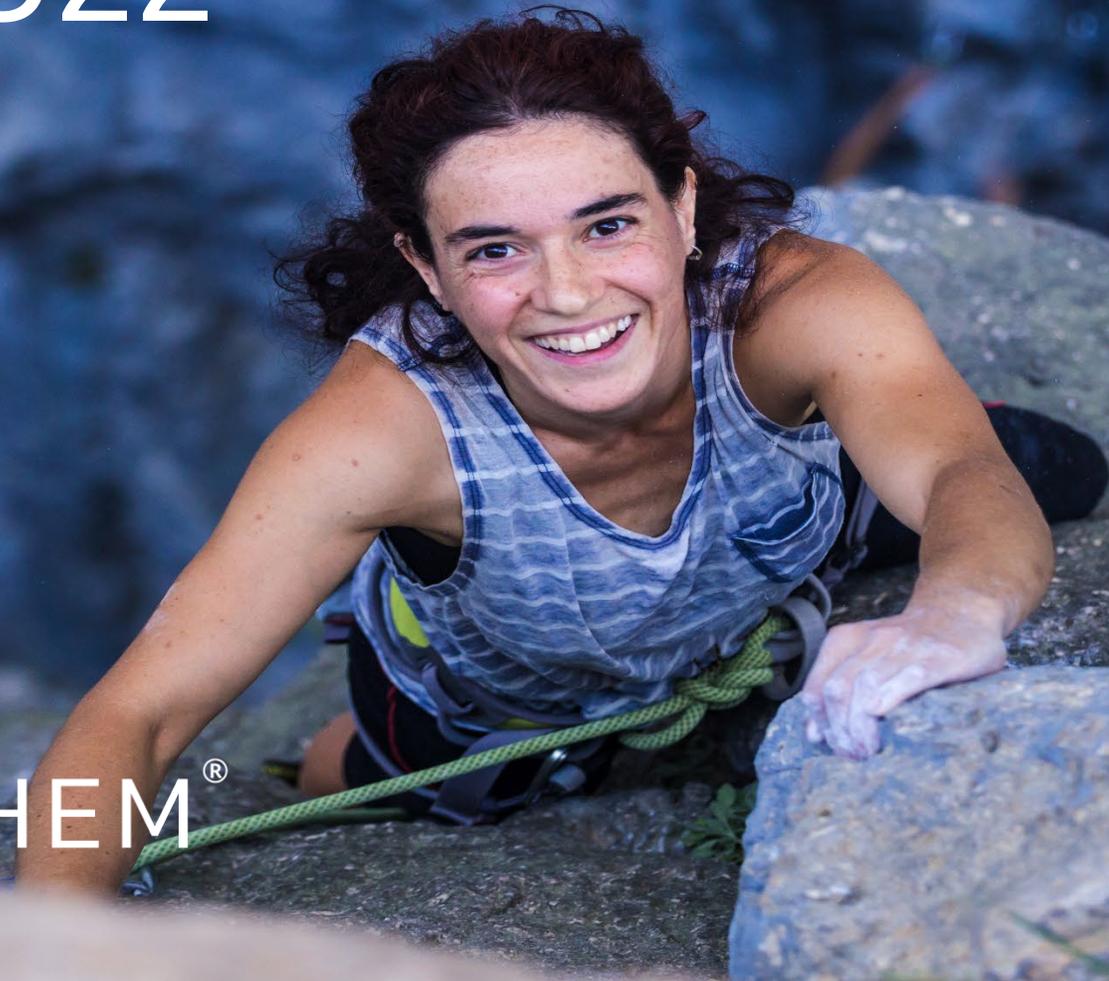


Communication on Progress 2022



CRISMACHEM[®]
we know how





Index

- Managing Director Letter
- Renewal of Commitment

- About Us
- Our vision
- Values
- Much more than a distributor

- The Ten Principles of the UN Global Compact. Thematic Areas
- Best practices and sustainable development goals (SDGs) contribution



We start 2022, leaving behind a complicated year in terms of transport and availability of raw materials, added to the persistence of the effects of Covid-19. Apart from this already known context and whose effects still persist, we are entering a new unknown terrain, full of uncertainty, as a result of the escalation in the energy price of oil, electricity and gas and, above all, due to the war that began in Europe as a result of Russia's invasion of Ukrainian territory, which in addition to the human cost, which is the main one, has completely destabilized the markets.

This exceptional global situation represents a new challenge for our civilization, but it also represents a magnificent opportunity to strengthen our values as a company and as citizens. Values that are aligned with the SDGs and in particular with peace and justice and the existence of strong institutions. When these are threatened, everything else goes into the background.

Throughout 2022 and despite these circumstances, Crismachem has managed to consolidate its business by increasing activity and employment levels compared to 2021. We have established new alliances and carried out new programs related to health promotion. Likewise, we have progressed in equality, establishing specific objectives and we have signed the Charter of Diversity in Spain.

Our bet on a sustainable future for all is now stronger than ever. And for this reason, in 2023 we will strive to make our company a leader in all those sectors in which we operate. We are proud to present this second Communication on Progress Report.

Through this document, we aim to share the principles that inspire us every day and bring to light the activities we undertake each year in an active effort to help build a more sustainable future for all. I wish to take this opportunity to thank all our stakeholders who support and believe in our company, enabling Crismachem ever since we started out two years ago to carry on breaking new paths and keep going further. We undoubtedly owe the success of our organization to them.

Marcelo Montoro
Managing Director



Dear supporters

I am pleased to confirm that, after our second year of belonging to the Spanish Global Compact Network, Crismachem reaffirms its commitment to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In our second Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

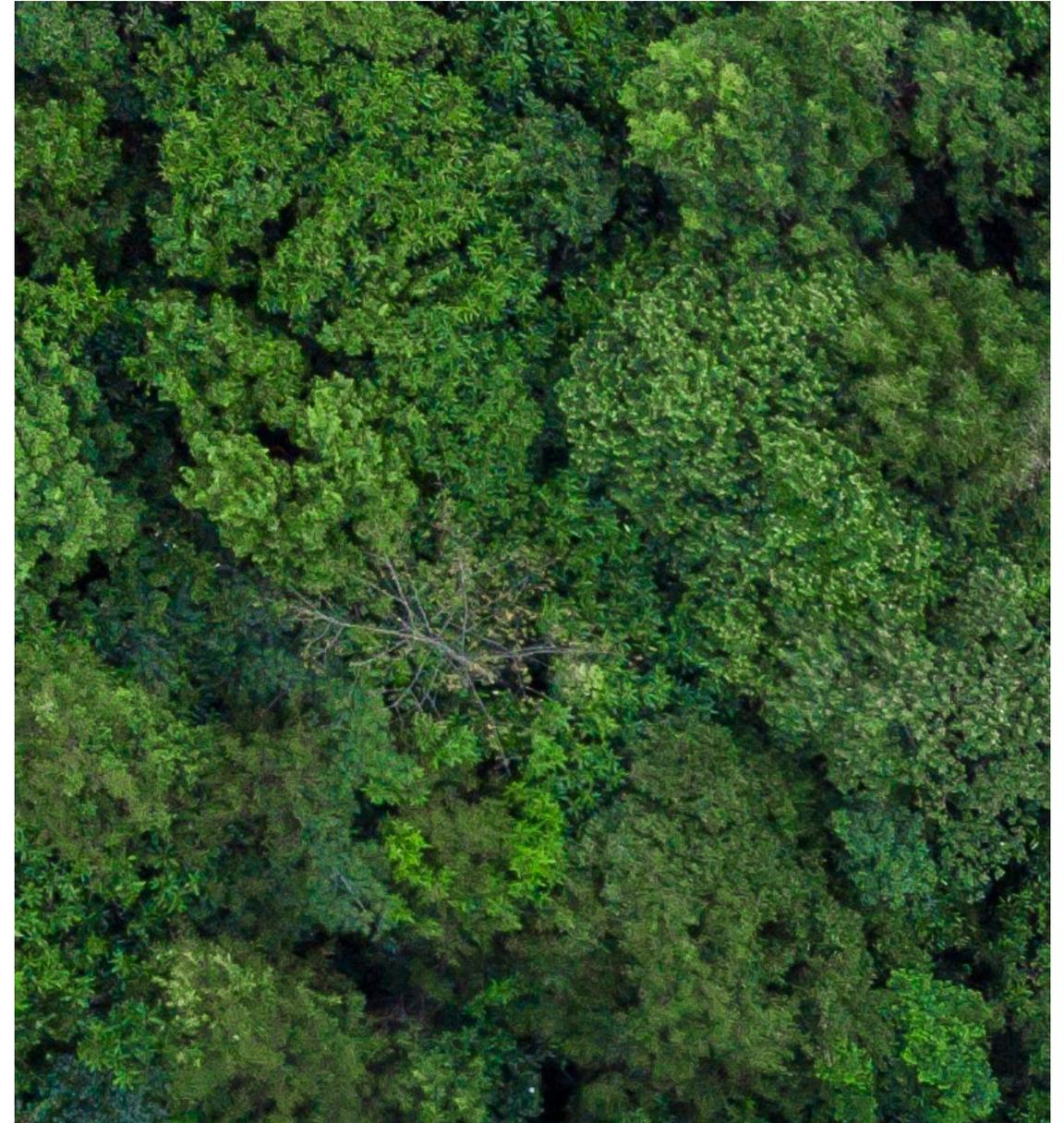
For this new year, we have set new challenges that imply a change in the company's global focus and objectives and that we hope will become a reality throughout 2023.

We are committed to sharing this information with our stakeholders using our main communication channels at the same time that we want to thank and congratulate the Spanish Global Compact Network for the extraordinary work of raising awareness, disseminating and promoting the Sustainable Development Goals (SDGs) that we support.

Alcalá de Henares, 30th September 2022

Yours Sincerely,

Marcelo Montoro
Managing Director



About us

New horizons in the formulation and distribution of chemical specialties for the industry.

At Crismachem we are convinced of the extraordinary potential that companies have to improve society in a lasting way through the higher purpose of each company. In our case, improving the lives of all of us by adding value to our customers, who in turn incorporate our technology into solutions or products that are finally found in people's daily lives. We use an approach to management that is consistent with our culture and is based on decentralization, empowerment and collaboration. We seek to satisfy the needs of all major stakeholders as ends in themselves.

We are a leading partner of choice for raw materials and chemical specialties for construction and CASE industries

We connect our clients and suppliers by providing the most effective distribution channel, organizing sales and marketing operations in a professional manner, implementing our suppliers' strategies in the local market and adding value to our represented companies and our own products through a quality specialized technical advice that gives rise to our strapline "We know how".

We strive to provide a safe work environment where people want to work and generate returns for stakeholders, always with an integrated management approach where not only economic, but also social and environmental benefits prevail.



Our Vision

“Crismachem’s visión is to be a benchmark partner in the distribution and manufacture of Chemical Specialties”

Crismachem’s vision is to be a benchmark partner in the distribution and manufacture of Chemical Specialties for all those clients, suppliers, teams and other stakeholders parties who want to develop innovative, sustainable and competitive solutions in different markets, acquiring a commitment to transparency, social and environmental responsibility generating a positive impact on sustainable economic development, through the operations and projects of the company and through the continuous evaluation of the company’s performance.

Values

“Entrepreneurship, transparency, trust, innovation, commitment, integrity, respect, excellence, knowledge and experience”

These are not just buzzwords, but the company’s core principles that define who we are, what we stand for, and how we want to be perceived. For us, staying loyal to who we are is crucial.

We think that work can exist at three levels: job, career or calling. If it is “just a job”, it is a pure transaction: we have no emotional connection with the work. More ambitious people think of their work as a career, offering them opportunities to attain higher levels of responsibility and reward, but many such people are not emotionally invested in their work or value ant rewards beyond the material. But work also can be a calling that offers us value and satisfaction beyond the fair paycheck. For this we look for people who believe in the Purpose of the business and resonate with our values and culture.





Diversity, equity and inclusion Purpose statement

At CRISMACHEM

We understand that we can only truly fulfill our purpose with the full commitment, participation, creativity, energy, and cooperative spirit of a diverse workforce. Understanding, accepting and valuing differences in race, ethnicity, gender expression, age, religion, sexual orientation, education, personality, skills and experiences is critical to our profitable growth, competitive advantage and success as responsible business leaders in our industry.

Diversity and inclusion are central to our high-performing culture. Right now, from senior managers to early careers, we're working to improve representation. We're measuring our progress to see what's working and what could be better. And we're building practices to address the needs of different people and help us all have the skills to foster inclusion.

The sense of Human responsibilities is built through dialogue and exchange so that everyone can realize what works and what doesn't. Our company has at heart to give its staff members the chance to achieve professional fulfilment and offer them with real prospects for career advancement by promoting equal opportunities to all.

We strive in redesign work to make it more meaningful. This means increasing the opportunity for all people to grow and develop mastery in several domains. We understand that it is deeply fulfilling for people to be part of a team, where contributions are valued and the team encourages them to be creative and make contributions.

Much more than a distributor

At Crismachem

We deliver intelligent logistic solutions specifically tailored to meet your needs, from just-in-time international deliveries, to bespoke solutions. Our priority is to offer a premium delivery service to all customers at a competitive price.

Smart logistics

Crismachem CRISMACHEM has an extensive supply chain network, which gives us the flexibility to support changing local demand and to provide the highest service levels. CRISMACHEM has a long-standing business relationship with experienced, certified (ISO, REACH...) third party logistics services providers.

Fully integrated management systems

We can provide fast, professional handling and delivery when and where you need it. Segregated storage areas are used for products requiring special climatic or safety conditions. Orders can be received by direct link into a supplier's system, via internet platform or any other means.

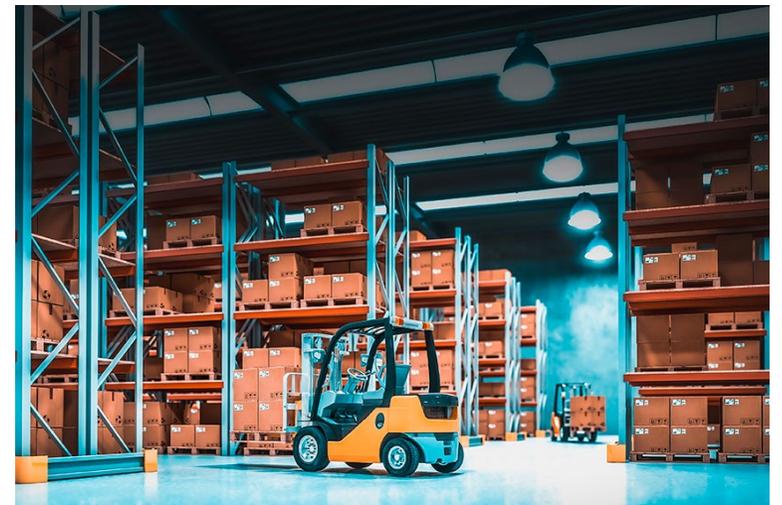
For principals, CRISMACHEM simplifies distribution management providing one point of contact. For customers, we offer efficient supply chain systems, the potential to consolidate purchasing with a single distributor across the globe and the opportunity to improve value with a one-stop-shop approach.

Warehousing and centres of excellence

We are fully compliant with and have expert knowledge on control regulations and business standards for the storage, handling, transport and trading of chemicals. CRISMACHEM always follows the most stringent guidelines and guarantees this unified approach throughout the whole distribution cycle.

Blending and repacking services

Through CRISMACHEM's fully flexible supply chain model, a comprehensive range of value-added services including repacking, dilution and blending is offered. CRISMACHEM is committed to engineering a bespoke cost competitive solution' to fulfill all technical, commercial and quality requirements.



Much more than a distributor

Quality Assurance for the Chemical Industry

Quality has a high priority which is well embedded in our company culture. Our approach toward quality is comprehensive and systematic which enables continuous quality improvement. To us, long-term solid relationships with our customers and industrial partners provide the best measure for quality. As part of our quality focus, we have developed and implemented our Quality Management System in line with ISO 9001 standard. For our own designed products, we use an ISO/IEC 17050-1 approach for supplier's conformity declaration.

Crismachem is part of the Spanish Chemical Trade Association (AECQ), an entity that represents the group of Distributors of the Chemical Sector in Spain.

Open innovation

We know that innovation is permanent and fast, and to make sure that CRISMACHEM remains ahead of the pack, we continuously develop our capabilities to track the latest trends and innovations. From leading research institutes, schools and universities, to customers, suppliers and startups, we believe that collaboration with networks of stakeholders outside our organization is key to innovate and differentiate in our industry. We have our own R&D&i management system based on UNE 166002 standard for design, formulation, storage, handling, distribution and sales of raw materials, additives and specialties for the industry.

CRISMACHEM is recognized as Innovative Enterprise by the Government of Spain, through the Ministry of Science and Innovation. The Innovative SME seal is a recognition that the Ministry grants to those companies that in recent years have carried out research, technological development or innovation (R&D&i) activities.



INNOVATIVE SME

Valid until Oct 20th 2023



Much more than a distributor

TOP 200 EUROPEAN DISTRIBUTORS

1 Lab + R&DI Center



+250

Customers trust Crismachem



+500

Portfolio products



+5

Countries in which we operate commercially

The Ten Principles of the UN Global Compact. Thematic Areas

The Ten Principles of the United Nations Global Compact enjoy universal consensus and are derived from the **Universal Declaration of Human Rights**, the **Declaration of the International Labor Organization concerning Fundamental Principles and Rights at Work**, the **Rio Declaration on the Environment and Development**, and the **United Nations Convention on Corruption**.

The 4 thematic areas in which the 10 principles are distributed are:

HUMAN RIGHTS:

- 1. Businesses should support and respect the protection of internationally proclaimed human rights.
- 2. Make sure their own corporations are not complicit in human rights abuses.

LABOUR:

- 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4. The elimination of all forms of forced and compulsory labour.
- 5. The effective abolition of child labour.
- 6. The elimination of discrimination in respect of employment and occupation..

ENVIRONMENT:

- 7. Businesses should support a precautionary approach to environmental challenges.
- 8. Undertake initiatives to promote greater environmental responsibility.
- 9. Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION:

- 10. Businesses should work against corruption in all its forms, including extortion and bribery.



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION

Best practices and sustainable development goals (SDGs) contribution

The 2030 Agenda for Sustainable Development, adopted by all Member states of the United Nations in 2015, provides shared plan for peace and prosperity of the people and the planet, now and in the future. At its core are the 17 Sustainable Development Goals (SDGs), which are an urgent call to action to all countries and social actors.

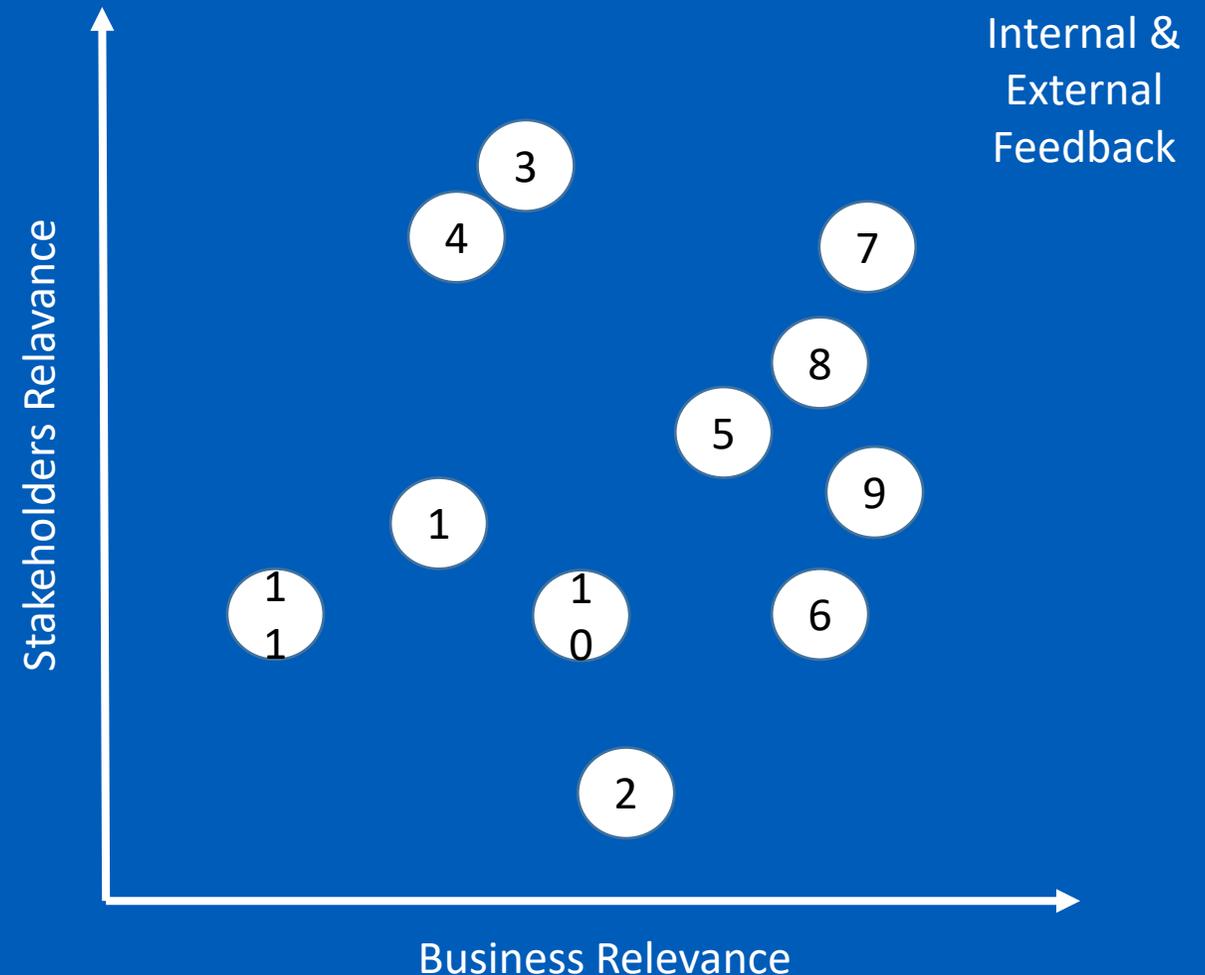
At Crismachem, given our role as social actor, we recognize that we can contribute with strategies to improve our social, economic and environmental impact. For this reason, besides working to create an increasingly sustainable company, we actively contribute to improve health and education, reduce inequality and stimulate economic growth, all while tackling climate change by improving our operations and activities in the supply chain. Here are the most important projects, which are a clear example of our commitment to the SDGs within the framework of the 10 Principles of the Global Compact, undertaken within the period between November 2021 and October 2022.



Materiality Analysis

Our Materiality detail the relevant issues for Crismachem in the field of Sustainability, taking into account the expectations of our Stakeholders and the strategic reflection on sustainability trends.

1. Governance. Ethics.
2. Risk management.
3. Health and Safety. Wellbeing.
4. Talent development. Motivation.
5. Stakeholders Relations and Community. Local Development. Satisfaction.
6. New technologies. Cyber Security.
7. Circular Economy.
8. Operational Environmental Impact.
9. Innovation. Responsible Marketing.
10. Supply Chain Stewardship.
11. Diversity and Inclusion.



Impacts



× 2,5 Sales Increase



87,5% Personnel covered by Labor Agreement



+ 80% Tax Contribution



2,1 Employee Training Courses



× 2 Collaborations/Associations/Sponsorships



50% Warehouse Equipment for Electric Mobility



+ 14,2% Staff increase vs 2021



× 2 Investment in Suppliers

Staff

% of Women over total Employees 42,8%

Average age Workforce 40,4%

Percentage of indefinite contracts over the Total 100%

Staff Turnover Rate 0%

Staff Origin
85% Spain
15% Rest of Europe

Best practices and sustainable development goals (SDGs) contribution



Empowerment of employment and Business Ethics.

The crisis of raw materials, transport and energy added to the situation of political instability in Europe derived from the invasion in Ukraine have caused a historical inflation with a level of uncertainty in the markets never seen before, which has a negative impact on the economies, beyond of the personal and humanitarian drama, which is still the first devastating effect of the war.

At Crismachem we believe that the leadership of our managers is crucial in these types of situations and serves to inspire our employees. In 2022 we have not only maintained 100% of the employment prior to the pandemic and at the beginning of the energy and transport crisis, but we have increased our number of employees by 14,2%.

Crismachem has a mandatory Code of Business Conduct and Ethics in which the company is committed to support and respect the protection of internationally proclaimed Human Rights, promote equal opportunities for all staff and job applicants without any type of discrimination and maintain equal treatment at all times.

Likewise, employees are encouraged to report any violation of the aforementioned standards to their direct supervisor, the Corporate HR Department or the Regional Compliance Manager.



Stakeholders: Employees



Health Protection Plan. Digital transformation and work-life balance.

Crismachem has established a comprehensive plan for the protection of workers' health. This plan includes the physical adaptation of our offices, the possibility of working remotely (telecommuting) up to 100% of the days and at the worker's will for certain departments and information and continuous training for all company employees. Our first priority continues to be the health and safety of all the people who are part of our business. The totally flexible possibility of teleworking facilitates family conciliation, one of the company's objectives. To meet this challenge, computer equipment has been updated and cloud-based tools have been implemented, accessible from any device, for all employees. The widespread use of new management and communication tools has favored both the development of professional activity (internal and external), as well as social development, and has made it possible to strengthen team spirit and combat social loneliness.



Stakeholders: Employees



We joined the UN Global Compact in our commitment to a sustainable future.

Crismachem is proud to be a member of the UN Global Compact, another step in the development of our sustainability strategy. The mission of the UN Global Compact is to create an international movement of sustainable companies, and encourage companies and organizations to align their strategies and operations with ten universal principles on human rights, labor standards, the environment, the fight against corruption, and promoting the Sustainable Development Goals (SDGs).

Likewise, Crismachem has established new alliances and collaborations in 2022 in order to promote a collaborative ecosystem in the sector where we operate. Thus, Crismachem is a sponsor of ANFAPA, Mortar and ETICs Manufacturers Association and is also a member of the Madrid Chamber of Commerce.



Stakeholders: Employees, Clients, Suppliers, Community



Best practices and sustainable development goals (SDGs) contribution



Cardio Protected Space.

CRISMACHEM is especially sensitive to the promotion and prevention of the health of its workers and for this reason it is certified as a "Cardio Protected Space" by the Salvar Ataque de Corazón Association for implementing, in 100% of its staff, online training that allows the identification, stabilization and action in the event of a heart attack or stroke in workplace or in family and social environment. This program aims to contribute to increasing rescues and reducing victims of a heart attack along with research and divulgation. Inspired by the American Heart Association's outreach campaign, points the way to teaching and training civilians: civil language, simple concepts and practical advice. Crismachem is integrated into the CardioCivil Rescuers Network and has a fully automatic external defibrillator (FAED) registered and connected to the Emergency Service to act in the event of an incident.



Open innovation. UNE 166002. Innovative SME.

For Crismachem, innovation is one of the fundamental pillars on which its business strategy is based. Through it, we obtain returns that ensure the future profitability of the business and positively impact our customers and suppliers, through the various existing collaboration mechanisms. Crismachem is the first specialized distributor to have an R+D+i Management System certified (UNE 166002). In addition, Crismachem is recognized as Innovative Enterprise by the Government of Spain, through the Ministry of Science and Innovation. The Innovative SME seal is a recognition that the Ministry grants to those companies that in recent years have carried out research, technological development or innovation (R&D&i) activities. Thus, in 2022 Crismachem presents its own R+D+i project through the Spanish CDTI open call, related to the use of industrial waste for mortar market.

Anti-corruption Measures

As a global company, Crismachem complies with a wide variety of laws and regulations in each country in which we do business. In addition to complying with all applicable Crismachem policies, observance of the law and the rules of the legal systems in which we operate is mandatory for all company employees. Our Code of Conduct, which is mandatory, reflects our commitment to free and fair competition, avoids and penalizes any type of bribery and corruption, money laundering and use of privileged information and conflicts of interest or the mere appearance of such conflicts.



CODE OF BUSINESS CONDUCT AND ETHICS OF CRISMACHEM S.L
06/05/2022 Ed2.

HUMAN RIGHTS

LABOUR

Stakeholders:
Employees, Clients,
Suppliers, Community

HUMAN RIGHTS

LABOUR

Stakeholders:
Employees, Clients,
Suppliers

HUMAN RIGHTS

LABOUR

ANTI-CORRUPTION

Stakeholders:
Employees, Clients,
Suppliers, Community

Best practices and sustainable development goals (SDGs) contribution



Crismachem joins Responsible Care™ Program.

Responsible Care® is the global chemical industry's voluntary initiative to drive continuous improvement in safe chemicals management and achieve excellence in environmental, health, safety, security and communication performance, according to the principles of Sustainable Development.

AECQ manages the Responsible Care Program for Distributors of Chemical Products in Spain, based on the Responsible Care Program of Fecc (European Association of Chemical Distributors) which in turn is based on the 8 Guiding Principles of ICCTA (International Council of Chemical Trade Associations) RC/RD. The objectives of the Program are perfectly aligned with Crismachem's CSR objectives, which are based on an integrating vision of the legitimate development of the productive activity of chemical companies together with the contribution of this industry to social welfare and sustainable development, deepening for this in all areas of social responsibility.

Sustainability and Environment Policy.

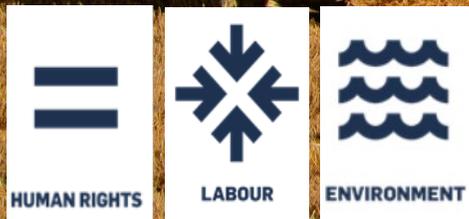
Crismachem's Sustainability Policy commits the company to incorporate sustainability criteria throughout all operations. Crismachem's environmental and social contributions begin with its suppliers and, through our staff, expand throughout the value chain. Our ultimate goal is to have a positive impact on society and the environment in conjunction with the rest of the Company's Policies.

Decarbonization

At Crismachem we started a project to decarbonize our processes. Thus, currently more than 80% of the energy necessary for the performance of our processes comes from clean renewable energy (solar). Furthermore, currently, 50% of our forklift fleet is electric.

Employee training.

Crismachem offers an annual training program for all employees that focuses especially on lower-degree profiles, with the aim of enable job enlargement. We also promote the development of transversal skills for all members of the organization. From November 2021 to October 2022, 2,1 training courses per worker have been carried out, with special emphasis on training related to prevention. The improvement of skills within the organization is one of our objectives, which results in better conditions for the people who work at Crismachem.



Stakeholders:
Employees, Clients,
Suppliers, Community



Stakeholders:
Employees, Clients,
Suppliers, Community



Stakeholders:
Employees

Best practices and sustainable development goals (SDGs) contribution



In 2022 Crismachem takes a further step in this direction and joins the Spanish Diversity Charter, an initiative promoted by the European Commission whose adherence testifies to the organization's commitment to diversity and inclusion in the workplace in order to promote work according to our philosophy.



Diversity, equity and inclusion Purpose statement.

At Crismachem we understand that we can only truly fulfill our purpose with the full commitment, participation, creativity, energy, and cooperative spirit of a diverse workforce. Understanding, accepting and valuing differences in race, ethnicity, gender expression, age, religion, sexual orientation, education, personality, skills and experiences is critical to our profitable growth, competitive advantage and success as responsible business leaders in our industry.

Diversity and inclusion are central to our high-performing culture. Right now, from senior managers to early careers, we're working to improve representation. We're measuring our progress to see what's working and what could be better. And we're building practices to address the needs of different people and help us all have the skills to foster inclusion.

The sense of Human responsibilities is built through dialogue and exchange so that everyone can realize what works and what doesn't. Our company has at heart to give its staff members the chance to achieve professional fulfilment and offer them with real prospects for career advancement by promoting equal opportunities to all.

We strive in redesign work to make it more meaningful. This means increasing the opportunity for all people to grow and develop mastery in several domains. We understand that it is deeply fulfilling for people to be part of a team, where contributions are valued and the team encourages them to be creative and make contributions.



Inclusion of the protection of the interests of stakeholders, the community and the environment in the statutes of Crismachem.

In 2022, Crismachem endorses its commitment to the community and the environment by including in its statutes, "the responsibility to ensure, in the performance of the corporate purpose, the generation of a positive social impact for society, the people linked to it and the environment". Likewise, it is specified that "in the performance of their duties, administrators must take into account in their decisions and actions the effects of said decisions or actions with respect to the interests of (i) the partners, (ii) the employees of the Company and its subsidiaries; (iii) customers, suppliers and other parties directly or indirectly linked to the Company, such as, for example, the community where the Company operates directly or indirectly. They must also ensure the protection of the local and global environment and the interests of the Company in the short and long term."

Stakeholders: Employees, Clients, Suppliers, Community



Stakeholders:
Employees, Community





COMMUNICATION
ON PROGRESS



This is our **Communication on Progress**
in implementing the Ten Principles of the
United Nations Global Compact and
supporting broader UN goals.

We welcome feedback on its contents.