

Annual Update

# 2022

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# Shaping our company

# Our company

The 2022 Annual Update captures the transformative journey Caldic has been experiencing amid an ownership change, bolt-on acquisitions, regional expansions and a successful financial year along with several company-wide initiatives, and it looks like this momentum is set to continue through to the next year.

This is reflected in the cover for this year’s report, which features the new graphic elements that were introduced as part of the new brand identity Caldic launched in the year. The geometric patterns symbolize the partnerships with our customers and principals and the infinite possibilities of our solutions. Whether it is for food, pharma, personal care or industrial formulations, our teams care to go the extra mile to support and innovate by bringing together our capabilities, products and competences and delivering custom solutions that require flexibility, agility and creativity – as compellingly illustrated by the uniquely shaped patterns on the cover and across this Annual Update. We hope you will enjoy the read!

## Letter from the chairman

“Caldic has firmly established itself as a global growth platform and joins the leaders in specialty chemicals distribution worldwide.”

2022 was an exceptional year in terms of business performance and the transformative events that Caldic experienced during the year. Despite the geopolitical tensions across the world and continued supply chain challenges, the company was able to realize an outstanding result in 2022.

In March 2022, Advent International (Advent) welcomed Caldic as a new portfolio company, following the announcement of the proposed acquisition of Caldic from Goldman Sachs Asset Management in November 2021. Advent is one of the largest and most experienced global private equity investors with a well-established track record in chemicals and life sciences. Immediately upon the acquisition, Advent merged Caldic with its existing portfolio company GTM Holdings, the leading independent specialty chemicals distributor in Latin America. The focus of 2022 was on the integration of both organizations and laying the foundation for future growth.

**Dr. Dahai Yu**  
Chairman of the Supervisory Board



Throughout the year, we remained committed to upholding our core values: prioritizing the health and safety of our employees and the communities in which we operate, and providing exceptional care and support to our customers and principals.

### Transformative year

With the support of Advent, Caldic has undergone a significant transformation in the past year. We have pursued a high-growth strategy to build global coverage for Caldic, and with the collaborative spirit of the teams working across the world, we have managed to define a common strategic agenda that ensures the entire organization is aligned in terms of our vision for growth, innovation, and sustainability.

As of March, our focus was on merging the organization with GTM. Various workstreams convened to explore new product and market opportunities that will enable us to unlock value for our principals and customers around the world, but particularly in the high-growth region of Latin America.

In October, it was announced that Advent and Wilbur-Ellis, one of the largest privately-owned companies in the world, had reached an agreement to merge their life sciences and specialty chemicals solutions businesses, Caldic and Connell, to create a global leader in its sector.

Through the merger with GTM in Latin America and Connell in Asia-Pacific, three highly complementary businesses will be combined to form a truly global business with significant exposure to high-growth regions and diversified end markets with a high added-value offering.

### Acquisitions

In addition to the merger with GTM, Caldic concluded several bolt-on acquisitions across all regions in 2022. In APAC, we received the approval from the authorities to acquire Scott Chemicals, specialized in the distribution and wholesale of specialty chemicals in February. In Europe, Caldic announced the acquisition of Food Industry Technology Ltd (FIT) in UK, a distributor of food ingredients and functional blends that will help Caldic increase its focus on life science solutions and accelerate growth. In the southern European brewing market, Caldic strengthened its foothold through the acquisition of Mr. Malt - P.A.B. S.r.l., the leading distributor of brew ingredients and accompanying equipment solutions for the Italian market. Additionally, the acquisition of Betaquímica enables Caldic to expand its services and product offerings to industrial customers in Spain and beyond.

In North America, we acquired Avatar Corporation as well as CAIF to solidify our position in the nutrition, food and beverages market. These acquisitions enable Caldic to offer a broader range of products and added value services to our customers.

In LATAM, Active Pharmaceutica Ltda, a value-add pharma distribution company, was acquired to further strengthen Caldic's position in the life sciences sector in Latin America. Finally, we incorporated the expertise of our acquired company Bring Solutions, a Brazilian value-add distributor specializing in customized ingredient solutions for the food, supplement, and pharmaceutical industries, into Caldic's operations.

### Executive Leadership Team

On behalf of the Supervisory Board, I would like to express our gratitude to the Executive Leadership Teams and all those who have worked diligently to guide Caldic through a period of significant change and growth. Their leadership and dedication have been essential to our success, and we are proud to have such a strong and effective team in place. In December, Rahul Vas-Bhat, succeeded Bernard Witte as

CFO. We are grateful to Bernard who has been instrumental in the growth and success of Caldic and we wish him the very best in his future endeavors. We welcome Rahul, whose financial, strategic and operational expertise with hands-on experience in transforming and growing innovative businesses will be invaluable as we seek to continue accelerating Caldic's growth and capabilities.

### Looking Ahead

Against the backdrop of the successful integration of numerous acquisitions, our strong performance in 2022 in spite of continued impacts from the pandemic and geopolitical conflicts, and the prospect of further expanding our global reach with the merger with Connell in Asia Pacific next year, I am very excited about the opportunities that 2023 will bring. Our primary focus will be the seamless integration of our acquisitions that will help Caldic accelerate its sustainable growth journey. The strong leadership and their highly motivated teams are committed to collaborate smoothly and execute a cohesive approach to business operations so that we can deliver sustainable value to our employees, our business partners and society at large, on a bigger scale in 2023, because we care.

## Supervisory Board

**Dr. Dahai Yu**  
Chairman of the Supervisory Board

## Message from the CEO

“Outstanding year, unparalleled growth and significant expansion of the global footprint in an exceptionally volatile external environment.”

“With increasingly tough external challenges, it is clear that building a strong global platform is key to enabling our business partners – principals and customers alike – to unlock value in the life sciences and material sciences markets. The continued expansion of our growth platform was fully endorsed by our financial sponsor, Advent International, who took Caldic on board in March 2022. They supported us in accelerating our growth trajectory by concluding a long-term partnership with Wilbur-Ellis in October 2022, which paved the way for Caldic to merge with their Asia-Pacific-based distribution business, Connell. In this eventful year, we succeeded in delivering exceptionally good results.”

**Alexander Wessels**  
CEO Caldic Group

For the third consecutive year, we have faced unprecedented challenges. The geopolitical crisis and subsequent regrettable human suffering, triggered by the Ukraine-Russia situation, the aftermath of COVID-19, persistent disruptions in the global supply chains, surging energy costs and steep inflation, conspired to create an increasingly volatile and unpredictable external environment, which put our employees' resilience to the test. From the beginning of the year, our teams handled the challenges with agility and resourcefulness, adapting to the evolving realities to meet customer demands. I am proud that as the result of the exceptional commitment and perseverance of our people and the worldwide disciplined care for our stakeholders at large, we managed to successfully deliver significant milestones that have enabled us to fast-track the strategic roadmap we defined in 2020.

In this extraordinary year, despite the tough circumstances – raw material supply issues, price inflation and supply chain disruptions – we experienced unparalleled growth and improved our turnover and EBITDA. We continued to drive rigorous working capital management particularly in inventory management of our stocks.

### Our strategic focus

As we welcomed the sponsorship of Advent International as of March 2022, Caldic further pursued its high-growth strategy, which was marked by the acquisition of several companies in the life science and material science distribution space that significantly expanded our product portfolio and geographical reach.

- With the addition of GTM, a key player in the LATAM market, we experienced significant growth in turnover, leading to a stronger share of the industrial formulation markets in our portfolio. Our focus on life science markets remained strong, as evidenced by our continued investment in eight bolt-on acquisitions in food and pharma distribution in 2022.
- Our expanded geographical reach provided us with opportunities to cross-sell various Caldic brands, such as Caltherm, a range of heat transfer fluids, and Calsil, a range of silicone-based products, to the LATAM market – a testament to the potential synergies that mergers can bring.
- We gained several new principals in all markets and regions, enabling us to expand our portfolio of products and value-added services offerings to customers and prospects.
- To underline the start of a new era of growth and innovation, the Caldic brand was revamped, delivering a distinctive identity that reflects our commitment to our business partners to inspire solutions that help them excel in the market and create value for their stakeholders, because we care.

Our priority moving forward is to harness the synergies among the diverse acquisitions that have joined the Caldic organization. By integrating their expertise and capabilities, we aim to strengthen our position and provide unparalleled value to our customers and principals. This collaborative approach will enable us to capitalize on the opportunities presented by our expanding portfolio and further solidify our commitment to deliver innovative solutions for the life sciences and material sciences markets.

We recognize that our sustainable growth journey is largely driven by our employees who are empowered and supported by a culture of freedom and accountability, and an inspiring workplace. On the way, we are committed to helping our employees in achieving their personal and business objectives.

### Our financial performance

The year 2022 can be characterized as an outstanding year, in which Caldic showed a solid post-pandemic recovery with a strong increase in turnover, mainly fueled



by organic growth in food and pharma in both Europe and North America, as well as growth in the Industrial markets in Latin America.

Despite supply chain disruptions and increased energy and raw material prices, further exacerbated by the Ukraine-Russia crisis, Caldic demonstrated its resilience in 2022 as a result of the successful pricing strategy and proven ability to pass-through raw material and logistic costs fluctuations.

Caldic's multiple market and global coverage, combined with its diversified supplier and product portfolio, have enabled it to deliver excellent results in 2022.

### Our commitment to our business partners

Our partners' satisfaction is key to our performance, and a customer-and-principal-centric mindset is essential to contribute to high Net Promoter Scores. There was extensive evidence of this throughout the year.



# Message from the CEO

## Our commitment to sustainability

In the last year, we reinforced our commitment to sustainability by focusing on key areas that impact our business and stakeholders. With the help of external consultants and the input of senior leadership, we carried out a comprehensive survey on environmental, social, and corporate governance (ESG) topics. This process finally led to the creation of a prioritized Materiality Matrix, which will continue to serve as a roadmap for our actions and reporting on important topics in the years to come.

Today, we are in the process of collecting data to report on our sustainability actions going forward. Sustainability has always been at the heart of our operations and we are demonstrating our commitment to transparency by tracking our achievements through this report. Moving forward, we will continue to release an annual sustainability report to share the progress, challenges, and achievements with our stakeholders.

Our sustainability focus is further reflected by our global collaboration aimed at achieving Ecovadis Gold status across all our locations by the end of 2024. This ambitious target reflects our goal to maintain the highest standards of sustainability and corporate social responsibility. By working together across our organization, we strive to make a positive impact on the environment and society as we continue to grow and become the industry frontrunner in the fields of sustainability and corporate social responsibility.

We also continued supporting communities in need. For instance, Caldic Malaysia provided aid to the flood-affected Hulu Langat District. Through a trusted partner, we donated essential household items to help families start to rebuild their lives after this catastrophe. In other regions, such as in Rotterdam, we have continued to support local NGOs by encouraging our employees to volunteer twice a year at local food banks, where we assist in organization and transportation. Other regions have spent their time on the collection of plastic waste along beaches and riverbeds.

## Our commitment to our people

In this eventful year, our priority remained the health, safety and well-being of our employees and their families. In the beginning of the year, some of the countries we operate in were in lockdown and we continued to provide protective measures to our on-site employees to ensure a safe working environment. For those employees who worked from home during the lockdowns, there were regular check-ins to

ensure people’s wellbeing. At the same time, the hybrid work model became increasingly embedded into the work culture, as it proved to be beneficial to the work-life balance of our people. While we prioritize the physical and mental health of our teams, in Europe we piloted a Vitality program, encompassing workshops and sessions provided by professionals, offering a wide variety of resources, varying from one-on-one sessions with psychologists to meditation and mindfulness slots.

During this extraordinary year, where we merged with the Latin America-based GTM, we put building our joint high-performance culture center stage through the global rollout of the Culture program. Starting with the initial management onboarding during our Global Leadership Conference, our Senior Leadership teams were given a set of practical tools and techniques for everyday use. To drive further rollout we applied the train-the-trainer concept, bringing more than 40 country representatives onboard, so they can act as a beacon for other colleagues to turn to for support, but most importantly to champion the culture of accountability and collaboration, enabling us to achieve our individual and organizational objectives. Through this cascade, every employee at Caldic will be equipped to help us reinforce a culture where everyone gets the best out of themselves and our cooperation, and contributes to our ambitious growth journey.

This Annual Update features some of our amazing people, who put our cultural behaviors into practice day by day. We are excited at how truly global and increasingly diverse this organization has become and we see significant value it brings to our stakeholders. We have tried to make this update reflect that inspiring solutions come in all shapes, sizes and disciplines.

## Our leadership

Following the ownership change and merger with GTM, in March 2022, we extended our Executive Leadership Team (ELT) with the appointment of Rodrigo Gutierrez as CEO for LATAM. Furthermore, to ensure all relevant competencies are represented, Aldrik Vervat, Vice President Strategy and M&A, joined the ELT, while Samera El Idrissi was appointed General Counsel and advisor to the ELT.

In the end of May, Jill Wuthmann, CEO of Caldic North America, retired. I would like to thank her for her contribution and wish her success in her new phase of life. Anne Brown joined Caldic in April to succeed Jill in the position of CEO Caldic North America.

In December, Elcio Mendes, succeeded Rodrigo Gutierrez as CEO Caldic LATAM. We are grateful to Rodrigo for his contribution to the organization integration, and wish him the very best for his future. With his background as former COO Caldic LATAM, Elcio is well placed to further build the capabilities and pursue the growth strategy in the region.

Additionally, in December, Rahul Vas-Bhat joined Caldic as CFO. He succeeded Bernard Witte, who decided to pursue other opportunities outside of the company. We wish Bernard all the best in his new endeavors, and we welcome Rahul into his new role and the ELT.

## Our gratitude

On behalf of the Executive Leadership Team, I would like to express our sincere and deepest gratitude to our employees who showed extraordinary resilience, commitment, and above all, perseverance, throughout this eventful year. We have brought ten larger and smaller organizations into one organization under the Caldic brand. This significant transformative effort has been fully supported by everyone and has resulted in a truly global and diverse

One Caldic organization with plenty of personal and business growth opportunities.

I would also like to thank our customers and principals for the trust they place in us. Their loyalty, support and commitment inspire us to do our best, every day.

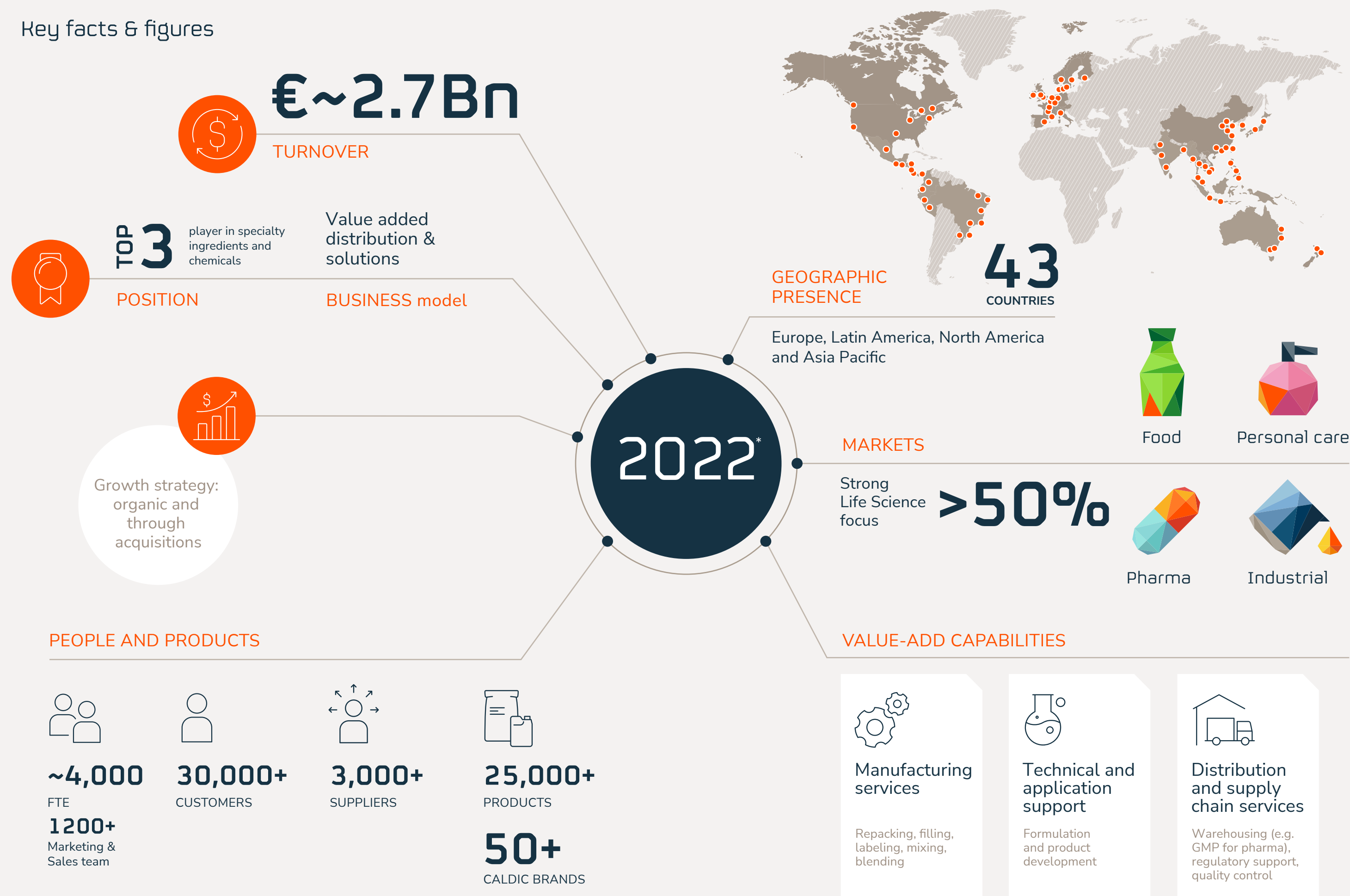
Finally, I would like to thank our financial sponsor, Advent International, for the smooth onboarding of Caldic in their portfolio, and for the professional guidance in developing a new joint strategy to unlock further value creation in the life sciences and material sciences markets. We appreciate their support in our ambition to redefine the parameters of added value in the ingredients and specialty chemicals distribution, offering our customers and principals a new standard in customized solutions. And, by keeping our care at the very heart of what we do, we believe that we are well-positioned for the next step towards becoming a truly global leader in the year to come.

Alexander Wessels  
CEO Caldic



Rahul Vas-Bhat CFO Caldic and Alexander Wessels CEO Caldic

Key facts & figures



\* Pro forma figures until Q1-2023





## Our markets

# Food



Caldic has a strong foundation in providing services and expertise in the food market. From developing a new product to re-formulating a firm favorite, our state-of-the-art in-house laboratories, test kitchens, and production facilities, combined with our market and application knowledge, allow us to deliver value-added services to our customer's specifications and satisfaction.

### Our capabilities and services

In the food market, we provide distribution services and warehouse facilities, product development and formulation know-how with the help of our food technologists and application experts, and production and packaging services for customized blends of wet or dry ingredients in several market segments, ranging from bakery to beverages to companion animal nutrition. Some of the product groups we cover include proteins, flavors, aromas, antioxidants, sweeteners, hydrocolloids, cocoa, etc. Our facilities are up to date with the required quality certifications, and with our network of world-class suppliers, we help customers source the best specialty food ingredients from all around the globe.

While offering customized solutions, we do not compromise on any of the functional properties like appearance, nutrition, stabilization, taste, and texture, to develop and deliver the ultimate experience to our customers. Thus, whether our customer is looking to craft a clean-label bread bun, a vegan burger, or an indulgent low-calorie ice cream, the experts at Caldic are committed

to co-creating products in our facilities to deliver the right formulation for any food or beverage product.

### Expanding our reach

We have further strengthened our footprint in food markets across the globe in 2022. In the UK, we acquired Food Industry Technology Ltd (FIT) in May. To solidify our portfolio in the brew ingredients and accompanying equipment in Europe, we acquired Italy-based Mr. Malt - P.A.B. S.r.l. in September. In the US, we acquired Avatar Corporation to our fold in September, a food ingredients and solutions value-add distributor specialized in food processing aids such as high-performance release agents, and in November, we further expanded through the acquisition of CAIF, which provides a wide range of naturally sourced concentrated active ingredients and flavors dedicated to the dietary supplements and nutrition segment.

In LATAM, we reinforced our position in Brazil through the acquisition of Bring Solutions in November.





“All the kudos go to our operations team in Mississauga. Their responsiveness and cooperation are what established us as a partner that can be counted on.”

## Popping to the cinema

In 2022, markets everywhere were still bouncing back from the effects of the pandemic and the food market was no different.

Supply chain issues were the main challenge faced by most businesses during the year. Jim Clark, the National Commercial Director of Caldic North America, shared how Caldic was able to leverage this to build a new and potentially long-term partnership with a large-scale cinema chain.

One of the largest cinema chains in the US hit a snag with their supply chain. Upon learning that Caldic was a supplier to cinemas in Canada, they reached out to our team in North America, who worked together to deliver an initial batch of pallets that soon turned into a sizeable package.

Jim, who led the agile response to this urgent request, praises the employees who were part of the operations for their swift action. “All the kudos go to our operations team in Mississauga. Not only were they able to turn around production and start the shipments, but they were also able to add a bag-in-box (BIB) packaging line that could handle the business moving forward in as little as four weeks. Their responsiveness and cooperation are what established us as a supplier that can be counted on.”



**Jim Clark**  
National Commercial Director  
Caldic North America

“With our expertise and the state-of-the-art application lab, we are happy to help our partners with vegan alternatives.”



**Simone Rijlaarsdam**  
New Product Developer  
Caldic Benelux

## Ensuring a fluffy and moist bite

Sustainable and plant-based food solutions have been at the forefront of the food market from an environmental and consumer demand perspective.

At Caldic, we are not only cognizant of the importance of sustainable sourcing and plant-based alternatives in food products but also of the essential contribution of their taste, texture, and flavor. Simone Rijlaarsdam, a New Product Developer at Caldic Benelux, describes her work in egg replacement and reduction.

“As several of our partners ask for vegan applications, with our expertise and the state-of-the-art application lab, we are happy to help them with their requests. When it comes to cakes, for example, with our technical knowledge, we look at the properties of egg in the recipe and analyze what ingredients can be used to replace it.” The most challenging part of reducing and/or removing eggs from a cake is its reduced

stability. The key, she states, is to check the firmness and airiness of the cake to determine if the egg has been successfully replaced. She also cites an example of a pound cake, in which just half of the amount of egg and margarine is used, with help of a blend of hydrocolloids and plant protein from our own Pectacon® brand.

Simone reflects on the other major challenge facing the food market: the limited availability of raw materials in 2022 and more importantly, in the future. She has already encountered out-of-stock situations and expects ingredients to be more rarely in stock and potentially very expensive due to increased demand, logistic issues, and climate-change-related poor harvests. Ultimately, she believes that the challenges of the supply chain, custom formulations, and sourcing of raw materials are here to stay and will therefore require an organization like Caldic to continually look for solutions for the future.





## Our markets

# Pharma



Caldic has an extensive portfolio in the (bio)pharma market and is recognized as a trustworthy and knowledgeable distribution partner that works closely with our customers to achieve the highest standards. Our extensive global network of premium supply partners enables us to provide our customers with access to a wide range of high-quality ingredients and value-added services – sourcing products and tailoring solutions to specific requirements, such as handling and storage under cGMP conditions.

### Certified facilities and materials

We provide services for pharmaceutical producers of small and large molecules and end-dose formulations, offering an extensive portfolio that encompasses product groups like specialty solvents, customized intermediate and processing aids, Active Pharmaceutical Ingredients (APIs), and excipients. Furthermore, we can assist them in delivering the product in its dosage form, whether it is tablets, capsules, oral liquids or gel. While the manufacturing of high-purity chemicals and the distribution of raw materials are our core strengths, we go above and beyond to find the exact solution to address customer requirements.

Our full range of services and facilities enables us to support customers across a wide range of pharmaceutical solutions and at every stage of the development of new products. These include cGMP cleanroom-filling services that provide well-controlled environments for repacking raw materials and cGMP warehousing for storing the materials.

We also offer cGMP sampling services and develop tailor-made solutions to customer specifications. Furthermore, we provide regulatory support with the help of our technical experts who stay on top of the changing regulations and standards in the health industry. Our global sourcing network of supply partners combined with our certified pharma facilities ensures supply chain reliability and thus, enables us to contribute to risk mitigation. All these services enable our customers to efficiently and safely get their products to the market.

### Growing our footprint

We have made significant strides in the past year with the acquisition of Active Pharmaceutica Ltd. in Brazil, which has contributed to expanding our global pharma footprint, especially in the high-growth region of Latin America. Our customers and business associates have found in us a reliable partner for pharmaceuticals, veterinary medicine, biopharma, and nutraceutical products.





“Our cGMP environments ensure that we meet the highest cleanliness standards and prevents contaminations to secure the highest possible quality of raw materials.”



**John McKeon**  
Managing Director Pharma  
Caldic Ireland

## State-of-the-art Facilities and Capabilities

The advanced capabilities of our pharma facilities enable us to tailor solutions that address unique customer requirements.

Many times, pharmaceutical customers come to us in need of sourcing specific molecules that can be repacked in different packaging formats, as well as samples. John McKeon, Caldic Ireland’s Managing Director Pharma, says that the customer’s raw materials and samples required cleanroom conditions for both packing and sampling.

Our pharma facilities are equipped with state-of-the-art cGMP cleanroom systems for the repacking of raw materials. John explains that these cleanrooms provide well-controlled and enclosed environments where pollutants like dust, airborne microbes, and aerosol particles are filtered out securing the cleanest air quality possible to avoid any impurities during repacking. “Utilizing these cGMP environments ensures that we meet the optimum cleanliness standards and avoids potential contaminations to secure the highest possible quality of raw materials,” he elaborates.

Finally, he states that “Working closely with the different departments of our biotech customers, such as quality, procurement, materials management, and production, allows us to gain an insight into the intricacies of the operations of a biologics plant. This then enables us to develop value-added services and outsourcing opportunities through the involvement of every employee, and in turn, allows the customer to focus their attention on science and drug development.”



## Access to Life-Saving Solutions

The last couple of years, and particularly 2022, have been particularly strenuous for the pharma industry and one of the main causes has been the increasing demand for raw materials.

With a global pandemic, supply chain challenges, and other recent world events, the industry has been faced with market shortages, supply tightness, and extended lead times. The pharma team works side-by-side with the global network of supply partners to ensure we source the raw materials to keep up with the rising demands. Commercial Director Toni Patton emphasizes this collaboration when she says, “The global supply chain is becoming increasingly complicated, making it challenging to navigate without help from a team of experts like ours who simplify the process for our customers. We make the effort to understand their

processes so as to identify solutions that will improve patients’ quality of life.”

We are able to do this because of our access to multiple sources of materials, which meet compendial requirements that can be offered as primary and secondary sources to mitigate risks. Additionally, we have built strong, long-term relationships with our customers and principals. The manufacturers that are selected produce the highest quality products, offer change notifications, supply regulatory documentation, and allow audit access. Thus, production delays are prevented by partnering with our customers to regularly review and take into consideration their projections, storing key materials in our cGMP-compliant warehouses located throughout the world, holding mutually agreed upon inventory levels, and being transparent about the status of the orders by providing detailed reports to customers to ensure delivery dates are met.

“We make the effort to understand our customers processes so as to identify solutions that help them improve their patients’ quality of life.”



**Toni Patton**  
Commercial Director  
Global Pharma





Our markets

# Personal care



Caldic offers a wide range of products and services, and unique solutions to our customers in the personal care market. The long-standing partnerships with our suppliers enable us to provide our personal care customers with innovative solutions that range from formulation support to regulatory support as well as supply chain services.

**Our product and services offering**

Our portfolio targets the hair, makeup, skincare, and toiletries segments of the market. The product groups we source and provide services in include active ingredients, botanical extracts, emulsifiers, organic oils, polymers, preservatives, silicones, solvents, surfactants, scrubs, thickening and neutralizing agents, and rheology modifiers, among others.

We ensure that while developing product solutions, we are mindful of customer-specific functional requirements. For instance, for texture, our experts will assist in creating products with excellent sensory appeal. For other functional benefits their support lies in enhancing the formulation to contribute to properties such as protection from UV rays or shelf-life extension, as well as other elements like anti-aging and moisturizing. We also are on top of industry requirements such as sustainable production with eco-friendly packaging and refills, and aspiring for

sustainable sourcing with natural plant-based ingredients. We work with partners that have cruelty-free and other environmental and ethical certifications.

**Our capabilities**

Supported by our long-term partners and an extensive team of experts, the services we offer include technical and formulation support – such as concept development, sampling for efficacy testing and visual and sensory appeal, and technical processing guidance. Furthermore, we also provide regulatory support – ensuring compliance with all necessary regulatory frameworks – as well as supply chain services, which is facilitated by our state-of-the-art warehouses. These warehouses function as logistical distribution hubs, where we leverage our expertise ranging from negotiating and sourcing materials, to safe, professional and efficient handling, repacking and delivery of ingredients to the required sites.



“We pride ourselves in product expertise and principal relationship management in order to promote the key benefits of each product by understanding their unique selling points.”

## The Ultimate Hair Care Solution

Product Marketing and Business Development Manager Renata S. Barnabé accurately demonstrates how Caldic provides customized solutions to our customers.

One of our customers was trying to find a versatile active ingredient for its range of hair care products that is sustainable but also does not affect their performance even in low dosages. “To meet their requirements,” she explains, “it was important that our sales and technical teams conducted thorough research of formulations and prototypes that were sent by the customer, the cost impacts and other commercial parameters such as market trends as well as performance and efficacy assessments before the launch.”

She further adds that while the process is extensive, it is key to our added value in the supply chain. Furthermore, she stresses the importance of working in tandem with our principals to build a long-term partnership – “We pride ourselves in product expertise and principal relationship management in order to promote the key benefits of each product by understanding their unique selling points.”

We helped the customer in the development of the formulation of four hair care products that meet all the requirements and have been launched in early 2023.

**Renata S. Barnabé**  
Product Marketing and Business Development Manager  
Caldic Latin America

“We have managed to come up with several formulas that are effective yet skin-friendly, winning the trust and praise of young mothers who yearn to provide only the best in natural care to their children.”



**Mindy Lim**  
Technical Development Manager  
Caldic Malaysia

## Resolving Natural Skin Care Formulations

As more customers opt for natural and organic personal care products, young mothers have also embarked on the trend for both themselves and their newborns.

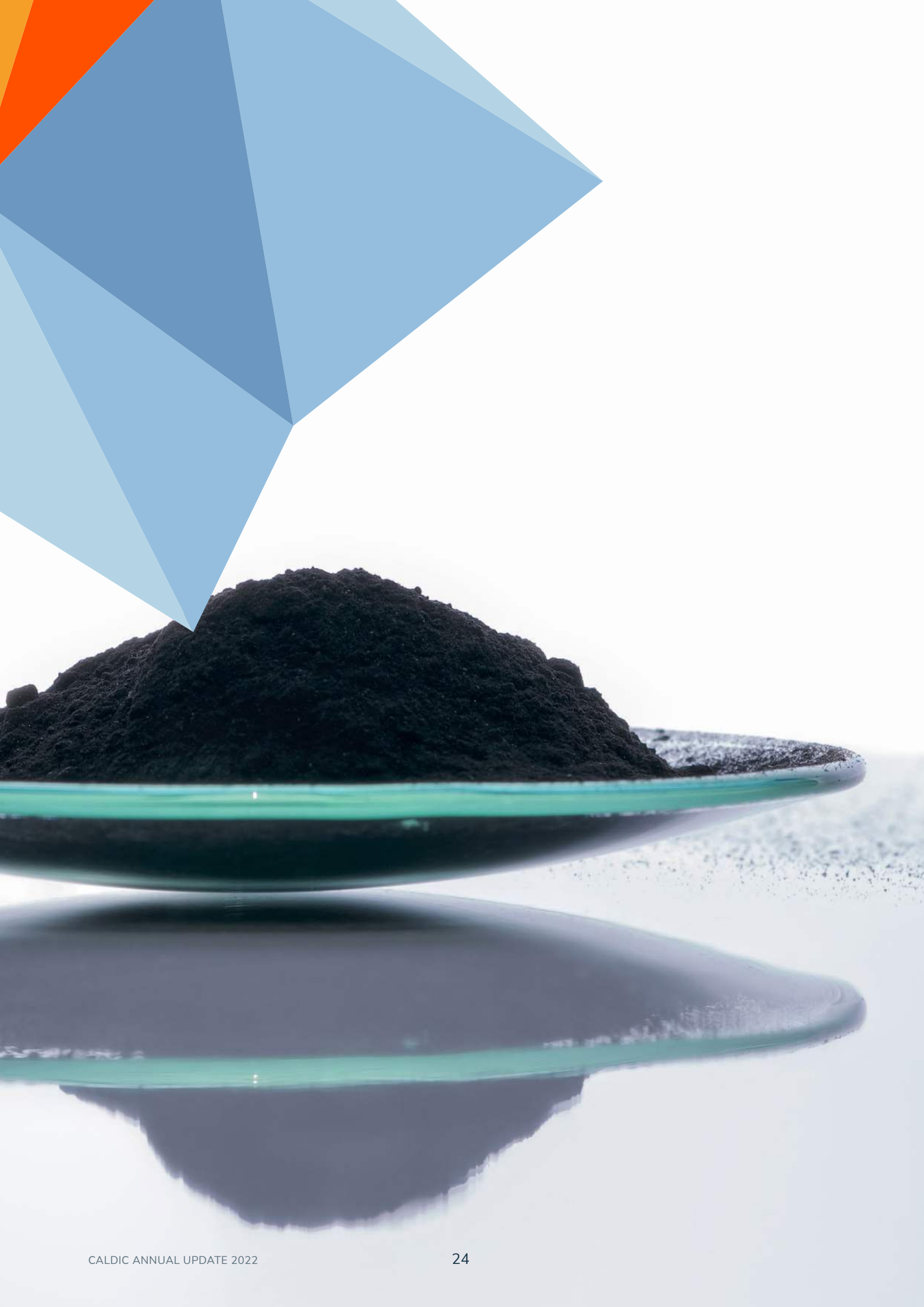
The formulation of a product that is natural while also meeting the requirements of such a target group is rather tricky. Technical Development Manager Mindy Lim explicates, “When formulating natural and organic skincare products, especially those that will be used on the sensitive skin of newborns, toddlers and young children, it is crucial to keep in mind the consumers’ expectation of the functionality. Making functional products requires close collaboration with the customer.”

Mindy leveraged her R&D experiences to put together various ingredient blends and performed trials in our advanced application laboratories, continuing to improve the formulas until an ultimate solution was

found that delivered both on sensory and functional levels. Soon after the customer launched the products, they won places in The Beauty Shortlist’s Mama & Baby Awards, and today the range can be found in select retail stores and e-commerce platforms across Malaysia and Singapore.

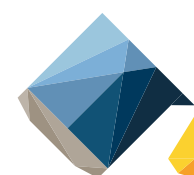
The customer’s strong desire to create honest, plant-based skincare products that are safe for use by infants required careful ingredient sourcing and thorough application trials. Mindy also reflects on how she and her team had to maneuver around other challenges such as searching for suitable natural preservatives, which will ensure that the quality and integrity of the products will remain intact throughout their shelf life. She proudly states, “We have managed to come up with several formulas that are effective yet skin-friendly, winning the trust and praise of young mothers who yearn to provide only the best in natural care to their children.”





## Our markets

# Industrial



Due to Caldic's long history in the industry, we have a deep understanding of the challenges and nuances of sourcing specialty chemicals and providing solutions. Our experienced technical teams tailor solutions to customer specifications and production environments with the support of our longtime global supply partners.

### A long history of expertise

In the industrial market, we offer services like formulation and regulatory support, repacking, and warehouse facilities. We are active in the market segments of adhesives and sealants, the chemical industry, coatings and construction, plastics and rubber, and other agriculture, automotive, and paper industries, among others. Our product portfolio spans pigments and dyes, solvents, additives, heat-transfer fluids, and metal treatment, activated alumina, titanium dioxide, and antioxidants to paper and ceramics, glasses, to name a few.

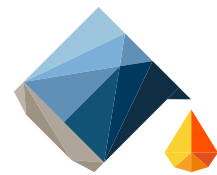
The breadth of our portfolio ensures we can meet requirements across a wide range of applications. For essential products for coatings and inks, plastics, rubber, lubricants,

or water treatment, Caldic's customers and principals can draw on years of experience and know-how to develop tailored solutions. Our application specialists are committed to working together with our principals to develop solutions that address the specific and often unique needs relating to formulations, packaging, production, and storage.

### Amplifying our network

In March 2022, Caldic merged with GTM, adding a strong footprint in the industrial markets in Latin America. In Europe, we enlarged our footprint in the industrial market by the acquisition of the Spain-based Betaquímica SA. In October, it was announced that Caldic would merge with the Asia-Pacific based Connell.





“The result was Caltherm® UBVI, a fluid based on silicones that is safe, environmentally friendly, suitable for food contact, and highly durable.”



**Rafael Domínguez**  
Customer Development Manager  
Caldic Iberica

## Naval refrigeration by Caltherm®

Our long-established history in the industrial market comes in handy when we receive definite and distinct specifications from customers.

Rafael Domínguez, the Customer Development Manager at Caldic Iberica, recalls how an engineering company, who is also a long-time customer, was looking for a heat transfer fluid that could be used for a new application in a naval refrigeration project – illustrating our skill in formulation solutions. It consisted of two deep-sea fishing vessels with freezing capabilities that would operate in the tropics and were under construction at a Spanish shipyard.

“We began by gaining a complete understanding of the project specifications, including working temperature, flash point, viscosity at a critical temperature, and volume. The company needed a heat transfer fluid to have low viscosity at extremely low temperatures of around -60°C while also being suitable for food contact as well as safe to be operated onboard, far away from any servicing point. We then exchanged ideas and discussed the options with our Caltherm® R&D team. The technical experts from Caldic France have long-standing expertise in formulating and manufacturing heat transfer fluids. It took us a few sessions, but ultimately, we were able to find the best solution for this challenging case,” he explains. The result was Caltherm® UBVI, a fluid based on silicones that is safe, environmentally friendly, suitable for food contact, and highly durable.



## Helping Packaging Convertors Drive Productivity

Increasing productivity while maintaining the efficiency and quality of the production process is a challenge for several industries and the print and packaging industry is no different.

The accumulation of ink in the photopolymers and anilox – a method used to provide a measured amount of ink to a flexographic printing plate – reduces the efficiency of the printing process due to the decrease in speed, the effect on packaging quality, and the need to stop the machine to clean it.

LATAM Sales Manager Nelson Valdivieso explains that to increase the productivity of the printing machine and



to save on time and supplies, Caldic LATAM developed Strasol® – a mixture of solvents to dilute ink during the printing process in the manufacture of flexible packaging through both flexography and rotogravure. Strasol offers efficient solubility and compatibility with inks and adapts to environmental conditions, productivity standards, and operations, while also achieving better print quality.

“We put together a team of experts to create Strasol for the simple reason of increasing the productivity of our customers' operations and supporting them in the efficient management of resources, such as inks, solvents, and substrates. Our practice of gaining insight into their processes allowed us to identify and develop solutions for them,” Nelson says.



“The Strasol® solution is tailor-made for each customer and offers excellent solubility, allowing the ink to perform at its best.”

**Nelson Valdivieso**  
Sales Manager  
Caldic Latin America

Highlights 2022



# Sustainability

## Our purpose

The very core of our organization and daily operations are driven by our purpose, 'Because we care'. It is what drives us to deliver inspiring solutions and create value in the life science and industrial formulations markets every day. Furthermore, it goes hand-in-hand with our commitment to all our stakeholders while also helping us define our relationship with them. Sustainability, thus, is an intrinsic part of this purpose and is embedded in our organizational values, functioning and our growth journey.

### Materiality Assessment

Keeping this in mind, there was a thorough survey conducted on the Environmental, Social and Corporate Governance (ESG) topics in 2022. A large group of key stakeholders from our senior leadership across the regions participated in the survey and subsequent in-depth discussions of the topics that were identified as those that have the most material impact on our business. These sessions resulted in a clear prioritization of topics and the final Materiality Matrix, as illustrated in the next section, which will help us define our agenda and enable us to act and report on the key material issues that are of utmost significance to our business and stakeholders.

A topic and/or issue needs to meet the following conditions to be considered material to Caldic: it needs to have a significant impact on our business in terms of growth, cost, or risk, and is also important to our stakeholders, which include investors, principals, customers, society (citizens, NGOs, and governments) and our employees – and they expect us to take action on the issue.

### Sustainability commitments

The outcomes of the materiality assessment build on the work done in prior years and underline the importance of the initiatives we've taken in the last year to take measurable steps toward a more sustainable future. The main topics singled out in the matrix demonstrate our sustainability commitments in the three key areas of (i) improving people's fulfillment, health and wellbeing, (ii) improving the health of our planet, and (iii) creating responsible business fundamentals as shown in the subsequent section on page 34-35.

### Value creation

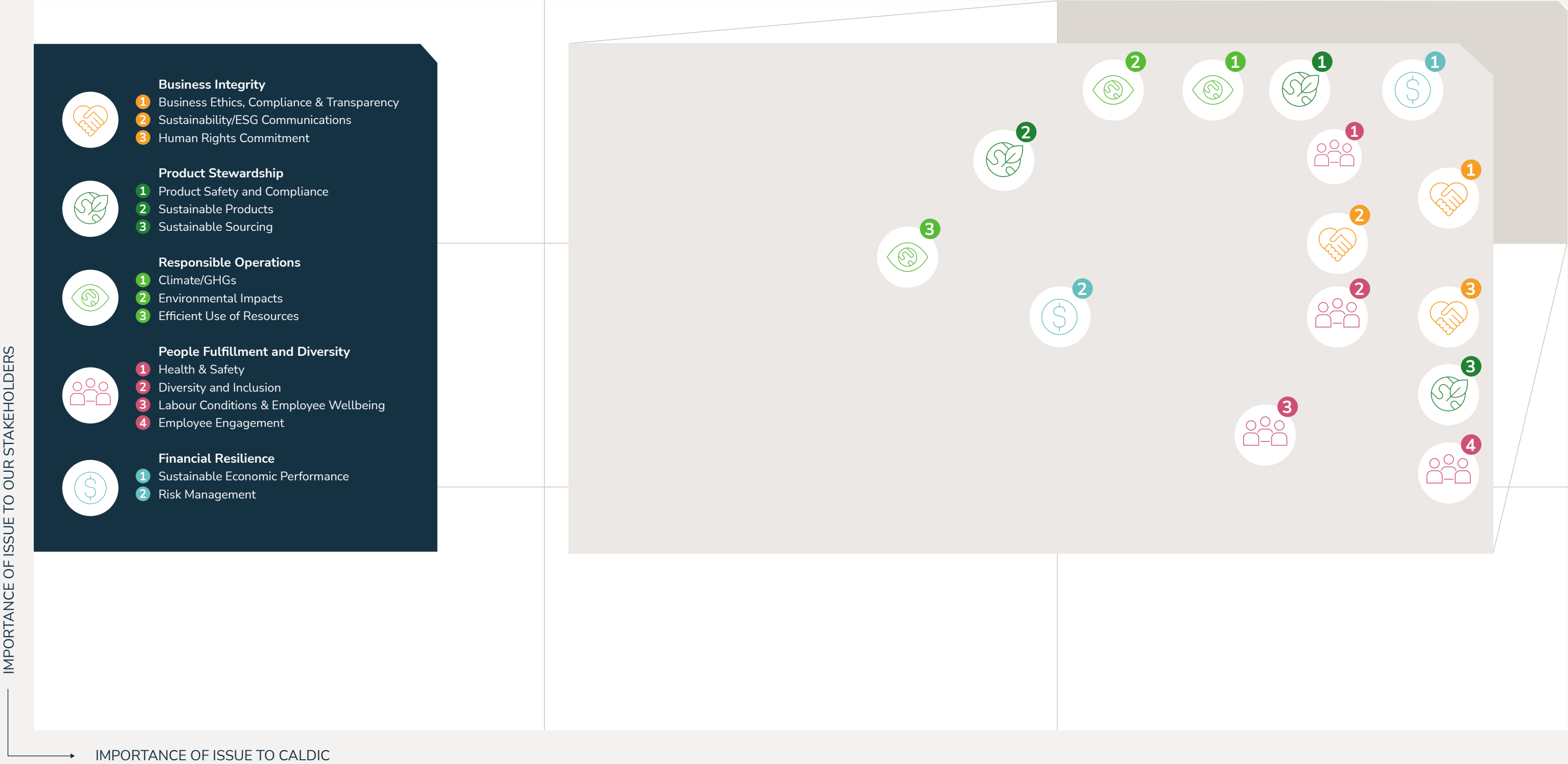
This section provides an insight into the underlying topics for which we have formulated programs, actions and targets that will help us deliver and advance on our ambitions to create sustainable value for our stakeholders across the supply chain as illustrated on page 36-37. The value we deliver through our people and operations ultimately contributes to five out of the 17 United Nations Sustainable Development Goals (SDGs) for 2030, by striking a balance between financial stability with social and environmental sustainability, and by creating enduring value for our stakeholders across the value chain.

## Because we care



# Materiality matrix

## KEY ESG-RELATED ISSUE PRIORITIZATION



# Our sustainability commitments



## Improving people's fulfillment, health & wellbeing



**1 Health & Safety**  
We maintain high global standards for health and safety, with Life Saving Rules, KPIs, processes and training programs to create a safe work environment.



**2 Diversity & Inclusion**  
We promote diversity and inclusion through employee engagement, ethics, and adherence to company values, fostering a strong culture and inclusive workplace.



**3 Labour conditions & employee wellbeing**  
We prioritize employee wellbeing and proper working conditions, ensuring high-quality products and company resilience.



**4 Employee engagement**  
We measure and enhance employee engagement, valuing their satisfaction and contributions to our success



## Improving the health of the planet



**2 Sustainable products**  
We deploy our R&D expertise to develop sustainable products, supporting our customers' sustainability journey through renewable materials, circularity, and sustainable packaging.



**3 Sustainable sourcing**  
We enhance our procurement process, seeking sustainable product sources and ensuring suppliers align with our values.



**1 Climate/GHG**  
We actively manage our global GHG emissions, striving for reduction and compliance with climate-related requirements for a positive climate impact.



**2 Environmental impacts**  
We prioritize operational efficiency to minimize environmental impacts, tracking key metrics in environmental management.



**3 Efficient use of resources**  
We're committed to driving resource efficiency in our production and distribution, reducing energy, water, and material consumption.



## Responsible business fundamentals



**1 Business Ethics, Compliance & Transparency**  
We ensure a consistent approach to ethics and compliance, monitoring regulations, promoting awareness, and prioritizing transparency.



**2 Sustainability/ ESG Communication**  
We communicate our ESG performance using third party frameworks, such as EcoVadis, engage with stakeholders, and commit to global standards and sustainability-related requirements.



**3 Human rights commitment**  
We protect human rights in our operations, partnerships, and supply chain, and expect adherence to our Supplier Code of Conduct from business partners.



**1 Product safety, quality & compliance**  
We prioritize health, safety, quality, and compliance, managing risks and ensuring consistent, high-quality products that meet legal requirements.



**1 Sustainable economic performance**  
We embed ESG considerations in our strategy, driving improved environmental, social, and customer relationship outcomes.




**2 Risk management**  
We inventory, evaluate, and take appropriate actions to address risks.

# Value creation, because we care


## INPUT\*

PEOPLE




**~4,000**  
FTEs

PRINCIPALS & SUPPLIERS



**3,000+**


CUSTOMERS



**30,000+**


RESOURCES

PRODUCTS




**25,000+**  
**50+** Caldic brands

PREMISES



Offices, manufacturing, warehouses, application & lab facilities

FINANCIAL RESOURCES



Funding for capital assets, acquisitions, and more.

\*Pro forma figures until Q1-2023

## OUTPUT

## SDG





# How we care



How we care and have  
created value across the board

- Care for our people
- Care for our business partners
- Care for our financial stakeholders
- Care for our communities and planet



## How we care

Care of our people is embedded in our culture through sustaining a safe and inspiring working environment that includes promoting high employee engagement levels, strengthening cross-cultural awareness, and attention to physical and mental wellbeing as well as developing one's skills and competences.

# Care for our people

Care is elemental to the functioning of our organization, and it starts with having a safe and healthy workplace, the ability for our people to develop their skills and talent, be rewarded and recognized, to focus on their mental and physical health, and feel welcome irrespective of their background, gender, race or ethnicity.

## Workplace

We care to provide our people with a workplace where collaboration takes center stage and where they are encouraged and inspired to be at their best, but above all we are committed to offer them a safe working environment. In the aftermath of COVID-19, most of our employees, across all regions returned to our offices, which reopened after a period of several lockdowns. Following the transition from a work-from-home habit, a hybrid way of working was gradually embedded into the organization. This work model provides employees with the option to work remotely or on-site, while delivering greater flexibility and enabling our people to continue to benefit from an improved work-life balance.

In the past year, several initiatives were organized and continued to ensure a safe working environment for all, cultivate and recognize employee talent, create cultural awareness among employees, generate employee engagement, and support their mental and physical well-being. The second edition of the Global Excellence Awards took place in 2022. The awards are a way to highlight the hard work of the people behind various successful projects around the globe while also exemplifying our core values and behaviors.

### Safety at work

The year 2022 saw the launch of the Safety Awareness Program in which DuPont Sustainable Solutions (DSS+), a globally renowned consultancy, trained selected employees in Europe, Asia Pacific and North America, called the Safety Champions, through a 'train-the-trainer approach' to impart their learnings through subsequent

trainings to fellow colleagues about maintaining a safe work culture and environment that both reduces and prevents lost time injuries (LTIs).

An integral part of the safety program applied in Latin America is the behavior-based safety (BBS) observation methodology for real-time safety improvements. Observers in every location can make a note of the good and bad safety practices in their surroundings on the platform. The notes by all the observers are visible on one dashboard helping create awareness among all employees working in operations. The method has successfully led to a significant reduction in the number of LTIs and was replicated by the Canadian team last year. In 2022, we had 12 LTIs in total: there were nine in Europe, two in North America and one in APAC. LATAM recorded zero LTIs, which is our target for every region.

As we recognize our role and responsibility of the impact we have on the planet, we introduced the Benchmark ESG system to collect data in 2022. This tool enables all Caldic entities around the world to report data on all ESG indicators, ethical issues, complaints, community outreach, etc. This reporting will also help us comply with the European Union's Corporate Sustainability Reporting Directive 2024.

### Employee Engagement Survey

Early in the year, over 1,900 employees participated in the first ever global Employee Engagement Survey that was held across our offices. The 78% response rate truly showcased the high levels of employee engagement in the organization and gave us fruitful insights on several crucial parameters that were shared with the respective leadership



on both global and local levels, fueling new initiatives and actions for improvements.

Culture program

As we welcome more colleagues into our organization as a consequence of the numerous acquisitions, it becomes more important than ever to have a universal, identifiable Caldic culture. Therefore, we initiated the Culture Program, in which the global leadership and senior management were trained on key concepts and models by an external professional to support them to exemplify the core values and behaviors of Caldic and subsequently convey them to the rest of the organization. For the further rollout across the organization – applying the train-the-trainer concept – more



than 40 colleagues from various regions were part of the first set of Culture Champions and were trained in a three-day workshop.

Cross-cultural awareness

With our expansion across regions, our workplaces have become more diverse and dynamic than ever before. It is crucial that a global organization like ours enables people from different backgrounds to engage with each other meaningfully and have their voices heard and included. To this end, there was a workshop conducted on Cross-Cultural Awareness and Competences for senior leaders by renowned anthropologist Fons Trompenaars.

The program took a deep dive into the seven dimensions of culture that affect the daily process of working across cultures, and how to effectively resolve cross-cultural dilemmas. Because we value collaboration across borders, we are bringing more people from different backgrounds and entities together, and it is therefore important we enable them to successfully work together to achieve our ambitions. The workshop has subsequently also been made available as an e-learning module to all colleagues worldwide to further share the learnings.

Wellbeing

As we value our people, we acknowledge that the numerous events in 2022 demanded the utmost from our teams. In this light, we organized a pilot initiative that prioritizes the well-being of our colleagues. Titled the Vitality Program, it consists of online and offline workshops and sessions by professionals across different topics designed to look after one's mental and physical health. In several European countries, Caldic partnered with a third-party platform that provides a variety of resources such as free access to one-on-one sessions with psychologists, masterclasses on mindfulness and meditation, and other similar programs.

The Vitality Program will be available with region-specific modifications across Europe and other locations from 2023.

Skills

Over 325 colleagues from Europe completed the two-year Caldic Sales Academy program that was launched in 2021. In 2022, several in-person training courses took place contributing to face-to-face networking opportunities and experience sharing. Newcomers who joined Caldic in 2022 will be invited to participate in the next group of training sessions due to take place in 2023, which will also see the



rollout of the program in the other regions. The program is designed to enhance the capabilities and competencies of our commercial colleagues and help them advance their personal and professional development, while also giving them the opportunity to form connections with other colleagues globally.

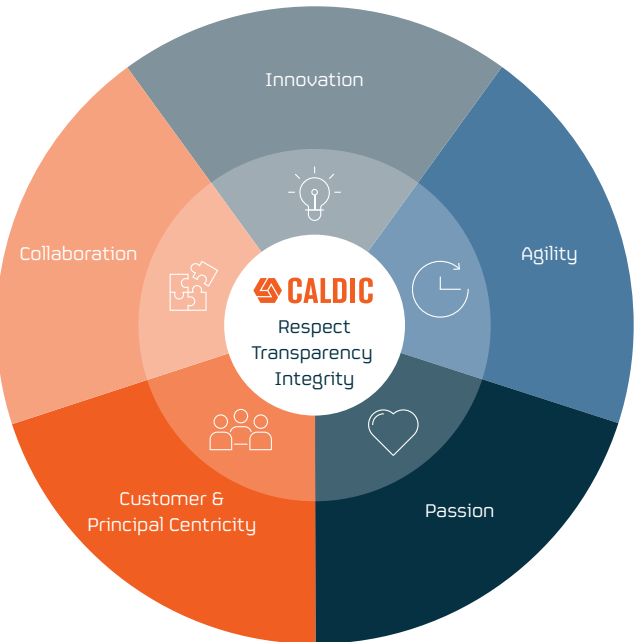
Working with integrity

To support our employees to work with integrity, we provide them with the Caldic Code of Conduct, a document that summarizes our group policies and business principles by setting out the ground rules of what is expected from the employees and outlines the ethics and values by which Caldic engages in business activities – making it the backbone of the Compliance Program. Furthermore, it is mandatory to comply with the Supplier Code of Conduct for any agreement or contract between Caldic and our suppliers to ensure that they adhere to our values and standards. The Code aims to support business relationships and improve social and environmental standards.

In our regular communications on compliance topics in 2022, we highlighted our commitment against bribery and corruption. Within the Code of Conduct, employees also sign off on an agreement to not engage in presenting and acceptance of 'any kind of value', which could include cash, gifts, personal favors, political and charitable contributions, and business opportunities among others.

The violation of the aforementioned Code of Conduct and/or the breach of any other policies can be reported in several ways. If reporting to HR or a manager is not feasible, the Speak-Up platform is available on the Caldic website and the Intranet and allows everyone to report anonymously.

Caldic's culture 'wheel'





Workforce diversity

Around the world, approximately 2,850 employees working in 34 countries across four regions actively engaged and contributed to deliver on our strategic roadmap.\*

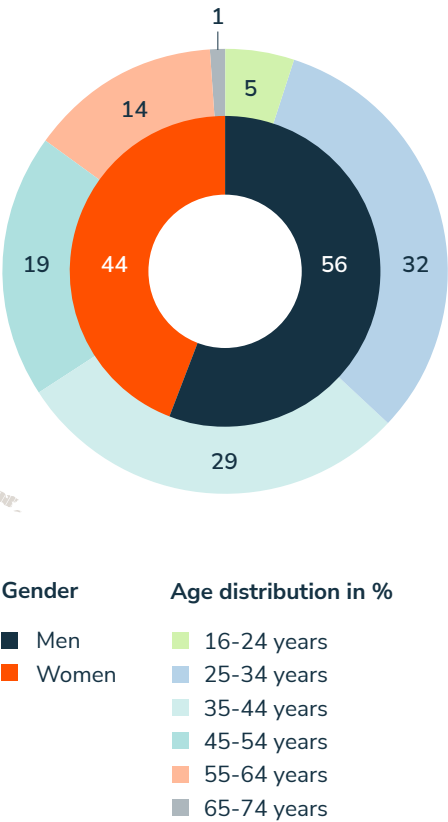
From a gender diversity perspective, in 2022, Caldic maintained a relatively balanced workforce, in which men were slightly overrepresented (56% men vs. 44% women). The representation of women varies across the different management levels.

The Senior Management comprises our Executive Leadership Team, senior managers reporting to the ELT and their direct reports. The women-men balance across our Senior Management was 27% vs. 73% in 2022.

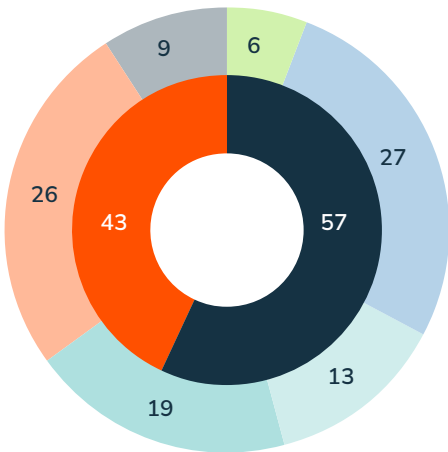
\* Figures as of December 2022.

Employee profile by gender, age group and region

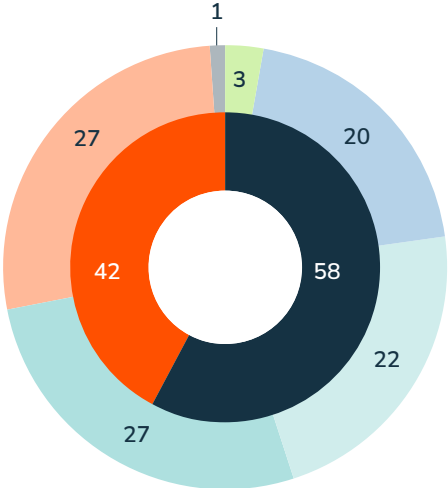
Caldic global



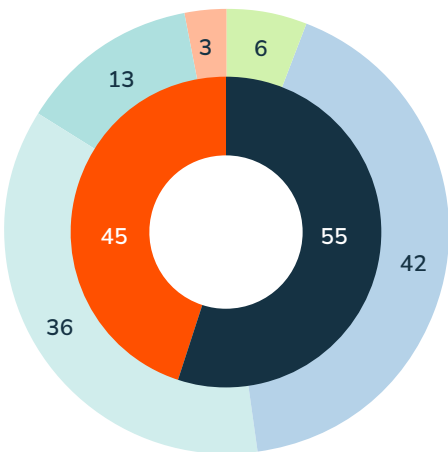
Caldic North America



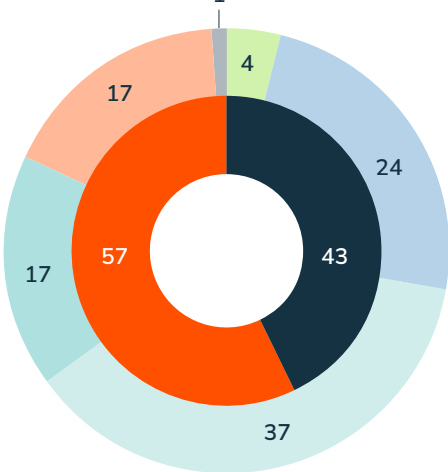
Caldic Europe



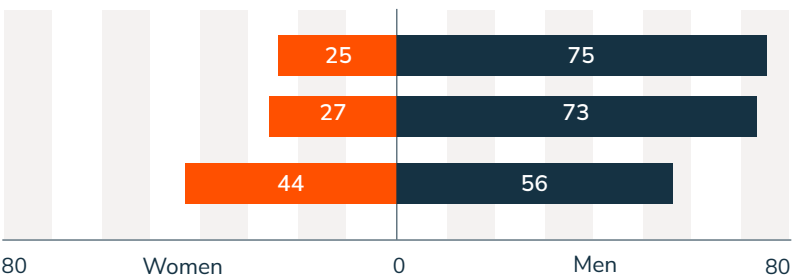
Caldic LATAM



Caldic APAC



Employee profile by Seniority level in %



Executive Leadership Team (2 vs. 6)

Senior Management\* (47 vs. 129)

Total workforce

\* Senior Management comprises our Executive Leadership Team (ELT), direct reports the ELT and their respective direct reports. Data excludes LATAM region.

Employee engagement

EES: survey scores

78.2% RESPONSE RATE

59.2% ENGAGEMENT SCORE  
vs. 46.5% benchmark companies

24.6 ENPS

Employer Net Promotor Score  
vs. 12 benchmark companies  
(score is determined by % promoters -% detractors)

8.3 INCLUSION INDEX

TOP 3  
1 My team's dynamics  
2 Working environment  
3 My organization's vision and goals

TOPICS OF PRIDE



## How we care

The care for our business partners is reflected in our culture, and the processes and frameworks that are in place to ensure adherence to our policies and guidelines, quality standards and beyond.

# Care for our business partners

We recognize the value of working closely with our business partners to not only grow our business but also to adhere to legal, regulatory, ethical, safety and quality standards required to run it successfully. We commit to comply with these standards and ensure that all employees and business partners are trained and have signed the applicable policies and code of conduct.

## Business ethics, compliance

### Legal & Compliance

Legal & Compliance is embedded in our culture through our core values of Respect, Integrity and Transparency. These are foundational values and our Legal & Compliance Program – comprising policies, procedures, communication, training, risk assessments and audits – is instrumental in helping us create a culture where our values are adhered to.

### Policies and procedures

Policies are reviewed every two years for updates or adjustments. In 2022, we reviewed various policies, including our anti-corruption and anti-bribery policy, our Data Protection policies, as well as our Compliance Manual. All our policies are accessible through our intranet for every employee. In order to ensure commitment to our core values and policies, every employee is requested to review and sign the Code of Conduct on a yearly basis.

### Communication and Training

Legal and compliance topics are put on every employee's radar through continuous communication and training. Regular updates, which take a deeper dive into certain subjects, provide a channel to create topical awareness and understanding. These updates are complemented by trainings provided at various stages during the year. Starting with the onboarding program, which encompasses several

trainings on legal and compliance topics as well as the Code of Conduct and Speak Up Policy. A selected audience is asked to take part in our annual Legal & Compliance Training. In 2022, we achieved a 95% completion rate. Furthermore, throughout the year specific trainings and presentations were provided to various functions and teams, such as Regional Management teams, Global HR team, the Board, Executive Leadership Team and Audit Committee.

### Risk Assessments and audits

Risk assessments and audits are carried out on an ongoing basis. Risk assessments generally focus on the services provided by commercial agents, participation in trade associations and the country of origin. In 2022, we visited Germany, Belgium, Thailand and Malaysia. Such visits allow for one-on-one interviews, file reviews and in-person training sessions. Face-to-face contact and being close to the business helps the Legal & Compliance function to better support the local entities in their daily operations.

### Quality management

Caldic and all Caldic entities operate in accordance with global standardized quality certification schemes to ensure product safety and quality. The specific quality certificates depend on the scope of activities at entity level, such as sites manufacturing industrial specialty formulations or

others dedicated to the processing of food ingredients. The global scheme covers the required standards such as ISO certification (9001, 14000 and 22000), GFSI, CSR, RC, REACH and beyond. All Caldic entities operating across the four regions met the requirements in 2022. Several of our locations renewed and received certifications for meeting and complying with quality standards. These included Caldic New Zealand, Caldic Thailand and Caldic Ingredients France and Caldic France, which renewed their ISO 9001 certifications, and Caldic Thailand and Caldic Ingredients France, which received its their first ISO 22000 certification. Caldic LATAM renewed their ISO 9001, ISO 14001, ISO 45001.

Quality Management System (QMS) certification is executed on entity level. Based on activities and customer requirements, each entity has its own QMS and local certification. Depending on the type of certification scheme, certification audits are carried out by internationally accredited third parties. Additionally, internal audits are carried out as part of internal improvement programs. The ownership of every QMS lies at entity level, expiry

is monitored at Group level. In case major non-conformities are raised during certification audits, actions are reported and controlled at Group level.

**Sustainable products**

As a vital step in our ESG agenda, Caldic collaborated with Erasmus University Rotterdam – as part of an International Research Project (IRP) supported by professional consultants – to build an emissions-tracking tool for suppliers and transporters to gain an accurate understanding of the carbon footprint of the products we buy. These emissions qualify as Scope 3 emissions, which are monitored on a voluntary basis. This is a particularly challenging task because we work with thousands of suppliers all over the world and, depending on their size, they may not be equipped with the necessary staff or tools to track their emissions. However, we have undertaken the responsibility of collecting this data because emissions along the supply chain constitute a significant portion of greenhouse gases and are often the hardest to track. In doing so, our suppliers are at a competitive advantage by being transparent about

their CO<sub>2</sub> emissions on their products while also contributing to our and our customers' sustainability ambitions.

**Sustainable sourcing**

Sustainable sourcing is an essential part of the offerings we provide to our business partners as it supports our sustainability commitments at the very beginning of the supply chain. We are considering ranking our suppliers based on the assessments they provide using the Ecovadis methodology. Ecovadis is a global platform that assesses and provides businesses with sustainability ratings. These assessments also help create awareness among us and our partners about the ways in which we can improve our overall sustainability performance.

Since our partnership with Celtic Renewables, based in Scotland, we have added their innovative bio-solvent solutions to our portfolio. Used in everyday products ranging from paints, plastics, and lipsticks to household and industrial cleaners and more, they are typically produced from petrochemical sources. An alternative to this is

bio-butanol – produced through a fermentation process utilizing sustainable biomass. This process results in 85% less carbon emissions than conventional petroleum-based production. Likewise, two other product solutions: bio-acetone and bioethanol, using the same process, are also available in our product portfolio.

The acquisition of CAIF Nutrition in the US has given us the opportunity to source the benefits of superfoods like acai, ACE+ Acerola, camu camu, amla and more. Available as powders, cubes, pieces and flake forms, the diverse portfolio also includes botanical & tea extracts, plant-based solutions, vitamins and minerals, flavor extracts and concentrates, and fibers.

Through our partnerships with green cosmetics focused companies like Jaka Biotech, we are able to offer active ingredients that are sourced from plant, fruit and other natural extracts that are used to formulate advanced solutions for personal care product groups with key functionalities such as texture improvers, sun protection, anti-aging and skin repair.







## How we care

Our care for our financial stakeholders is expressed through driving sustainable economic performance by establishing Caldic as a global player in specialty distribution. This includes having a strong ESG agenda and the implementation of risk management, internal control, and internal audit functions.

# Care for our financial stakeholders

With the change in ownership and the expansion of our global footprint, we work closely with our shareholders to maintain our strategic growth ambitions while also keeping in line with our ESG propositions.

### Change of ownership

On March 1, the sale of Caldic by funds managed by Goldman Sachs Asset Management to funds managed by Advent International ("Advent") was completed. Advent is a large and experienced global private equity investor with a well-established track record in chemicals and life sciences. At the same time, Caldic was merged with Advent's existing portfolio company, GTM, a leading specialty chemicals distributor in the high-growth region of Latin America. While Caldic continued to invest in added-value capabilities and deliver customized solutions, Advent was instrumental in contributing its substantial expertise in the chemicals sector, transformation resources and further capital to help accelerate the growth prospects and our ambition to establish Caldic as a global platform.

### Sustainable economic performance

On October 14, Advent announced the agreement with Wilbur-Ellis to merge their life sciences and specialty chemicals solutions businesses, Caldic and Connell respectively. The management and ownership recognize the combined companies are well-positioned to join the global top league, while uniquely distinguishing themselves through the substantial presence in two high-growth regions: in Asia-Pacific with Connell and in Latin America with Caldic LATAM (formerly GTM). That belief helps to further extend our global reach and accelerate growth opportunities for principals and customers by leveraging best-in-class technical laboratories, in-depth application

know-how and global presence. Our combined stakeholders will be instrumental for Caldic to continue to deliver innovative solutions that will help us secure a sustainable growth journey driven by a strong ESG agenda.

### Risk management

The governance structure is strengthened by the implementation of risk management, internal control, and internal audit functions. For risk management, Caldic's top risks have been determined by the Executive Leadership Team (ELT). Risk owners have been appointed and are responsible for effective risk mitigation. The ELT evaluates the company's top risks periodically. The effectiveness of the risk mitigation is assessed twice a year by Risk Management function.

The Internal Control framework is designed to cover financial and IT processes and key mitigating controls. Control execution is evaluated on a continuous basis and areas for improvement are identified and implemented. For the Internal Audit function, a top down and risk-based audit plan and approach has been developed addressing the major risks that might hamper Caldic from achieving its strategic objectives. Execution of the audit plan is expected as of the beginning of 2023.

The Internal Audit function provides comfort to the Board and the newly formed Audit Committee. The Audit Committee approved the Internal Audit plan and met twice during the year to discuss progress and results.



## How we care

Our care for our communities and planet lies in ensuring we are cognizant of the impact our business has on the environment and translate this into actions such as driving the efficient use of our resources through reusing and recycling among others, while also taking care of the communities we operate in.

# Care for our communities and planet

We believe in giving back to the community we live in, and we strive to contribute to protecting the planet by reducing emissions and finding alternative energy sources. Furthermore, we also ensure that our products, services and all other processes are resource and energy efficient.

## Environmental impacts

As an organization that works in the life sciences and material sciences industries, we are aware of the impact of our activities on the environment due to our energy use, shipping, and operational processes. Having a low environmental footprint is a core element of our business strategy. Examples of specific actions include: Caldic Ingredients Benelux's installation of 4,000 solar panels on the site's rooftop in the past year, along with Caldic Canada's system to reduce over-pressure. Caldic Benelux also installed LED-lighting in combination with motion detectors to reduce energy consumption. Caldic Canada installed frequency-controlled engines in their equipment as well as conducted a survey to detect leaks and repair them. Several locations like Caldic Nordics, UK and Canada improved management of the office temperatures to save energy and costs.

### Energy

When it comes to CO<sub>2</sub> emissions, we can control our environmental impact in inbound and outbound logistics and the energy consumption in our locations. We focus on the measurement of energy consumption that falls within the Global Reporting Index's (GRI) scope 1: the greenhouse gases (GHG) release directly from businesses, and scope 2: the indirect GHGs from the energy purchased by us, and associated carbon dioxide emissions (tCO<sub>2</sub>e). We have,

furthermore, started to measure scope 3 emissions – the indirect emission caused by value chain processes. In 2022, we have focused on tracking transport and travel emissions and we aim to further expand this – with the help of the previously mentioned emissions-tracking tool that is currently being tested with several of our suppliers to collect data. We intend to roll this tool out to all our suppliers in phases.

In 2022, most of our energy consumption and related emissions of scope 1 and 2, were attributed to the energy use at our facilities for electricity supply and heating and cooling of the spaces. The total consumption amounted to 243,917 gigajoules (scope 1 and 2). The corresponding CO<sub>2</sub> emission by our energy use was 15,481 metric tons. Our overall energy consumption in 2022 increased from the previous year due to expansion of the business as a result of organic growth, but especially because of acquisitions. Our CO<sub>2</sub>e emission was 13.6 kg per metric ton shipped product for scope 1 and 2, and 1.7 kg per metric ton shipped product for scope 3. We aim to further reduce our CO<sub>2</sub> footprint per metric ton of shipped product. The past couple of years we have focused in particular on increasing the use of renewable sources. In 2022, we used 13.5% more renewable electricity compared to 2021.

ENERGY RELATED CO<sub>2</sub> EMISSIONS 2022\*

	Energy consumption in TJ		Energy related emissions CO <sub>2</sub> e in MT		Energy related emissions, CO <sub>2</sub> e in kg per MT shipped	
Scope 1   Fuel	2022	2021	2022	2021	2022	2021
Natural Gas	23.0 **	22.4	1294	1246	1.1	1.1
Gas oil (heating)	12.5 **	4.8	903 **	344	0.8 **	0.3
Diesel (generators)	17.0	20.9	1234	1513	1.1	1.3
Total scope 1			3431	3103	3.0	2.7
Scope 2   Electricity						
Non-renewable	14.3 **	15.5	1949	2114	1.7	1.8
Renewable	37.9 ***	28.1	0	0	0.0	0.0
Total scope 2			1949	2114	1.7	1.8
Scope 3   Transport and travel						
Diesel	153.1	187.8	11103	13614	9.8	11.4
Gasoline	10.9	4.6	797	337	0.7	0.3
LPG	1.1	0.3	73	23	0.1	0.0
Total scope 3			11973	13974	10.6	11.7
Total CO <sub>2</sub>			17353 ****	19191	15.3 ****	16.2

\* proforma, acquisitions included  
\*\* scope 1 + 2 higher value due to lifting last COVID restrictions  
\*\*\* 73% renewable vs total electricity, is 13% higher vs 2021  
\*\*\* 36% renewable vs total energy, is 17% higher vs 2021  
\*\*\*\* 14% reduction total CO<sub>2</sub>e and 6% reduction in energy intensity

Efficient use of resources

Sustainable packaging

Caldic Food Service & Retail (FSR) has been making strides in pursuing environment-friendly packaging choices in products. From the materials that are used to the design and label, and the information on the packaging, we ensure that there is a minimal environmental impact.

It is challenging to seek sustainable alternatives to plastic, which is the primary material for packaging due to its durable, cost-effective, and customizable properties. However, the sustainable use of plastic in resources and in non-toxic and circular flows with negligible leakage allows for an increase in resource management and a decrease in negative environmental impact, including reduced climate impact. Therefore, the main focus at FSR is that the plastic used in packaging should be as sustainable as possible without compromising the quality of the product in the bag. Furthermore, we work with suppliers to develop recyclable mono-plastic materials considering the complexity of recycling mixed material packaging.

The corrugated cardboard that is used comes from sustainably managed forests and most of the raw materials are certified by the Forest Stewardship Council (FSC). Caldic FSR works closely with the main principal to develop cartons that are not only FSC-certified but also optimized for transport.

Caldic FSR aims to make the plastic packaging used in our brands fully recyclable by 2023 and from renewable and/or recycled plastic material by 2025.

Reusing solvents

The Caldic LATAM team had been working on identifying an alternative to the costly and wasteful mixture of solvents – a result of the pipeline drainage from switching the filling lines.

The QHSE team adopted the principles of circular economy to develop a process that separates the different solvents that can either be reused or the residuals can be sold. It saves cost of disposal or incineration and overall transportation costs while also reducing our carbon footprint.

Circular economy

In a similar vein, several Caldic locations have begun to adopt circular economy principles to tackle waste such as scrap materials and plastic. The recycling of scrap materials first began in Caldic Malaysia's Industrial Division, which recognized their resourcefulness from both a business and environmental perspective when customers ended up with them after the manufacturing process. After being processed, the scrap materials are recycled into plastic resin that can be used in garden ware, furniture, automotive, and other applications – making it a truly sustainable business opportunity.

Our warehousing team in Thailand has implemented a returnable packaging system. They utilize IBCs instead of steel drums – a change that is beneficial from both environmental and operational perspective, delivering cost savings, less waste and less filling time. A multiple win.

Waste and wastewater

We are committed to responsible waste and wastewater management in our supply chain and aim to reduce the use of water across our locations while ensuring compliance with local legislation and respecting the requirements of the communities in which we operate.

Since the establishment of our baseline measurement for waste reporting, we have realized that it has helped build awareness as well as prompted initiatives to reduce waste levels. In 2022, despite actions to cut back on waste, we generated 2458 mt, out of which, 31% of waste was recycled. However, the number is higher than the previous year due to the expansion of the business\*. As a consequence, water consumption levels also rose to 72,556 m<sup>3</sup>.





Community engagement

At Caldic, we are committed to not only building a sustainable society but also giving back to our community. Employees are encouraged to engage in volunteering activities for humanitarian causes, whether large or small, and are even assigned two days a year.

There were several donation drives and community engagement initiatives that took place over the year. Some examples are included below.

In Brazil, the team visited a nursing home where the volunteers painted the facility, refurbished the pergola, and worked in the back garden. They also donated food and hygiene supplies to the home.

In Columbia, the team donated to the food bank and also helped deliver packages from the bank to institutions in need. Caldic UK supported Macmillan Cancer Support, one of the largest charities in the UK by organizing a cake & bake sale and donating the proceeds.

In France, employees volunteered for the Restos du Cœur initiative, which helps provide food to those in need, whereas the Foodbank Rotterdam was helped by the Rotterdam-based teams. The IT department in Rotterdam also volunteered at one of the many Groen Goed gardens in the city, whereas the Caldic Benelux team participated in a charity football match with the organization VZW Tochtgenoten, which helps people in poverty or suffering from social exclusion.

Our colleagues from Caldic Ibérica volunteered at Red Cross preparing food packages and helped in cleaning up a forest and collected nearly 150kg of waste.

When Malaysia was hit with severe flooding that caused massive loss of life and property, the Caldic Malaysia team donated to help households with essential items such as bedding, gas stoves etc.

External validation

To validate our sustainability performance, we not only implement Ecovadis on group level but also implemented it on all Caldic sites and entities globally. Ecovadis is a globally recognized provider of sustainability ratings, evaluating performance of organizations across 21 indicators covering the broader topics of environment, labor and human rights, ethics, and sustainable procurement.

In 2022, 20 of our locations participated in the EcoVadis assessment. Eight locations were awarded the Gold rating, seven have achieved Silver rating and five Bronze rating. The awards not only recognize Caldic’s existing commitments across a number of areas, but also encourage us to continue to improve going forward. Ultimately, our goal is for every location, including recent and upcoming acquisitions, to achieve the Platinum rating by 2026.



# Governance & leadership

## Governance

Our corporate governance encompasses our decision-making processes, compliance, and ethics, as well as globally relevant topics such as data security, risk management, and contingency planning.

The corporate governance at Caldic is structured and regulated through a number of bodies. These bodies enable an effective balance of proactive strategic foresight and agility, ensuring the leadership team can seize opportunities when they arise. Caldic's prime focus is on transparency, proper checks and balances, and an inclusive environment.

After a transition period in 2022, a Supervisory Board was appointed in 2023 to provide oversight and guidance. The function of the Supervisory Board is to advise the Management Board on the management of the Company and to monitor its conduct of business. The Supervisory Board discusses, at regular intervals, the Company's business development and the Management Board's planning and strategy. It is also responsible for appointing the members of the Management Board and for reviewing and co-signing the audited financial statements of Caldic Holdings B.V. The Supervisory Board advises on the Management Board's proposal for the appropriation of retained earnings and reports to the General Meeting of Shareholders which then resolves on such matters.

The Supervisory Board consists of representatives nominated by the shareholders: Dahai Yu (chairman), Ronald Ayles, Alan Barton, John Buckley, Steve Holland, Miguel Mantas, and Bernhard Spetsmann. In 2023, three Committees were established to cover key areas in greater detail: an Audit Committee, an Appointment and Nomination Committee, and an ESG Committee. Each Committee is chaired by a Supervisory Board member. Every member of the Supervisory Board has specific experience and knowledge related to our markets and businesses.

The executive power resides with the Management Board consisting of the Group CEO and Group CFO, while the day-to-day management resides with the Executive Leadership Team (ELT).

The main role of the ELT is to manage the company by balancing the interests of various stakeholders. This means, among other things, it is responsible for achieving the strategic objectives, managing the risks associated with the company, financing the company, complying with applicable rules and regulations, and engaging in corporate social responsibility matters that are relevant to the organization.

The ELT comprises the Group CEO, Group CFO, VP Strategy and M&A, VP Human Resources and each of the Regional CEOs, and the Pharma business CEO. The General Counsel acts as an advisor to the ELT.

The ELT members are supported by a Senior Leadership Team (SLT) in each of the regions (Asia-Pacific, Europe, Latin America, and North America) as well as for the Pharma Business Group. Besides the regional CEO, the SLT comprises each of the regional functional heads. The SLT ensures that the regions are managed in a transparent, professional, and ethical manner.

At a global level, Caldic has various functions to drive programs and initiatives that benefit from a worldwide approach. These functions are Finance, Legal & Compliance, IT, Strategic Programs, HR, QHSE (Quality, Health, Safety & Environment), and Communications. These teams are responsible for the governance and global processes in each of their functional areas.



# Management Executive Leadership Team

How do you contribute to  
inspiring solutions?



**Alexander Wessels**  
Group CEO

“Because we care, our purpose, drives me every day to help and motivate the organization to go the extra mile, creating true solutions for our customers, principals and society at large.”



**Anne Brown**  
CEO North America

“By supporting and empowering the North American team, we inspire them to deliver the best solution, for every customer.”



**Rahul Vas-Bhat**  
Group CFO

“Supporting our teams to create a truly integrated global platform that provides value to our customers and suppliers.”



**Elcio Mendes**  
CEO Latin America

“We aim to inspire by working closely with our customers, principals and teams to unleash their potential and take product ideas to delivery.”



**Laurent Pasqualini**  
CEO Europe

“Inspiring our teams to take a global perspective to develop and source innovative solutions that contribute to our customers’ successes.”



**John Gorman**  
CEO Pharma Global

“Working with our Caldic colleagues globally, we strive to find solutions for our customers in the Pharma marketplace. We are proud to be part of an industry that makes a difference in the health of people.”



**Samera El Idrissi**  
General Counsel

“We support our customers, suppliers and other parties we work with by combining commercial sensitivity with sound and strong legal advice to ensure a legally compliant environment.”



**Wilco Langschmidt**  
CEO Asia-Pacific

“The starting point of all solutions is passion.”



**Aldrik Vervat**  
VP Strategy and M&A

“Finding new partnerships and innovative solutions to inspire our customers and employees is an exciting challenge within Caldic.”



**Veronika Zuegel**  
CHRO a.i.

“Cultivating a culture of DEI, based on our values — Integrity, Transparency & Respect - is one of the main deliveries in Human Resources to support our business to enable innovative solutions and exceptional performance.”



Management  
Staff

How do you contribute to  
inspiring solutions?



**Henk Boden**  
QHSE Director

“While we aim to improve our safety, health and ESG performance, I help create awareness and encourage our colleagues to contribute to this space”.



**Femke Krabbenborg**  
HR Director

“Unlocking potential and bringing different perspectives together through our people & culture programs.”



**Peter Becker**  
IT Director

“Motivating the IT-teams to think even bigger and always with the customer lens to enable the delivery of the best possible digital solutions.”



**Maxime Toth**  
Strategic Program Director

“Caldic’s ambitious transformation brings centers of excellence in principal, operational, and commercial activities that inspire new solutions and set the benchmark in our industry.”



**Birgit Kamp**  
Communications Director

“Building a strong Caldic brand that highlights the positive impact of partnering with us.”





Westerlaan 1  
3016CK Rotterdam  
The Netherlands

