

2021

We Care

Our pathway to
a sustainable future

Sustainability Report



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Introduction

A Word from our CEO

The last two years were unprecedented, challenging times for everyone. At Manuchar, we had been preparing to face such challenges, with an unrelentless focus on our most important priority, the health and wellbeing of our employees and partners. We have been strictly following the guidelines of the World Health Organization (WHO) and the relevant restrictions imposed by national and local governments.



“Contributing to the betterment of society is part of our mission. Caring for the environment and for our local communities while upholding the highest ethical standards throughout the whole supply chain is not only an integral part of our business; it’s our commitment – the promise of a brighter future for every life we touch.”

Philippe Huybrechs, Group CEO

Our sustainable business practices, based upon the Ten Principles of the UN Global Compact, have greatly assisted us to endure this crisis, and to assure our business continuity.

Doing business is not only about numbers, in fact our financial results are merely the consequence of building good teams and excellent relationships with our customers and suppliers. In our business there is little room for individual victories but huge potential for collective success.

So, we continue to invest in our people – who love to work together across borders and cultures. We also want to make sure that we help the world and the countries we operate in, by fostering environmental sustainability and social responsibility and leading-by-example in terms of governance and ethics. This is what our We Care program is all about.

In this We Care report, we are pleased to confirm that Manuchar continues to support the Ten Principles of the United Nations Global Compact, in the areas of Social Responsibility, Environmental Protection, Governance and Responsible Sourcing. We present and measure our vision, performance and progress.

In the next pages we describe a selection of the activities and projects that took place in 2021 and demonstrate our continuous improvement of the integration of the Global Compact principles into our business strategy, culture and daily operations.

For 2021, this includes for example the introduction of a Supplier Code of Conduct, implementation of a carbon footprint calculation service for our customers and the global roll-out of our social responsibility program ManuCare, centered around quality education. Because we believe that giving back to society is our responsibility, our promise of a brighter future for every life we touch.

Please join us on our continuous improvement pathway towards a sustainable future.”

About our Company

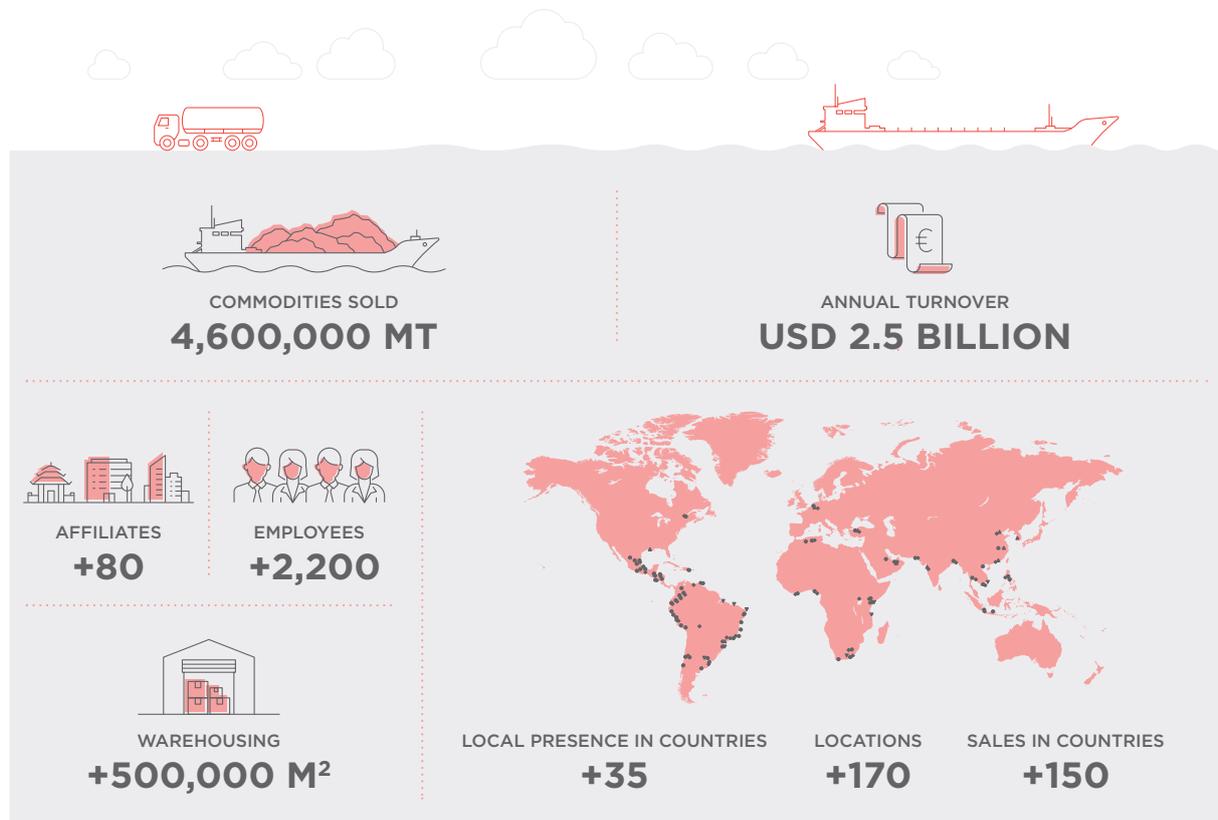
Manuchar is a leading distributor of chemicals across emerging markets and actively trades several other commodities. Our end-to-end chemical distribution business serves various industries, including home care, personal care, food & feed, agriculture, mining, oil & gas, glass, textiles, paper and water treatment. Our international trade activities cover steel, polymers, cement, wood, paper, spare parts and pharmaceuticals.

Throughout the world we service these industries with sourcing, maritime transport, port operations, sales distribution, and local logistics.

Manuchar operates in more than 35 emerging markets with our own local logistics assets and people, providing storage solutions, value-added logistics and just-in-time (JIT) deliveries in over 170 locations. This global undertaking is operated via the nerve center of our entire operation: our headquarters in Antwerp, Belgium.

At Manuchar we strongly believe in the value of long-term partnerships and aim to build a strong and sustainable business. This long-term view explains our systematic investments in infrastructure and teams in strategic locations in emerging markets.

Our over 2,200 strong highly professional workforce connects suppliers to consumers across the entire world. They are the secret of our success and so we are committed to continue to invest in our teams.



Our local presence and proximity are essential to building long lasting relationships. The Manuchar entrepreneurial spirit ensures that we remain agile and always ready to find solutions rapidly in order to help our customers and suppliers. This has helped to grow Manuchar’s annual revenues to over 2.5 billion dollars.

Manuchar was incorporated to the activities of A. Maas & Co in 1985. This group was founded in 1880 and helped to evolve Manuchar into a strong logistics group over the years.

Recently an agreement was reached with Lone Star Funds to become the new majority

shareholder, alongside Manuchar’s management. This partnership marks a new milestone in building Manuchar’s leading chemical distribution platform across emerging markets with the aim to further strengthen our global network, both geographically and in product offering.

Manuchar has always been recognized throughout emerging markets as an exceptionally reliable partner. Our proven business model is based on deep local market knowledge and a resilient global distribution and supply chain network, in line with our mission to “Keep your production running. Anytime. Anywhere.”



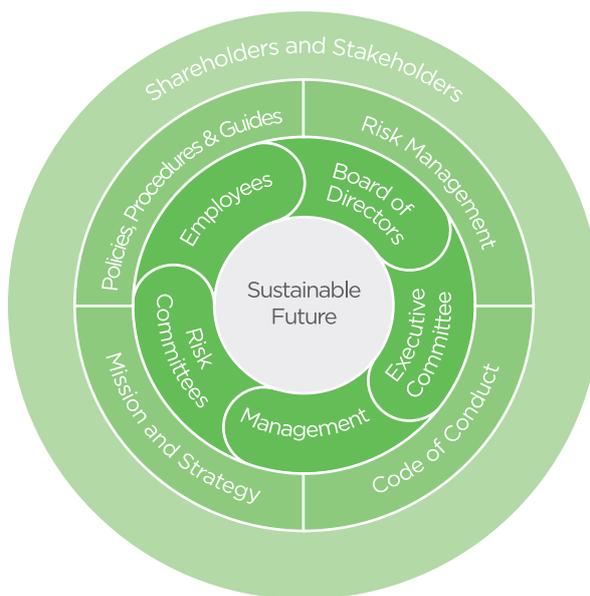
Manuchar supplies raw materials in emerging markets. We deliver the most efficient and reliable sourcing and supply chain solutions from around the globe.
We keep your production running. Anytime. Anywhere.

Outlining our Vision

Environmental, Social and Corporate Governance (ESG) is not just the latest ‘buzzword’ but has become an increasingly important aspect of running our business. Although Manuchar’s operations have a relatively small environmental impact, we are committed to continuous improvement and demonstrating leadership in performance. Our ambition is to be a leader in sustainability, by:

- Managing our Risks & Opportunities
- Reinforcing our Values, Principles & Standards
- Engaging with our Supply Chain Partners

The overall strategy of the Manuchar group is overseen by the Manuchar Board of Directors, who lay the groundwork for our pathway to a sustainable future. Our Executive Committee assesses and reviews on a regular basis the global challenges and opportunities and incorporates our stakeholder and shareholder requirements and expectations into our global strategy. Senior management and dedicated risk committees implement and determine the effectiveness of our risk controls and where necessary, realign our goals to ensure they remain flexible and can adapt to emerging circumstances in an ever-changing world.



“Manuchar continues to invest in risk control practices and systems to ensure customer satisfaction and protection of our environment. We will continue to align with our supply chain partners to ensure the

highest level of responsibility is applied to our product offers, including the introduction of a Supplier Code of Conduct and advancing our compliance performance levels with sustainability platforms such as Sedex® and EcoVadis. We are also engaging with our upstream logistic partners to lower our greenhouse gas emissions across the value chain and offer a carbon footprint calculation service for our customers. Our We Care – social responsibility programs have gained momentum in 2021 and are focused on providing practical support to our local communities and improving the wellbeing of our own employees.”

— Paul Dunlea, Group Quality & ESG Manager

Through our We Care program, Manuchar continues to invest in our people, the environment and in risk control systems that allow us to capture, monitor and respond to the social and environmental risks and opportunities of our supply chain. We plan to further develop our materiality process by implementing regular materiality assessments in close collaboration with our stakeholders. At this moment our business indicator results have not been externally validated; in the future we intend to install third-party validation of our sustainability reporting.

Our Frameworks

The UN Sustainable Development Goals (SDGs) set a global framework for countries, businesses and other stakeholders to address the most important challenges of today's society. In developing the social and environmental aspects of our We Care program, we started with the Sustainable Development Goals to inform our thinking. Through our We Care program, we contribute to the SDGs in four ways:



Social Responsibility

Manuchar strives to improve the health levels of our employees and to enhance the education and general wellbeing of our local communities, including our own colleagues.



Environmental Protection

We are committed to protecting nature and the environment. We understand our responsibilities and we engage in identifying and mitigating the environmental impacts of the products and services we deliver.



Governance

Manuchar fights injustice and aims to ensure our workplace is free of unethical or unlawful behavior. We implement risk controls and policies to protect our stakeholders and ensure business resilience.



Responsible Sourcing

We perform due diligence of our supply chains, promote sustainable procurement practices, and work together with our business partners to offer responsible product alternatives.





Manuchar is an active member of many trade associations and sustainability organizations. With our industry involvement, we aim to ensure the safe handling and use of chemicals within our industry. Manuchar actively participates in the Responsible Care® committee via our membership of the Belgian Association of Chemical Distributors. Our headquarters are third-party validated on a regular basis to ensure continuous improvement on the Responsible Care principles.

The UN Global Compact is the world’s largest corporate sustainability initiative, representing almost every sector and size. Our objective is to align our corporate strategies and operations with the 10 principles of the UN Global Compact focused on human rights, labour, environment and anti-corruption, and take actions that advance societal wellbeing.

As a signatory, we report annually on our progress towards the Sustainable Development Goals. Manuchar also aims to drive the growth of sustainable supply chains by our memberships of sustainable organizations such as Sedex, EcoVadis and CDP™. These memberships assist us in managing and improving the working conditions in our global supply chain and tracking our performance and progress in the areas of environmental protection, labour and human rights, ethics and sustainable procurement.



In 2021, we achieved an increase in our EcoVadis score, which now places Manuchar in the 75th percentile. That means that our score is higher than or equal to the score of 75% of all companies rated by EcoVadis. We score in all four themes - Environment, Labor & Human Rights, Ethics and Sustainable Procurement - higher than the average industry score. We have been awarded a silver medal in recognition of our sustainability performance.



“Making progress in ESG is a matter of proacting with a clear focus, strong mandate and measurable targets. Our global ESG-organization reports directly to the Executive Committee to ensure that we deliver on our vision and goals.”

— Bart Troubleyn, Group COO



Social Responsibility

Our Commitment

At Manuchar, we want to enhance the lives of our employees and local communities. Manuchar is committed to support and respect the protection of the internationally proclaimed human rights.

Our number one priority is to ensure healthy lives and promote wellbeing for all by working towards Sustainable Development Goal 3. We are committed to providing a safe and healthy working environment where we reduce the possibility of illnesses and injuries from handling potentially hazardous chemicals, and our operations in general, to an absolute minimum.

Apart from the health aspect, we also attach great value to the wellbeing of our employees. That's why Manuchar encourages a good work-life balance, and we also promote the concept of a healthy mind in a healthy body, working towards a healthier lifestyle and limiting health risks.

Another fundamental human right that forms the foundation of our Social Responsibility program is education. Manuchar respects and supports lifelong learning opportunities and decent work opportunities under SDG 4 and SDG 8. We commit to substantially reduce the proportion of youth not in employment, education, or training and to promote decent job creation.





Ensuring a Safe and Healthy Workplace

Manuchar embraces and cares about its employees. We therefore place the highest priority on ensuring their physical and mental health & safety. All Manuchar employees are provided with health insurance benefits according to local standards. We work proactively by implementing workplace health promotion programs and team-based events to enhance our health & safety culture through training, empowering and protecting our employees.

The past two years, the most impactful health risk has been COVID-19. In view of the safety of our staff, we have strictly been following the guidelines of the World Health Organization (WHO) and the relevant restrictions imposed by national and local governments. These include reducing or avoiding physical contact, stimulating telework, reduced travel policy, quarantining colleagues returning from high-risk areas and implementing special hygiene measures.

At Manuchar, we are one team, one company, one family. Our aim is to help our employees reach their personal wellbeing goals. We organize sport activities such as yoga sessions, core stability trainings, dance sessions and padel. We even have a Manuchar cycling team.



“Taking care of our colleagues in the pandemic meant in first instance paying attention to hygienic measures in accordance with official guidelines. But just as important was the attention for the personal needs of our colleagues. With physical contacts being reduced to a minimum,

we had to think of ways to nevertheless “stay connected”. Luckily, technical tools such as Teams were available from the start of the pandemic. With regular online team meetings, email updates from management and online social events we have tried to maintain that connection between our colleagues in this difficult period. Today, more than ever, we are very much looking forward to seeing our colleagues again in the office because nothing can beat the “real thing”.”

- **Stephanie Steels**, HR Generalist
- **Tom Verhaert**, Head of Fleet & Facility

As we trade and handle products that might be hazardous to human or environmental health, we have implemented practices to improve health and safety and create a culture of prevention and protection through capacity-building opportunities. At Manuchar we aim to manage any potential health and safety risks by providing training and standard operating procedures on safe storage and handling, housekeeping and cleanliness, work routine improvements, and personal protection equipment.

Manuchar has a tradition of investing in training and we continue to strengthen training in all areas of the organization. Our colleagues worldwide are demonstrating this. Training is key to keep our staff healthy and safe and to achieve continuous improvement and customer satisfaction.



Manuchar achieved a global Lost Time Injury Frequency Rate of 1.17 in 2021.

In 2021, more than 50% of our employees on a global scale have received training on health and safety including fire safety, emergency management or first aid. At all our facilities we provide personal protective equipment to our workers to prevent physical contact with chemicals or potentially hazardous substances.

Via our internal communication channels, we promote vertical and horizontal knowledge sharing on prevention and injury protection topics. Best practices are communicated via social media and our global monthly news digests generate awareness across our group about the hazards related to the products and services we deliver.

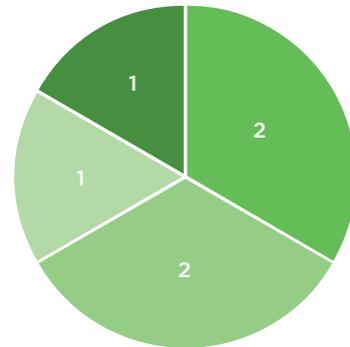
At Manuchar we measure our lost time injury frequency and incidence rate. This LTI reporting includes all employees on site including the subcontracted workers. In 2021, we achieved a Global Lost Time Injury Frequency Rate of 1.17, which means a 37% reduction in comparison to 2020. We track the different injury types and the total number of lost working hours.

All registered incidents and accidents are followed up with a root cause analysis aiming to identify the events leading to the incident and the required preventive measures. Our health & safety policy indicates our commitment to adopting the measures needed to prevent accidents or health hazards that may arise in the workplace. Our objective is to conduct our business in the safest possible manner consistent with local regulations and to promote a zero-accident culture.

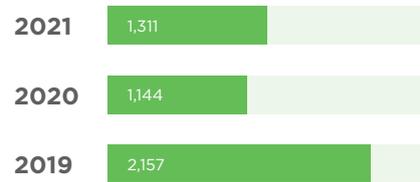
Employees are empowered to challenge any unsafe practices they observe and communicate safety hazards to management. Manuchar’s management has the responsibility to ensure compliance with the relevant health and safety laws as applicable to the area of operation, as well as to maintain an open and constructive dialogue with employees, clients, neighboring communities, and authorities on both local and national level.

Injury types in 2021

- ▶ Fall or Impact
- ▶ Fracture or Dislocation
- ▶ Eye/Skin Splashes
- ▶ Burning Wounds



Lost working hours per year



“I consider it our biggest responsibility to provide the safest workplace for our colleagues, to ensure that they return home safely to their families. The expenses to guarantee the health and safety of all Manuchar Vietnam employees, are not seen as a cost, but as an investment for our sustainable development. A firm and strong commitment from top management assists greatly in creating health and safety awareness amongst all employees. At the same time, we encourage and empower our teams to recognize and manage any risks that might arise in the workplace by our 5S health & safety program.”

— **Nguyen Thanh Phong**, Country Manager Vietnam

Engaging our Colleagues

At Manuchar, we know that the success of our business is built on the performance of our people. We want all our colleagues to feel connected with our company and our mission. We believe a solid employee engagement system, where employees can develop their skills and are rewarded and recognized for their achievements, helps us to retain our valuable colleagues as well as to attract high quality applicants. Engaged employees are our biggest asset in helping us to succeed and meet our company goals.

Wanting to celebrate the ‘going the extra mile’ attitude of our employees, in 2021 we launched our global employee recognition and reward program ‘ManuChamp’. On a quarterly basis, all Manuchar employees can nominate a colleague or team who excels in a certain area like Our Values, Health & Safety, Sustainability and Social Responsibility.

Especially in such challenging times, where COVID-19 dramatically disrupted business worldwide, we wanted to acknowledge the outstanding performance of our colleagues. They continuously go the extra mile, are fully committed to ensure service excellence for our customers and keep our operations running. Our teams relentlessly deliver goods to our clients, anytime and anywhere.

On top of that, our colleagues did not forget about caring for our communities and the environment. Several employees were additionally rewarded for their entrepreneurship in sustainability where they designed new tools from recycled materials. Others were recognized for their engagement in their local communities, helping families who are confronted with food insecurity and other challenges due to the crisis.



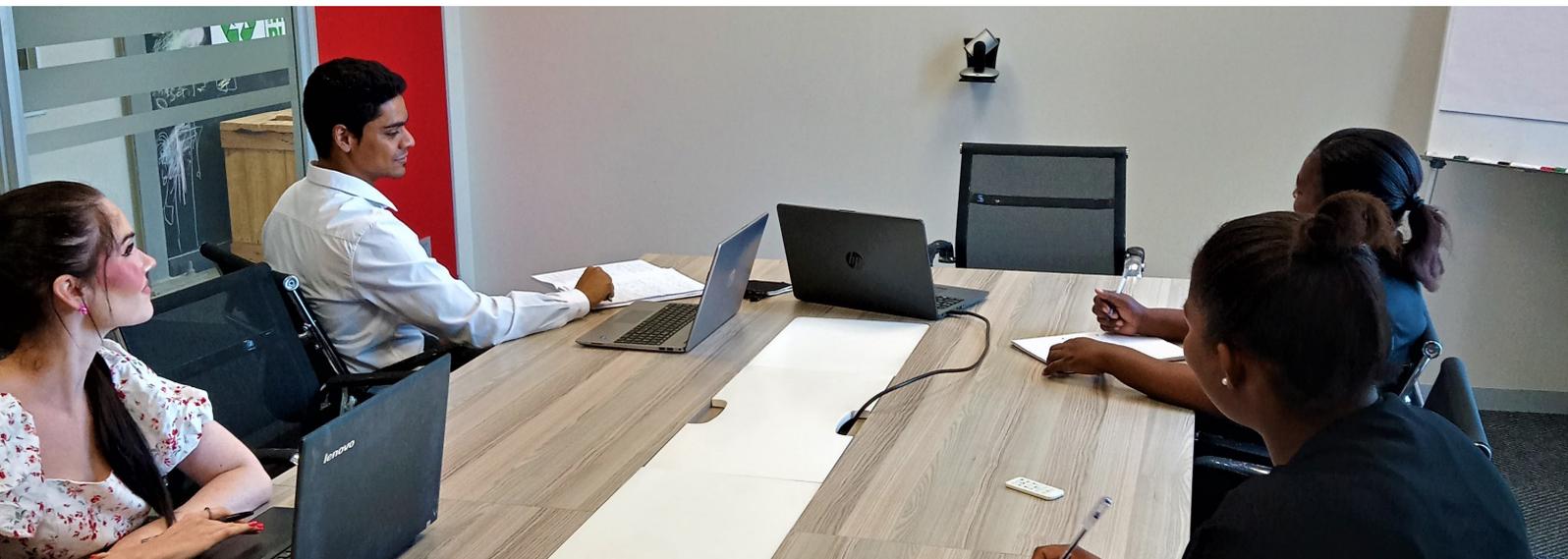
Career management plays an essential role in employee engagement. We want to help our employees to grow their skills and feel motivated within our company. As we are a growing company, we are constantly searching for new talent to reinforce the Manuchar team.

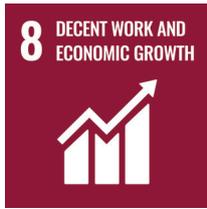
At Manuchar, we commit to a fair and transparent recruitment process, fully compliant to legal requirements. Recruitment and promotion decisions are to be based solely on merit and on personal competencies, qualifications, and achievements.

We apply a non-discrimination policy and aim to have a very clear definition of the roles and their responsibilities. Once onboarded, we value open and honest feedback that help our colleagues move forward. We aim to have a yearly performance evaluation process where all employees need to discuss the expectations to achieve our goals as a team. Topics like wellbeing, engagement and training and development are high on our Personal Evolution Process agenda.

At Manuchar, we strongly believe offering training and learning opportunities has a positive impact on employee engagement. Different people have different strengths, and we are committed as a group to develop these strengths. We therefore invest in employee development programs in order to strengthen and upgrade the skills of our colleagues.

In 2021, we have been working to enhance our local skills development programs with additional training via our global training platform. Full global roll-out of the Manuchar training platform is foreseen for 2022. All Manuchar employees will have access to an entirely collaborative platform where they can discuss training activities they followed recently, share best practices, and submit training requests within a dedicated community space. Our Manuchar Group Code of Conduct is the first training topic to be launched via our global training platform in 2022.





At Manuchar we support and respect the protection of internationally proclaimed human rights and so we protect the right to work in just and favorable conditions. Manuchar does not tolerate any form of compulsory or forced labour and believes everyone has the right to engage in work and to pursue a freely chosen or accepted occupation.

Each employee’s presence at a Manuchar workplace is voluntary. All Manuchar colleagues receive a signed copy of their employment agreement, and they are free to leave their employment position when they deem appropriate, of course provided they give notice and act in accordance with the relevant laws and regulations. Manuchar is committed to fulfilling all applicable labour and social insurance laws and regulations.

Manuchar prohibits any form of child labour and adheres to the minimum working age requirements in all countries in which it is present. We expect the same conduct from our business partners. Manuchar prohibits young workers under the age of 18 from working with hazardous substances.

Manuchar provides employees with a total remuneration package that meets or exceeds the minimum standards prescribed by local or national law and in line with local industry standards. We aim to establish a living wage to ensure that the everyday needs of every Manuchar employee are met and some discretionary income is provided.



All our permanent employees were paid a salary above local livable wage in 2021.

We improve the remuneration package with additional benefits, excellent working conditions and rewarding personal development opportunities. Once part of the Manuchar family, every employee needs to be treated with respect, so we work on creating a climate of openness and transparency where working relationships are free from harassment.

Manuchar respects the right of employees to freedom of association, including the right to establish and join a labour union. The decision whether or not to do so, should be made solely by our employees. Where national law substantially restricts the freedom of association, Manuchar does not prevent employees from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment. Manuchar will not aim to influence or control these mechanisms.



“A company can only function well if all the components work together harmoniously. Each and every employee should have a sense of ownership over their role and responsibilities within the company. We empower our employees through the provision of resources, skills development and training opportunities. Within the Human Resources department, we ensure that we strictly adhere to all labour and recruitment regulations. We go above and beyond to provide our employees with opportunities and benefits that motivate and encourage them to succeed within their careers and further add to the success of our company.”

— **Mariette Paulo**, Human Resources Manager South Africa



Our Culture of Equality and Diversity

Manuchar attaches great value to, and has respect for the diversity of our staff, the principles of equal opportunity, and the protection of human rights. As a group we commit to treat everyone fairly and equally and prohibit any form of discrimination, including any distinction, exclusion or preference based on age, gender identity, race, ethnic background, sexual orientation, political opinion, nationality, religious beliefs, physical or mental disability, or any other personal characteristic.

We believe that women and men have a right to equal participation in the workplace and our gender equality approach ensures that all Manuchar employees have access to equal opportunities to develop their careers in a workplace free from bias.

The logistics and transport sectors are characterized by poor workforce diversity, particularly gender inequality. In 2021 we reached 32% overall female representation in our workforce. This is a 1% increase since 2018. As we strongly believe that diverse teams perform better and are more innovative, Manuchar commits to focus on increasing gender diversity across all levels and functions within the Manuchar Group.

Currently one out of three management positions are filled by a female colleague. This includes middle management, senior management, as well as executive positions. We aim to have a balanced ratio of men to women in these management and executive positions.





In 2021, we collected global age, wage and gender ratio data and established a Group Diversity & Inclusion Policy, which will be rolled out and applied on a global scale in 2022. Gender goals will be set and Manuchar will provide the support and resources needed to succeed and achieve an equitable workplace where gender imbalance is addressed.

Diversity is of course not only related to gender, but also to nationality. As an international group that operates across the globe, we employ colleagues with different backgrounds, cultures and nationalities.

We believe it's imperative that our company reflects the diverse portfolio of the customers and communities we serve. Globally Manuchar employs people from over 50 nationalities. In our headquarters in Belgium alone, colleagues from 25 different nations are working together and sharing their knowledge, experience, and ideas.



In 2021, out of 2,248 dedicated employees there are 50 different nationalities represented at Manuchar.



Caring for our Local Communities

The UN Sustainable Development Goal 4 Quality Education identifies education and skills development as key enablers of sustainable development for local communities. At Manuchar, through our ManuCare program, we support initiatives related to improving the lives of the communities around our operations and offices, with a special focus on children’s education, improving their schools, and offering internships to older students.

Even before the COVID-19 pandemic, the world faced a global learning crisis with 53% of children in low and low-middle income countries unable to read and understand a simple text by age 10. Now, in 2021 learning poverty is even higher, and the differences in learning experiences across and within countries even larger.



“Our ManuCare program is one where we want to improve the wellbeing of the communities in the neighborhood of our operations, making sure everyone has access to quality education. Learning poverty is a real threat in our main operational regions, and we cannot stress enough the importance of eliminating or at least reducing it as much as possible. ManuCare is definitely one of the most rewarding programs I’m working on as we receive immediate positive feedback from our communities and witness the positive impact Manuchar is having.”

— **Evy Moortgat**, Quality & ESG Specialist



As the communities around Manuchar’s operations in emerging countries are very much affected by learning poverty, we see it as our responsibility to play a part in reducing learning poverty. We understand coordinated action is needed to address the magnitude of this challenge.

Many of our employees have already been committing some of their time to community projects, raising funds and participating in local events. But we can do more if we join forces as one company, one team, one family.

Our global ManuCare program is about caring for the communities in which we operate. It has its foundation in the UN Sustainable Development Goals 4, where we aim to ensure inclusive and qualitative education and promote lifelong learning opportunities for all.



Under the program, we build and upgrade education facilities. We provide the resources to ensure that they are clean, safe, and inclusive for all children and we create opportunities that give students earlier access to the corporate environment like internships, work-study programs and traineeships.

As the COVID-19 pandemic also provided huge challenges to local schools and educational institutions, many of the 2021 ManuCare projects were centered around supporting elementary schools, high schools and nursery schools in their efforts to deal with the pandemic. In Mexico, our colleagues helped elementary schools near our operations by disinfecting their buildings before reopening after COVID-19 lockdown. We made sure these places were safe for both students and teachers by donating disinfection products like disinfecting and microfiber towels, antibacterial gels, and jars of bleach. In the Philippines, we partnered with a local organization to support students who needed financial support to be able to attend online schooling due to the COVID-19 restrictions around in-person learning. Manuchar Philippines donated laptops to high school students coming from low-income families, ensuring their education did not stop during the pandemic.



Besides the specific COVID-19 assistance, we supported students in the neighborhood of our operations worldwide, by providing funds to cover a reduction of their tuition fees, renovating their schools and playgrounds, and supplying new equipment and educational materials.





As we strongly believe it is crucial to gain work experience before embarking on a career path, we also encourage our teams to offer capacity-building and internship opportunities to older students. They take this on board and open their doors for students from local schools to provide them with skills-based training, because everyone has the right to engage in work and pursue a career.

In 2021, our colleagues from Manuchar Honduras embarked on a project they had been dreaming of for a long time. With the financial support from the global ManuCare program, they were able to fully renovate the Arturo D’Inocentis school in Puerto Cortes, close to their operations. Please find [here](#) a great video from our colleagues from Honduras on this wonderful project.



“Thank you Manuchar!”



“Manuchar is committed to improving the quality of life in our local community. We allocate our resources on impacting education as it is the one thing no one can take away from them. We are giving the young generation attending Arturo D’Inocentis an additional

step towards freedom. It is simply wonderful to experience the joy of the parents, teachers and authorities, who expressed their gratitude for the project, for education, for life.”

— **Franco Guerra**, Country Manager Honduras



Environmental Protection

Our Commitment

At Manuchar, we are committed to operating in a responsible, environmentally sound and sustainable manner. We recognize that our business has environmental, climate and biodiversity impacts and we seek to identify these and find effective ways of eliminating or reducing them.

We have identified three focus areas where we believe we can have the biggest impact and drive change. These focus areas are climate protection, renewable energy, and sustainable resource use.

As part of our sustainability strategy, Manuchar has put the following 2030 targets in place (off the 2021 baseline):



↓ **50%**
Reduce Scope 1 & 2 CO₂e emissions (own operations)



↓ **50%**
Reduction in potable water consumed



↑ **50%**
Increase in electricity from renewables



↓ **50%**
Reduction in waste to landfill

In our efforts to reduce our energy use and emissions through efficiencies and clean technologies, we are supporting UN SDG's 7 - Affordable and Clean Energy and 13 - Climate Action. In the protection of our natural resources we are supporting UN SDG's 14 - Life below Water and 15 - Life on Land.



“Manuchar supports a precautionary approach to environmental challenges.

We undertake both small and large initiatives within the Group, and in collaboration with our business partners, to promote greater environmental responsibility and encourage the development of environmental responsible technologies and products. In the face of the uncertainty surrounding potential threats to the environment - which has frequently been used as a reason to avoid taking action to protect the environment - Manuchar recognizes that delaying action until there is compelling evidence of harm will often mean that it is too costly or impossible to avert the threat, therefore we intend to take action now. One of the greatest challenges facing business today is not how to deal with complex risks, such as those associated with climate change, but failing to take action against those risks. In the words of Nelson Mandela “It always seems impossible, until it is done”.”

— **Gillian Marnewick**, Quality & ESG Specialist



Our Pathway to Carbon Net Zero

Global warming and climate change have come to the fore as key sustainable development issues. As a trader of commodity chemicals, we understand that we have a direct impact on the environment through the energy we use and emissions we produce. Our pathway to carbon net zero includes visibility, reduction and off-setting.

We are committed to halving our carbon emissions (Scope 1 & 2) by 2030, and therefore recognize the importance of taking action to reduce our energy use and emissions, which is shared by our investors, customers, and suppliers. We plan to do this in the following key areas:

- **Promoting a low-carbon economy**
 - Energy management through energy audits and improvements in operational efficiency.
 - A shift to renewable electricity at all locations.
 - Actively engage in partnerships to explore ways to improve environmental performance across our value chains.
- **Minimizing our environmental footprint**
 - Committing to set science based targets.
 - Conducting climate change risk assessment and waste mapping studies.
 - Transitioning to clean fuels and latest technology in our vehicles and equipment.
- **Compensating for Scope 1 & 2 emissions where further reduction is not possible**



Energy consumption at our sites (offices and warehouses) account for approximately 29% of our total emissions, while the mobile fleet (trucks, cars and other equipment) and stationary combustion account for the other 71%.

During 2021, the global activities of the Manuchar Group resulted in a total of 11,920MT of CO₂e emissions (Scope 1 and 2); an increase of 34% compared to 2020 emissions.

A number of factors contributed to this increase, including but not limited to the below:

- The expansion of our organizational boundaries to include all operational facilities (offices and warehouses).
- CO₂ emissions were calculated for electricity using the respective country-specific factors (location-based method).
- An increase of 6.7% volume of goods sold through our chemical distribution facilities.

CO₂ emissions per warehouse MT of product sold were not measured in 2020 and therefore 2021 will be the baseline year against which reduction targets will be measured in 2022.



¹ CO₂ equivalent (CO₂-e) The universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis.

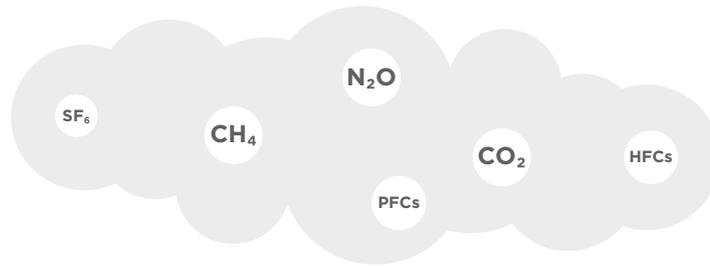
² Chemical Distribution sales only - as this stock is handled through our facilities/warehouses.



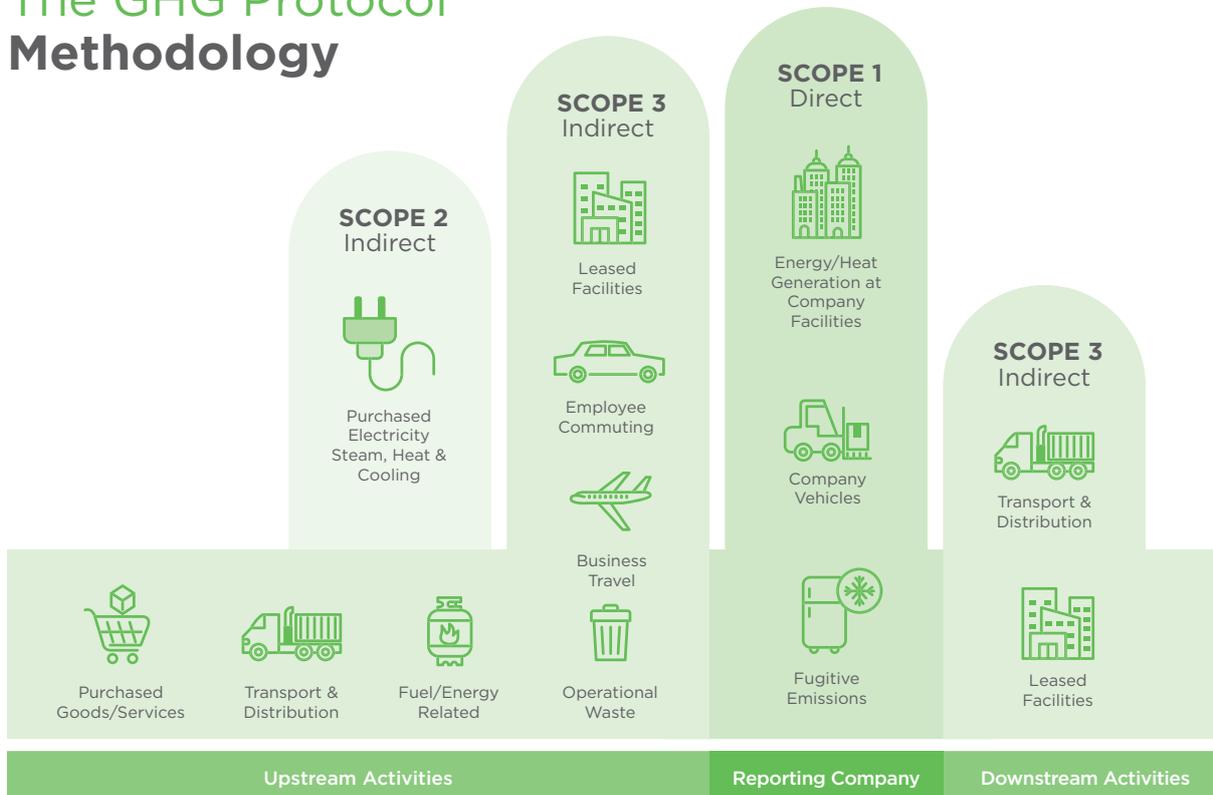
Greenhouse Gas Emissions

Manuchar has had group-wide environmental reporting in place since 2018. Consumption data is collected quarterly and is compiled and validated centrally by the Quality & ESG Department. This data enables us to identify energy-saving potential and improvement projects.

We calculate our emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard using the financial control approach. We track our Scope 1, 2 and 3 emissions and strive to improve our environmental reporting each year. In order to maintain the transparency expectations of our stakeholders, we constantly review and improve our reporting methodology.



The GHG Protocol Methodology



Emissions type	Scope	Definition	Examples
Direct Emissions	Scope 1	Emissions from operations that are owned or controlled by Manuchar	Emissions from combustion in owned or controlled vehicles/ equipment
Indirect Emissions	Scope 2	Emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by Manuchar	Use of purchased electricity, steam, heating or cooling
	Scope 3	All indirect emissions (not included in Scope 2) that occur in the value chain of Manuchar, including both upstream and downstream emissions	Waste generated in operations, purchased goods or services (outsourced warehouses), transportation and distribution

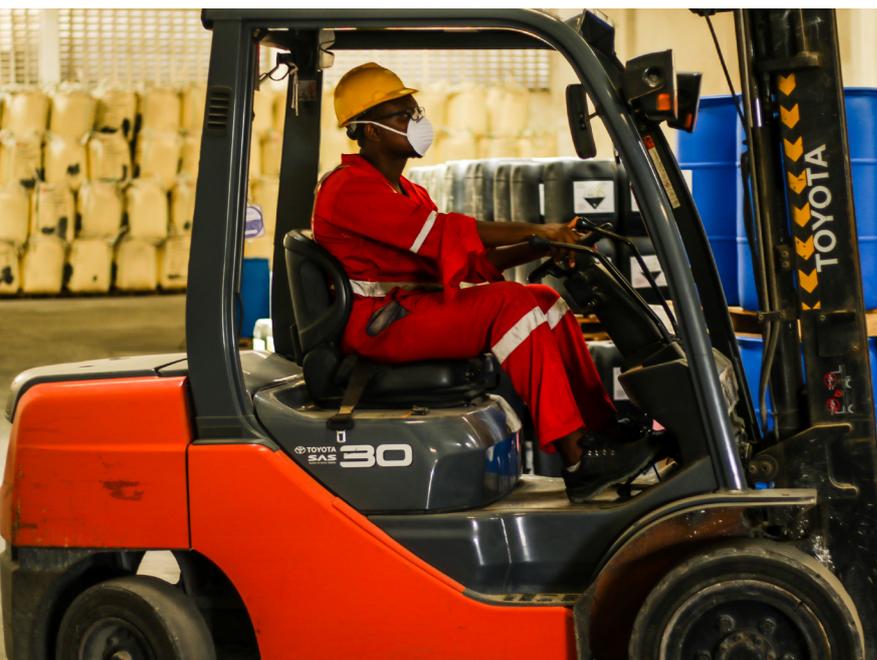
The improvements in the quality of our data collection systems for reporting GHG emissions in 2021 are as follows

	Scope 1	Scope 2	Scope 3
2021 Additional Scope	Extended to include all offices and operational facilities.	Extended to include all offices and operational facilities. Use of both the location-based and market-based methods (where available) for calculating CO ₂ emissions from electricity.	Scope 3 emissions were reported for the first time in 2021. Emissions from waste disposal and water supply related emissions.

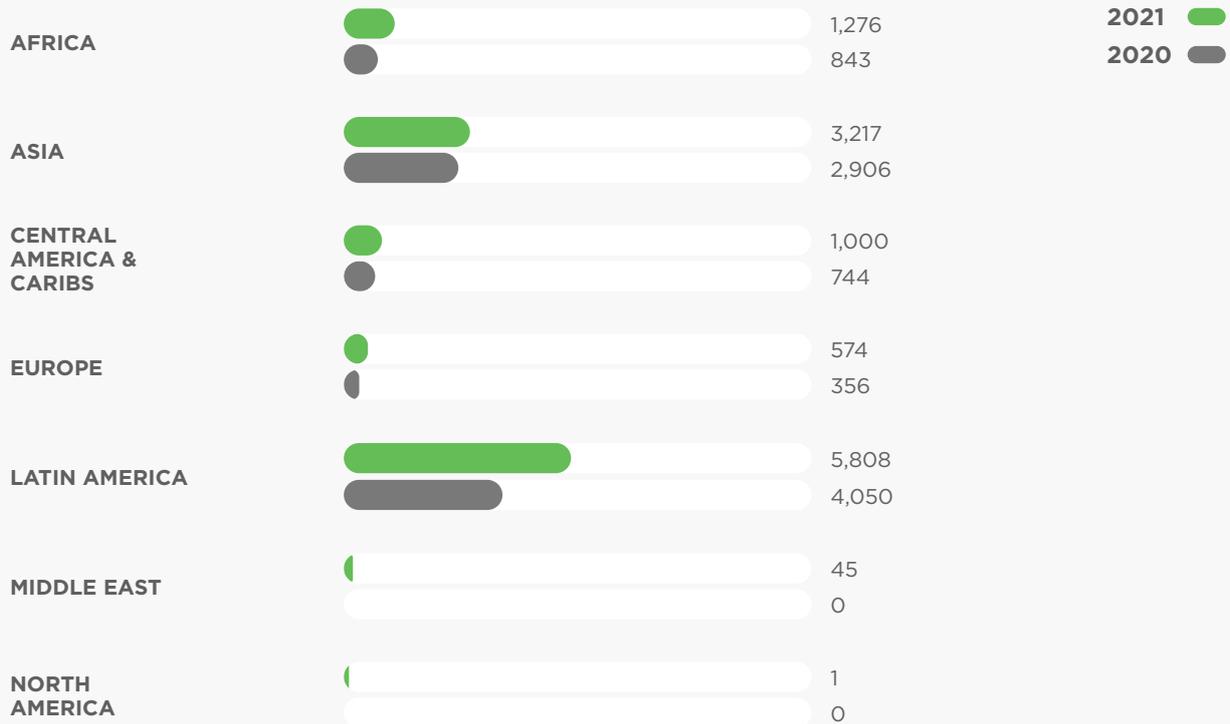
Direct (Scope 1) & Energy Indirect (Scope 2) GHG Emissions

CO ₂ e emissions		
Gross global Scope 1 ³ emissions: Financial Control Approach	8,518 tCO ₂ -e	GRI 305-1
Gross global Scope 2 ⁴ emissions	3,402 tCO ₂ -e	Additional GRI 305-2

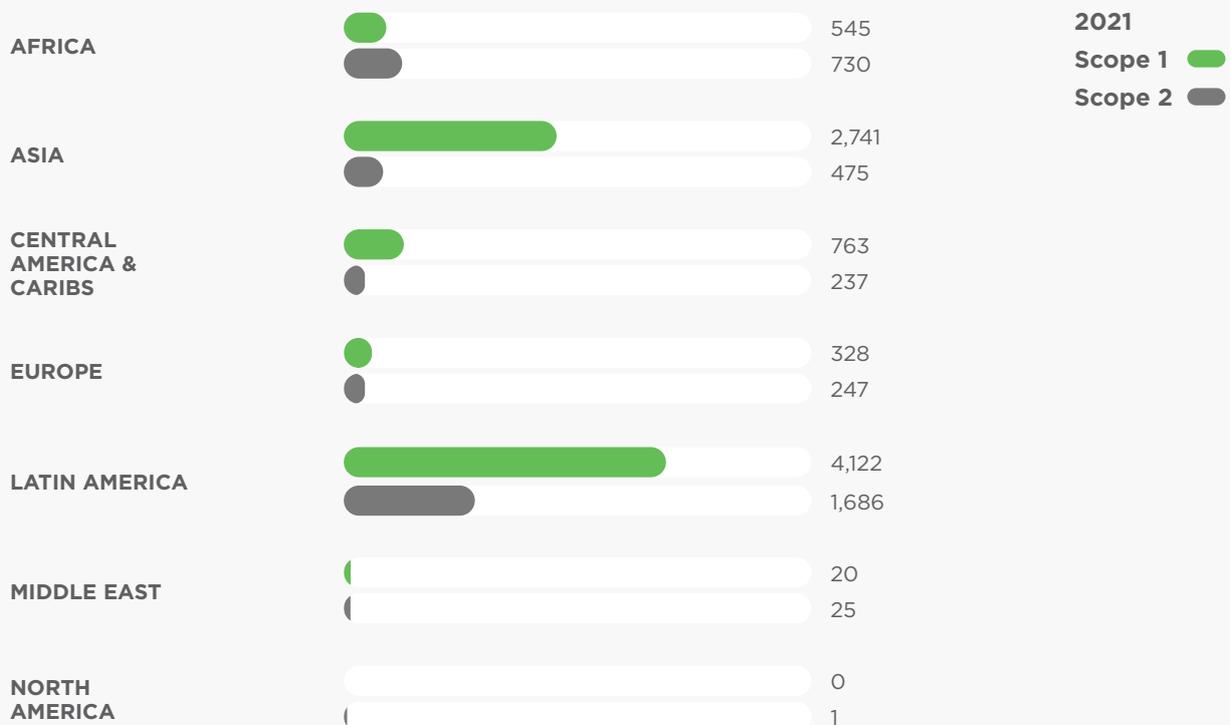
^{3 & 4} The values given for Scope 1 emissions & Scope 2 emissions have not been verified.



Total Scope 1 & 2 Emissions 2020 vs 2021 (tCO₂e) per Region



Scope 1 & 2 tCO₂e Emissions per Region



Total greenhouse gas emissions made up of direct emissions from combustion at our facilities and indirect emissions from purchased energy.

Our affiliate companies in the Latin American Region account for approximately 36% of all goods sold in the business and therefore as a region contribute the largest portion of our CO₂ emissions towards our global total.

The following sources contributed to our Total Global Scope 1 & 2 Emissions

Scope 1 Emissions			Scope 2 Emissions		
Source	Litres	tCO ₂ e	Source	MWh	tCO ₂ e
Diesel	2,547,621	6,400	Grid Supplied Electricity	5,198	3,340
Petrol	694,924	1,524	Renewable Electricity	159	61
LP Gas	317,909	495			
Natural Gas	76,042	88			
Fuel Oil	3,389	11			
Total	3,639,886	8,518		5,357	3,402

Currently, over 80 percent of our Scope 1 & 2 emissions come from just two sources: diesel use, and the purchase of grid supplied electricity. We continue to look for ways to minimize emissions and other energy use without compromising on the safe and reliable service our customers have come to expect from us.

Reducing our energy usage and emissions is a pillar of our global sustainability goals and will continue to form part of our commitments for 2025 and beyond.

Other indirect (Scope 3) GHG emissions

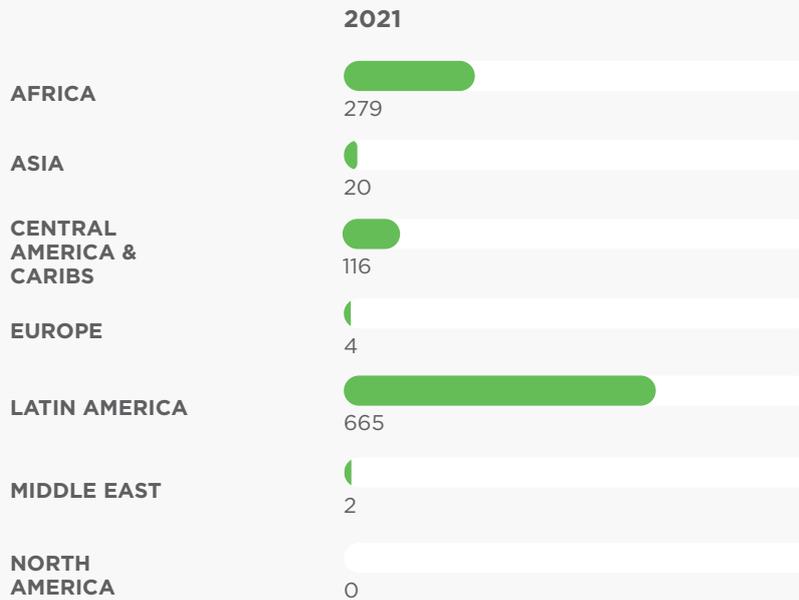
We are in the process of developing our Scope 3 GHG inventory to understand the impacts of our broader corporate value chain as a first step towards effectively managing the risks and opportunities associated with these activities. We aim to update key categories of Scope 3 emissions regularly based on the availability of accurate data and data sources. In 2021 we started collecting data on a limited number of Scope 3 categories and added emissions related to waste generated in operations and water supply. We will expand on this as data from emissions that are material to the business become more readily available.

Other Scope 3 emission sources which are material to our business are as follows

Scope 3 category according to the Greenhouse Gas Protocol	2021 (tCO ₂ e)
1. Purchased goods and services – emissions related to water supply	6
4. Upstream transportation and distribution	Not measured in 2021
5. Waste generated in operations	1,081
8. Upstream leased assets	Not measured in 2021
9. Downstream transportation and distribution	Not measured in 2021
13. Downstream leased assets	Not measured in 2021

In the coming years, we will collaborate with suppliers and customers to collect data on our material Scope 3 emission sources, with the overall objective to reduce this type of emissions.

Scope 3 emissions per Region (tCO₂e)⁵



Total Scope 3 emissions made up of waste generated in operations and emissions related to water supply.

⁵ The values for Scope 3 emissions have not been independently verified.



Reduction of GHG emissions

Carbon Neutral - Headquarters Antwerp

Manuchar is conscious of its CO₂ emissions and will once again support certified climate projects as an offset for the scope 1 & scope 2 emissions of our headquarters in Antwerp. We will achieve CO₂-Neutrality by obtaining this CO₂-NEUTRAL label in line with the PAS 2060, the international standard for CO₂-Neutrality, which is a guarantee for credible climate action. In 2020 we contributed to forest conservation and indigenous communities support in Sierra de Lacandon, Guatemala, where 42,289 hectares of forest are protected resulting in 277,366 tCO₂ sequestered per year.



42,289 hectares
of forest protected

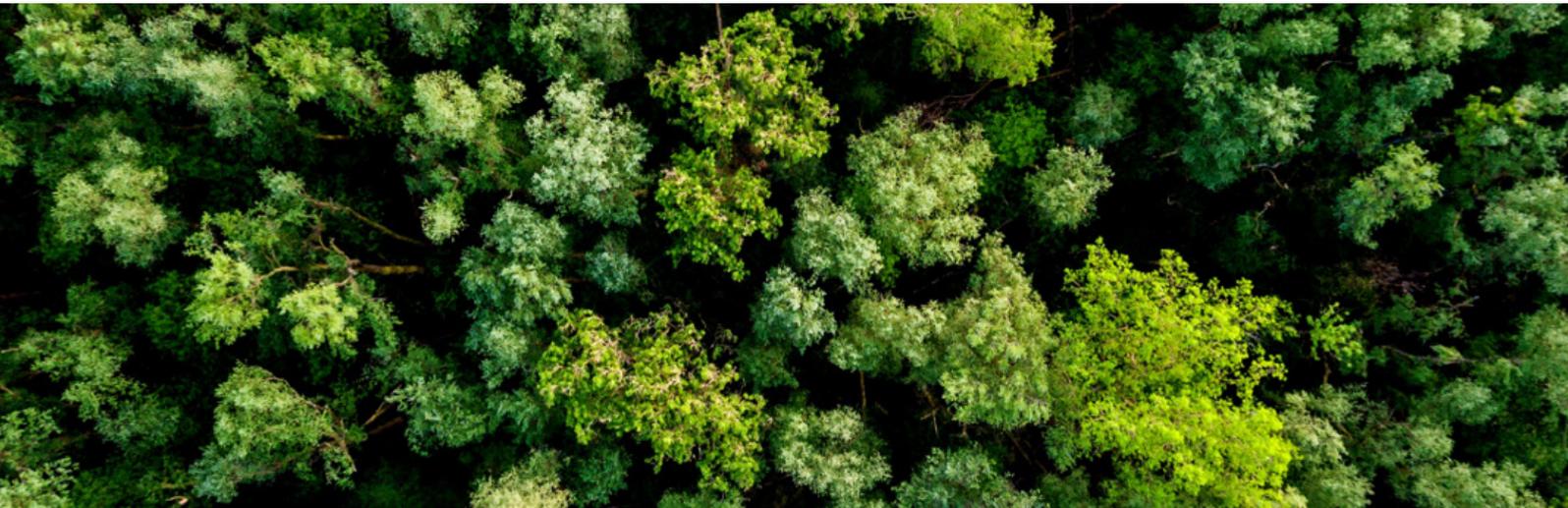


277,366 tonnes CO₂
yearly sequestered

Afforestation – Manuchar Turkey

Turkey is located in the Mediterranean Basin, one of the regions that will be most affected by climate change. Manuchar Turkey wants to be part of the solution and help to combat global warming.

In July and August 2021, a series of more than two hundred wildfires burnt 1,700 square kilometers of forest in Turkey's Mediterranean region, the worst-ever wildfire season in the country's history. In collaboration with TEMA (the Turkish Foundation for Combating Soil Erosion, for Reforestation and the Protection of Natural Habitats) Manuchar Turkey made a generous donation of 2,000 saplings to an afforestation project in the Antalya Region in support of their initiatives to protect all natural assets, especially land.



Energy Reduction – Manuchar Argentina

Manuchar Argentina have replaced nearly 50% of their warehouse side cladding with translucent sheeting to allow as much natural light to enter the warehouse as possible. This improvement enables the facility to work safely without the need for artificial lighting during the day. This will result in a reduction in electricity consumption and while this will save money it has the added benefit of reducing their carbon footprint too.



Energy Efficiency – Manuchar Trinidad & Tobago and Manuchar South Africa

Manuchar Trinidad started replacing their old fluorescent lamps with LED lamps. This exercise started in 2021 and will continue into 2022 until they are all replaced. A total of 50 lamps will be converted to LED lamps equating to a saving of approximately 3,066 kWh* per annum (*assuming an average of 12 hours of usage per day) and a reduction of 2.3 tCO₂e.

In 2021 Manuchar South Africa undertook a project to completely upgrade the lighting at their warehouse facility in Johannesburg. The facility installed 65 x 95W LED lights, replacing all 80 x 400W mercury vapor lamps. An energy saving of approximately 115,000 kWh* per annum will be realized and a return on investment within 15 months (*assuming an average of 12 hours usage per day). These LED light fittings are specifically designed for bulk storage warehouses and have a lifespan of 10 – 12 years compared to 3 years for traditional lighting. The reduction in electricity consumption equates to a decrease of approximately 120 tCO₂e emissions per annum. Manuchar South Africa have committed to installing LED lighting at all owned facilities and any new builds/renovations they may undertake in the future.



Every lightbulb counts! On average a LED light is 80 to 90% more energy efficient compared to incandescent lights and 20% more efficient than fluorescent lights.

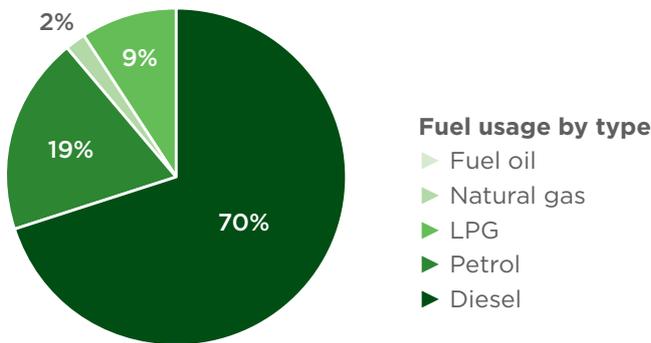


At Manuchar we believe that disclosure provides the bedrock for ambitious action. In the international CDP climate rating initiative, Manuchar was given a rating of C (Awareness) in 2021. By reporting through CDP, we believe we can strategically place ourselves ahead of regulatory and policy changes, identify and tackle the growing risks of climate change, and find new opportunities for action as required by our customers and investors.



Transitioning to Renewable Energy

As part of our business activities, we consume electricity and different types of fuel in our facilities, transport fleet and equipment. By 2030, we aim to have shifted to 50% renewable electricity with certificates of origin. We have demonstrated our commitment to this target, through the initiation of renewable energy projects such as the solar photo-voltaic installation at our head office in Antwerp and through the replacement of diesel forklifts with cleaner fuel forklifts at several facilities across the business. We plan to install solar powered systems at a number of Manuchar sites worldwide so that we can meet our electricity needs in the future with our own “green” electricity as far as possible.



Energy consumption and Energy intensity for the Manuchar Group

2021		
	Total	Per 1,000 MT of product sold
Electricity (in MWh)	5,357	1.97
Natural Gas (in 1,000 litres)	76.04	0.028
Diesel (in 1,000 litres)	2,547.62	0.94
Petrol (in 1,000 litres)	694.92	0.26
LP Gas (in 1,000 litres)	317.91	0.12
Fuel Oil (in 1,000 litres)	3,389	0.001

Although we are making progress in reducing our CO₂ emissions from fossil fuels, we acknowledge that we have a long way to go to decarbonize our fleet. The transition to cleaner fuels and low carbon technology while in its infancy, remains part of our sustainability strategy.



Renewable Energy at Headquarters
(Scope 2)

New solar panels installed on the rooftops of our offices in Antwerp went online in July 2021. They can produce approximately 64 MWh of electricity per year. This will cover around one third of the office’s total electricity consumption and provides for the environmental benefits listed below.

Environmental Benefits



12.84 tons
Standard coal saved



15.25 tons
CO₂ avoided



21
Equivalent trees planted

Biofuel as Alternative Fuel (Scope 3)

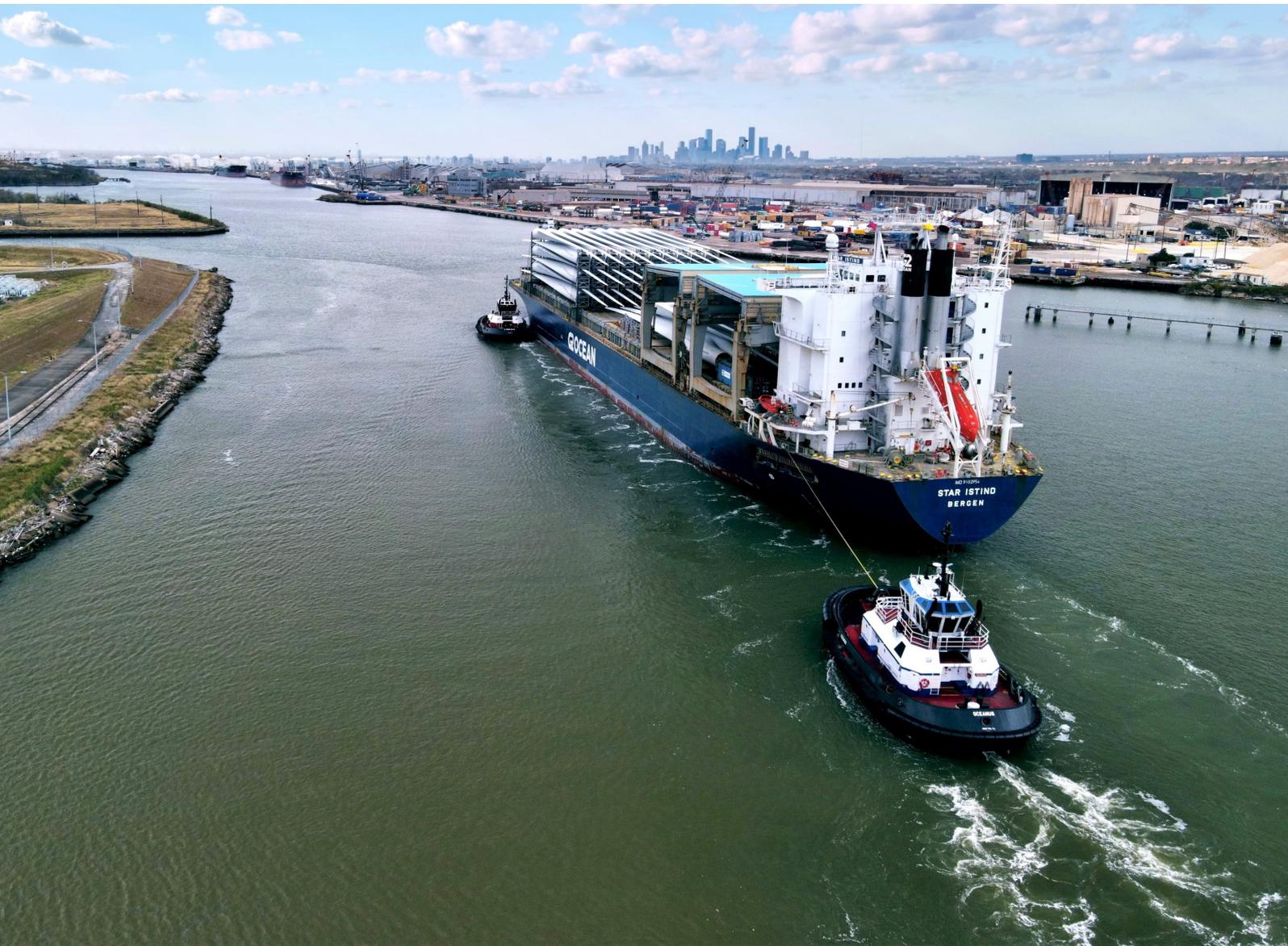
As part of our efforts to collaborate and decarbonize our supply chain, Manuchar partnered with G2 Ocean to complete a successful trial using biofuel to power a 6,500-dwt general cargo vessel, Star Istind, on her voyage from Europe to North America.



The biofuel, which is derived from renewable feedstock material such as vegetable oil and animal fats, can reduce CO₂ emissions by 80-85% on a well-to-wake basis, compared to ordinary fuel.

The trial, which took place from December 2021 to January 2022, was a joint project with the owners Gearbulk and Grieg, and Manuchar.

In 2022, G2 Ocean will do more research to identify whether biofuel is a viable alternative to fossil fuels for their vessels. We plan to intensify our efforts with similar projects in 2022, and in doing so we will be helping to increase the share of renewable energy in the global energy mix.





Sustainable Use of Natural Resources

The responsible use of natural resources has always been important to Manuchar. All around the world, we aim to protect natural resources and use them optimally. Manuchar works continuously to minimize the environmental impacts of its business activities on the soil, water, and air.

Our operations worldwide are committed to the sustainable and compliant management of waste and are experienced in reducing, recycling, reusing, repairing and reselling waste before responsibly disposing of it. We have made a concerted effort to prevent plastic waste from packaging finding its way into local waterways and oceans and we work alongside our supply chain partners to drive circular solutions. Implementation is delivered through a combination of central efforts and local action.



Waste generated by Operations⁶



As a measure to set specific targets for waste reduction, we began collecting data on waste in 2019, and we report the volumes of various waste types including general waste, hazardous waste and recyclable waste. We have set a target of reducing our waste to landfill by 50% by the year 2030 from a 2021 baseline.

⁶ The data has not been independently verified.

Operational waste

Packaging material from the cargo that we handle is generated as part of the company's core activities. Wherever possible we procure product in bulk thereby reducing the amount of packaging material. The warehouse facilities only dispose of waste that cannot be recycled or reused. We are increasingly adopting circularity measures, for example the resale/reuse of polyester bulk bags. We are continuously identifying opportunities for general waste recycling and beneficial reuse options for waste.

Office-generated waste

The waste generated in Manuchar's offices is relatively small compared to the operational waste. In all offices, single use plastics are prohibited and most offices have designated recycling bins for plastic, paper, glass, and food.



We have also improved the recycling capacity and capabilities in many of our facilities to improve the recycling of waste. After separating and recycling the waste on site, only a minimal amount remains to be responsibly disposed in licensed facilities.

All employees are urged to play an active role in separating and collecting waste, and training is provided.

When it comes to recycling waste, the efforts of each and every person count. As a practical example, these recycling bins in our affiliate in South Africa are made out of recycled pallets, a resource that is often discarded at the end of its life. There are recycle stations in all Manuchar South Africa offices and warehouses, significantly reducing waste to landfill.

Hazardous waste

Manuchar's waste is generally not hazardous, except for a limited quantity of specialized products, as many of the core chemicals we handle are inert. However, all chemical and hazardous waste is disposed of at approved waste facilities.

Recycling

Our focus on moving towards a circular economy is in line with the principles of waste management - reduce, reuse, repair, resell and recycle (the 5R's). It is aligned with our goal of reducing packaging material by reusing it and using better recycling methods.





Water Management

Manuchar works continuously to minimize the environmental impact of its business activities on the soil, water, and air. Water stress is a growing global concern, and the current status of water resources highlights the need for improved water management. According to the World Resources Institute, about half of the countries where Manuchar is operating are categorized as medium to extremely high water-stressed areas. Although our water demand is low, we treat water as a scarce resource. We have committed to reduce our water footprint by 50% by 2030. This will be achieved by reducing the use of potable water for non-drinking purposes. We are committed to eliminate water pollution across all areas of the value chain, to ensure the health of aquatic ecosystems and the communities that depend on them.

Water is one of the essential resources for life and critical for our sector of the economy. Here at Manuchar, we primarily consume municipal water supplied by city networks at most of our operational locations. A few of our locations have their own supply from wells/groundwater.



Manuchar improved our CDP score for Water Security in 2021 to a B- which is in the management band, which recognizes that we are taking co-ordinated action on water issues.

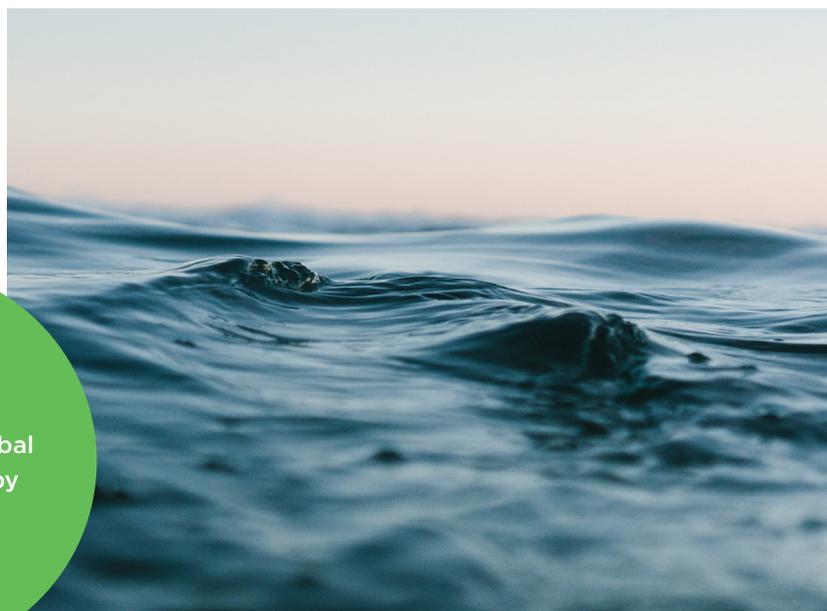
Water withdrawal

In 2021, our water consumption stood at 66,764m³ (52,662m³ municipal water and 14,104m³ ground water), with a 20.5% reduction compared to 2020 (84,065m³) despite achieving growth in sales and volumes in 2021. The decrease in water consumption can largely be attributed to our office employees switching to the home-office working model as well as improvements made to the water infrastructure at many facilities.

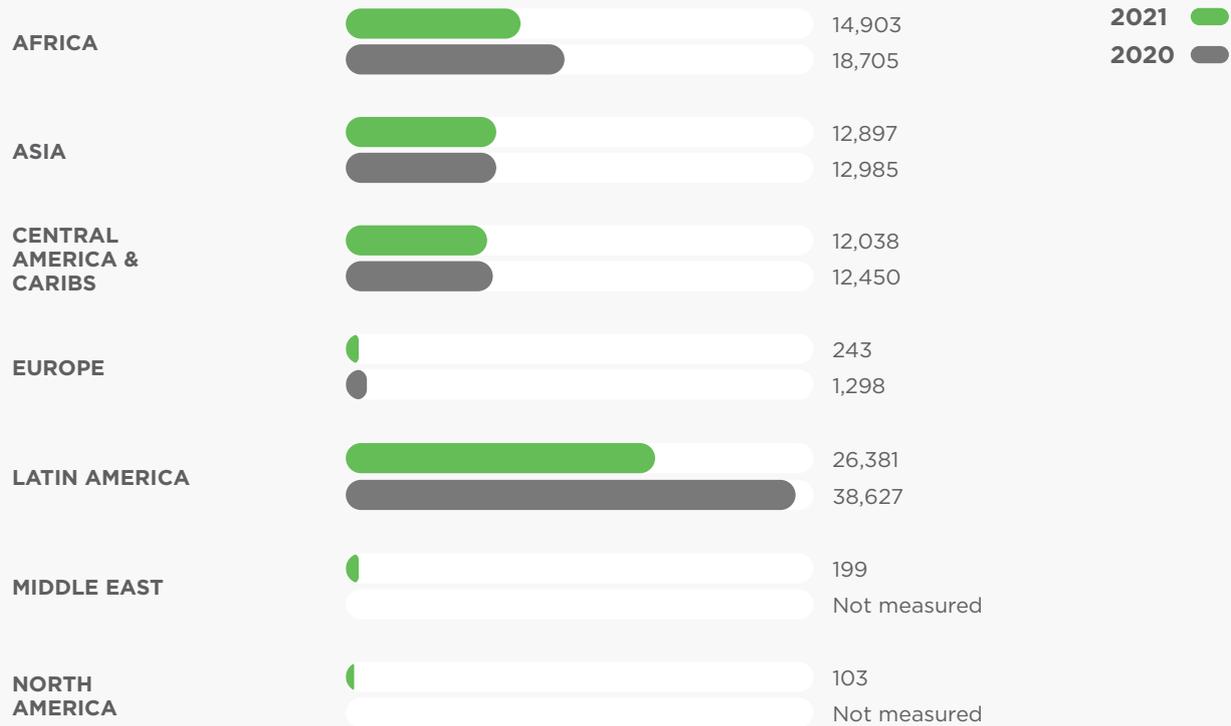
Water Consumption (m³)



In 2021, we reduced our global water withdrawal by 20.5%.



Water withdrawal in m³ per Region



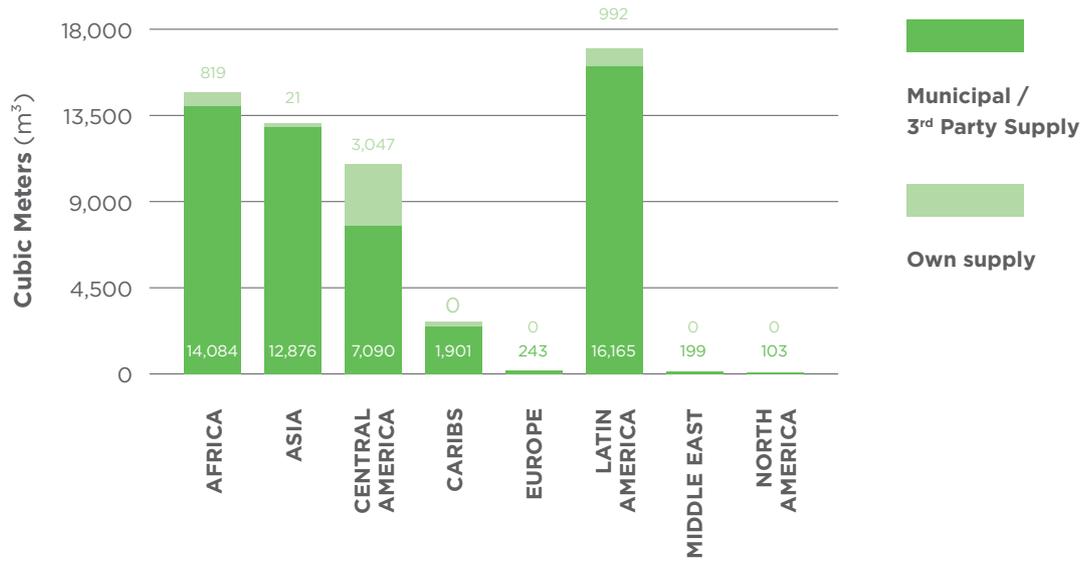
Our affiliates are responsible for closely monitoring and reducing water consumption at a location level, and we conduct awareness campaigns for our employees and install water-saving technologies where practical.

The wastewater that is generated on site is not discharged directly to a natural receiving environment, but into the local municipal sewerage system. We also publish instructions related to Chemical Leakage-Spill and Pollution Prevention Plans, establishing mandatory rules and process controls to avoid any environmental pollution in municipal water, surface water and groundwater resources inside and outside of our facilities. Furthermore, a number of locations have equipped their facilities with rainwater harvest equipment that collects rainwater for general cleaning activities.

In 2021,
 Manuchar registered
 3 environmental incidents
 in our warehouses or during
 transport but 0 environmental
 contraventions, fines or
 prosecutions across the
 business.



Water withdrawal by Source per Region



Total Water withdrawal by Source

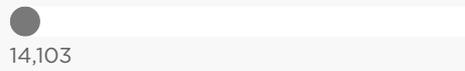
m³ Water

2021

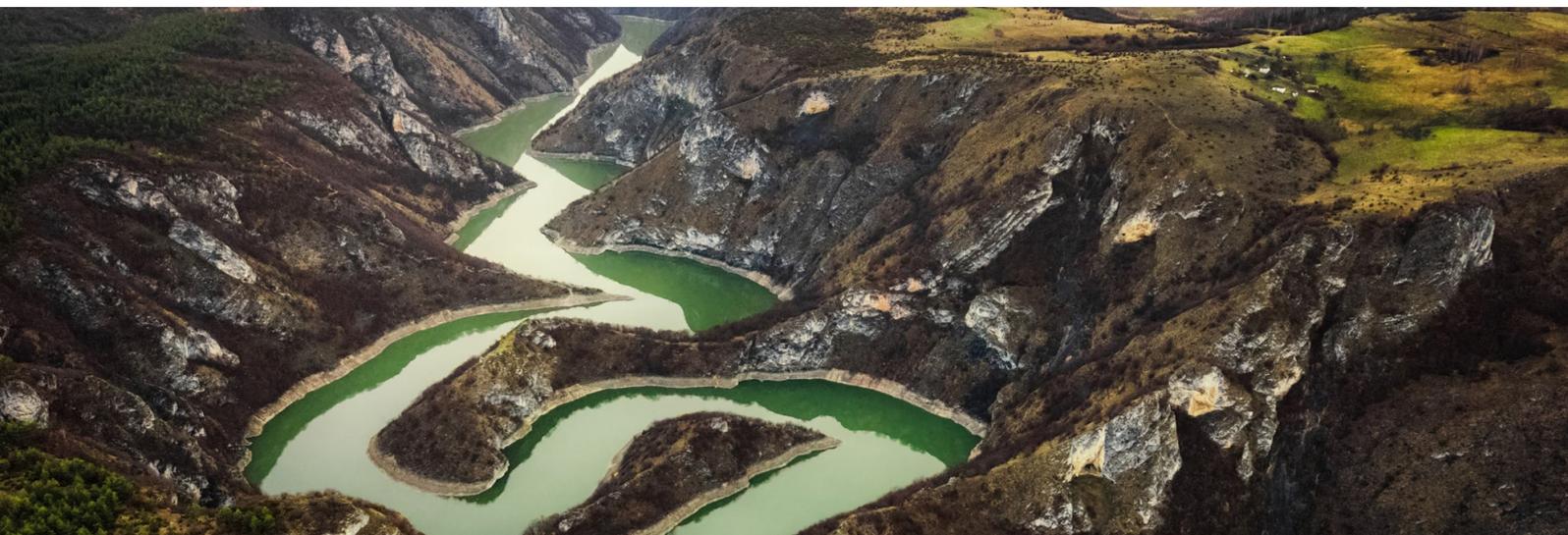
Total Municipal/3rd Party



Total Own Source



Total Water Extracted



Combating water pollution

Manuchar is not only committed to reduce our water consumption and promote conscious and sustainable use of natural resources, we also want to eliminate water pollution across all areas of the value chain.

Pollution harms the ecosystem of our seas and oceans. Eleven million tons of plastic pollution end up in the oceans every year. Thousands of marine animals swallow plastic microparticles or get caught in our waste. We, as a company, rely on our oceans and rivers and understand how important it is to keep them clean and healthy. We therefore take action to foster a cleaner planet through awareness campaigns and clean-up initiatives





On a global scale we are partnering with organizations like WWF, Adopt-a-river and River CleanUp as part of a “project plastic” initiative. We encourage our local teams to participate in clean up actions on beaches and riverbanks. By cleaning up locally, we can celebrate globally. Reducing plastic use is the most effective means of avoiding this waste (and the impacts linked to plastic production and use), the purchase and use of single-use plastic is avoided wherever possible.



“As a strong believer of plastic as a fantastic product in many daily and essential applications, I am equally worried about the massive quantity of plastic waste that enters our rivers and oceans globally.

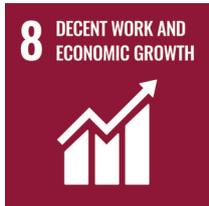
The use of single-use plastic should be banned and the governments and industry must install collection points and invest in recycling facilities to create a circular economy with zero waste.

Until then, we can’t sit, watch, and just wait until others take action. Each individual should be aware and can help to avoid plastic spills and waste. The decision to support and contribute to the River CleanUp program was a no-brainer. Rivers are filled with plastic waste, not only in Africa or Asia, but across the globe. As big consumers in Europe, we have the obligation to keep our environment clean, at all times. Carbon from nature is the basic component of plastic. Let us not return the waste to nature!”

— **Steven Vadorpe**, Business Unit Manager Commercial Polymers



Governance



Our Commitment

Good governance is essential for ensuring our pathway to a sustainable future. At Manuchar, we use our corporate governance approach to help drive our company to identify and support new growth opportunities whilst avoiding any activity that could generate a negative impact on our goals, business continuity, communities,

and our environment. In general, this means we are committed to conducting our business in a responsible way and adhering to fair and ethical business practices.

In the ever-changing area of environmental, social, and governance, it is probably governance that is critical for setting, executing and following up on sustainability objectives. Amidst the COVID-19 pandemic, the attention to governance has increased as there was a global need for the sound governance of business continuity and disaster recovery plans.

Manuchar is further governed by our framework of values, policies, and standards of behavior. Our Code of Conduct is the foundation of our governance framework, defining how we work, collaborate, and do business in Manuchar. It is available in four languages and links to underlying policies and procedures. Our Code of Conduct expresses our strong collective and individual commitment to doing business in an ethical way and provides practical guidance on how we conduct business.



We aim to continuously improve our governance approach in line with the industry's highest standards. This includes a regular update of our policies and procedures with a focus on training and communications. Our company policies are supported by international references such as the International Labour Organization, United Nations Global Compact and the ISO standards.



“Our focus on integrity allows us to build a relationship of trust among our colleagues and with our customers, suppliers and all other stakeholders. We are all individually responsible for protecting the business and reputation of the Manuchar Group.”

— **Sofie Beernaert**, Group Head of Legal & Compliance

Managing our Risks and Opportunities

Manuchar is exposed to risks that may arise from its operations or changes in the operating environment. Entrepreneurship is a fundamental driving force in our business and while this may entail an element of risk, Manuchar ensures that potential risks are understood, assessed, managed, and, when appropriate, communicated.

The Manuchar governance model has its foundation in the identification, assessment and management of risks and opportunities. We have implemented a risk and opportunities management process which considers all the strategic, financial and operational risks and opportunities across the Manuchar Group, including sustainability risks such as product sourcing and environmental risks.



Risks are identified, assessed and monitored on a regular basis by our specialized Governance Risk and Compliance Working Group (GRC) with a direct reporting line to the Executive Committee. This working group consists of all second line functions within Manuchar with the mission to further streamline and enhance our governance and risk control framework enabling us for sustainable growth.

Within the Governance Risk and Compliance Working Group we installed an enhanced risk assessment framework that aligns with the principles of modern risk management and includes the identification of inherent risk. Risks are defined by a matrix based on the likelihood of occurring and the severity of the outcome if the risk is materialized. Manuchar’s Internal Auditor is permanently invited to this working group.

We determine and implement risk control factors such as policies, procedures and control processes leading to the residual risk. This is the threat or vulnerability that remains after all risk treatment and remediation efforts have been implemented. Separate risk committees are organized such as the Product Risk Management Committee, in order to manage the risk and reduce the probability of occurrence of the defined risk (preventive action) and/or to reduce the impact of the defined risk (mitigation action). The outcomes of the risk treatment plans are communicated to all stakeholders involved, via internal and/or external communication channels.

Ethics and Fair Business Practices

Our everyday work is governed by the Manuchar Code of Conduct and complemented by various company policies and guidelines. They describe our commitment to doing business and interacting with our business partners in an ethical and respectful way.

This Code of Conduct and our company policies and guidelines are applied in accordance with the applicable local and international laws and regulations. We also rely on the ethics and common sense of all our colleagues to respect our culture of integrity, as they are our first line of defense against business ethics risks.

Over the last few years we have witnessed an increasing implementation and stronger enforcement of laws and regulations and other regulatory standards. This includes the laws, regulations, and standards regarding competition and anti-corruption. Our dedicated compliance team advises and takes decisions on the policies, training and initiatives related to regulatory compliance within these topics.



“In the last couple of years, Manuchar Colombia has been adjusting its procedures and advancing its strategies for the implementation of a culture of ethical risk prevention.

Systems for the control and management of money laundering and financing of terrorism were implemented, as well as programs on transparency and business ethics, which seek to prevent the risk of bribery and in general any act of corruption. This includes the prohibition of offering gifts to a public or private official, to their relatives or associates, or to any other third party, in order to obtain any benefit for the company or for the employee offering the gift. We updated our Code of Ethics, created whistleblower hotlines, and set up various training sessions for all staff to raise awareness and commitment.”

— **Consuelo Amezcua**, Country Manager Manuchar Colombia

We commit to provide guidance to our employees on how to create an ethical working environment and when to speak up. Specific awareness programs are implemented to empower our employees to identify and address common business ethics issues that might arise in a workplace like bribery, corruption, money laundering and information security risks.

Manuchar operates in parts of the world where bribery and corruption may present a high risk, so it's crucial that we make clear to our employees, suppliers, and other business partners that we do not tolerate any action which encourages, implies, tolerates, or promises an unfair or unethical advantage to any individual, group, or organization. This also includes a strict policy on the offering or accepting of gifts and hospitality.

Manuchar is also committed to fully complying with all applicable anti-money laundering and terrorist financing laws and regulations. Funds will only be accepted when they come from legitimate sources. Through money laundering, criminals attempt to transform monetary gains derived from criminal activity such as human smuggling, drug trafficking, terrorism or other organized crime, into funds with an apparently legal source. If illegally obtained money is successfully laundered, criminals maintain the control over their illegally obtained funds and this needs to be avoided at all times. Each Manuchar colleague is expected to report any suspicious transaction, activity or incident of money laundering.



Manuchar colleagues should avoid conflicts of interest between their personal relationships or financial interests and their job responsibilities. They should exercise fair, objective, and impartial judgment and make business decisions based on compliance with our company policies and guidelines.

Colleagues are made aware that it is strictly prohibited to use their position to obtain direct or indirect personal benefits or to engage in any activities that compete against Manuchar, even in their personal time outside of work.

Manuchar will only conduct business with reputable customers and suppliers involved in legitimate business activities. Manuchar also rejects doing business in a way that assists or facilitates tax evasion by its business partners. We screen our business partners on their commitment towards fair business practices and working against corruption in all its forms, assessing their conformance with our anti-bribery and corruption contractual requirements. We have implemented a whistleblower procedure which encourages employees and external stakeholders to report potential violations of our business ethics policies.

Protecting our Stakeholders

Of course the COVID-19 pandemic has been a challenge for us too at Manuchar, and it has strongly influenced the day-to-day lives of our employees and our stakeholders. Thanks to our entrepreneurial mindset we managed to implement an agile approach and promptly switch our business setup according to the changing local regulations. We implemented remote working solutions, modified our processes, and especially protected the health and safety of our workforce and our business partners.

On top of the operational and health & safety challenges, and the COVID-19 pandemic, the increase in working from home led to a significant increase in cyberattacks around the world. In response, we encouraged an increased vigilance amongst all our employees by organizing awareness campaigns, including phishing attack simulations. The results of these simulations are processed and shared across the group to further improve our IT security awareness.



In 2021,
there were 0 material
complaints concerning breaches
of customer privacy and losses
of customer data.



“At Manuchar we are continuously improving our systems to deal with the ever-increasing threat of cyber and information security. We consider this as a joint effort between the information technology team and all users of our systems.

The policies and principles applied at Manuchar with respect to cyber and information security exist to ensure that all business-critical systems within the group are adequately protected and controlled to the standard and quality expected, because We Care.”

— Patrick Putman, Group CIO

Manuchar is committed to securing its sensitive data and information systems and the private information it holds relating to our business partners, to prevent their loss, improper disclosure, or misuse. In 2021, we issued a formal policy that integrates our commitment in the form of qualitative objectives on information security issues. The implementation of our Group Information Security policy helped us to increase our EcoVadis ethical score in 2021.

Periodic risk assessments on information security allow us to identify potential information security risks, rate their likelihood and the potential impact and implement the required security controls. Our goal is to continuously improve our compliance program and to maintain a robust approach to counter breaches in information security management.

Possible patterns of incidents are reviewed to identify potential security breaches and minimize the chances of similar incidents disrupting our applications or putting private information at risk. We understand data breaches can lead to loss of trust amongst our business partners and that's something we want to avoid at all costs.

To communicate transparently on cybersecurity and to drive continuous improvement, Manuchar use BitSight®. This third-party validated security rating company identifies, measures, and analyzes our cyber security incidents and practices. BitSight is committed to the Principles for Fair & Accurate Security Ratings, ensuring a trusted standard in security ratings. In 2021, we increased our BitSight score from 600 to 670, an increase of 11.5% in comparison to 2020.

To further protect our stakeholders, Manuchar takes a general proactive approach towards sudden challenges in order to be able to maintain our mission of 'We keep your production running. Anytime. Anywhere'. As all companies have realized due to the COVID-19 pandemic, a solid business continuity and crisis management system is crucial in this ever-changing world.

We outline the required actions for dealing with emergency situations and the aftermath of these events in our contingency plans. We ensure mitigation actions are taken to secure the continuity of our supply chain. Our sourcing experts ensure back-up sourcing and supply in case of disruptions. All Manuchar sites are required to have an effective crisis management and business continuity plan in place. Coordination of actions and designation of responsibilities form the basis of such a business continuity plan, and it should target all key parts and values of the organization. This includes but is not limited to the health & safety of all parties involved, our (digital) infrastructure and operating processes, as well as care for the local communities and the environment.

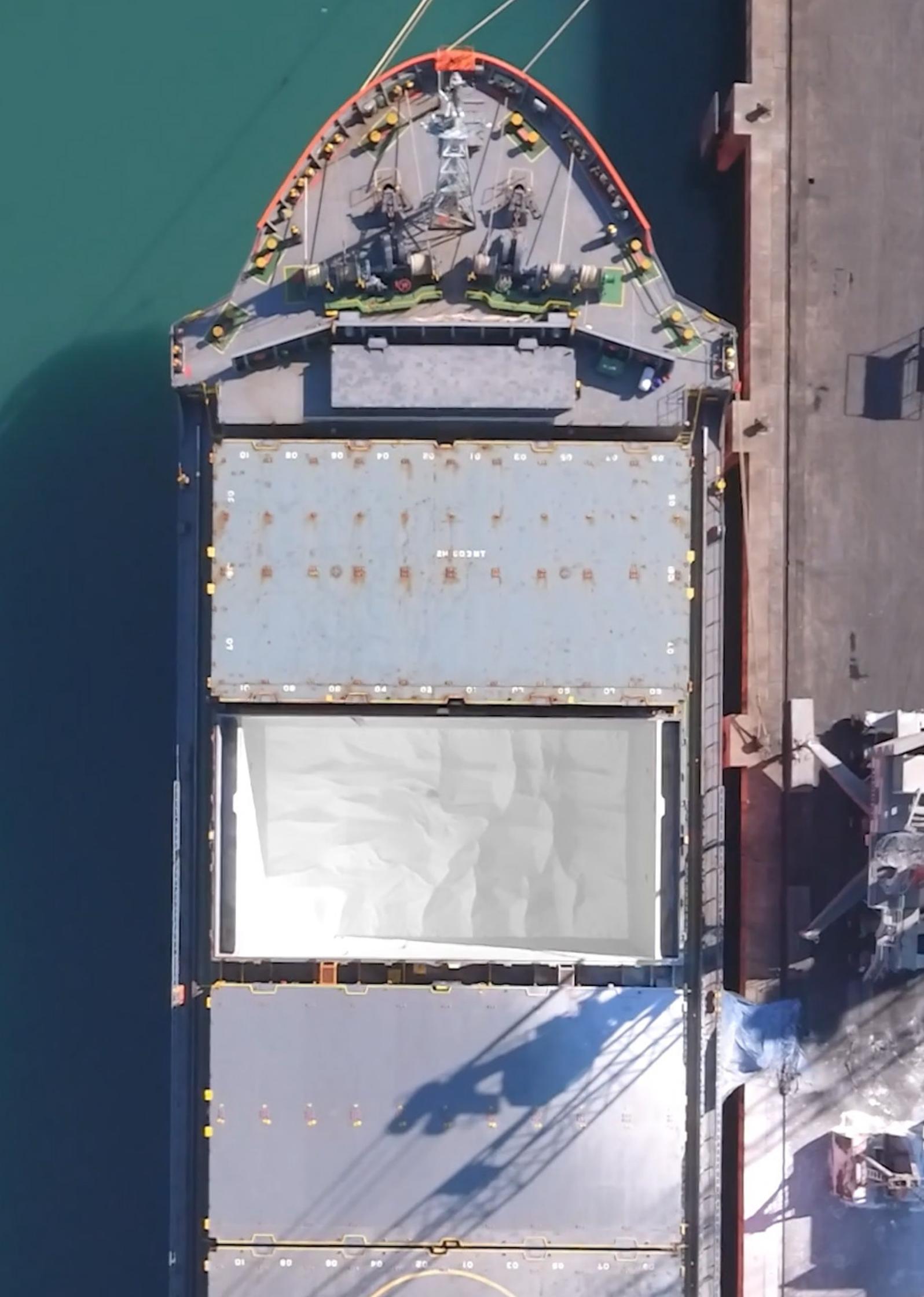


CYBER SECURITY RATING

670

Manuchar adopted the BitSight® cyber security rating standard.





Responsible Sourcing



Our Commitment

At Manuchar, we are aware that integrating ESG goals into supply chains is not an easy task. It requires regular, robust, and transparent

communication with our supply chain partners to gather relevant information in a consistent way and be able to track it along our supply chain.

We are committed to work with our suppliers to ensure that they comply with the Manuchar Supplier Code of Conduct. We expect our suppliers to respect human rights, create suitable working conditions for their employees, reduce their environmental impacts and apply ethical and moral business standards to their work.

Our goal is to provide sustainable offerings by performing risk-based due diligence on our business partners in critical market segments whilst promoting sustainable procurement practices to all. We aim to minimize any environmental impacts in supply chain management, and we value the circular economy.



“When looking back at the last year, it would be an understatement to say that procurement and supply chain in particular, have experienced severe challenges. Nevertheless, we have been able to maintain a steady supply of raw materials to our customers, thanks to the long-standing relationships with our suppliers, both for products and services.

At the same time, COVID-19 triggered an increased awareness with all stakeholders of the need to grow towards a more sustainable and environment-friendly supply chain. When looking at shipping and the existing technologies, one realizes that the path to a zero-emission future will be long and there will be no quantum leap. In 2020, IMO started with the obligation to either use low sulphur fuels or install scrubbers. From the 1st of January 2023 we will see the impact of the EEXI and CII regulations and more initiatives are in the pipeline.

Manuchar is teaming up with our most important partners to make sure that all elements of a strong ESG commitment are reflected. We have committed ourselves to actively pursue trials with new fuels and to continue to review our partners’ commitment to all those other aspects of the image we would like to carry forward, such as health & safety, labour and fair business standards.”

— **Stefan Van Loock**, Region Manager South America

Working with our Suppliers

At Manuchar we are proud of our global network, both geographically and in product offering. We work with more than a thousand suppliers from all over the world from Latvia to Bangladesh, always ensuring we procure commodities at the best possible conditions according to the specific needs of our customers. We hold ourselves to high standards, and we expect our suppliers and third parties acting on behalf of Manuchar to do business the right way as well.

Our Third-Party Management Committee is addressing an integrated risk management approach across the whole supply chain, with a focus on the agile management and risk-based categorization of our business partners. In order to mitigate our sourcing risks, we aim to set up a robust risk framework of our supply base by implementing regular:

- Monitoring
- Assessments
- Audits

We aim to lower our risk exposure of working with high-risk third parties by conducting independent background checks to help ensure the business partners we do business with are reputable. This risk-based approach includes the screening of each potential new supplier by a comprehensive compliance and financial check via external partners. This allows us to rule out any conflicts with our internal policies and procedures and the applicable regulatory requirements such as fair business practices and sanctions.

Our Manuchar values and policies require that each provider of materials is assessed to ensure they comply with the requirements of Manuchar and regulatory stakeholders. We carefully select our business partners and monitor their compliance with our principles and policies. Manuchar aims to understand the environmental and social footprint of the products in our portfolio. We require that suppliers perform a self-assessment with the provision of evidence to confirm the implementation of policies and procedures on health & safety, the environment and their commitment towards social responsibility including topics like forced labour and respect for the internationally proclaimed human rights.



In 2021,
our suppliers scored
on average 84% on our
environmental criteria
and 95% on our social
criteria.

We apply additional scrutiny on our suppliers in critical market segments such as the food and feed industries. Our aim is to ensure food and feed products are managed with the necessary level of care and due diligence appropriate to their end use. An additional desktop assessment is performed as Manuchar expects that the companies associated with this market segment have an active policy around food safety and promote this within their organization. In 2021, 100% of our supplier data base, providing food or feed grade materials for the European market have passed this additional scrutiny process.



Manuchar has drawn up a supplier code of conduct for the purpose of ensuring that our suppliers adhere to high standards of safe working conditions, fair and respectful treatment of employees, and ethical practices. The Manuchar Supplier Code of Conduct formalizes the key principles under which our suppliers are required to operate which are aligned to the principles of the United Nations Global Compact, as well as the Manuchar Group Code of Conduct.

To encourage suppliers to comply with the code of conduct, we will be calling on all suppliers to actively recognize the code. In case we are confronted with a supply situation where the local conditions do not meet international human rights, labour or environmental standards, Manuchar may elect to perform a specific on-site third-party audit in order to remediate the situation.

To drive improved sustainability performance and minimum standards across our diverse supplier base, we will set ourselves targets regarding our supplier assessment procedures. We aim to identify both general as sustainability-related practices that help us identify high-risk suppliers and the need for further risk mitigation actions.



Our Product Stewardship Processes

Product stewardship requires good communication amongst all relevant stakeholders throughout the product life cycle. This includes working with our customers to address their concerns or specific needs and develop appropriate risk management measures. These activities include the development of safety data sheets and labels, indicating the potential hazards related to the product provided and its intended use. At Manuchar we have a key third-party partner to assist us with this product information, Chemwatch®. In order to further protect the health and safety of our customers and supply chain partners, we also provide a 24/7 emergency contact service in case of an accident or incident related to the chemicals we provide.

At Manuchar we have implemented internal policies, standards and procedures specific to product stewardship and we adhere to the regulatory requirements that help us manage our products and services. We strive to continuously strengthen and enhance our compliance programs to ensure we reduce our impact on the environment and local communities and we conserve natural resources. This includes the protection of forests and natural ecosystems and the protection of human, labour, and land rights in the supply chain.

Palm oil remains one of the most widely used but sensitive ingredients across multiple industries, including food, beverage and personal care. At the same time, we strongly believe palm oil production in the tropics should not negatively impact local plant and animal life. The creation of palm oil plantations has led to massive deforestation around the world, in particular in Indonesia and Malaysia.

Since 2021, Manuchar demonstrates our commitment to sustainably sourced palm oil derivatives and supports the prevention of deforestation and the protection of human rights by being a member of the Roundtable of Sustainable Palm Oil (RSPO). This is an international membership organization to promote the sustainable growth and use of palm oil.



“Palm Oil is a common raw material in many different market segments attended by Manuchar. In 2021, we have confirmed our commitment to the responsible sourcing of this raw material by joining the Roundtable on Sustainable Palm Oil. Under our membership, we embrace the principles of the RSPO and support their work. The volume of RSPO-certified product we have sourced has increased from 187 MT in 2020 to 288 MT in 2021, all under RSPO-MB. We are conscious of our responsibility and are happy to contribute to palm sustainability.”

— **Andy Mak**, Supplier Development Manager Asia



At Manuchar, we are committed to follow the RSPO guidance on the production, trade and use of products that contain palm-derived ingredients. We are pleased to support our customers by purchasing and providing certified oils and derivatives upon request and intend to continue to promote the RSPO internally and to other stakeholders. Our Manuchar supplier self-assessment includes a set of questions focused on the responsible procurement and management of specialized products like palm oil and derivatives.

Manuchar supports our customers in their commitment to high-quality animal care and to the replacement, reduction, and refinement of the use of animals in research wherever possible. We believe animal testing should only take place when it cannot be avoided due to lack of availability of alternative methods, regulatory requirements or other similar reasons.

Risk reduction, protection of our stakeholders and standardization of operations are key in our business. Certification against an international standard adds a certain level of credibility, by demonstrating that the product delivered meets the highest expectations and industry standards. For certain specialty markets such as the industries related to the food and feed supply chain, certification is sometimes even a legal or contractual requirement. At Manuchar, we are committed to manage and track all supplier certificates and associated documentation to ensure they remain valid and that the product satisfies the customer's requirements and complies to the industry's standards.



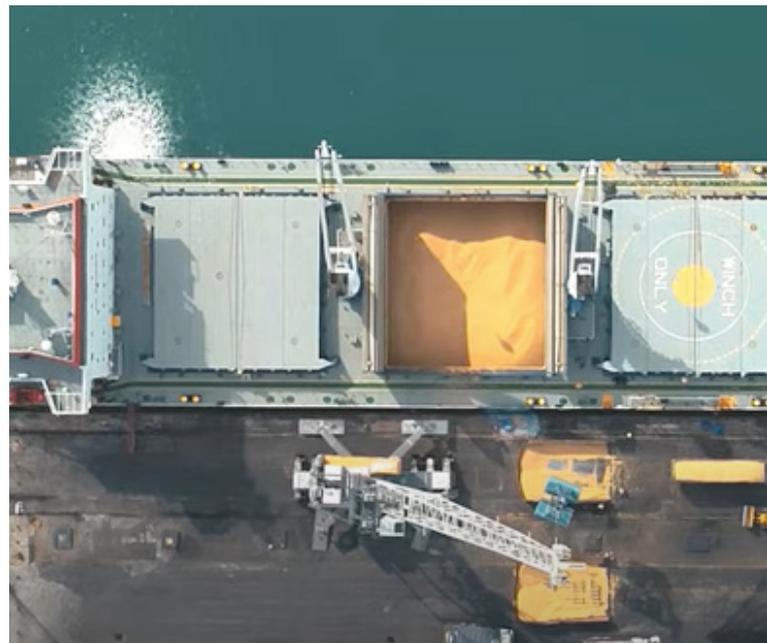
Offering Sustainable Products & Services

We supply large quantities of inorganic and organic chemicals into the market, and we know that these raw materials do not currently have a renewable substitute. Until we have solutions for these materials, we will continue to purchase responsibly sourced products and replace them with new technologies and innovations when possible.

Working with supply chain partners who share our values is more important than ever to us as a company. Over 90% of a company’s carbon footprint is generated in the supply chain, often by suppliers on the other side of the world. Manuchar recognizes these challenges and understands that while we are not fully in control of these emissions, we would like to partner with suppliers, customers, and other companies in the value chain to achieve GHG reductions.

We are actively engaging with suppliers to encourage GHG measurement and reduction, and to report on supplier performance. A good example of this is our collaboration with G2 Ocean and the recent biofuel trial on one of their vessels (see under Transitioning to Renewable Energy page 36 for more details).

Supply chains are the most powerful tool to curb carbon emissions. While it is not mandatory for a company to report on supply chain emission yet, as a first step in providing a more sustainable service to our customers we have made an effort to provide our customers with an understanding of the environmental impact of the transport and shipping of their products. To this end, Manuchar has recently developed CO₂Track which enables us to estimate the supply chain carbon emissions per MT of product delivered to a specific customer.



“Manuchar’s success is built on its solid partnerships. Many ongoing initiatives are perfect examples of how Manuchar, together with its partners, can reduce our carbon footprint and achieve “net zero” emissions. We are looking forward to taking this success further and to continuing to contribute to a better planet in collaboration with our multinational partners. Forging and nurturing our sustainability partnerships remains a top priority for us, and for future generations.”

— Sabri Tektas, Head Global Account Management

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Manuchar
Your partner in emerging markets