

This document summarises Semperit Group's core values, principles, and standards for its suppliers concerning the production and delivery of goods and services according to recognised, globally applicable principles.

This document outlines the principles governing cooperation with all our suppliers around the world. Semperit's suppliers (hereinafter the "suppliers") accept and adopt these principles. Semperit encourages its business partners to communicate these guidelines to their employees as well as to their suppliers and ensure compliance. Moreover, we expect our business partners to observe all applicable laws and regulations.

Principles and objectives

Our principles are to ensure that our suppliers are collaborating with us in the pursuit of the highest business ethics and sustainability standards, including social and environmental responsibility in our supply chain. Semperit's Supplier Policy focuses in particular on the following topics:

1. People
2. SHE (safety, health, and environment)
3. Business ethics
4. Business and operational excellence

We expect suppliers to confirm steady and sustainable efforts in improving cost efficiency and performance across the supply chain. We will work closely with our suppliers who develop their business in harmony with the sustainability principles and respect towards the environment and society.

Labour Standards and human rights

Suppliers are obligated to respect applicable local labor law and ILO¹ as internationally recognized labor standards and human rights for all their employees and contracted labor ensuring they are being treated fairly with dignity and respect.

We, therefore, expect our suppliers to adopt the same high standards as Semperit:

- a. Suppliers are committed to creating and maintaining a work environment in which they follow high international social and labour standards (ILO), and comply with applicable local labour law. The following means might be used in order to prove compliance:
 - In case of an audit performed by a third party, the supplier will communicate the audit report (only the part related to the provisions of the Supplier Policy) to Semperit.
 - In case the supplier has its own internal audits, it will communicate the report to Semperit (only the part related to the provisions of the Supplier Policy) or Semperit will decide if, when, where and how a supplier audit should take place. Such audits will be in advance announced by Semperit.
- b. Suppliers pursue strict "no child labour" and "no forced or compulsory labour" policies, in full alignment with all relevant laws, including the UK Modern Slavery Act
- c. Suppliers set great value upon fair compensation at market rates, diversity respect, equal opportunity, and a healthy balance of work and social life.
- d. Suppliers will not tolerate any forms of discrimination. Equal opportunity shall apply to everybody regardless of age, gender, nationality, years of service, educational background, and others.

Safety, health, and environmental (SHE) standards

Semperit expects its suppliers to be proactive and responsible in safety, health, and environmental issues by complying with applicable laws relating to health, safety and

¹ <https://libguides.ilo.org/international-labour-standards-en/resources>

environment and generally strive to preempt any negative health, safety, and environmental impact.

Semperit shall always strive to minimise actually or potentially adverse effects on society, health, environment, and natural resources in its operations.

- a. Suppliers agree to identify, assess, and address SHE issues, risks, and impacts in their current and future operations.
- b. Suppliers shall heed all SHE features in their product design, process development, projects, and services.
- c. Suppliers shall proactively review and appropriately address any SHE concerns.
- d. Suppliers agree to manage transport efficiently to reduce risk, cost, and environmental impact.
- e. Semperit encourages its suppliers to define ambitious health and safety goals or adopt standards emphasising that no task is important enough to put anyone's health and safety at risk.

Business ethics

A sustainable and successful business relationship requires integrity and transparent business practice standards.

- a. Suppliers operate honestly and equitably throughout the supply chain obeying local laws, including but not limited to public and tax law, insider-trading, anti-corruption, anti-trust, anti-money-laundering, intellectual property protection, and data privacy at both corporate and personal levels.
- b. Suppliers are uncompromising in their integrity concerning all business activities. We expect from all our suppliers and their business partners a "zero tolerance" policy on bribery, fraud, and corruption as well as other illegal / frowned-upon practices.
- c. Suppliers commit to responsible sourcing by:
 - compliance with provisions defined in other sections of this document;
 - preference for certified suppliers and recycled products where practically possible and economically feasible
 - no conscious or negligent use of conflict resources or illegally exploited resources
 - observance of the Commission Recommendation (EU 2018 / 1149) for the identification of conflict-affected and high-risk areas and other supply chain risks under Regulation EU 2017 / 821 of the European Parliament and the Council as well as the

OECD due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas².

Business and operational excellence

- a. Commercial and technical competitiveness: Suppliers agree to engage, cooperate, and collaborate with Semperit in pursuing continuous improvement of cost-efficiency and process performance.
- b. Quality: Suppliers agree to follow international Quality Management Standards.
- c. Service: Suppliers agree to create a culture of service excellence. This includes meeting or exceeding customer expectations, anticipating needs, helping to ensure compliance with all applicable laws and regulations throughout our shared supply chain, as well as providing expertise as needed.
- d. Innovation: The capacity to innovate is an important, strategic sustainability feature in our supply chain as well as a major competitive advantage in our supplier partnerships. Correspondingly, our suppliers continuously rethink their business models, products, technologies, and processes in cooperation and joint development with Semperit.

Transparency/supply chain

- a. The supplier must have adequate processes in place to ensure traceability and ban of the conscious or negligent use of conflict materials and illegally exploited resources for any (raw)-materials delivered to it
- b. The supplier must have adequate processes to follow and document its supply chain if practically possible and economically feasible and if requested by Semperit.
- c. The supplier shall ensure that any subcontractor/supplier subcontractors being part of the supply chain relevant to the contractual relationship with Semperit also obeys the values and standards of this policy.
- d. The provisions mentioned above do not change the supplier's obligation to ask for Semperit's prior permission to use subcontractors if agreed between the parties.

Implementation/monitoring/amendments

It is the supplier's responsibility to ensure the implementation and maintenance of the standards and principles outlined in this policy and inform their employees and contractors on their respective rights and responsibilities. Semperit reserves the right to verify proper implementation of these standards and, in case of any violations, to take appropriate action, including STOP

² <https://www.oecd.org/corporate/mne/mining.htm>


of business:

- a. Semperit will verify compliance with the standards outlined in this document through personal meetings, self-assessment questionnaires, company visits, and audits.
- b. In case of non-compliance, Semperit will work with suppliers to ensure they implement improvement plans and take corrective actions.
- c. Semperit will work with all its key suppliers on continuously monitoring and evaluating their cost, quality, reliability, and SHE performance.
- d. Suppliers agree to adopt similar principles close to those outlined here in dealing with their respective suppliers and business partners.
- e. Suppliers work on a business continuity plan detailing procedure with recovery plans to mitigate supply chain risks.

Semperit works closely with its suppliers to realise the full synergy and value of our relationships. Semperit understands that a successful partnership is based on mutual trust and open communication which includes working towards the highest sustainability standards along the supply chain. Semperit encourages its suppliers to take responsibility for the joint future. To determine whether revisions may be required due to changes in law or regulations, applicable standards (ILO, OECD, all other internal standards mentioned before, changes in the business or legal environment), Semperit reviews the supplier policy periodically. Thus, it reserves the right to change this policy accordingly.

BY ACCEPTING THIS DOCUMENT, THE SUPPLIER ACCEPTS SEMPERIT'S VALUES AND STANDARDS AND IS

OBLIGED TO COMPLY WITH THEM DURING THE CONTRACTUAL RELATIONSHIP WITH SEMPERIT. ANY VIOLATION OF THIS POLICY WILL THUS BE DEEMED AS A SEVERE BREACH OF CONTRACT WHICH ENTITLES SEMPERIT TO WITHDRAW FROM THE CONTRACT UNLESS THE SUPPLIER MANAGES AFTER BEING GRANTED A REASONABLE PERIOD OF GRACE TO ELIMINATE / RESOLVE THE CIRCUMSTANCES / ISSUES WHICH LED TO NON-COMPLIANCE WITHIN SUCH PERIOD. HOWEVER, IN CASE OF DELIBERATE OR REPEATED NON-COMPLIANCE OR IN CASE SEMPERIT'S BUSINESS AND OR REPUTATION MIGHT BE AFFECTED BY THE NON-COMPLIANCE OF THE SUPPLIER, SEMPERIT IS ENTITLED TO WITHDRAW FROM THE CONTRACT WITH IMMEDIATE EFFECT (I.E. WITHOUT NECESSITY TO ALLOW FOR A PERIOD OF GRACE BEFORE WITHDRAWAL).



For the Board
Martin Füllenbach
CEO Semperit AG