



COLORING YOUR SUCCESS



SUSTAINABILITY REPORT 2016/2017

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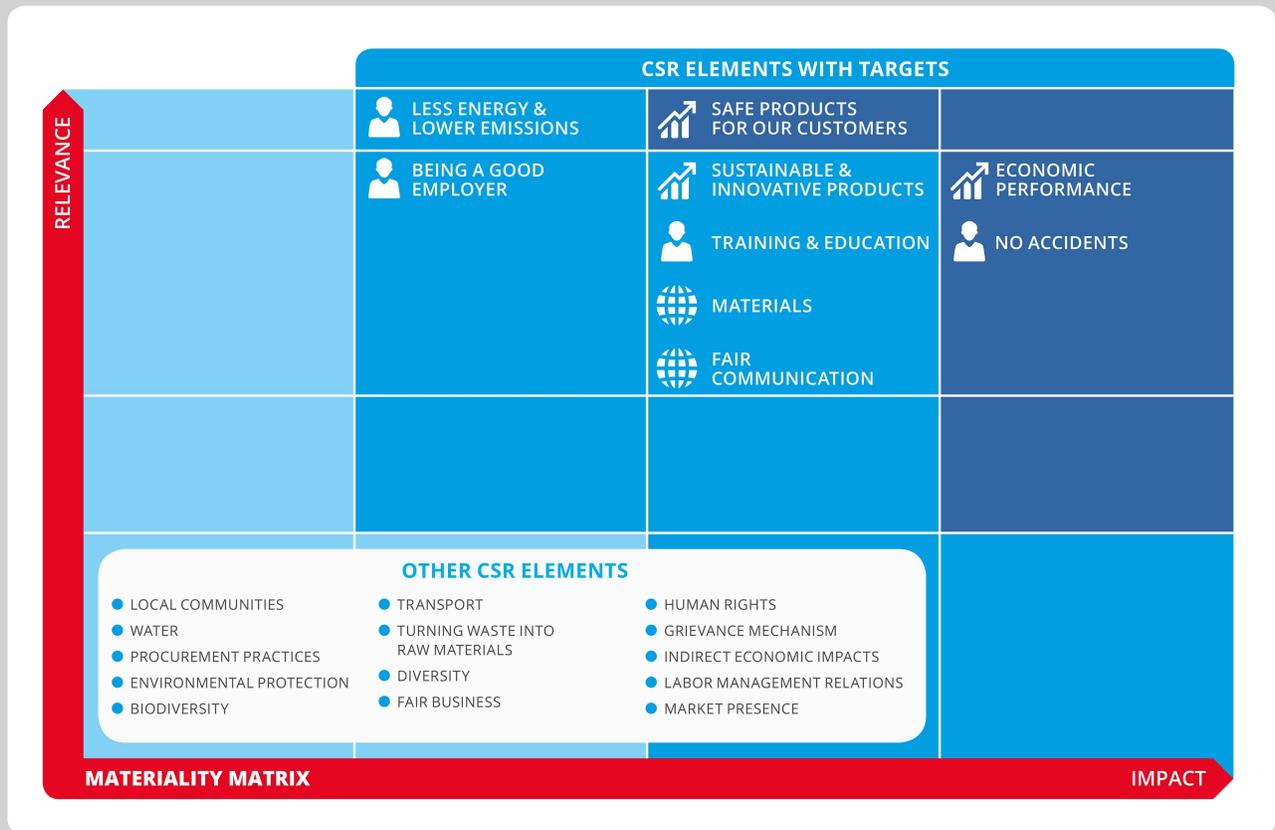
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MATERIALITY



READING GUIDE

The GRI Index is an addition to the annual report. Holland Colours reports according to the G4 reporting guidelines of the [Global Reporting Initiative \(GRI\)](#). The index on this website uses [the fourth generation reporting guideline G4](#) that was launched in the summer of 2013.

Standard disclosures

The left part of the Menu under Index contains the standard indicators. This section contains all aspects of corporate social responsibility that all companies report, regardless the specific characteristics of a company. Organizations that report according to the G4 guidelines, need to report all standard indicators of the application level CORE. Organizations that report according to the G4 guidelines, on the level COMPREHENSIVE need to report all standard indicators, both CORE and COMPREHENSIVE indicators. Organizations that report on the level CORE can choose to report indicators that have been labelled COMPREHENSIVE. If the information was available, the COMPREHENSIVE indicators have been covered too.



Guidelines for reporting on standard information

Holland Colours wishes to report on the CORE application level. However, not all CORE indicators may have been fully covered yet. In the years after starting the CSR reporting and in the coming reporting years, more information will be added when this becomes available.

Specific disclosures

The right part of the Menu under Index contains the specific indicators. This section contains the company's specific aspects of corporate social responsibility. The determination of whether an aspect is material for the organization is based on both an internal stakeholderdialogue and a review of nine CSR reports from companies in the chemical sector. More details can be found in [G4-18](#).

Aspects have been valued on a scale of 2 to 10, as a sum of scores for impact and relevance (both scores valued from 1 to 5). Based on this, the specific aspects of corporate social responsibility were classified into three categories:

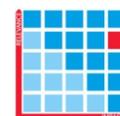
- **Crucial:** The combined score for impact and relevance is 8 points or more.
- **Important:** The combined score for impact and relevance is 6 or 7 points.
- **Unimportant:** The combined score for impact and relevance is 5 points or less.

Reporting on specific information

The specific indicators have been reported on per aspect. As can be seen in the figure below, every aspect has been provided with as symbol of the materiality matrix. The red part of it represents the significance on the axes relevance and impact.

Crucial: Impact 5 - Relevance 4

As an employee owned company, Holland Colours employees are the most valuable assets. We strongly believe that health and safety is a key factor in employee engagement. We create the right conditions for all our employees to give of their best each day.



GLOSSARY

Term	Definition
Anti-corruption	Actions and measures to combat corruption. According to www.corruptie.org corruption is defined as the misuse of entrusted power for private gain.
Aspect	Subject from the GRI guidelines. Aspects may be composed of several indicators.
CO ₂ emissions	The emission of greenhouse gases as a result of the burning of fossil fuels.
CORE	Standard application level of G4, whereby at least one indicator of all material aspects is reported.
COMPREHENSIVE	Extended application level of G4, whereby all indicators of all material aspects are reported.
Diversity	Describes the composition of personnel, management and governance bodies subdivided into employee categories on the basis of gender, age group and minorities.
GHG-Protocol GRI	The Greenhouse Gas Protocol is a means of quantifying and managing greenhouse gas emissions. The Global Reporting Initiative is the organisation that issues the global guideline for reporting on Corporate Social Responsibility.
Impact	The degree to which according to specialists and generally accepted guidelines an aspect affects economic, environmental and social issues.
G4 Indicator	G4 is the fourth generation of the GRI guideline, published in 2013. Part of the GRI guideline on which reporting can be made in a defined way. The precise GRI definition of an indicator on this website can be found by clicking the GRI icon in the right column.
Material aspects	Material aspects are issues for which the combination of impact and relevance is so great that the company decides to report on them.
NGO	Non-governmental organisation, an organisation that is independent of the government and focuses on issues of public interest in one way or another.
Relevance	The extent to which stakeholders attach importance to an aspect in their assessments and decisions.
Stakeholder	Organisations or groups of people that can reasonably be expected to experience significant effects from the activities and products of the organisation. Stakeholders include employees, shareholders, suppliers, the government and NGOs. A description of the stakeholders is reported in this index in chapter Stakeholder engagement .
Training & Education	Relates to: <ul style="list-style-type: none">• all occupational training and instruction;• educational leave for employees paid for by the company;• external training courses and education paid for wholly or partially by the company;

STRATEGY & ANALYSIS



Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.

To Holland Colours, corporate social responsibility means creating a wise balance between various interests. This involves serving employees, customers and shareholders while factoring in the environment yet securing the company's economic future. And that demands an awareness of often conflicting interests, but also requires prioritizing a broad array of matters that need managing.

Strategic priorities and key topics for the short and medium term with regard to sustainability, including respect for internationally recognised standards and how such standards relate to long term organisational strategy and success.

Holland Colours has created a healthy balance between the interests of People, Planet and Profit by carrying out a materiality study. This study prioritized the various aspects of sustainable enterprise using internal discussions and an evaluation of priorities at companies in the chemicals sector.

Moreover, targets to reduce energy consumption and CO₂ emissions have been defined and presented as such during the General Meeting of Shareholders on 10 July 2014. This concerns an annual reduction of 150 kJ per kg product produced and of 2% CO₂ emissions per kg product produced compared to 2013/2014.

Broader trends affecting the organisation and influencing sustainability priorities.

Not reported.

Key events, achievements, and failures during the reporting period.

Revenue increased by 5% to € 77.5 million. The impact of exchange rates was very limited. All divisions and all reporting markets contributed to this growth. We are pleased with the growing contribution of newly introduced products (the Innovation Index increased to 7%).

In Division Europe, we successfully entered new markets with both existing and new products. The development and introduction of new products for polyolefins is, however, taking longer than expected. We also encountered some headwind in the Packaging market and projects are now being undertaken to rise to the challenges. The findings of the Activity Based Costing (ABC) study were implemented. Measures will continue to be taken in the next financial year 2017/2018.

In Division Americas, revenue improved across the board, supported by strong economies and a new colorant for adhesives. We are seeing slower developments in the area of polyolefins than anticipated here as well.

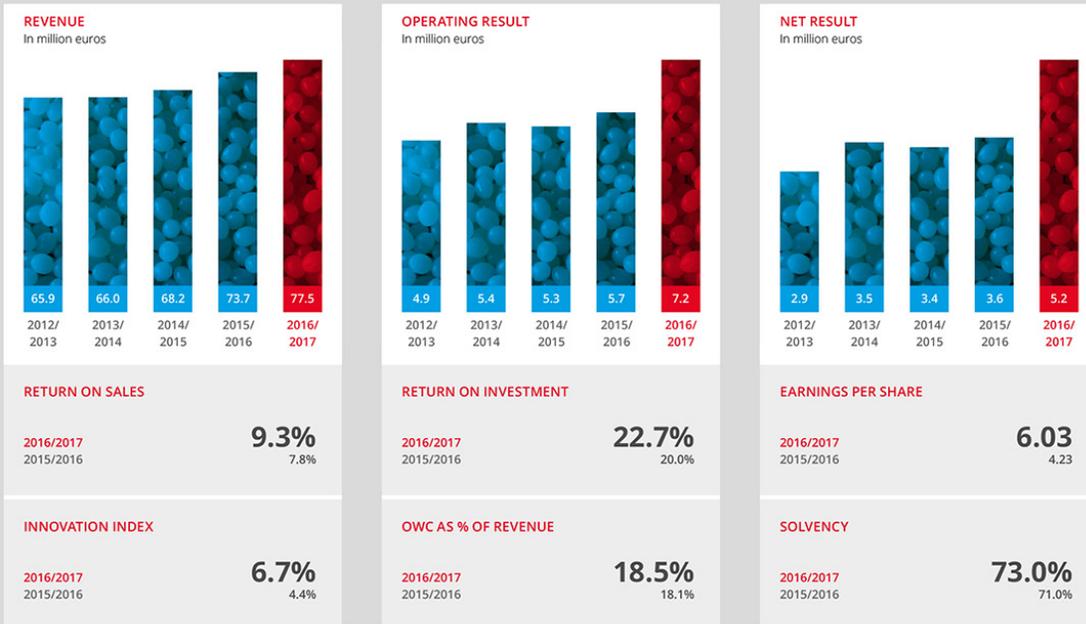
In Division Asia, we investigated various options for our Chinese legal entity. As the entity lacked critical mass to continue on its own we have closed down local production and currently rely on agents and distributors to serve our Chinese customers, supported by our regional Sales and Marketing Manager. Indonesia posted healthy revenue growth. Both new trading products and growth in sales from our Holco Indo Jaya joint venture contributed to this.

We held our first stakeholder meeting on Corporate Social Responsibility in June 2016. A broad group of suppliers, customers, shareholders and government agencies participated. One of the conclusions reached at this meeting was that we need to provide a better explanation of what we are already doing and make social responsibility a more integral part of our reporting. Our new approach will be set out later in this report.

Views on performance with respect to targets.

During the financial year we worked further on achieving our strategic objectives by implementing our Holcomore strategy. Revenue growth was achieved in all divisions. Total revenue grew by 5% to € 77.5 million. Operating result increased to € 7.2 million, 26% higher than in the previous year. Due to a lower average tax rate, the net result improved to € 5.2 million. The effect of exchange rates was very limited. Our overall financial position remained sound.

PROGRESS ON OUR OBJECTIVES



STRATEGY – ‘HOLCOMORE’

In our Holcomore strategic program we are focusing on defending and building our position in our traditional markets, particularly in Building & Construction (B&C) (mainly PVC) and Packaging (mainly PET). Given our position in these niche markets, it is, however, important to develop new markets and introduce new products. Our new technological developments are focused mainly on other polymers used in the B&C and Packaging markets. This enables us to diversify, while remaining close to our core products and markets. We must broaden our technology base in order to do this. Developing and introducing new products for polymers other than PVC and PET takes time and this is why we are keeping our eyes open for third-party partnerships or acquisitions. The driver for acquisitions will be technology rather than acquiring market share.

Besides the top-line growth, we will also continue projects aimed at improving operational efficiency. Within this context, we have upgraded and optimized our Holcoprill production across our two production sites in Europe. We have also invested in improving the Apeldoorn application lab.

We participated in the K-show for the first time in nine years. This tri-annual trade show in Düsseldorf, Germany, is the world's largest plastics exhibition. Through our participation we reinforced our continued commitment to the market, which was well received by our current and potential customers.

The corporate branding project that started late last financial year resulted in a completely new website and a clearer understanding of how to position our company in the market. In our role as Caregiver, we are committed to working closely with our customers to help them succeed in their markets. To achieve this, ongoing attention will be paid to ensure customer care remains an integral part of our DNA.

We undertook a renewed risk assessment to realign the risk map with our strategic ambitions. Challenges and risk mitigating actions were identified and will be given continual attention.

ORGANIZATION

Having an effective organization is key to addressing all the challenges and projects at hand. We have accordingly strengthened our project management skills and processes. Our unique culture of being a global player with a local customer driven mindset in combination with employee shareholding is a very strong driver for the way we do things. Understanding the company culture is a key element in the process of on-boarding new employees.

Some of the recent new employees at the executive level left the company for various reasons during the financial year. The resulting vacancies for positions such as Directors of the Division Americas and the Division Asia and the Director Innovation and Technology did not result in any operational issues because other employees assumed responsibility for these positions on an interim basis. We are focusing on filling these and other vacancies at the senior management level.

We took the opportunity to determine if the current organization structure is still the right one for growth. We decided to make some changes

to the organization structure in Asia. The Indonesian sales organization now reports directly to the newly appointed Sales and Marketing Manager Division Asia and no longer to the General Manager Indonesia.

Zero harm is a key goal for the company. Over the previous years we have been able to demonstrate significant improvement. We unfortunately deviated from this positive trend last year. We had three lost time incidents caused by the employees concerned not adhering to the working instructions. Measures have been taken to avoid such accidents going forward, including awareness campaigns.

Other items pertaining to the organisation's strategic approach.

Not reported.



Description of key impacts, risks, and opportunities for the organisation the impact of sustainability trends.

Section 1:

Organisation's key impacts on sustainability and effects on stakeholders. Significant economic, environmental and social impacts of the organisation, and associated challenges and opportunities.

We do not report a generic view of corporate social responsibility. Rather the organization communicates key aspects of corporate social responsibility. These views can be found in the specific section of the GRI Index.

Approach to prioritising challenges and opportunities arising from sustainable development.

Holland Colours has created a healthy balance between the interests of People, Planet and Profit by carrying out a materiality study. This study prioritized the various aspects of sustainable enterprise using input from internal discussions and an evaluation of priorities at companies in the chemicals sector.

Key conclusions about progress in sustainable development and related performance.

We do not report a generic conclusion on the progress of corporate social responsibility. Rather the organization communicates progress on key aspects of corporate social responsibility. These views can be found in the specific section of the GRI Index.

Main processes in place to address performance and relevant changes.

Not reported.

Section 2:

Impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organisation.

Most important risks and opportunities for the organisation arising from sustainability trends.

Not reported.

Prioritisation of key sustainability topics as risks and opportunities according to their relevance for long-term organisational strategy, competitive position and financial value drivers.

The priorities of corporate social responsibility at Holland Colours are reported in the indicators: [G4-19: Aspects weighted in terms of materiality, including a materiality matrix.](#)

Medium-term sustainability targets, including updates on the progress achieved presented in a table.

Targets to reduce energy consumption and CO₂ emissions have been defined and presented as such during the General Meeting of Shareholders on 10 July 2014. This concerns an annual reduction of 150 KJ per kg product produced and of 2% CO₂ emissions per kg product produced.

Governance mechanisms in place specifically to manage sustainable development.

One of the Holcomore projects addressed corporate social responsibility. As a result of this, Holland Colours published its first GRI report online in the autumn of 2014. Since then the GRI index has been updated every fiscal year and when necessary, further refinement took place.

ORGANISATIONAL PROFILE



Name of the organisation.

Holland Colours N.V.



Primary brands, products, and services.

Holland Colours makes products for colouring plastics.

We create and manufacture high-quality solid and liquid colorants, masterbatches and additives. Our products are designed to be well suited for coloring rigid and flexible PVC, PET, Polyolefins and other polymers. We serve many different markets within Building & Construction, including, but not limited to, profiles, pipes, siding and cladding. We also have a proven track record in cooperating with Packaging companies to differentiate their products. In addition to serving these markets, we offer color concentrates for coatings, elastomers, adhesives and other applications.

We have a tradition of working with our customers. Customers and our experts collaborate regularly to create tailor-made color solutions that deliver precise color matches, perfect color distribution and enhanced color consistency.

We offer consistent and sustainable global production, reliable supply and logistics, R&D, customer care and project support and assist our customers to grow their business.

We seek employees who believe in customer collaboration based on solving problems and pushing boundaries.

Our reporting lines are short, with ample opportunities for our employees to show initiative and take responsibility. At Holland Colours, every employee is an owner, and owners take pride in delivering success to their customers. Together with our customers we add color to the world. Our mission? Coloring Your Success!



Location of the organisation's headquarters.

Halvemaanweg 1
7323 RW Apeldoorn
Nederland
T +31 55 – 368 0700
F +31 55 – 366 2981
E info@hollandcolours.com



The number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.

The Netherlands, Hungary, the UK, the USA, Mexico, Canada and Indonesia.

Holland Colours has a number of large multinational customers that are serviced worldwide. They rely on the international network we have built up of our own (production) sites in the Netherlands, Hungary, the UK, the USA, Mexico, Canada, Indonesia (two sites, as well as of agents and distributors in many countries.

From time to time we evaluate the efficiency of the (elements in the) model and make changes where needed. In the past year, for example, we made the decision to close our wholly-owned China entity and continue with local business partners.



Ownership and legal form.

N.V.

(Public Limited Company)



Markets served.

Our roots are in colorants for pipes, but our products for Building & Construction are also widely used for other applications where good dispersion is key. This includes profiles, sheets, siding, cladding, sealants, and flooring.

The Packaging market is another area of our expertise. In this market we see a trend towards thinner wall bottles. Next, food safety has become increasingly important as well as the use of bio-based material. With our strong knowledge base we are well equipped to serve this market. We partner with small, medium, and large customers to produce packaging for water, carbonated soft drinks, fruit juices, dairy, beer, wine, detergents, pharmaceutical and personal care products.



Scale of the organisation.

WORLD MAP

AMERICAS				EUROPE				ASIA			
USD millions	2016/ 2017	2015/ 2016	%	Euro millions	2016/ 2017	2015/ 2016	%	USD millions	2016/ 2017	2015/ 2016	%
Revenue third-party	31.6	29.6	7%	Revenue third-party	38.2	37.1	3%	Revenue third-party	11.6	11.0	6%
Operating result	3.6	2.7	34%	Operating result	1.1	2.1	(45%)	Operating result	0.8	1.1	(26%)
CAPEX	0.5	0.7	(33%)	CAPEX	2.6	1.0	159%	CAPEX	0.2	0.2	(15%)
Average FTE	87	88	(1%)	Average FTE	197	194	2%	Average FTE	106	107	(1%)



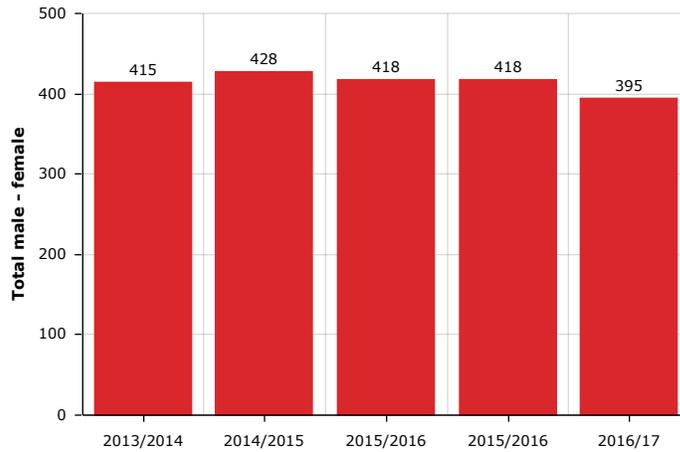
Please note that results are presented in the functional currency of the region. Royalty fees as charged by Holland Colours NV have been aligned to the industry standard as of April 2016. Therefore the operating results are not comparable on a year-over-year basis.

For the full picture at consolidated level, please refer to the table Segment Information on page 59 of the financial statements.



Employment within the organisation.

Total employees Holland Colours



Total number of employees by employment contract and gender (at year-end):

Employment	Male	Female	Total
Full time	248	71	319
Part time	52	24	76
Employees	300	95	395

Employment (contract)	Male	Female	Total
Fixed contract	286	92	378
Variable contract	14	3	17
Total employees	300	95	395

Supervised workers Not reported.



Percentage of total employees covered by collective bargaining agreements.

0%



Organisation's supply chain.

Holland Colours

Holland Colours is a business-to-business operation; our products are used in the manufacturing of products by our customers. Holland Colours operates worldwide in three focus markets:

- Building & Construction (especially PVC applications)
- Packaging (especially PET applications)
- Silicones & Elastomers

These three markets represent over 80% of sales. Holland Colours is a key player in each of these markets. Holland Colours' worldwide presence means it is never far away, and is able to supply national and international companies with solutions both promptly and efficiently. The remaining sales is realised through various other applications.

Building & Construction

Holland Colours has been a specialist in colouring PVC since its incorporation. Holland Colours colouring systems are used in:

- Pipes and fittings
- Cladding/siding
- Window profiles
- (Foam) sheeting/roofing materials
- Fencing and terracing

The manufacturers of these products are Holland Colours' customers. The Building & Construction market follows construction cycles and is subject to regional variations.

Packaging

Holland Colours' colour preparations are well-suited to PET applications. This world- wide market is driven by brand owners, the major softdrinks, food, cosmetics and personal care brands. Holland Colours' customers are primarily the manufacturers of these bottles and packaging materials. In addition to water and soft drinks, PET is also used to package beer, wine and milk, as well as various non-food applications such as liquid detergents and soaps.



Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain.

From time to time we evaluate the efficiency of the (elements in the) model and make changes where needed. In the past year, for example, we made the decision to close our wholly-owned China entity and continue with local business partners.



Precautionary approach or principle addressed by the organisation.

Substances that are not permitted to be used under European standards and legislation cannot be used in products sold by Holland Colours. If and as soon as a substance has been found not to comply with European standards and legislation, suppliers are required to discontinue its use. In such situation, the organization shall consult with suppliers to jointly and actively seek better alternatives.

In the manufacturing of products, suppliers are required to comply with REACH requirements. A feature of REACH is that if an action is taken or set to be taken for which there are strong indications of serious environmental effects, measures must follow, even if there is still scientific uncertainty.



Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.

Holland Colours reports in accordance with the guidelines for reporting on corporate social responsibility promoted by the [Global Reporting Initiative, GRI G4](#).

Holland Colours calculates its CO2 emissions using the [GreenHouseGas-Protocol](#).



Memberships of associations (such as industry associations) and national or international advocacy organisations.

Holland Colours is an active member of VinlyPlus. VinylPlus is the voluntary sustainable development programme of the European PVC industry. It aims at creating a long-term sustainability framework for the entire PVC value chain.



IDENTIFIED MATERIAL ASPECTS & BOUNDARIES



Entities included in the organisation's consolidated financial statements.

Companies	Country	%
Holland Colours Europe BV	the Netherlands	100%
Holland Colours UK Ltd	United Kingdom	100%
Holland Colours Canada Inc	Canada	100%
Holland Colours Americas Inc	United States of America	100%
PT Holland Colours Asia *	Indonesia	99%
Holland Colours Hungária Kft	Hungary	100%
Holland Colours Mexicana SA de CV	Mexico	100%
PT Holco Indo Jaya	Indonesia	85%

* Regarding the participating interest in PT Holland Colours Asia in Indonesia, another party holds 1% of the legal ownership. Full beneficial ownership rests with Holland Colours.



Process for defining the CSR report content and the Aspect Boundaries.

To carry out its external and internal materiality analysis, Holland Colours commissioned the [MVOplossingen](#) consultancy, which specializes in CSR reporting in annual reports.

More than ten people were involved in the internal analysis, including the CSR Project Team, the Executive Team and the Supervisory Board.

The external analysis is based on the materiality indices of nine companies in the chemicals sector. As these reports are based on the G3 reporting guidelines, it does not include the new aspects covered in G4.

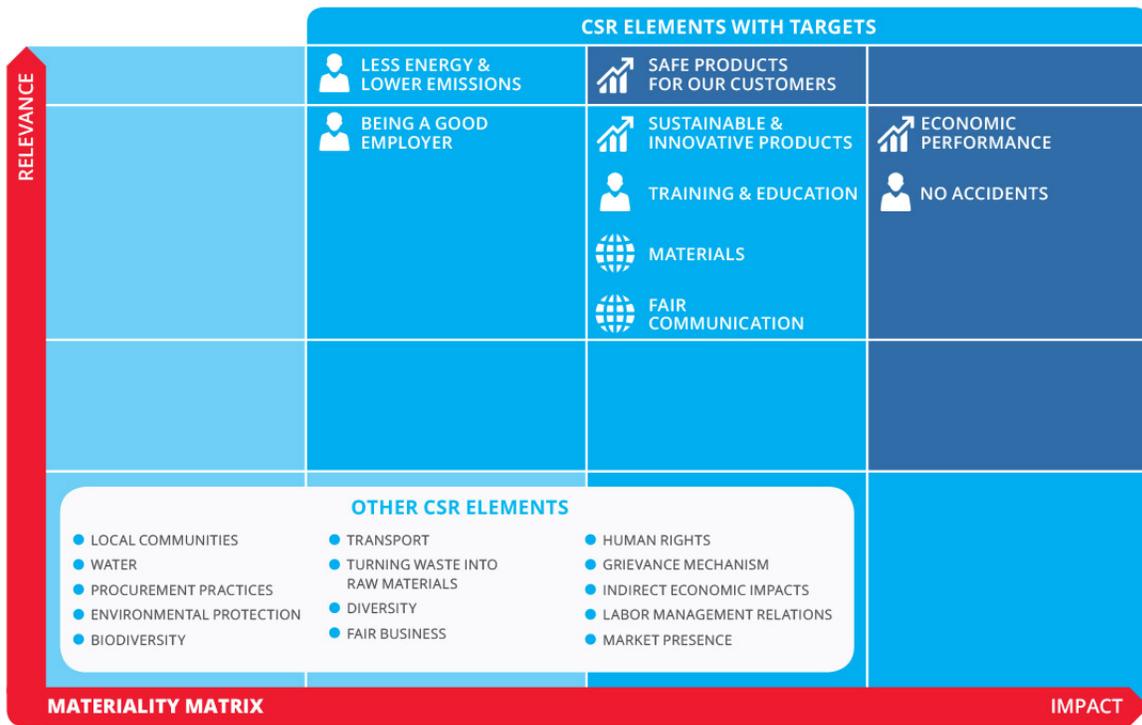
For the final valuation, the internal and external scores both count for 50%.

In the fiscal year 2016/2017, a review of the Materiality Matrix took place as a result of the input from the External Stakeholder meeting from July 2016. An update was made and these will be discussed with external stakeholders in the coming book year.



Material Aspects identified in the process for defining report content.

Aspects	Impact	Relevance
Economic Performance	5	4
Occupational Health and Safety	5	4
Customer Health and Safety	4	5
Emissions	3	5
Presence on labor market	4	4
Energy	4	4
Materials	4	4
Governance	4	4
Compliance	4	4
Products & Services	4	4
Training & Education	4	4
Diversity	4	4
Labor-Management Relations	4	3
Fair Communications	4	4
Waste	3	3
Employment	3	4
Procurement Practices	2	3
Environmental Protection	2	3
Fair business	3	3
Grievance Mechanisms	3	3
Human Rights	3	3
Water	2	3
Indirect Economic Impact	3	2
Local communities	2	3
Transport	2	2
Biodiversity	2	2



For each material Aspect, report the Aspect Boundary within the organisation.

The annual report covers Holland Colours in its entirety. Where it deviates from this principle, we communicate this clearly.

When referring to the relevance of the impact of material matters, no distinction is made between company divisions, as they are all very similar.



For each material Aspect, report the Aspect Boundary outside the organisation.

Human rights:

Companies can potentially exert a great deal of influence when choosing products and raw materials, and when selecting the right suppliers. However, given the nature of our raw materials, the options for Holland Colours are limited. Yet Holland Colours puts a great deal of effort into influencing the sustainability performance of the supply chain.



Effect of any restatements of information provided in previous reports, and the reasons for such restatements.

The data provided (including previous financial years) have been adjusted to account for the closing of the plant in China.



Significant changes from previous reporting periods in the Scope and Aspect Boundaries.

Not applicable.

STAKEHOLDER ENGAGEMENT



Stakeholder groups engaged by the organisation.

Internal:

- Employees
- Shareholders
- Executive Team
- Supervisory board

External:

- Customers
- Suppliers
- Government
- NGO's
- External consultants



Basis for identification and selection of stakeholder groups with whom to engage.

The consultancy firm [MVOplossingen](#) advised us to select a wide range of stakeholder groups. This involved customers, suppliers, NGO's, governments (local as well as national), all present at the external stakeholder meeting held in July 2016.



Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

On Thursday 23 June 2016 Holland Colours organized its first stakeholder dialogue in order to present the sustainability policy developed in 2014 and the subsequent progress and to receive feedback on it.



Key topics and concerns that have been raised through stakeholder engagement.

Following observations from the external stakeholders were noted:

- Good progress in transparency was seen: both the Annual report covering the most important sustainability aspects as well as the GRI website (covering all identified sustainability aspects).
- Observation from several stakeholders was that the information was detailed, however, of very technical nature, driven by the GRI format and not a holistic approach.

The recommendation was to focus more on the content and get overall picture clear for the external stakeholders. Too much focus on details will not bring forward the actual message and choices of Holland Colours. The suggestion was raised to give more practical examples to show what the figures actually mean or represent.

REPORT PROFILE



Reporting period for information provided.

01-04-2016 to 31-03-2017.



Date of most recent previous reports.



30-05-2017



27-05-2016



28-05-2015



Reporting cycle.

Annually.



Contact point for questions regarding the report or its contents.

info@hollandcolours.com

+31 55 368 0700



Application level of the Annual report.

G4 – CORE



Policy and current practice with regard to seeking external assurance for the report.

The information on corporate social responsibility has not been assessed by an external auditor. However, the report and the reporting process were assessed by **MVOplossingen**, specialist in CSR communications in annual reports.

GOVERNANCE



Governance structure of the organisation.

including committees of the highest governance body. Identify any committees responsible for decision-making on Corporate Social Responsibility.

The integral Executive Team is responsible for the corporate social responsibility of the organization.

The Supervisory Board has five members.



Process for delegating authority for Corporate Social Responsibility from the highest governance body to senior executives and other employees.

Not reported.



Functions on executive-level responsible for Corporate Social Responsibility.

Not reported.



Processes for consultation between stakeholders and the highest governance body on Corporate Social Responsibility.

Not reported.



Composition of the highest governance body and its committees.

General Management



The Board of Management consists of the CEO and CFO. The Board of Management together with the Director Innovation and Technology, the Directors of the Divisions and the Directors of Global Operations and of Global Marketing form the Executive Management Team. In the photograph, from left to the right: R. Harmsen (1957), Chief Executive Officer; M.G. Kleinsman (1963), Chief Financial Officer; R.P. Karrenbeld (1973), Director Global Operations; G. Provó Kluit-Gonesh (1973), Director Global Marketing

Please refer to [page 90](#) for an overview of the organizational structure and to www.hollandcolours.com for more information on the members of the Executive Management Team.

Supervisory Board



From left to right:

- R. Zoomers (1950), Dutch citizen. Chair, Member since 2015; current (first) term to 2019. Additional positions: Chair of Onkenhout Beheer BV Supervisory Board, Member of Eurotech Group BV Supervisory Board and Member of Clean Lease International BV Supervisory Board.
- A.R. Doornbos (1979), Dutch citizen. President & Business Unit Director DSM Functional Materials. Member since 2015; Current (first) term to 2019.
- M.G.R. Kemper (1968), Dutch citizen. Director of Advitronics Telecom BV. Member since 2011; current (second) term to 2018.
- J.D. Kleyn (1949), Dutch citizen. Lawyer. Member since 2011; current (second) term to 2017. Additional positions: Member of the Foundation Het Grachtenhuis NV Board of Trustees, Member of M&A Course VU Law Centre Management Board, Chairman of Impatients NV.
- J.W. de Heer (1961), Dutch citizen. Managing Director Victron UPS (Thailand) Co., Ltd. Member since 2010; current (second) term to 2018. Appointed under nomination of Holland Pigments BV. Additional positions: Director of ELNED Holding BV and Director of TECNED BV.

Information in the report

Further information regarding the Members of the Executive Management and the Supervisory Board of Holland Colours NV is available at www.hollandcolours.com.



Is the Chair of the highest governance body also an executive officer?

The Chairman of the Supervisory Board has an independent and non-executive position within Holland Colours.



Nomination and selection processes for the highest governance body and its committees.

and the criteria used for nominating and selecting highest governance body members.

Not reported.



Processes for the highest governance body to ensure conflicts of interest are avoided and managed.

Report whether conflicts of interest are disclosed to stakeholders.

See chapter on Risk Management on pages 57–58 of the [Annual Report 2016/2017](#).



Report the highest governance body's (related to CSR)

and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to Corporate Social Responsibility.

The Supervisory Board is fully responsible for the management of Holland Colours. The Executive Team is responsible for the day-to-day operations.



Measures taken to develop and enhance the highest governance body's collective knowledge of Corporate Social Responsibility.

Not reported.



Processes for evaluation of the highest governance body's performance with respect to governance of Corporate Social Responsibility.

Report whether such evaluation is a self-assessment.

Not reported.



Report the highest governance body's role in the identification and management of Corporate Social Responsibility.

Report whether stakeholder consultation is used to support the highest governance body's identification and management of Corporate Social Responsibility.

Not reported.



Report the highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for Corporate Social Responsibility.

Not reported.



Frequency of the highest governance body's review of Corporate Social Responsibility.

The annual report including the section Responsibility will be submitted for approval to the General Meeting of Shareholders.



Highest committee or position that formally reviews and approves the organisation's Corporate Social Responsibility report and ensures that all material Aspects are covered.

The Executive Team as described in G4-38, has approved the annual report, including the section Corporate Social Responsibility.



Process for communicating critical concerns to the highest governance body.

Not reported.



Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.

Not reported.



Remuneration policies for the highest governance body and senior executives.

The remuneration policy is described in the notes to the consolidated Financial Statements in Chapter 26, section: Remuneration policy, on pages 71–72 of the [Annual Report](#).



Process for determining remuneration.

The remuneration policy is described in the notes to the consolidated Financial Statements in Chapter 26, section: Remuneration policy, on pages 71–72 of the [Annual Report](#).



Report how stakeholders' views are sought and taken into account regarding remuneration.

including the results of votes on remuneration policies and proposals, if applicable.

The remuneration policy has been adopted by the Supervisory Board.



Report the ratio of the annual total compensation for the organisation's highest-paid individual

in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

Not reported.



Report the ratio of percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees in the same country.

in each country of significant operations and excluding the highest-paid individual

Not reported.

ETHICS & INTEGRITY



Values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.

The **Code of Conduct** has been effectuated in this financial year 2016/2017 and is operational since.



Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organisational integrity, such as helplines or advice lines.

Not reported.



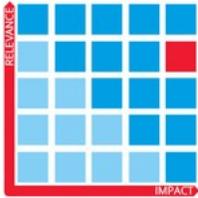
Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.

Holland Colours has a **whistleblowers policy** protection programme in place for staff.

ECONOMIC PERFORMANCE

Crucial: Impact 5 - Relevance 4

Holland Colours considers it very important to report on CSR in an economic context. This is reflected in our decision to include CSR reporting in the Annual Report. CSR is a key pillar of our strategic operations, with the interests of people, planet and longer-term financial profit creating a mutually beneficial cycle. Holland Colours will therefore include its key CSR targets in the objectives, and ultimately intends to include them in the remuneration policy where possible.



Direct economic value generated and distributed.

Basic components: revenues, operating costs, employee wages and benefits, payments to providers of capital, payments to government, community investments, economic value retained.

Is reported in G4-9: Scale of the organisation



Financial implications climate change.

Financial implications and other risks and opportunities for the organisation's activities due to climate change.

Not reported.



Coverage defined benefit plan.

Coverage of the organisation's defined benefit plan obligations.

22. EMPLOYEE BENEFIT OBLIGATIONS

PRE-PENSION PLAN IN THE NETHERLANDS

The pre-pension plan in the Netherlands relates to the obligation to issue a conditional annual payment.

As explained in Note 2, the originally agreed conditional financing of past service years in the pre-pension plan has been converted into an equivalent annual payment, which is also conditional. At March 31, 2017 the resulting liability amounts to € 601. On March 31, 2016 the liability was € 609.

LEGAL LIABILITY ON TERMINATION OF EMPLOYMENT – INDONESIA

This mainly relates to the legal liability for the payout in the event of termination of employment of Indonesian personnel. As of the reporting date, the primary actuarial assumptions are:

	March 31, 2017	March 31, 2016
Discount Rate	7.8%	8.5%
Expected Return Fund Capital Expenditures	7.8%	8.5%
Future Salary Increases	7.0%	7.5%
Average Remaining Period of Employment	12.9	13.7

Assumptions relating to future mortality rates are based on published statistical data and mortality tables. The mortality table used is the TMI 2011 (2015/2016: TMI 2011) table with a correction factor varying for age and gender. The total expected long-term Return on Investment amounts to 7.8% (March 31, 2016: 8.5%).

OTHER EMPLOYEE BENEFITS

The Other Employee Benefits item also includes a provision for future jubilee payments of € 243 (March 31, 2016: € 233) and other future payments of € 116 (March 31, 2016: € 170).

Movements in the Employee Benefit Obligations are shown in the table below.

	Pre-pension plan the Netherlands	Statutory Termination Employment plan Indonesia*	Other Employee Benefits	Total
As at March 31, 2015	789	439	329	1,557
Additions	-	9	107	116
Withdrawals/Releases	(180)	-	(27)	(207)
Exchange-rate Differences	-	(14)	(6)	(20)
As at March 31, 2016	609	434	403	1,446
Additions	73	56	123	252
Withdrawals/Releases	(81)	-	(167)	(248)
Exchange-rate Differences	-	15	-	15
As at March 31, 2017	601	505	359	1,465

Of this total, the following amounts have been accounted for under current liabilities:

	Pre-pension plan the Netherlands	Statutory Termination Employment plan Indonesia	Other Employee Benefits	Total
As at March 31, 2017	75	-	125	200
As at March 31, 2016	76	-	180	256

* The change in the provision for the Indonesian plan has been processed in the overview of Comprehensive Income for the amount of € -35 (2015/2016: € 6).

Employee benefit obligations

Holland Colours has a variety of pension plans in accordance with local regulations and conditions.

The pension schemes of the subsidiaries are in line with local legislation and regulation and are processed in the financial statement as defined contribution plans. These involve payment of predetermined premiums to an insurance company. Under these pension plans Holland Colours has no legal or factual obligation to pay additional premiums if the insurance company has insufficient means to fund current or future pensions.

Other employee benefits

As a consequence of the termination of the early retirement plan (including the transitional arrangement) for the employees in the Netherlands, the originally agreed conditional financing of past service years was converted into an annual payment in the same amount, which is also conditional. The chief conditions for this payment are that an employee must still be in the Company's service at the time of the annual payment and that the Group's financial results are assessed by the Board of Management as being sufficient to cover this payment. The Group has formed a provision for this future liability, which will end in September 2035.

The Group has also formed a provision for other long-term obligations regarding employee benefits, including jubilee payments, which employees have earned for their service in the current and previous reporting periods.



Financial assistance received from government.

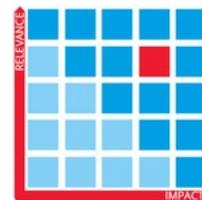
Wages and salaries in the 2016/2017 financial year include € 74.000 of government grants (2015/2016: € 38)

For PT Holco Indo Jaya, the entity established in Indonesia in the 2012/2013 financial year, the Dutch government granted a subsidy on the basis of the Private Sector Investment (PSI) program. In the current phase of development of PT Holco Indo Jaya as of March 31, 2016, it is not possible to make an accurate estimate as to whether the conditions will be met. The Board of Management does not consider it the right moment to include the PSI subsidy in the Income Statement. An advanced subsidy payment of € 377 (March 31, 2016: € 377) as received in 2013/2014 is therefore included under Other Liabilities and Accruals.

MARKET PRESENCE

Important: Impact 4 - Relevance 4

Given our ambitions, it is important that Holland Colours places the right people, with the right skills in the right place at the right time. This begins with attracting and retaining the right people who get a buzz out of close customer collaboration, out of solving problems and pushing boundaries. Holland Colours aims to be an attractive employer by continuously investing in learning and development and by offering an attractive package (wages & shares).



Standard entry level wage.

Ratios of standard entry level wage compared to local minimum wage at significant locations of operation.

Not reported.



Local management.

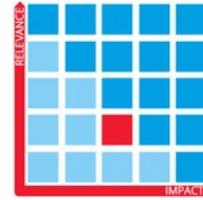
Proportion of senior management hired from the local community at significant locations of operation.

In principle, the entities of Holland Colours are managed by people from the country in which they are based. In the year under review, a Dutchman held a management position in Indonesia.

INDIRECT ECONOMIC IMPACTS

Unimportant: Impact 3 - Relevance 2

Investment by Holland Colours did not have a significant impact on local economic development. The influence of the salaries on the local economy and schooling in the locality are valuable, but not considered important enough for reporting.



Investments in infrastructure.

Development and impact of infrastructure investments and services supported.
Not reported.



Indirect economic impacts.

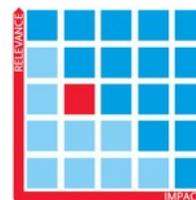
Significant indirect economic impacts, including the extent of impacts.
Local agents/distributors are used in many countries to ensure closer relations with customers.

PROCUREMENT PRACTICES

Important: Impact 2 - Relevance 3

A business can exert influence by its choice of products and the raw materials that are purchased, and the right selection of suppliers. In view of the nature of the raw materials, the options for Holland Colours are limited. Nonetheless, Holland Colours takes account where possible of sustainability performance in the supplier chain in its choices.

Holland Colours is a relatively small purchaser in the global market, with a sometimes limited number of potential suppliers. Holland Colours therefore considers its influence on suppliers to be limited. Nonetheless, the organization aims to do business only with businesses that endorse our ethical values and our social and environmental standards.



Spending on local suppliers.

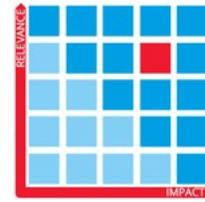
Proportion of spending on local suppliers at significant locations of operation.

Not reported.

MATERIALS

Important: Impact 4 - Relevance 4

The selection of materials determines the quality of the products produced. Since the extraction of raw materials is depleting resources and cost prices are showing a rising trend, we are actively managing efficient raw-material use. Holland Colours is engaging with suppliers to increase the share of eco-friendly alternatives where possible.



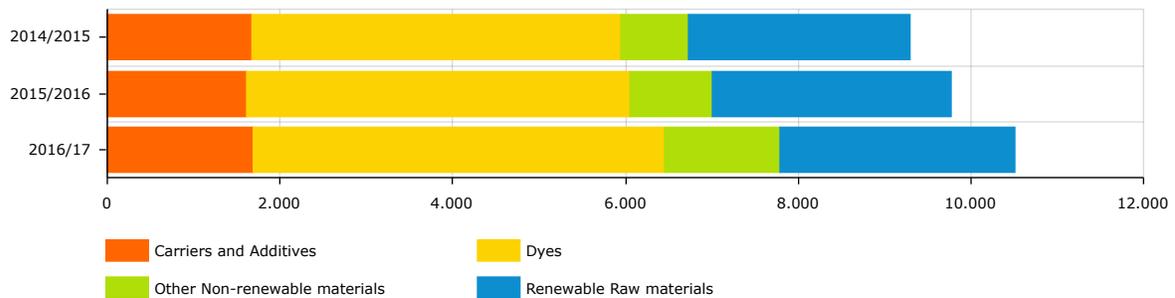
Materials used.

Materials used by weight or volume.

It is not always possible to use renewable raw materials, forcing us to use non-renewables. Stringent requirements for top-grade applications, such as the thermal stability during plastics processing, do not always allow for the use of renewable raw materials.

We re-use produced materials outside specifications as much as possible to keep waste flows as low as we can, but also because many top-grade colourants have a high monetary value.

Materials (ton)



Materials (ton)	2016/17	2015/2016	2014/2015
Carriers and Additives	1,683	1,606	1,671
Dyes	4,771	4,445	4,270
Other Non-renewable materials	1,333	961	792
Renewable Raw materials	2,721	2,760	2,562
Total	10,508	9,772	9,295



Percentage recycled input materials.

Percentage of materials used that are recycled input materials.

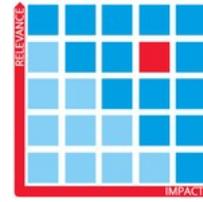
The products of Holland Colours are typically made according to customers' requirements, using renewable materials where possible. However, due to for instance stringent customer requirements on thermal stability during plastics processing, this is not possible in all cases.

The percentage of renewable raw materials used was declined with 2 percentage point compared to the previous financial year at 26% (was 28%).

ENERGY & EMISSIONS

Important: Impact 4 - Relevance 4

Holland Colours aims to reduce its greenhouse gas emissions to a minimum. The production of concentrates involves the mixing and even distribution of raw materials without producing greenhouse gases. The consumption of energy sources is not only a key cost center, it is also the main source of greenhouse gases. Holland Colours therefore has a constant focus on the efficiency of its processes. That means that energy efficient alternatives are used only where the cost of these alternatives can be recovered within three years through reductions in energy consumption.

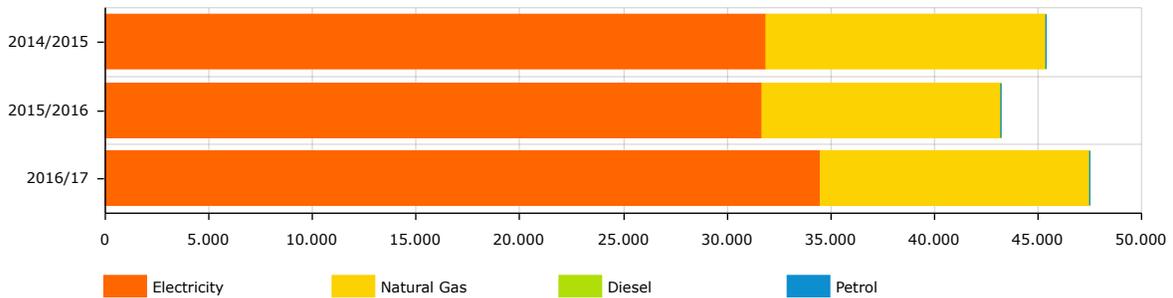


Energy consumption.

Energy consumption within the organisation (in terajoule).

The major energy sources are electricity and natural gas, with consumption of 34.5 and 13 terajoules, respectively.

Energy Consumption (TJ)



Energy Consumption (TJ)	2016/17	2015/2016	2014/2015
Electricity	34,500	31,700	31,900
Natural Gas	13,000	11,500	13,500
Diesel	3	3	3
Petrol	2	1	2
Total	47,504	43,204	45,404



Energy consumption outside of the organisation (in terajoule).

Not reported.



Energy intensity.

Energy intensity in the context of an organisation-specific metric.

The energy intensity is 3,610 kilojoule per kilo of product.

Holland Colours strives to achieve an annual reduction of 150 kJ of electricity per kilogram of end product. As shown in the table, consumption was further grown last year by 160 kJ per kilogram of product to 3,610 kJ.

Energy consumption	2016/17	2015/2016	2014/2015
KJ electricity / kg product	3,610	3,450	3,530



Reduction of Energy consumption.

Reduction of energy consumption achieved as a direct result of conservation and efficiency initiatives.

We continue to improve our processes.



Reductions in energy requirements of products and services.

Holland Colours does not produce any goods that consume energy.



Direct GHG emissions (Scope 1).

Direct greenhouse gas emissions in metric tons of CO₂ equivalent. Independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances.

The direct CO₂ emissions by Holland Colours amount to approximately 812 tons, with transport accounting for 36 tons. The majority of the CO₂ emissions originate from the heating of buildings with natural gas. An increase of 89 tons of CO₂ was achieved last year in this category. The direct emissions account for 12% of the CO₂ footprint.



Indirect GHG emissions related to Electricity (Scope 2).

Indirect greenhouse gas emissions related to Electricity in metric tons of CO₂ equivalent. Independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances.

The CO₂ emissions for which the organisation is indirectly responsible relates to the CO₂ emissions of electricity suppliers. The use of electricity is responsible for about 5,004 tons of CO₂, which equals 74% of our carbon footprint.



Other indirect GHG emissions (Scope 3).

Other indirect greenhouse gas emissions in metric tonnes of CO₂ equivalent. Independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances.

The other indirect CO₂ emissions for which the organization is responsible consist of CO₂ emissions resulting from staff transport movements: flying and commuting from home to work. This part of the emissions totals 982 tons of CO₂, representing 14% of the CO₂ footprint.



Greenhouse gas emissions intensity.

Report the organisation-specific metric (the ratio denominator) chosen to calculate the ratio.

The CO₂ emissions per kilo of product produced is 710 grams.

The main factor is electricity, which counts for 523 grams. The table shows how CO₂ emissions resulting from electricity have fallen slightly for three years in a row. The CO₂ emissions of natural gas per square metre of floor area as a result of climate factors show a mixed picture.

CO ₂ emissions	2016/17	2015/2016	2014/2015
CO ₂ emissions/kg product	710 gr	671 gr	692 gr
CO ₂ emissions electricity/kg product	523 gr	493 gr	504 gr



Reduction of GHG emissions.

Reduction of greenhouse gas GHG emissions achieved as a direct result of initiatives to reduce emissions.

Holland Colours does not measure the direct savings of energy efficiency projects or of the investment in energy efficient equipment.



Emissions of ozone-depleting substances (ODS).

Not reported.



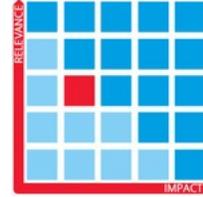
NO_x SO_x and other significant air emissions

Not reported.

WATER

Important: Impact 2 - Relevance 3

The availability of clean water is a growing concern in society. For this reason, Holland Colours is limiting water consumption as much as possible. But given our already limited use of water, the company gives higher priority to other matters.



Total water withdrawal by source.

Water consumption has decreased from 19 million liters to 12 million liters. The decrease is attributable to the use of efficient cooling systems in various production locations.

The use of water is limited and so the risk of pollution of ground and surface waters is also small. The reduction on water usage can be attributed to the installation of new, highly efficient chillers replacing cooling water.



Water sources.

Water sources significantly affected by withdrawal of water.

Holland Colours only uses tap water, and does not extract any water from other sources.



Percentage water recycled.

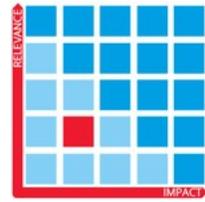
Percentage and total volume of water recycled and reused.

Not reported.

BIODIVERSITY

Unimportant: Impact 2 - Relevance 2

The Holland Colours sites are not located close to conservation areas with high levels of biodiversity.



Operational sites in protected areas.

Operational sites owned, leased, managed in, or adjacent to, protected areas, including areas of high biodiversity value outside protected areas.

Not applicable.



Impacts on Biodiversity.

Description of significant impacts of activities, products, and services on biodiversity in protected areas, including areas of high biodiversity value outside protected areas.

Not applicable.



Habitats protected or restored.

Report the size and location of all habitat protected areas or restored areas.

Not reported.



Endangered species in areas affected by operations.

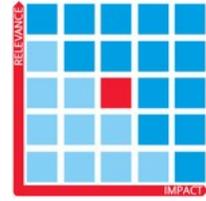
Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

Not applicable.

EFFLUENTS & WASTE

Important: Impact 3 - Relevance 3

Holland Colours continuously strives to keep the impact of its production processes to a minimum through the responsible usage of raw materials, reduction of off-spec as well as through reducing and recycling waste. The production sites devote much attention to the reuse and processing of products in order to minimize environmental impact and increase efficiency (as many top-grade colorants have a high monetary value).



Effluents.

Total water discharge by quality and destination.
Not reported.



Waste.

Total weight of waste by type and disposal method.

The waste as percentage of production did not yield a further reduction, as was observed in the last years. One explanation is the reduction of obsolete stock from our warehouses, increasing the product waste.

Waste (ton)	2016/17	2015/2016	2014/2015
Product waste	296	220	243
Cleaning waste	176	156	179
Packaging waste	287	259	186
Other waste	79	73	69
Total	838	707	677
% Waste as % of production	8.8%	7.7%	7.5%



Significant spills.

Total number and volume of significant spills.

Not reported.



Transport hazardous waste.

Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.

Not reported.



Effect discharges of water.

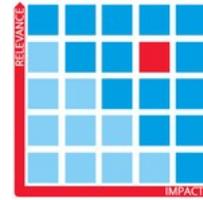
Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and runoff.

Not reported.

INNOVATIVE PRODUCTS & SERVICES

Important: Impact 4 - Relevance 4

By focusing on our areas of expertise and partnering with others in the chain, we are able to bring new products and solutions to market. Innovation is an important key for success. Holland Colours believes that the environmental impact of its products and services is extremely limited. However, design for use in a circular economy is vital and Holland Colours does aim not to hamper this by choosing the right materials for use in recycling schemes. However, the percentage of colorants in the final products is less than 1%, as a result of which this indicator is barely reportable.



Please note

The materiality study shows that stakeholders place a high value on matters that provide insight into how companies in the chemicals industry focus on systematically improving products and services and making them more sustainable. For this reason, Holland Colours has added the aspect "Innovative Products & Services" to the materiality index, including the (GRI) aspects:

1. Research & Development
2. Sustainable Products & Services
3. Eco Innovation
4. Certification



Environmental impacts of products & services.

Extent of impact mitigation of environmental impacts of products and services.
Not reported.



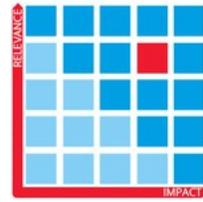
Packaging materials reclaimed.

Percentage of products sold and their packaging materials that are reclaimed by category.
Not reported.

COMPLIANCE

Important: Impact 4 - Relevance 4

The trust of our customers is crucial for the reputation of Holland Colours and its raison d'être. Holland Colours upholds all local laws and rules and insists on high ethical standards. All employees must commit to uphold these rules as stipulated in the [Code of Conduct](#).



Sanctions for non-compliance with environmental laws.

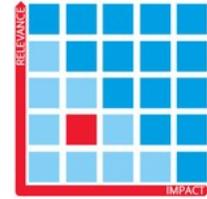
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

€ 0.-

TRANSPORT

Unimportant: Impact 2 - Relevance 2

Holland Colours wants to keep the transport of goods and personnel as efficient as possible to reduce the impact on the environment. When purchasing lease cars, fuel consumption is a selection criterion. HC is a global company with local production facilities. IT solutions are increasingly used to reduce traveling frequency.



Environmental impact of transport.

Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce.

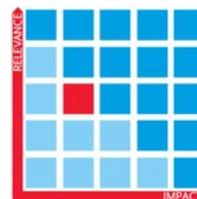
The organisation does not yet have the required data on the traffic movements of its employees.

1. **Air traffic:** 4.5 million kilometres. This is 11,313 kilometres per FTE and is responsible for emissions of 624 tons of CO₂.
2. **Commuter traffic:** 142,000 litres of fuel. This is almost 354 kilometres per FTE and is responsible for emissions of 359 tons of CO₂.

ENVIRONMENTAL PROTECTION

Important: Impact 2 - Relevance 3

The importance we place on protecting our environment in our operations can be measured using our investment in environmentally friendly measures. Measures that can be recovered within three years have the preference in our investment policy. Where necessary and desirable, environmentally friendly measures are given a high priority.



Expenditures on Environmental protection.

Total environmental protection expenditures and investments by type.

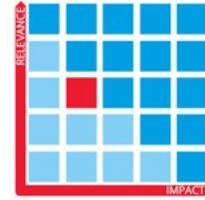
The investments in the USA, Indonesia and the Netherlands are estimated at €250,000. They relate to dust collectors and more energy-efficient equipment. This number does not include the renovation of the production site in Apeldoorn.

PROCUREMENT PRACTICES

Important: Impact 2 - Relevance 3

A business can exert influence by its choice of products and the raw materials that are purchased, and the right selection of suppliers. In view of the nature of the raw materials, the options for Holland Colours are limited. Nonetheless, Holland Colours takes account where possible of sustainability performance in the supplier chain in its choices.

Holland Colours is a relatively small purchaser in the global market, with a sometimes limited number of potential suppliers. Holland Colours therefore considers its influence on suppliers to be limited. Nonetheless, the organization aims to do business only with businesses that endorse our ethical values and our social and environmental standards.



Supplier environmental assessment.

Percentage of new suppliers that were screened using environmental criteria.
Not reported.



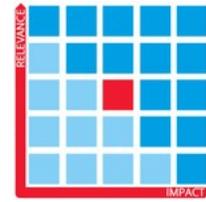
Environmental impacts in the supply chain.

Significant actual and potential negative environmental impacts in the supply chain and actions taken.
Not reported.

GRIEVANCE MECHANISMS

Important: Impact 3 - Relevance 3

Grievances can be grounds for complaints. Complaints are considered by Holland Colours as an indication that processes/procedures need to be more closely complied with and better managed. We do our utmost to prevent grievances on environmental, labour practices, human rights and societal impact.



Environmental Grievance Mechanisms.

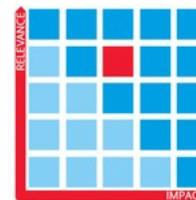
Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.

The registration of complaints in the Netherlands from nearby residents resulted in 4 justified noise hindrance. All complaints were resolved satisfactorily in accordance with the procedure.

EMPLOYMENT

Important: Impact 3 - Relevance 4

Holland Colours provides employment. Work is not only a source of income, but is also a way people can develop themselves, contribute to society and gain self-esteem, confidence and respect. Per country, employee benefits & compensations may differ, depending on legislation and culture.



New employee hires and turnover.

Total number and rates of new employee hires and employee turnover by age group, gender, and region.

The turnover of staff at Holland Colours is with an inflow of 7% and an outflow of 9% comparable with last year. In this reporting year 3 employees in the segment under 30 years were attracted, whilst 5 left the company.

New hires by gender	2016/17	2015/2016	2014/2015
Male	19	25	31
Female	8	6	17
Total	27	31	48
%	6.8	7.4	11.5

New hires by age	2016/17	2015/2016	2014/2015
Younger than 30	3	4	18
From 30 to 50	16	20	24
Older than 50	8	7	6
Total	27	31	48

Turnover by gender	2016/17	2015/2016	2014/2015
Male	27	21	31
Female	9	14	15
Total	36	35	46
%	9.1	8.4	11.0

Turnover by age	2016/17	2015/2016	2014/2015
Younger than 30	5	6	10
From 30 to 50	26	17	24
Older than 50	5	12	12
Total	36	35	46



Employee benefits.

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.

The terms of employment are complete and competitive. Nearly all employees participate in a profit share scheme which depends on the Group's result as well as the result of the particular division the employee is based at.



Return after parental leave.

Return to work and retention rates after parental leave, by gender.

Not reported.

LABOR/MANAGEMENT RELATIONS

Important: Impact 4 - Relevance 3

Holland Colours personnel are shareholders in Holland Pigments and are therefore indirectly joint owners of the company. This gives them an important voice in decision-making.

Holland Pigments aims to safeguard the continuity of Holland Colours.



Operational changes.

Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.

Not reported in accordance with GRI G4 guidelines.

Holland Colours considers that the influence of employees is best reported through the voting rights of personnel at the shareholders' meetings of Holland Pigments BV, as described below:

Personnel voting rights at shareholders' meetings.

Holland Colours employees are engaged and experienced. They participate in the company and collectively hold around 25% of the shares in Holland Pigments, a Dutch-based investment company, which in turn owns the majority of the shares in Holland Colours NV. Collectively owning the company means we all share the same goals: Growth & Operational Excellence through customer intimacy.

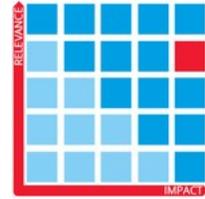
At Holland Colours, the possession of shares by employees is a strong dynamic of the corporate culture. Employees participate in Holland Pigments BV, the largest shareholder in Holland Colours NV. To further promote the participation of our employees, who are also Holland Pigments shareholders, they may select an HP Official. This HP Official represents their interests at Holland Pigments shareholders' meetings and in discussions with the Executive Team of Holland Colours and Holland Pigments. Furthermore, an extra dimension is added to participation by the appointment of one supervising member of the Supervisory Board of Holland Pigments, nominated by the employees/shareholders.

The interests of the employees are represented by the Confidence Committee. The members of this body are appointed from and by the employees as a whole. All sections of the company are represented in the Confidence Committee. The Confidence Committee has a clear input into the Holland Colours decision-making process. Together with the employee shareholding, the quality of this committee was sufficient for the SER regulatory body in the Netherlands to exempt the company from the obligation to set up a Works Council.

OCCUPATIONAL HEALTH & SAFETY

Crucial: Impact 5 - Relevance 4

As an employee owned company, Holland Colours employees are the most valuable assets. We strongly believe that health and safety is a key factor in employee engagement. We create the right conditions for all our employees to give of their best each day.



Health & Safety committees.

Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advise on occupational health and safety programs.

100%

The safety interests of all Holland Colours employees are represented by safety committees. The safety of employees is ensured at all production sites by the presence of health and safety committees manned by a total of 25 employees. This is 7% of the staff complement.



Injury rates & Absenteeism.

Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of workrelated fatalities, by region and by gender

Types of occupational illness

There are no particular occupational illnesses to report.

Total Recordable Incident Rate = 16.1

Incidents	2016/17	2015/2016	2014/2015
Incidents	3	0	1
Near-Incidents	10	3	7
Total Recordable Incident Rate	16.1	3.7	9.8

3 accidents, 10 near-accidents. Efforts to reduce accidents and near-accidents continue unabated. Holland Colours' policy is aimed at executing or structuring work and processes in such a way that personal injury and harm to a person's health are kept to a minimum. During this financial year, there were three workplace incidents and 10 near-incidents. In both cases an increase compared to the earlier years.

Lost Time Incident Rate: 3.7

Lost time	2016/17	2015/2016	2014/2015
Incidents	3	0	1
Lost Time Incident Rate	3.7	0.0	1.2

Accidents have led to 40 days of illness.

Sickness Ratio: 2.2

Sickness	2016/17	2015/2016	2014/2015
Sickness Ratio	2.2	2.2	1.9

The percentage of absence through illness fluctuated over the last three years around the 2% mark, with absence in Europe a standard one percent higher than in Americas and Asia.

Occupational Disease Ratio: 12.9

Occupational Diseases	2016/17	2015/2016	2014/2015
Incidents leading to injuries	3	3	1
Workdays lost, related to injuries	40	0	11
Occupational Disease Ratio	12.9	0	3.4

Work-related deaths

0

Since Holland Colours was founded, there have been no work-related deaths.



Workers with high risk.

Workers with high incidence or high risk of diseases related to their occupation.
Not applicable.



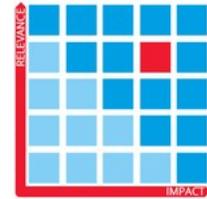
Formal agreements with trade unions.

Health and safety topics covered in formal agreements with trade unions.
Not reported.

TRAINING & EDUCATION

Important: Impact 4 - Relevance 4

Technology and innovation have a major influence on Holland Colours' operations. Business development, Marketing & Sales skills are key to successfully launch new developments on the highly competitive colorants market. To effectively anticipate functional, aesthetic, processing and commercial requirements, well-trained employees are essential. In our currently challenging and competitive business environment, learning and development has never been more important as a means to keep employees engaged and maintain our competitive advantage. Therefore Holland Colours continuously invest in learning and development.



Average hours of training per year per employee.

Subdivided by gender and by employee category.

25 hours per employee.

In the last year under review 2016/2017, around 9,500 hours were devoted to training and education. This is an average of 25 hours per employee. The increase is mainly due to the increase in training in the USA.



Skills management & lifelong learning.

Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

Not reported.



Performance & career development.

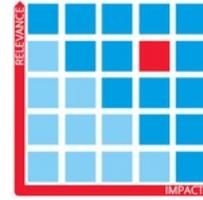
Percentage of employees receiving regular performance and career development reviews, subdivided by gender and by employee category.

Basically, work, progress and evaluation appraisals are conducted with all employees on a yearly basis.

DIVERSITY

Important: Impact 4 - Relevance 4

Holland Colours provides personal local service on a global scale and therefore embraces diversity (difference in all manner and form). Attention to diversity ensures a balanced composition of (management) teams. We believe that diversity leads to a desirable environment of creative thinking and better governance. Through balanced teams we work together and move projects forward, despite our personal differences.



Diversity & Equal opportunities.

Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

About 24% of employees are women. The underrepresentation of women is attributable to the large share of production employees at Holland Colours. Traditionally mostly men work in this occupational area. About 39% of management are women.



Equal remuneration.

Ratio of basic salary and remuneration of women to men. Subdivided by employee category, by significant locations of operation.

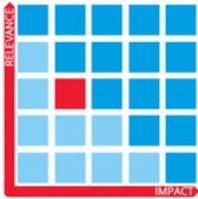
Not reported.

PROCUREMENT PRACTICES

Important: Impact 2 - Relevance 3

A business can exert influence by its choice of products and the raw materials that are purchased, and the right selection of suppliers. In view of the nature of the raw materials, the options for Holland Colours are limited. Nonetheless, Holland Colours takes account where possible of sustainability performance in the supplier chain in its choices.

Holland Colours is a relatively small purchaser in the global market, with a sometimes limited number of potential suppliers. Holland Colours therefore considers its influence on suppliers to be limited. Nonetheless, the organization aims to do business only with businesses that endorse our ethical values and our social and environmental standards.



Supplier assessment for labor practices.

Percentage of new suppliers that were screened using labor practices criteria.

Not reported.



Impacts for labor practices in the supply chain.

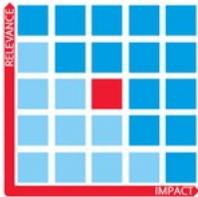
Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.

Not reported.

GRIEVANCE MECHANISMS

Important: Impact 3 - Relevance 3

Grievances can be grounds for complaints. Complaints are considered by Holland Colours as an indication that processes/procedures need to be more closely complied with and better managed. We do our utmost to prevent grievances on environmental, labour practices, human rights and societal impact.



Labor Practices Grievance Mechanisms.

Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.

Holland Colours makes use of a risk assessment & evaluation (RA&E) to foster safe and healthy work. All risks are assessed using the Fine & Kinney model, after which solutions and measures are implemented to prevent dangerous situations in the future. This year 7 new risks were identified and 5 risk measures were taken.

HUMAN RIGHTS

Important: Impact 3 - Relevance 3

Human rights are rights that must never be violated. Holland Colours has formulated policy in its **code of conduct** that internal staff are required to comply with. The organization expects the external suppliers to conduct themselves in accordance with those ethical values.

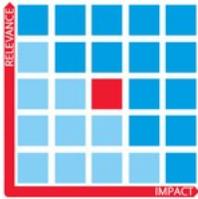
The organization endorses the OECD Guidelines for multinational enterprises and feels bound by the guidelines of the International Labour Organization (ILO).

Holland Colours operates in a global context, in which it is possible that the organization will be faced with problems and dilemmas such as child labor and discrimination. Holland Colours makes sure, insofar as it is able to do so, that there is no child labor or discrimination at its own locations, suppliers or customers.

Holland Colours deals with the aspect of Human Rights in its entirety. As with our peers from the materiality study, we do not split up Human Rights into aspects.

Please note

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Investments and Human Rights.

Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

Not reported.



Training on Human Rights.

Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

Not reported.



Non-discrimination.

Total number of incidents of discrimination and corrective actions taken.

We respect human rights and believe in equal opportunities notwithstanding gender, race, ethnic background, age, religion, sexual orientation or disability. Holland Colours will not tolerate discrimination or any other form of harassment in its operations. Employment, recruitment and promotion are based on skills, talent, experience and other professional criteria.



Freedom of Association & Collective Bargaining.

Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.

Not reported.



Child Labor.

Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.

Conforming to international guidelines, there is no forced or child labour within Holland Colours. We comply to the minimum age rules and employees receive appropriate wages.



Forced or Compulsory Labor.

Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.

Not reported.



Security Practices and Human Rights.

Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations.
Not reported.



Indigenous Rights.

Total number of incidents of violations involving rights of indigenous peoples and actions taken.
Not reported.



Human Rights assessment.

Total number and percentage of operations that have been subject to human rights reviews or impact assessments.
Not reported.

PROCUREMENT PRACTICES

Important: Impact 2 - Relevance 3

A business can exert influence by its choice of products and the raw materials that are purchased, and the right selection of suppliers. In view of the nature of the raw materials, the options for Holland Colours are limited. Nonetheless, Holland Colours takes account where possible of sustainability performance in the supplier chain in its choices.

Holland Colours is a relatively small purchaser in the global market, with a sometimes limited number of potential suppliers. Holland Colours therefore considers its influence on suppliers to be limited. Nonetheless, the organization aims to do business only with businesses that endorse our ethical values and our social and environmental standards.



New suppliers screened on Human Rights.

Percentage of new suppliers that were screened using human rights criteria.

Not reported.



Human Rights in the supply chain.

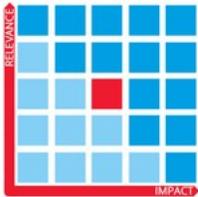
Significant actual and potential negative human rights impacts in the supply chain and actions taken.

Not reported.

GRIEVANCE MECHANISMS

Important: Impact 3 - Relevance 3

Grievances can be grounds for complaints. Complaints are considered by Holland Colours as an indication that processes/procedures need to be more closely complied with and better managed. We do our utmost to prevent grievances on environmental, labour practices, human rights and societal impact.



Human Rights Grievance Mechanisms.

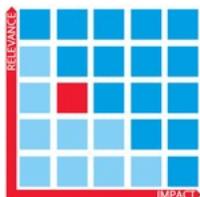
Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.

Not reported.

LOCAL COMMUNITIES

Unimportant: Impact 2 - Relevance 3

Holland Colours aims to be a good neighbour in its various localities. This means it responds positively to requests from local communities to contribute to their locality, as long as it fits with the company's strategy and fits within the budget. Holland Colours does not intend to actively approach local communities.



Local community engagement.

Percentage of operations with implemented local community engagement.

Not reported.



Negative impacts on local communities.

Operations with significant actual or potential negative impacts on local communities.

Not reported.

FAIR BUSINESS

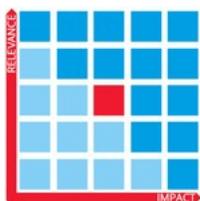
Important: Impact 3 - Relevance 3

Holland Colours aspires to being a successful business run with honesty. That means that corruption is not tolerated, authorities are not influenced and the competition is not hindered in a discourteous way.

Please note

The materiality study shows that stakeholders place a high value on honest business operations. Holland Colours reports on the aspect "Fair business" under the joint GRI aspects:

1. Anti-corruption
2. Policy towards authorities
3. Competition-restricting conduct



Risks related to corruption.

Total number and percentage of operations assessed for risks related to corruption.

Not reported.



Training on anti-corruption policies.

Communication and training on anti-corruption policies and procedures.

Not reported.



Incidents of corruption.

Confirmed incidents of corruption and actions taken.
Not reported.



Political contributions.

Total value of political contributions by country and recipient/beneficiary.
€ 0



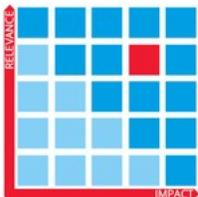
Legal actions for anti-competitive behavior.

Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.
0 (None)

COMPLIANCE

Important: Impact 4 - Relevance 4

The trust of our customers is crucial for the reputation of Holland Colours and its raison d'être. Holland Colours upholds all local laws and rules and insists on high ethical standards. All employees must commit to uphold these rules as stipulated in the [Code of Conduct](#).



Sanctions for non-compliance with laws.

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

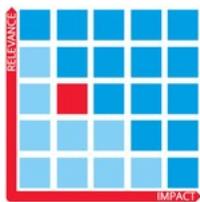
€ 0.-

PROCUREMENT PRACTICES

Important: Impact 2 - Relevance 3

A business can exert influence by its choice of products and the raw materials that are purchased, and the right selection of suppliers. In view of the nature of the raw materials, the options for Holland Colours are limited. Nonetheless, Holland Colours takes account where possible of sustainability performance in the supplier chain in its choices.

Holland Colours is a relatively small purchaser in the global market, with a sometimes limited number of potential suppliers. Holland Colours therefore considers its influence on suppliers to be limited. Nonetheless, the organization aims to do business only with businesses that endorse our ethical values and our social and environmental standards.



Supplier assessment for impacts on Society.

Percentage of new suppliers that were screened using criteria for impacts on society.
Not reported.



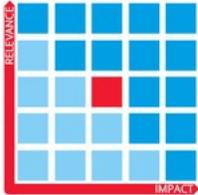
Impacts on Society in the supply chain.

Significant actual and potential negative impacts on society in the supply chain and actions taken.
Not reported.

GRIEVANCE MECHANISMS

Important: Impact 3 - Relevance 3

Grievances can be grounds for complaints. Complaints are considered by Holland Colours as an indication that processes/procedures need to be more closely complied with and better managed. We do our utmost to prevent grievances on environmental, labour practices, human rights and societal impact.



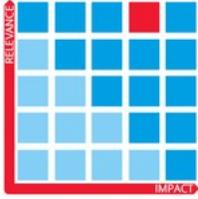
Grievance Mechanisms for Impacts on Society.

Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.
Not reported.

CUSTOMER HEALTH & SAFETY

Crucial: Impact 4 - Relevance 5

Being the caregivers within our industry trust from our customers is crucial. It forms the basis for our existence. We give our customer peace of mind by reassuring that the products they buy are safe for both their process workers and the final customer's ultimate end user. Our processes for mixing raw materials into final products serve to safeguard the health and safety of our customers.



Product improvement.

Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.

Our processes for transforming raw materials into final products serve to safeguard the health and safety of our customers. Controls are carried out on the chemical properties of raw materials, low-level exposure through the encapsulation of particulates in carrier materials, the selection of approved materials for customer-specific applications, quality assurance processes and sturdy packaging for shipping products.

Our plants in Hungary and the Netherlands as well as our site in Indonesia, are ISO 9001, ISO 14001 as well as OHSAS 18001 certified. In Richmond, our US site, we work with local standards, which are often higher than the stated ISO norms.

As of June 2015, all products must be labeled according to EU-GHS rules, containing recommendations for safe product use; moreover, customers will be provided with safety data sheets that comply with the REACH Regulation.

Customers demand sustainable and innovative products

Sustainability and innovation are closely connected at Holland Colours. Where possible, improvements are carried out to limit the impact on the environment throughout the life cycle. Customers must be able to use and trust our products. Holland Colours helps them where necessary to use the products more efficiently on their production lines.

Technology has a major impact on the operations of Holland Colours, on both expertise in or processing of pigments, chemistry or materials. This demands intensive contact with the market, from supplier to customer and from regulator to brand owner, in combination with the internal resources to reflect all developments in Holland Colours' products and processes quickly and adequately.



Non-compliance with regulations.

Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.

At Holland Colours, external audits are held annually by the competent authority. During one of these audits advice was given about several business processes, upon which procedures have been adapted and improvements have been implemented.

FAIR COMMUNICATIONS

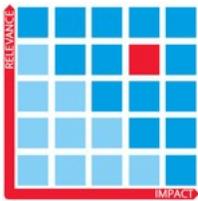
Important: Impact 4 - Relevance 4

Holland Colours aspires to being a successful business run with honesty. That means that corruption is not tolerated, authorities are not influenced and the competition is not hindered in a discourteous way.

Please note

The materiality study shows that stakeholders place a high value on honest and clear information. Which is why Holland Colours has added the aspect "Honest communication" to the materiality matrix under the joint GRI aspects:

1. Information provision on Products & Services
2. Marketing & Communication
3. Customer privacy



Product and Service Labeling.

Type of product and service information required by the organisation's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.

In specific applications, certain substances may not be permitted. We describe in the documents supplied how these products may and may not be used. The customer's local legislation forms the guiding principle here. Holland Colours does not have any control over the circumstances under which the products are stored or used. Holland Colours is therefore not able to justify the suitability for a certain purpose or that the products of its customers comply with statutory requirements. This is the responsibility of the customer as manufacturer.



Product and service information and labeling.

Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

Not reported.



Customer satisfaction.

Results of surveys measuring customer satisfaction.

Not reported.

The ambitions for 2019 state that Holland Colours aims to increase customer satisfaction.



Banned or disputed products.

Sale of banned or disputed products.

Not applicable.

Holland Colours does not use prohibited products or products that are controversial in that context. Holland Colours does not have any control over the circumstances under which the products are stored or used at customers. Holland Colours is therefore not able to justify the suitability for a certain purpose or that the products of its customers comply with statutory requirements. This is the responsibility of the customer as manufacturer.



Non-compliance with regulations concerning marketing communications.

Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.

Not relevant.



Complaints regarding breaches of customer privacy.

Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

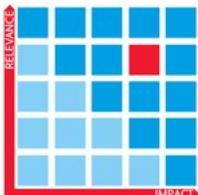
0 (Not applicable)

Holland Colours does not provide confidential information about its customers to third parties without the customer's permission.

COMPLIANCE

Important: Impact 4 - Relevance 4

The trust of our customers is crucial for the reputation of Holland Colours and its raison d'être. Holland Colours upholds all local laws and rules and insists on high ethical standards. All employees must commit to uphold these rules as stipulated in the [Code of Conduct](#).



Sanctions for non-compliance with laws concerning products and services.

Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

€ 0.-