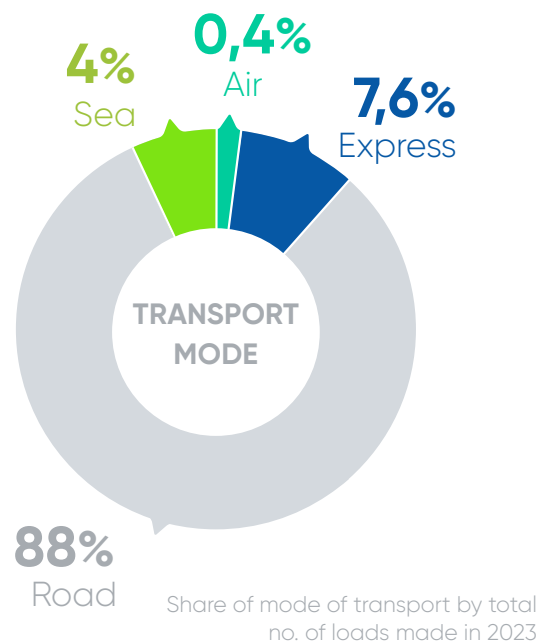
Within our Transport and Logistic operations, we acknowledge the impact on Climate and it is our responsibility to seek internally and externally plans **to reduce the footprint.**

Since Colquimica strategically extended its position globally, with based productions plants in **Portugal, Poland and USA**, as well as a third party logistics sourcing in Turkey, we decreased the range of long transit time shipments to our customers therefore reducing the footprint.

On the other hand, we maintained the focus in optimizing our product to fill our total transport

capacity since less trucks on road decreases the CO2 emissions. Additionally, we seek alternative modes of transport without compromising our quality of service towards our customers. We have ongoing projects within our transport and logistic Supplier in order to seek **alternative Trucks to Electric or Hydrogen** for the upcoming years.

Alongside of this, we have in our ISO Supplier Evaluation Plan a KPI towards the Good Environmental Practices that measures the performance of our partners, and it can keep our partners with the same level of commitment that we have on this important subject.



4 WE CARE FOR OUR PLANET

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4.1 Energy

In this rapidly changing world, environmental challenges are an important part of the business environment and an engine for continuous improvement for the Colquimica Adhesives Group.

In 2023, the total energy consumption of our companies was **18 451 516 kWh**, which represented a slight increase of 4.9 % in the Group's consumption comparing to 2022.

Energy consumption per Production Volume was 411 kWh/ton, which represented an increase of 6% comparing to 2022.

This is mainly justified by the decrease of 8,5% in our Portuguese plant's production volume which affected group's energy intensity value.

We observed, therefore, a slight decreased on some customer's consumption, specially on mattresses, woodworking; packaging and construction markets.

It is also important to mention that 43% of the total energy used in 2023 comes from renewable energy sources and analysing the electricity consumption individually, we remark that 85% derives from renewable sources.

By choosing electricity from renewable energy in the Portuguese and Polish plants, the company avoided 1192,41 t CO2e.



We take on the responsibilities, both in the creation of wealth and in the protection of the environment, which is why **we adopt environmental management** practices that allow a clear knowledge of the impacts caused. As an energy intensive consumer, one of Colquimica Adhesives' concerns is the **reduction of consumption and consequently the reduction of carbon emissions**.

Colquimica Adhesives has used, since 2008, an **Environmental Management System** certified in accordance with **ISO 14001** standard and, since 2021, the search for renewable energy sources is one of our priorities.

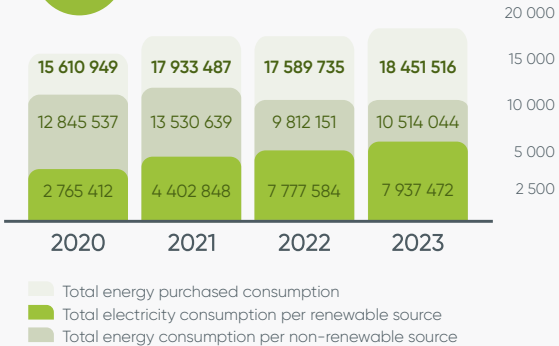


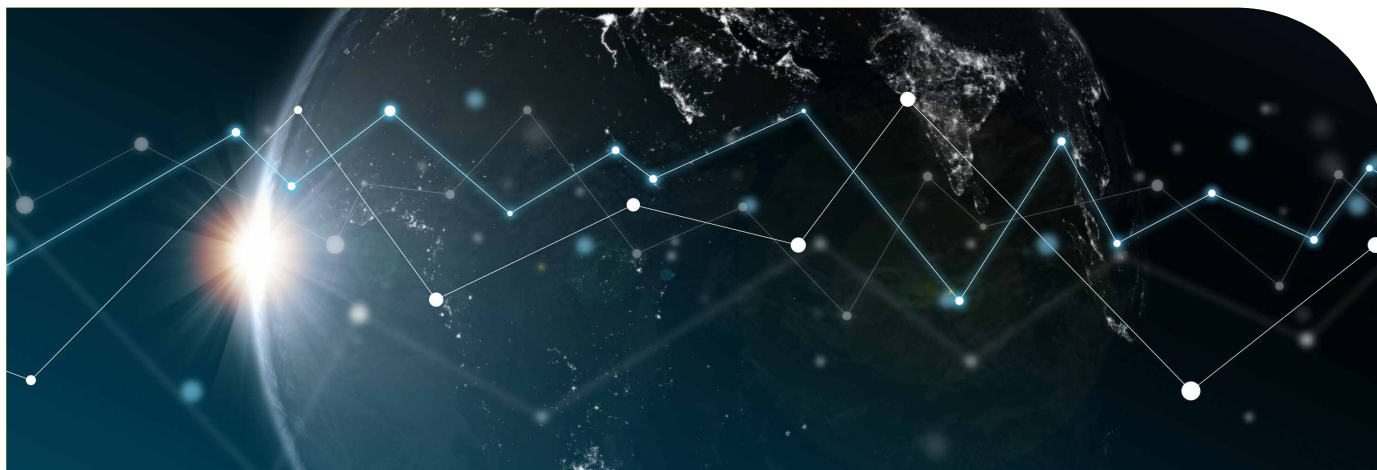
In short, we can see in detail data on energy, electricity, and natural gas consumption by Colquimica Adhesives in all geographies:

	2020	2021	2022	2023
Total energy consumption per non-renewable source – Natural gas + Electricity (kWh)	12 845 537	13 530 639	9 812 151	10 514 044
Total electricity consumption per renewable source (kWh)	2 765 412	4 402 848	7 777 584	7 937 472
Total energy purchased consumption [kWh]]	15 610 949	17 933 487	17 589 735	18 451 516



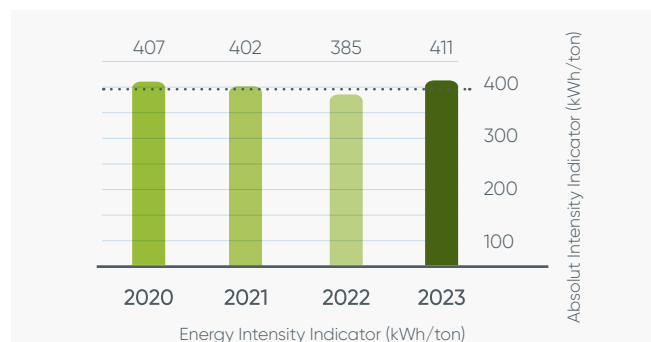
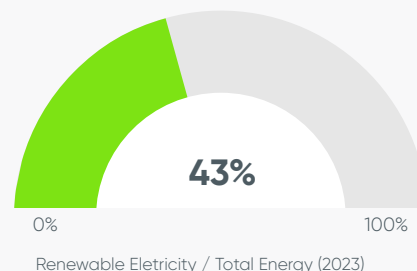
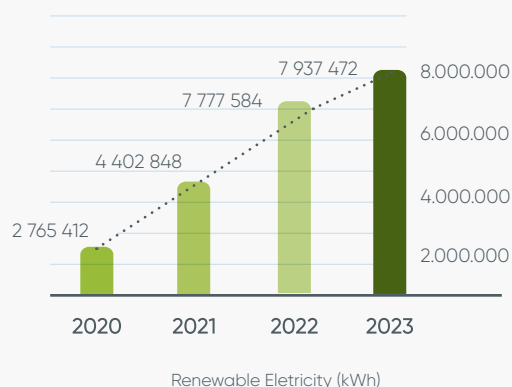
Data on energy (kWh)





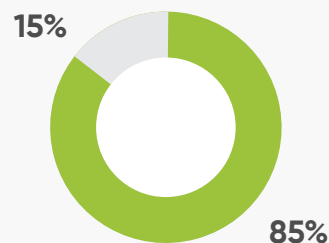
Promotion of energy efficiency

Since the launch of the Energy Management Team in 2021 with the objective of reducing energy consumption associated with Colquimica group, meetings are being held to monitor the action plan, with status and possibly potential improvement actions.



The reduction of energy consumption is based on a set of projects and measures to promote energy efficiency, such as:

- Several efficiency improvements of parts of the process per production line
- Addition of new, more energy efficient production lines
- Replacement of old equipment with modern and more efficient equipment
- Focus on eliminating waste
- Installation of low consumption, indoor and outdoor, LED lighting
- Monitoring consumption
- Conducting energy audits
- Optimization of several pieces of equipment for better energy efficiency



Therefore, within the scope of the first **"Carbonic Neutrality"** challenge, we started to implement improvement actions.

Firstly, the electricity consumed at the Portuguese and Polish units comes from **100% renewable sources**, something that was a concern at the Colquimica group. Regarding the USA, we are trying to find similar solutions so that the electricity consumed by the entire group is considered carbon neutral.

4.2 Emissions

Indirectly associated with the material topic Energy, Colquimica group's emissions are increasingly a major concern which we have been trying to handle. This topic is extremely important to us since it can have a negative impact on our environment, and consequently on human and animal health.

Their management is carried out according to the legislation of each country and we can say that the values obtained in the monitoring that we carry out are well below the Emission Limit Values (ELV) established and, considering the flow, the latter is much lower than the minimum stipulated by law.

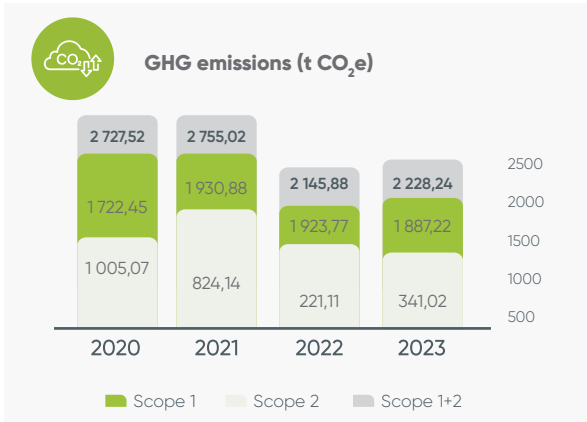
There is a slight increase on the direct emissions (scope 1) value compared to 2022 justified by the significant increase of 40 % in our American plant's production volume, since it is responsible for all the indirect emissions.



According to the Management Policy, Colquimica intends to reduce its ecological footprint and minimize the environmental impacts while promoting the reduction of emissions to the atmosphere. Our priority is to ensure legal compliance with atmospheric emissions in line with the best practices in the glue industry by promoting integrated pollution prevention and control. Moreover, this is a topic that increasingly interests our customers, who ask us to calculate emissions and initiatives aimed at reducing them.

With regard to atmospheric emissions, despite the fact that in all of our facilities there are fixed sources of emission, Colquimica carries out control based on the best practices with regard to the protection of the environment.

In this area and aligned with the United Nations 2030 Agenda and SDG's, we've set up a goal of reducing our GHG emissions (scopes 1 & 2), in 50% until 2030 (2020 as base line) and in 100 % until 2050. In 2023, the Colquimica group recorded a total of 2 228,24 tCO₂eq in direct emissions (scope 1) and indirect emissions (scope 2), compared to a value of 2 145,88 tCO₂eq, recorded in 2022.



The calculation regarding the Scope 1 & 2 CO₂ emissions of the Colquimica Adhesives Group was done, following the Greenhouse Gas Protocol (GHG) methodology.



We can see in the following table tCO₂eq emissions per direct emissions (scope 1) and per indirect emissions (scope 2):

GHG EMISSIONS (t CO ₂ e)	2020	2021	2022	2023	Δ 2023-2022	Δ 2023-2020
Direct emissions - Scope 1	1 722,45	1 930,88	1 923,77	1 887,22	-2%	10%
Indirect emissions - Scope 2	1 005,07	824,14	222,11	341,02	54%	-66%
Total emissions - Scope 1 + 2	2 727,52	2 755,02	2 145,88	2 228,24	4%	-18%

4.3 Other relevant information

Water Management

Water is an important natural resource for our activity and its management and treatment is vital for its **preservation** and therefore **environmental protection**.

The source of the water consumed throughout all geographies comes from the municipal water network as we have no surface nor underground water intakes.

As far as discharge is concerned, it is sent to the municipal collector. In Portugal, before being discharged, water goes through an internal water treatment in a Water and Residue Treatment Center (ETAR) which removes and eliminates water contaminants resulting from the productive process, before going to the municipal collector.

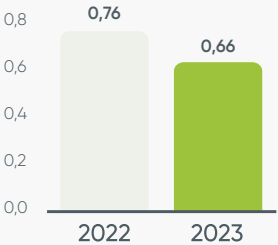


Aiming to promote sustainable water management, actions were established to reduce its utilization, namely:

- Replacing/repairing all water leaking equipment's cooling water tanks.
- Workers awareness for sustainable water usage
- Water recirculation on productive process



Water intensity
(m³ Water/tons Produced)



Water Intensity (m³ Water/Tons produced)

In 2024, we intend to reduce our water intake by ton of glue produced to 0,5 m³/ton.

Waste Management

According to the **Environmental Policy**, Colquimica intends to reduce its carbon footprint and minimize environmental impacts by promoting a **decrease** in the **waste generated and fostering solutions of waste reclamation**.

We encourage eco efficiency in all processes and products, by stimulating the sustainable use of resources and assuring the integration of environmental criteria in the selection of raw materials and packaging.

It is our priority to ensure our waste management system is legally compliant and in line with the best practices in the glue industry, promoting the prevention and integrated control of pollution.

In 2023, we were responsible for managing approximately 1 467,07 tons of waste, which represents an 11% increase in comparison to 2022.

When analyzing the amount of waste per glue produced, we observed a ratio of 0,033 tons of waste per tons of glue.



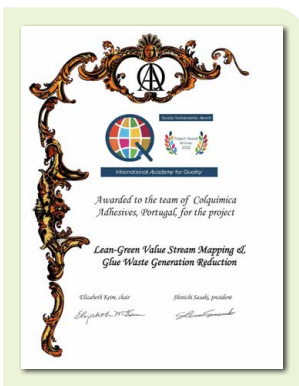
By doing a global balance of waste management in 2023, we highlight the following:

- 84% of the overall waste produced was reclaimed.
- In the long term, until 2030, we aim to continue to increase our waste reclamation to 95% and reduce the amount of waste resulted from glue produced to 0,025 ton as a result of the "Lean-Green Value Stream Mapping & Glue Waste Generation Reduction Project in 2022" we reduced the amount of glue sent to landfill and its transport cost and substantially contributed to the Glue Waste Reclamation in about 50%.
- We intend to seek alternatives to transform our waste into sub-products and having, therefore, a bigger contribution towards a circular economy.
- We kept in track with the goal definition of Zero Waste for landfill until 2030.



Lean-Green Value Stream Mapping & Glue Waste Generation Reduction project - IAQ QUALITY SUSTAINABILITY AWARD 2022

In 2022, we launched the project **"Lean-Green Value Stream Mapping & Glue Waste Generation Reduction"** with the goal to improve our processes efficiency by developing our first Lean Green Value Stream Map (VSM) with a fresh and disruptive way to look at this tool by adding sustainable data and relating it to our processes' and not only looking to productive and quality data as it is most common.



This project was crucial for us to understand and optimize the internal Waste Management System and served as a benchmark for the Group on setting up long term new goals on this area, such as:

- Reduce the amount of glue waste sent to landfill
- Reduce the transportation costs on waste transportation to landfill
- Glue Waste Reclamation

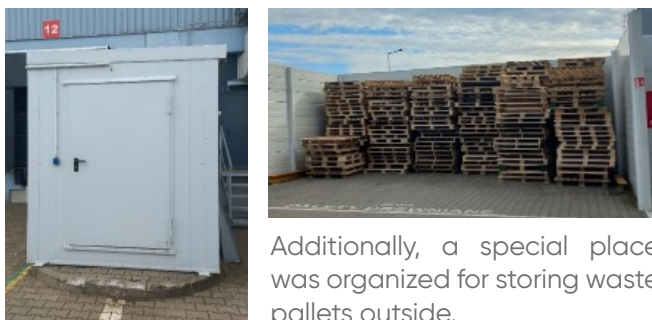
Improvements waste park (Portugal)

The Portuguese Waste Park built in 2022 was designed to better accommodate waste and avoid its crossed contamination, while maintaining its recyclable properties.

During 2023 some improvements were implemented in the waste park in the Portuguese plant with the objective of organizing all the waste area and creating a covered area.



In 2023 Colquimica Polska installed a new container for storing chemicals. The investment was aimed at separating chemical waste from chemical substances storage areas.



Additionally, a special place was organized for storing waste pallets outside.

Composting Container

As a way to recycle the leftover vegetables and fruits from our canteen and bar, Colquimica promoted the implementation of 2 composters in Portugal.

The canteen employees and our environmental technician were trained so that they could take care of the entire composting process. The humus resulting from composting will be used as a fertile in the flowerbeds of Colquimica's gardens, in addition to being able to be collected by employees for domestic use.



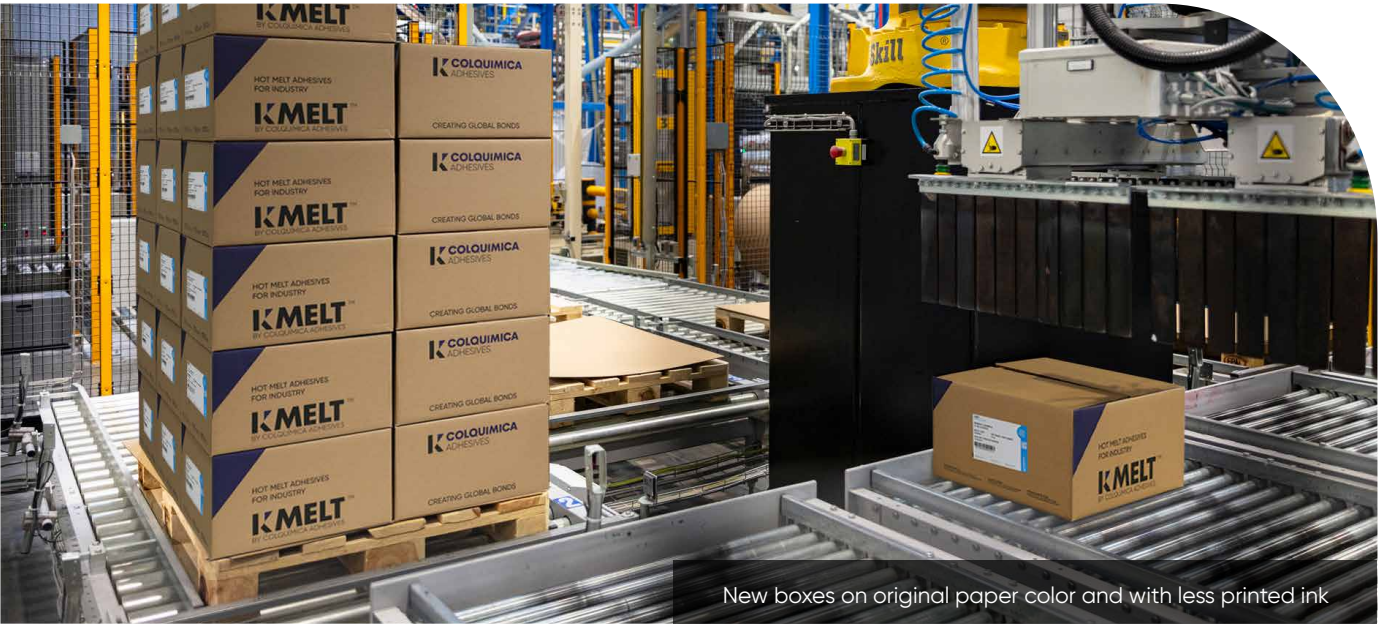
Recycle to win project

Giving continuity to our programme “Recycle to Win”, in 2023 we’ve installed recycling bins for the separation of glass in addition to the already existing recycling bins for plastic and paper separation.



Lean Green Packaging project

In 2023, we’ve successfully completed our “Lean Green” project, mainly focused on our packaging solutions by increasing the amount of recycled materials incorporated in this process (supporting circulareconomy), reducing the amount of ink in the printing stage and consuming products that have sustainable life cycles, such as wood from sustainable forests, when recycled materials are not available.



New boxes on original paper color and with less printed ink

Product Carbon Footprint (PCF)

In 2023 we've set up a project for the calculation of our product's carbon footprint aiming to understand the quantity of CO₂ equivalents that are generated in the life cycle of a product.

This Life Cycle Assessment (LCA) will be a step forward on the alignment with our environmental goals within our Sustainability Strategy.

Understanding our product carbon footprint will allow us to keep offering low-emission and climate-friendly products, essential to the environmental protection and to the driving of our competitiveness.



Boundaries:



Cradle to gate performance



Production plants – Portugal (x2), Poland and USA



Both raw materials and packaging will be considered in the calculation



~20 products (initial project)

Scopes:



This project is ongoing and will be followed up during 2024

5

WE EMPOWER OUR PEOPLE

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5.1 Employment

At Colquimica Adhesives, we work with a focus on **personal** and **professional growth**, making it a priority to create opportunities for our people to develop in an inclusive manner while defending **gender equality** and **human rights**.

This promotion combined with an **inclusive culture** proved to be important both for each employee and for our stakeholders through a survey on this topic.

In 2023, Colquimica Adhesives maintained the focus on creating and promoting job opportunities through getting involved with the academic community, through recruitment of new talent, internal mobility and development of already existing talent.



Academic community involvement

We supported five (5) curricular internships in Portugal, from different professional areas, academic levels and Universities (FEUP, IPAM, ISEP, UM).



Additionally, we participated in five Employment Fairs:



Furthermore, we supported Porto Business School (PBS) Executive MBA in Portugal, on the subject of ESG's strategy approach at Colquimica Adhesives.



We also had first year Bachelor of Economy students visit from FEP (Faculty of Economy from University of Porto, Portugal).



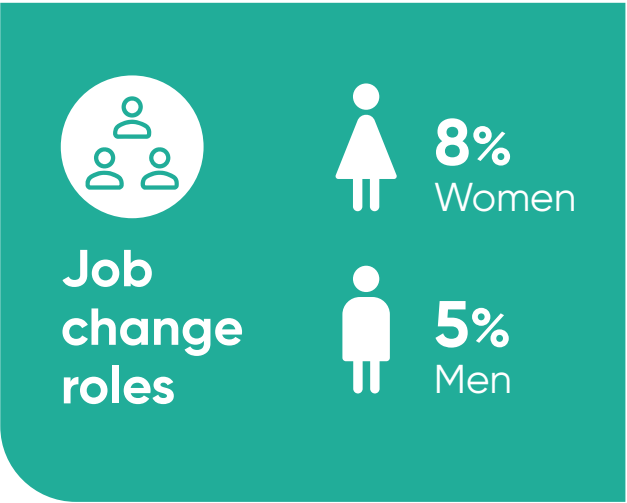
Recruitment

Throughout 2023 we had a total of **63 admissions**, distributed by the 3 geographies, keeping in line with the increase seen last year.

In 2023, we had a turnover of voluntary resignations of 3%, a low figure that reinforces the commitment shown by our People to the company.

Internal Mobility and Promotion

We continued to invest in employee mobility and promotion, having a **rate of 13%** of job change roles in 2023.



All our employees, regardless of their professional category, are eligible and considered in the Annual Training Plans. **In 2023, we accounted for a total of 7 627 hours of training, representing an investment of over 115 000€.**



With the purpose of improving the satisfaction of our employees, in 2023, we carried out our regular Satisfaction Evaluation Survey, that is conducted every 2 years

The survey is sent to all employees with a seniority in Colquimica greater than 1 year. These employees are requested to evaluate the company in the following dimensions: Benefits, Salary, Relationships with Management and Colleagues, Communication, Work Conditions and Nature of Work.

The rating scale goes from 1 to 6, with 1 being the lowest score, "Highly Dissatisfied" and 6 being the highest score, "Highly Satisfied".

The results from the 2023 Satisfaction Survey were 74,3%.

The outcome of this survey will be the basis for the development of an action plan being implemented throughout 2024, that aims to increase the level of employee satisfaction.

Colquimica Adhesives values the benefits it provides to its employees by seeking, annually, to benchmark the best market practices.

Table of benefits offered in 2023

Benefits	Application by geography and type of employees
Health Insurance	GLOBAL Full-time workers
Annual Performance Award	
Col_baby voucher (for employee's new borns)	
Col_awards voucher (school merit award for employee's children)	
Snacks	GLOBAL Full-time workers and temporary workers
Monthly Productivity Award	GLOBAL Full-time workers assigned to shifts

Creating People Bonds

Throughout 2023, **15 internal actions were conducted**, namely the celebration of International and **World Days** or important local holidays. Additionally, **team building activities** and **festive dinners** were carried out in all 3 geographies.

Fat Thursday's

february



Happy St. Patrick's Day

march



Father's Day

march



Easter

april



Mother's Day

may



World Day of Cultural Diversity

may



Saint John's Day

june



Independence Day

july



Diversity, Equity & Inclusion

At Colquimica Adhesives it is crucial to create a work environment that values and respects all individuals.

Vision

Each person is unique, with its own history, life experiences and capabilities. Each person journey is truly important to promote our business’s growth and development.

Our Diversity Policy, Equity and Inclusion (DEI) is applicable to our Human Resources practices and policies, namely in recruitment and selection, compensation and benefits, professional development and qualification, promotions and work-life balance. **The goal is to continuously develop a healthy, diverse, equitable and inclusive work environment.**

By embracing diversity, promoting equity and fostering inclusion, Colquimica positions itself to develop positive changes in the workplace.

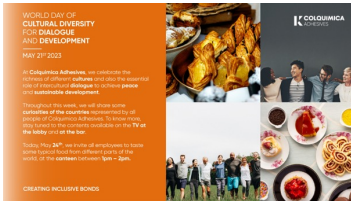
These changes demand not only commitment from people in leadership positions but from all workers.

In 2023 several initiatives were implemented:

Subscribers of the APPDI (Portuguese Association for Diversity and Inclusion), Diversity Charter, demonstrating that we embody and are committed to its principles.



Celebration of World Day of Cultural Diversity for Dialogue and Development.



Self-evaluation on our Diversity practices by using the tool made available by the European Commission, that allows us to get to know and evaluate our path, having Colquimica been classified as Explorer (scale: Champion, Pioneer, Explorer or Beginner).

Participation of the CEO of Colquimica Portugal in the Conference, The Role of Women in the Economy, promoted by the Economists Association and PBS (Porto Business School).



Participation of the HR Department in the 4th edition of the Efficiency Project (D), a project that aims to enhance and promote the employability skills of people with functional diversity. This project is promoted by the Portuguese Business Association (AEP); Porto Association of Cerebral Palsy (APPC); Salvador Association; Porto City Council; Employment and Vocational Training Institute (IEFP); Polytechnic Institute of Porto and University of Porto.

Definition of a DEI action plan for the next 3 years, focusing on 4 areas:



Gender equality

Promoting gender equality, whenever performance, skills and opportunities justify it, generating an equitable environment.



Interculturality

Promoting different cultures in the same social space under the principle of tolerance and respect for difference.



Intergenerationally

Promoting social interactions between people of different ages, based on exchanges of life experiences, values and principles



Functional Diversity

Promoting acceptance of different abilities and an inclusive environment.

Characterization of Employees

The diversity of our people is something relevant for Colquimica Adhesives.



Multi-generational team

36

Average age

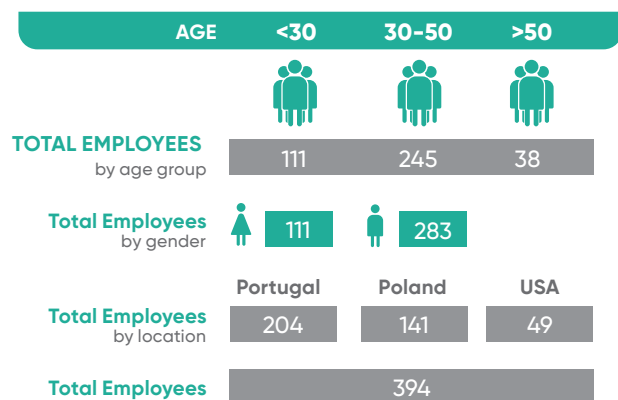
21

Nationalities

394

Employees

Total number of employees at the end of the reporting period, by location, gender and age group



Colquimica Adhesives seeks to develop personal and professional development policies based on merit, qualifications, and equal opportunities.

We ensure that diversity is promoted from the moment of recruitment, taking into account candidates from different backgrounds, nationalities, genders and ages.

We strive to have a gender balance in the different positions, particularly in leadership and administrative

roles. Our aim is to work towards achieving a better balance in the other categories.

We seek to have a gender balance in the different positions, mainly in **leadership** where **50% were held by women in 2023**. We also have a gender balance on the administrative positions. We keep working on the objective of having the same balance level in the other position's categories.

In terms of qualifications, 35% of our people held university degrees:

Education

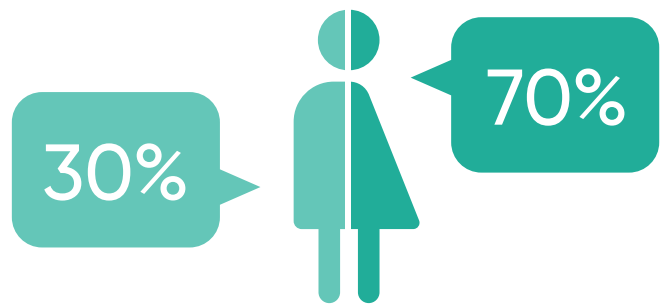


Leadership gender balance

	2021		2022		2023	
Category	Male	Female	Male	Female	Male	Female
Top Managers - Board	50%	50%	67%	33%	67%	33%
Managers	56%	44%	37%	63%	50%	50%
Administrative	44%	56%	52%	48%	48%	52%
Technicians	64%	36%	70%	30%	70%	30%
Production	91%	9%	86%	14%	87%	13%
Trainees	100%	0%	33%	67%	20%	80%

Homeoffice

As far as homeoffice is considered, aiming to a better conciliation of work and family life, in 2023 we had a total of 12 820 hours worked under this system. The majority of these hours were worked by women.



Homeoffice hours by gender

It should be noted that we comply with the law that establishes the quota system for the employment of People with functional diversity with a degree of disability equal to or greater than 60% (Portugal and Poland).

Regarding the use of parental leave, in 2023 we had a total of 23 leaves, with a return rate of 100%

Gender	2021		2022		2023	
						
Number of employees entitled to parental leave	11	8	20	9	17	6
Number of employees who returned to work after parental leave	11	8	20	9	17	6
Number of employees who returned to work and kept working in the company within 12 months	11	8	20	9	17	6
Return to work rate	100%	100%	100%	100%	100%	100%
Retention rate (12 months)	100%	100%	100%	100%	100%	100%



5.2 Occupational Health and Safety

Creating Healthy Bonds

Colquimica Adhesives strives to raise awareness and contribute towards promoting the health of its employees.

During 2023, 6 awareness campaigns were implemented. These were aimed at giving relevant information about specific themes or celebrating International or World days.

World Sleep Day

march

Session on the importance of sleep when working in shifts.

DIA MUNDIAL DO SONO

17 MARÇO 2023

“A IMPORTÂNCIA DO SONO NO TRABALHO POR TURNOS”

Sessões de sensibilização com a Enf.ª Sílvia

15/03/2023

10h00 – 11h30
14h30 – 16h00

22/03/2023

10h00 – 11h30
14h30 – 16h00

World Women's Health Day

may

Focus on the importance of Woman's Health and donation to breast cancer support associations.

DIA MUNDIAL DA SAÚDE NA MULHER

No Colquimica Adhesives, valorizamos o bem-estar e a saúde de todos os nossos colaboradores e implementamos estratégias de medicina preventiva e curativa.

No Dia Mundial da Saúde na Mulher, celebrado no dia 26 de Maio, promovemos o conhecimento para as diferentes problemáticas ligadas à saúde feminina.

Este ano, apoiámos a Liga Portuguesa Contra o Cancro através da aquisição de pins de sensibilização para o Cancro da Mama, a ser distribuídos por todos os nossos colaboradores.

World Women's Health Day

september

An occupational gymnastic guide was distributed.

SEP 5th 2023

We celebrate the International Day of Spinal Injuries, a day that aims to raise awareness to the importance of injury prevention and treatment. Injuries can occur as a consequence of several factors and situations, one of which is repeated posture in the workplace.

We share a Working Gymnastics Guide, so that daily, for 10 minutes, you can perform these exercises and improve your posture.

In addition, to celebrate this day, we invite everyone to participate in one of the stretching yoga sessions, on this day. Show up in the session that suits you best!

Colquimica el Día Internacional de las Lesiones Medulares, un día que tiene como objetivo crear conciencia sobre la importancia de la prevención y el tratamiento de las lesiones. Las lesiones pueden ocurrir como consecuencia de varios factores y situaciones, uno de los cuales es la postura incorrecta en el lugar de trabajo.

Compartimos una Guía de Gimnasia de Trabajo, para que diariamente, durante 10 minutos, puedas realizar estas ejercicios y mejorar la postura.

Además, para celebrar este día, invitamos a todos a participar en una de las sesiones de estiramiento yoga, en este día. Preséntate en la sesión que más te convenga!

Work / Taller: Yoga Conference Room

Session / Sesión: 9 AM

Session / Sesión: 3 PM

World Mental Health Day

october

Awareness and donation to Mental Health Support Associations.

WORLD MENTAL HEALTH DAY

OCT 10th

The World Mental Health Day is celebrated on October 10th and this year Colquimica Polaris decided to support Mental Health, through the occupation of the time given on a interactive day established on this symbol to challenge the stigma in the face of mental health problems.

And additionally support the 2020-2025 Foundation for Mental Health of Young Children, through a donation.

The Foundation for Young Children's Mental Health was established in early 2008 as a non-profit organization. The vision for its establishment was the conviction of the founders of the foundation about the need to sensitize and the attention of the public, and in particular also circles of professionals, to the importance of the correct responses of a young person to his current and future development.

The Foundation supports children and their caregivers in building good relationships between them, i.e. those that enable children to develop in accordance with their natural potential, and give parents the joy of participating in this process.

<https://fundacionfjca.org/>

Flu Vaccination Campaign

october

COLQUIMICA ADHESIVES

CREATING HEALTH BONDS

Get vaccinated against the flu today!

Colquimica is committed to the health and well-being of our employees and our community. We encourage everyone to get vaccinated against the flu this season.

Here are some additional tips for staying healthy during the flu season:

- Wash your hands frequently with soap and water.
- Avoid close contact with people who are sick.
- Cover your mouth and nose with a tissue when you cough or sneeze or use mask.
- Clean and disinfect frequently touched surfaces, such as doorknobs, light switches, and countertops.

Here's how to get vaccinated and our rewards:

- Employees: Get your vaccine at Polaris and earn \$50 Polaris Cash.
- Community: Get your vaccine at \$10 a shot.
- DVR: Get your FREE flu shot Plus, get \$15 off \$50 coupon* emailed after you receive your FREE flu shot.

2023

International Men's Day

november

Blue November – focus on Men's Health and donation to Prostrate Cancer Support Associations.

INTERNATIONAL MEN'S DAY

NOV. 19th '23

At Colquimica Adhesives, we value the well-being and health of all our employees and implement preventative and curative medicine strategies.

On International Men's Day, celebrated on November 19th, we promote awareness of the different problems related to men's health.

This year, we support Fundraising for a Cause by acquiring awareness pins* for prostate cancer, to be distributed to all our employees.

Moreover, the company provides Health Insurance, to assure employee's access to private healthcare.

In Portugal, we maintained the availability of free physiotherapy and nutrition sessions during work hours.

SUSTAINABILITY REPORT 2023

SUSTAINABILITY BONDING THROUGH INNOVATION

K

Near misses Reporting

With the implementation of the ISO 45001 – Occupational Health and Safety Management System Standard, Colquimica Adhesives intends to strengthen the prevention culture in all its workers, encouraging the reporting of “Near Misses”.

A near miss is “an unforeseen occurrence that did not result in injury, illness or damage, but had the potential to do so”.

The project consisted of placing a board with forms, in the production area, so that the employees could quickly fill in the information to report a near miss. A reported Near Miss is an Accident avoided.



Accidents

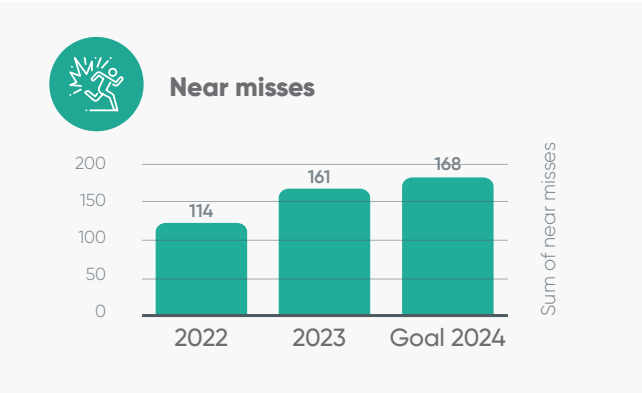
In 2023, there were a total of 22 accidents at work, 4 of them considered as high consequence accidents.

Corrective measures were implemented, including additional training, adding Machine Safeguard training

to the annual plan and weekly safety audits which focus on proper PPE use, according to job functions. Regarding high consequence accidents, a formal report has been established for root cause analysis and corrective actions.

	2022	2023
Portugal	9	23
Poland	85	103
USA	20	35

Number of near misses



		2021	2022	2023
Total number of:	Deaths resulting from accidents at work	0	0	0
	High Consequence Accidents	4	0	4
	Total Accidents at Work	18	19	22
	Worked hours	611 186	766 308	708 285
Ratio of: (per hours worked)	Deaths resulting from accidents at work	0	0	0
	Serious Accidents at Work	0,000007	0	0,000006
	Accidents at Work	0,000030	0,000020	0,000031

Number of accidents

ColSafety



Monthly meetings are held (ColSafety team), with the participation of employees from various departments, Production, Maintenance, Human Resources, Technical, RD&I, with the coordination of the Quality and Sustainability team.

Safe Team Project – Safety Promoters – Portugal

The project consisted in preparing the Team Leaders (Production), or chosen promoters (Labs, Logistics and Procurement), for a self-evaluation of the Occupational Health and Safety culture, in order to encourage the adoption of safe behaviors, with a view to preventing accidents and promoting health in the workplace.

After training in the classroom and at the shop floor, they received the Diploma of Safety Promoters at Colquímica.



World Day for Safety and Health at Work

In 2023, our teams celebrated the World Day for Safety and Health at Work by participating in different activities aimed at raise awareness for the importance of this subject at work.

In Portugal, several games were created related with the theme: Safety Charades, Safety Scramble, Hangman game. The theme was “Vive com segurança, trabalha com confiança” (Live safely, work confidently).



Also, mini 1st aid kits were distributed for every worker.

In Poland, on April 28th, the Health and Safety Department together with the Quality and Sustainability Department organized a Safety Day.



In USA, the team also participated in a Team Building activity by asking 5 different people questions from the “Learning Safety With Your Team Members”



Our Polish teams have had first aid training with the objective of acquiring theoretical knowledge and practical skills in providing medical first aid and to be prepared to independently provide first aid in the most typical situations in everyday life.

It included the theory of basic resuscitation procedures; legal and moral aspects of providing first aid; elements of human anatomy, useful when providing first aid and first aid sequences – chain of survival.

As a result, all the participants received their certificates.



First aid training for employees

The teams have also had fire protection training with the objective of increasing employee's awareness of fire protection and equip them with the necessary skills to respond effectively in the event of a crisis.

This training focused on the use of fire extinguishers and other fire-fighting equipment, as well as gaining practical skills in using hand-held fire-fighting equipment.

Additionally, participants learned how to evacuate efficiently in the event of a fire.



Fire protection training

5.3 Other Relevant Information

Community involvement

As one of Colquimica Adhesives' fields of action, Social Responsibility plays an important part of the Group's activity plan. Throughout the years we have been supporting several causes within the three local communities of our facilities.

Therefore, throughout the year of 2023 several were the causes supported by Colquimica as a conscious promotion of ethical civil duty along with the surrounding community.

Working with children

Continuing our support to **Mãe D'Água Center, in Portugal** (center for the fostering of children and young people), in 2023, we've had once again some important occasions of help:

- Donation of Easter Eggs,
- Providing School Kits for each fostered child, at the beginning of the school year of 2023/2024, with the necessary supplies.



Simultaneously, we have supported **Bagos d'Ouro** Association with school kits for 26 University students.



Solidary Christmas

During the Christmas Season, a joint effort among all branches of the Group allowed us to set in motion another edition of the campaign "A more Supportive Christmas" (Natal + Solidário):

In Portugal this initiative consisted of the donation of second hand toys, gathered by our employees, to Mãe D'Água Center and in the gathering of food supplies to offer to ADICE, a local association whose main purpose is of social development in the community of Valongo.

In Poland, we set up a campaign for food supplies gathering to offer to the Municipal Social Welfare Center (Komorniki).



The campaign was also extended to our American plant with the donation of food supplies to Second Harvest Food Bank of Metrolina.

Helping pets

Along with its people, Colquimica Adhesives also supports animal causes.

In 2023, on World Animal Day, we've set up a food collection campaign in our Portuguese and Polish branches to donate to local animal shelters: Municipal Veterinary Center of Valongo, In Portugal, and Municipal Center of Scronisko W Dopiewie in Poland.



Between the important contributions from our people and corporate donation we were able to gather 250kg of animal food.

Cheering sports

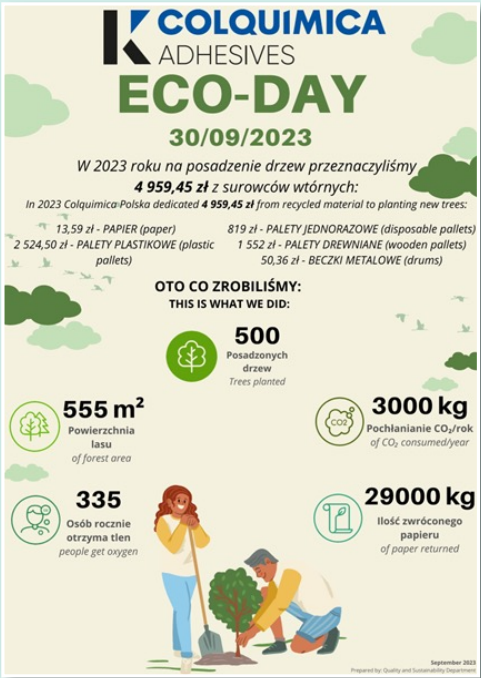
At the heart of Colquimica Adhesives' dedication to social responsibility is a deep understanding of how sports bring people together and encourage personal growth. We continue our tradition of sponsoring sports teams, proudly supporting Associação Desportiva de Valongo, in hockey, and Futebol Clube do Porto, in what comes to football in Portugal. Similarly, in Poland, we maintain our commitment with Kolejowy Klub Sportowy Lech Poznań. This firm commitment highlights our strong belief in the positive influence of sports to inspire all, ensuring the continuous growth and success of these organizations.

Biodiversity

Each one of us has a role to play when it comes, to protecting the environment and Colquimica Adhesives has been very active. To boost biodiversity in all three plants, we have been establishing several partnerships with local organizations to form alliances that will truly impact the surrounding environment in the near future.

Meanwhile, Colquimica Polska during Autumn 2023 has promoted the Eco Day activity consisting in the plantation of 500 trees.

This initiative had already started in 2022 and allowed the plantation of 940 new trees in total.



* estimated data not supported by scientific research



GRI TABLE



GRI STANDARD

INDICATOR

RESPONSE

ORGANIZATIONAL PROFILE

2-1: ORGANIZATIONAL DETAILS

a. Colquimica Adhesives More info at: <https://www.Colquimica.com/en/Colquimica-adhesives/Colquimica-adhesives-world/>

b. Limited Liability Company

c. Rua das Lousas, nº 885, 4440-578 Valongo, Portugal

d. Colquimica Adhesives in the World

<https://www.Colquimica.com/en/Colquimica-adhesives/Colquimica-adhesives-world/>

<https://www.Colquimica.com/en/markets-and-applications/>

2-2: ENTITIES INCLUDED IN THE ORGANIZATION'S SUSTAINABILITY REPORTING

Colquimica S.A., Colquimica Polska Sp Z o.o. and Colquimica Inc.

2-3: REPORTING PERIOD, FREQUENCY AND CONTACT POINT

a. 01/01/2023 a 31/12/2023;

b. Annual;

c. Publication date: July, 2024

d. Sustainability Coordinator: ilda.pires@colquimica.com

2-4: RESTATEMENTS OF INFORMATION

This report is the fifth sustainability report published by Colquimica group and the fourth one to be carried out by the GRI standards.

GRI 2: General Disclosures 2021



GRI STANDARD

INDICATOR

RESPONSE

2-5: EXTERNAL ASSURANCE

EnviEstudos S.A.

2-6: ACTIVITIES, VALUE CHAIN, AND OTHER BUSINESS RELATIONSHIPS

- 1.2. Our Identity
2. Sustainability is our Priority.
- 3.3. Sustainable Value Chain

2-7: EMPLOYEES

5. We Empower our People
- 5.1. Employment
- 5.2. Occupational Health and Safety

2-9: GOVERNANCE STRUCTURE AND COMPOSITION

2. Sustainability is our Priority
- 2.1. Our Governance

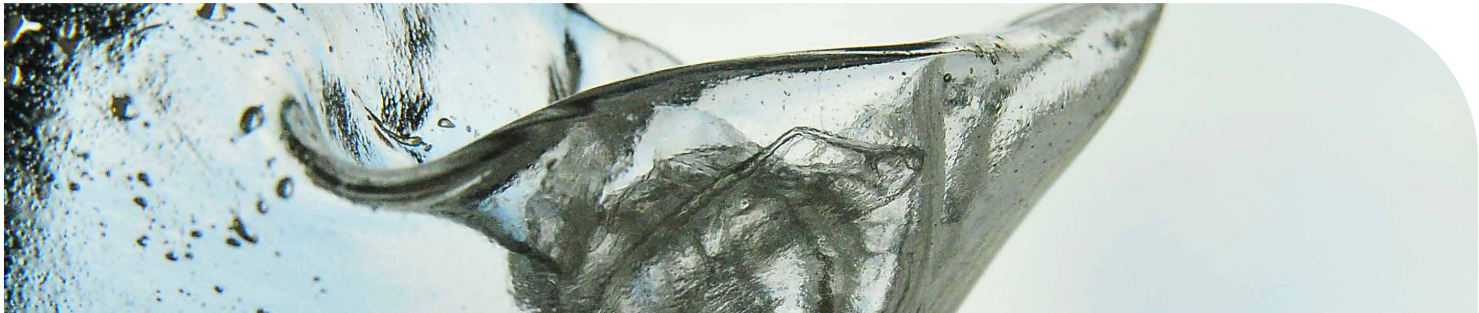
2-22: STATEMENT ON SUSTAINABLE DEVELOPMENT STRATEGY

- Message from the Board
- 2.2. Contributing to the UN SDG's

2-23: POLICY COMMITMENTS

2. Sustainability is our Priority
- 2.1. Our Governance (Ethics Governance Model)

GRI 2:
General Disclosures
2021



GRI STANDARD	INDICATOR	RESPONSE
GRI 2: General Disclosures 2021	2-24: EMBEDDING POLICY COMMITMENTS	
		2. Sustainability is our Priority
		2.1. Our Governance (Ethics Governance Model)
	2-25: PROCESSES TO REMEDIATE NEGATIVE IMPACTS	
		3. A Steady Commitment for Over 70 Years
		3.1. Economic Performance
		3.2. Customer Health and Safety
	2-26: MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS	
		2. Sustainability is our Priority
		2.1. Our Governance (Ethics Governance Model)
GRI 3: General Disclosures 2021	2-28: MEMBERSHIP ASSOCIATIONS	
		2. Sustainability is our Priority
		2.4. Our Stakeholders
	3-1: PROCESS TO DETERMINE MATERIAL TOPICS	
		About this report
	3-2: LIST OF MATERIAL TOPICS	
		About this report



ECONOMIC PERFORMANCE	
GRI 3: Material Topics 2021	3-3: MANAGEMENT OF MATERIAL TOPICS
	2. Sustainability is our Priority
	2.3. Materiality Analysis
GRI 201: Economic Performance 2016	201-1: DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED
	3. A Steady Commitment for Over 70 Years
	3.1. Economic Performance
	201-4: STATE INVESTMENTS
	3.3. A Steady Commitment for Over 70 Years
ENVIRONMENTAL PERFORMANCE	
Energy	
GRI 3: Material Topics 2021	3-1: PROCESS TO DETERMINE MATERIAL TOPICS
	4. We Care for our Planet
	4.1. Energy
GRI 3: Material Topics 2021	302-1: ENERGY CONSUMPTION WITHIN THE ORGANIZATION
	4. We Care for our Planet
	4.1. Energy



EMISSIONS

GRI 3:
Material Topics 2021

3-3: MANAGEMENT OF MATERIAL TOPICS

4. We Care for our Planet

4.1. Emissions

305-1 DIRECT GHG EMISSIONS (SCOPE1)

4. We Care for our Planet

4.1. Emissions

305-2 DIRECT GHG EMISSIONS (SCOPE2)

4. We Care for our Planet

4.1. Emissions

305-4 GHG EMISSIONS INTENSITY

4. We Care for our Planet

4.1. Emissions

SOCIAL PERFORMANCE

Employment

3-3: MANAGEMENT OF MATERIAL TOPICS

5. We Empower our People

5.1. Employment

GRI 3:
Material Topics 2021

401-1: HIRING OF NEW EMPLOYEES AND EMPLOYEE TURNOVER

5. We Empower our People

5.1. Employment



EMISSIONS	
GRI 401: Employment 2016	401-2: BENEFITS FOR FULL-TIME EMPLOYEES THAT ARE NOT ASSIGNED TO TEMPORARY EMPLOYEES OR PARTIAL TIME
	5. We Empower our People
	5.1. Employment
	401-3: PARENTAL LEAVE
	5. We Empower our People
	5.1. Employment
OCCUPATIONAL HEALTH AND SAFETY	
GRI 3: Material Topics 2021	3-3 MANAGEMENT OF MATERIAL TOPICS
	5. We Empower our People
	5.2. Occupational Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM
	All employees of the Colquimica group are covered by the ISO 45001_2018 management policy.
	403-2: HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION
	A risk assessment is carried out in the company using the INSHT method, which allows the identification and quantification of the extent of risks. Based on this quantification, it is possible to establish a hierarchy for prioritizing and the respective actions to be implemented. This assessment is carried out in all jobs, and it is updated twice a year. In addition to this process, monthly audits are carried out to check the implementation and compliance with the several actions implemented to eliminate and minimize risks. Monthly meetings are also held with the safety Comission to monitor and define responsibilities and deadlines for new actions that need to be implemented, as well as for improving actions already implemented.



OCCUPATIONAL HEALTH AND SAFETY

GRI 403: Occupational Health and Safety 2018

403-3: OCCUPATIONAL HEALTH SERVICES

These services constantly update the risk assessment, carry out periodic visits and audits to check if there are new risk situations. They hold monthly meetings with the safety Commission to monitor and discuss topics related to the improvement of the safety system.

403-4: WORKER PARTICIPATION, CONSULTATION, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

The consultation and participation procedure of employees involves a subsequent analysis of all the information collected to check and list several measures that can be implemented in the organization to improve the safety and health management system. The implementation of the measures is monitored in the monthly meetings of the safety Commission and regularly by the internal quality and safety departments. All information is available for consultation in all the usual places for this purpose (information boards) and it is also sent by e-mail.

403-5 WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

Initial welcome training given to all employees where the dangers and risks associated with the various jobs are presented. In addition, topics such as first aid, evacuation and first intervention brigades are part of the annual training plan for all employees, along with other more specific ones, depending on the work area of each one, such as handling chemical products, driving forklifts.

403-6 PROMOTION OF WORKER HEALTH

The organization provides weekly appointments with an occupational health doctor and physical therapist. Additionally, all employees are covered by health insurance provided by the organization.



OCCUPATIONAL HEALTH AND SAFETY

GRI 403:
Occupational Health
and Safety
2018

403-7: PREVENTION AND MITIGATION OF OCCUPATION HEALTH AND SAFETY IMPACTS DIRECTLY LINKED AND BUSINESS RELATIONSHIPS

Colquimica Adhesives manages and controls the impacts on how HSW both on its activities and its workplaces. The company involves its suppliers and clients to ensure alignment in terms of safety behaviors.

403-8: WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

All employees of the Colquimica group.

403-9 WORK – RELATED INJURIES

5. We Empower our People
5.2. Occupational Health and Safety

CUSTOMER HEALTH AND SAFETY

GRI 3:
Material Topics 2021

3-3: MANAGEMENT OF MATERIAL TOPICS

3. A Steady Commitment for Over 70 Years
3.2. Customer Health and Safety

GRI 416:
Customer Health and Safety
2016

416-1: ASSESSMENT OF HEALTH AND SAFETY IMPACT OF THE MAIN CATEGORIES AND SERVICES

3. A Steady Commitment for Over 70 Years
3.2. Customer Health and Safety

416-2: NON-COMPLIANCE INCIDENTS RELATED TO IMPACTS ON HEALTH AND SAFETY CAUSED BY PRODUCTS AND SERVICES

3. A Steady Commitment for Over 70 Years
3.2. Customer Health and Safety

Independent Limited Assurance Report



Independent Limited Assurance Report

To the **Board of Directors** of the **Colquímica Adhesives Group**,

Introduction and Scope

We were hired by the **Colquímica Adhesives Group** to carry out the independent verification, with a limited guarantee of reliability, of the information contained in the **2023 Sustainability Report**, in accordance with the **Global Reporting Initiative (GRI) Standards**, in their universal versions updated and published in 2023 as well as applicable material topic standards.

Responsibilities

The **Board of Directors** of the **Colquímica Adhesives Group** is responsible for preparing and disclosing the information contained in the **Sustainability Report**, as well as defining the evaluation criteria and monitoring the systems that support the results obtained. Our responsibilities are to prepare an opinion of compliance, resulting from an independent verification, and of confidentiality.

Methodology

Our work was carried out in accordance with the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information – ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the verification level adopted was Limited, in accordance with the requirements of the ISAE 30002 standard, incorporated into the internal verification protocols of **EnviEstudos S.A.**

In order to obtain a sufficient and adequate understanding of the matters under analysis, we plan and apply procedures and techniques, in a sample analysis, for a limited assurance engagement, based on:

- Conducting interviews with those responsible and relevant employees, at corporate and operational level, on the sustainability strategy and policies for materially relevant aspects, and implementation of these in the various business areas;
- Conducting interviews with relevant employees responsible for preparing sustainability information for the year 2023;
- Comparison of the information presented in the Sustainability Report with the respective sources of information to determine whether all relevant details

existing in those same sources were included in the Report; and

- Reading of the information presented in the Report of Sustainability, in order to determine whether it is in line with our general knowledge of the **Colquímica Adhesives Group**.

The procedures performed on a limited assurance engagement are different in nature and timing and are more limited than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is different from that obtained in the case of a reasonable assurance engagement.

Conclusion

Based on the work carried out, nothing has come to our attention that leads us to conclude that the systems, processes, and procedures for collecting and processing the information contained in the **2023 Sustainability Report** of the **Colquímica Adhesives Group**, as well as the reporting of the information, have not been prepared appropriately and consistently and does not comply with the requirements of the **GRI Standards**.

Restriction on the use of our report

Our **Limited Assurance Report** is issued exclusively for information and use by the **Board of Directors** of **Colquímica Adhesives Group** within the scope of the disclosure of the **2023 Sustainability Report**, and is not intended to be used for any other purpose.

May 24, 2024

Assinado por: **Jorge Manuel Leal Castanheira Alves**
Num. de Identificação: 09867116
Data: 2024.05.24 09:16:41+01'00'



Jorge Manuel L. C. Alves
Chairman of the Board of Directors and Legal Representative of **EnviEstudos S.A.**

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Acknowledgment

The board of directors wishes to thank all those who contributed to the preparation of this report.

Development and Coordination

Sustainability, Quality and Continuous Improvement Department
Marketing Department

Images

Colquimica Adhesives Image Database

Design

Susana Almeida

Independent Verification

EnviEstudios, S.A.